STRICTLY CONFIDENTIAL – DO NOT FORWARD

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached pre-numbered preliminary placement document of IndiaMART InterMESH Limited (the "**Company**") in relation to the proposed qualified institutions placement of the equity shares of the Company ("**Preliminary Placement Document**"). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Preliminary Placement Document. In accessing the Preliminary Placement Document, you acknowledge and agree to be bound by the following restrictions, terms and conditions, including any modifications to it from time to time, each time you receive any information from us as a result of such access. **You acknowledge that access to the attached Preliminary Placement Document is intended for use by you only and you agree not to forward this on to any other person, internal or external, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person, other than to your affiliates and our and their respective members, directors, officers, employees, agents, advisors and funding sources (on a need to know basis).**

THE PRELIMINARY PLACEMENT DOCUMENT MAY NOT BE DOWNLOADED, FORWARDED OR DISTRIBUTED, IN WHOLE OR IN PART, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED, IN WHOLE OR IN PART, TO ANY U.S. ADDRESS. ANY DOWNLOADING, FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT") OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

INVESTING IN THE EQUITY SHARES DESCRIBED IN THE PRELIMINARY PLACEMENT DOCUMENT INVOLVES RISKS AND YOU SHOULD NOT INVEST ANY FUNDS IN THE EQUITY SHARES, UNLESS YOU ARE PREPARED TO RISK LOSING ALL OR PART OF YOUR INVESTMENT. YOU ARE ADVISED TO CAREFULLY READ THE SECTION TITLED "RISK FACTORS" AS WELL AS INFORMATION CONTAINED ELSEWHERE IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT BEFORE MAKING AN INVESTMENT DECISION.

Confirmation of Your Representation: You are accessing the attached Preliminary Placement Document on the basis that you have confirmed your representation, agreement and acknowledgement to each of ICICI Securities Limited, Edelweiss Financial Services Limited and Jefferies India Private Limited (the "**Book Running Lead Managers**") and to the Company that (1) (i) you received the attached Preliminary Placement Document; (ii) you are not a resident in a country where delivery of the Preliminary Placement Document by electronic transmission may not be lawfully made in accordance with the laws of the applicable jurisdiction; (iii) (a) you are both a "qualified institutional buyer" as defined in Rule 144A under the Securities Act and a "qualified purchaser" as defined under the U.S. Investment Company Act of 1940 (the "**U.S. Investment Company Act**") in transactions exempt from or not subject to the registration requirements of the Securities Act in reliance upon Section 3(c)(7) of the U.S. Investment Company Act; OR (b) you are a non-U.S. person outside the United States, nor a person acquiring for the account or benefit of U.S. persons, and to the extent you subscribe to or purchase the Equity Shares described in the attached Preliminary Placement Document, you are doing so in an offshore transaction pursuant to Regulation S under the Securities Act; AND (2) you consent to delivery of the attached Preliminary Placement Document and any amendments or supplements thereto by electronic transmission.

The attached Preliminary Placement Document has been made available to you in electronic form. You are reminded that documents transmitted through this medium may be altered or changed during the process of transmission and consequently none of the Company or the Book Running Lead Managers or any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the Preliminary Placement Document distributed to you in electronic form and the physical copy. We will provide a physical copy to you upon request.

Restrictions: The attached Preliminary Placement Document is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling you, as a Bidder, to consider the subscription to or purchase of the Equity Shares described in this Preliminary Placement Document. An investment decision should only be made on the basis of the attached Preliminary Placement Document. In making an investment decision, investors must rely on their own examination of the merits and risks involved. No representation or warranty, express or implied is made or given by or on behalf of any of the Book Running Lead Managers named herein, or any person who controls it or any director, officer, employee, agent or representative of it or affiliate of such person as to the accuracy, completeness or fairness of the information or opinions contained in the attached Preliminary Placement Document and such persons do not accept responsibility or liability for any such information or opinions.

THE EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such issue is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation or solicitation by or on behalf of the Company or any of the Book Running Lead Managers to subscribe to or purchase, the Equity Shares described therein, and access has been limited so that it shall not constitute a general advertisement or solicitation in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Book Running Lead Managers or any of their affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by Book Running Lead Managers or their eligible affiliates on behalf of the Company in such jurisdiction.

You are reminded that you have accessed the attached Preliminary Placement Document on the basis that you are a person into whose possession the Preliminary Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not and you are not authorized to deliver or forward this document, electronically or otherwise, to any other person, other than to our affiliates and our and their respective members, directors, officers, employees, agents, advisors and funding sources (on a need to know basis). The materials relating to the offering of Equity Shares referred to in this Preliminary Placement Document do not constitute, and may not be used in connection with, an offer, invitation to offer or solicitation in any place where offers, invitations to offer or solicitations are not permitted by law. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to subscribe to or purchase the Equity Shares described therein.

This e-mail and the attached Preliminary Placement Document are intended only for use by the addressee named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail or the attached Preliminary Placement Document, you are hereby notified that any dissemination, distribution or copying of this e-mail or the attached Preliminary Placement Document is strictly prohibited. If you have received this e-mail and the attached Preliminary Placement Document in error, please immediately notify us by reply email and destroy any printouts of the e-mail and this Preliminary Placement Document.

Actions that You May Not Take: You should not reply by e-mail to this announcement, and you may not subscribe to or purchase any Equity Shares by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored, rejected or deleted, except as specified above.

YOU ARE NOT AUTHORIZED TO, AND YOU MAY NOT, FORWARD OR DELIVER THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT, ELECTRONICALLY OR OTHERWISE, OR DISCLOSE THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON OR REPRODUCE IN WHOLE OR IN PART SUCH PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Preliminary Placement Document
Not for circulation
Private and confidential
Serial No. ___

This Preliminary Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made through this Preliminary Placement Document to the public or any other categories of investors other than the Eligible QIBs. This Preliminary Placement Document is not an offer to sell securities, and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale is not permitted. The information in this Preliminary Placement Document is not complete and may be changed.

indiamart

IndiaMART InterMESH LIMITED

Our Company was incorporated in New Delhi as 'IndiaMART InterMESH Limited' on September 13, 1999, as a public limited company under the Companies Act, 1956, with a certificate of incorporation granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana.

Corporate Identity Number: L74899DL1999PLC101534
Registered Office: 1st Floor, 29 Daryaganj, Netaji Subhash Marg, New Delhi 110 002, India; **Tel. No.**: +91 11 4999 5600;
Corporate Office: 6th Floor, Tower 2, Assotech Business Cresterra, Plot No. 22, Sector 135, Noida 201 305, Uttar Pradesh, India; **Tel. No.**: +91 120 6777 777;
Website: www.indiamart.com; **E-mail**: cs@indiamart.com

Issue of up to [●] equity shares of face value of ₹10 each ("**Equity Shares**") at a price of ₹[●] per Equity Share, including a premium of ₹[●] per Equity Share ("**Issue Price**"), aggregating up to ₹[●] million ("**Issue**")*. For further details, see "***Summary of the Issue***" on page 27.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("**SEBI ICDR REGULATIONS**"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED ("**PAS RULES**"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND THE RULES MADE THEREUNDER ("**COMPANIES ACT, 2013**").

** The Promoters have informed the Company that they may, subject to market conditions and receipt of approvals required, including under our insider trading policy, and in compliance with applicable law, undertake a secondary sale of Equity Shares held by them, aggregating up to 2% of the pre-Issue share capital of the Company, post completion of the Issue.*

The Equity Shares of our Company are listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on NSE and BSE as on February 16, 2021 were ₹8,855.85 and ₹8,856.95 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to the Issue, from each of BSE and NSE on February 17, 2021. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED BELOW) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS ("QIBs"). YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 35 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/ OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/ OR LEGAL ADVISOR.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**"), within the stipulated period as required under the Companies Act, 2013 and PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, please see "***Issue Procedure***" on page 157. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make no any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on the websites of our Company, or any other website directly or indirectly linked to the websites of our Company, or the respective websites of the Book Running Lead Managers (as defined hereinafter) or their respective affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **"U.S. Securities Act"**) or any other applicable law of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the U.S. Securities Act ("**U.S. Persons**") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") in reliance on Section 3(c)(7) of the U.S. Investment Company Act, and investors will not be entitled to the benefits of the U.S. Investment Company Act. Accordingly, the Equity Shares are only being offered and sold (a) to persons in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Preliminary Placement Document as "**U.S. QIBs**" and for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs") and "qualified purchasers" (as defined under the U.S. Investment Company Act and referred to in this Preliminary Placement Document as "**QPs**") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and in reliance upon Section 3(c)(7) of the U.S. Investment Company Act; or (b) outside the United States to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares are not transferable except in accordance with the restrictions described under the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 173 and 183, respectively.

ICICI Securities	Edelweiss Ideas create, values protect	Jefferies
ICICI Securities Limited	**Edelweiss Financial Services Limited**	**Jefferies India Private Limited**

This Preliminary Placement Document is dated February 17, 2021.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to our best knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to us and the Equity Shares that is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to us and the Equity Shares are, in every material respect, true and accurate and not misleading. The opinions and intentions expressed in this Preliminary Placement Document with regard to us and the Equity Shares to be issued pursuant to the Issue are honestly held, have been reached after considering all relevant circumstances, are based on reasonable assumptions and information presently available to us. There are no other facts in relation to us and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Preliminary Placement Document has been provided by the Company and other sources identified herein.

The Book Running Lead Managers have not separately verified all the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, employees, counsels, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or by any of their respective shareholders, employees, counsels, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with us or the Equity Shares or distribution of this Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on either the Book Running Lead Managers or on any of their respective shareholders, employees, counsels, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, the Subsidiaries and the Associates and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorized to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or the Book Running Lead Managers. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as on any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

Subscribers and purchasers of the Equity Shares will be deemed to have made the representations, warranties, acknowledgments and agreements set forth in the sections "***Representations by Investors***" and "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 5, 173 and 183, respectively, of this Preliminary Placement Document.

This Preliminary Placement Document is being provided only to Eligible QIBs specified by the Book Running Lead Managers or their respective representatives, and those retained by such Eligible QIBs to advise them with respect to their purchase of the Equity Shares. Within the United States, this Preliminary Placement Document is being provided only to persons that are both U.S. QIBs and QPs. Distribution of this Preliminary Placement Document to any person other than the offeree specified by the Book Running Lead Managers or their respective representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without prior written consent of the Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each Bidder, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

The distribution of this Preliminary Placement Document and the offering of the Equity Shares may be restricted by law in certain countries or jurisdictions. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "***Selling Restrictions***" on page 173.

In making an investment decision, prospective investors must rely on their own examination of our Company, the Subsidiaries and the Associates and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document or the Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsels and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any investor, subscriber, offeree or purchaser of the Equity Shares regarding the legality or suitability of an investment in the Equity Shares by such investor, subscriber, offeree or purchaser under applicable laws or regulations. Prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial advisor and/or legal advisor.

Each investor, subscriber, offeree or purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and it is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares.

This Preliminary Placement Document does not purport to contain all the information that any Eligible QIB may require. Further, this Preliminary Placement Document has been prepared for information purposes to the Issue only and upon the express understanding that it will be used for the purposes set forth herein.

The Company does not undertake to update the Placement Document to reflect subsequent events after the date of the Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

The information available on or through our Company's website (www.indiamart.com), or any website directly or indirectly linked to the website of our Company, or the respective websites of the Book Running Lead Managers, or their respective affiliates, does not constitute or forms part of this Preliminary Placement Document and prospective investors should not rely on the information contained in or available through any such websites. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been approved, disapproved or recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Preliminary Placement Document or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investors must rely on their own examination of our Company and the terms of the offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance on Section 3(c)(7) of the U.S. Investment Company Act, and investors will not be entitled to the benefits of the U.S. Investment

Company Act. Accordingly, the Equity Shares are only being offered and sold (a) to persons in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both U.S. QIBs and QPs in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and in reliance on Section 3(c)(7) of the U.S. Investment Company Act; or (b) outside the United Stated to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a *bona fide* sale on BSE or NSE). See "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 173 and 183.

As we are relying on an analysis that our Company does not come within the definition of an "investment company" under the U.S. Investment Company Act because of the exception provided under section 3(c)(7) thereunder, our Company may be considered a "covered fund" as defined in the Volcker Rule. See "***Risk Factors – U.S. regulation of investment activities may negatively affect the ability of banking entities to purchase our Equity Shares***" on page 59.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Preliminary Placement Document has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129, as applicable in the Relevant Member State (as defined below) (each a "**Relevant Member State**"). Accordingly, any person making or intending to make an offer within the European Economic Area ("**EEA**") of Equity Shares which are the subject of the placement contemplated in this Preliminary Placement Document should only do so in circumstances in which no obligation arises for our Company or any of the Book Running Lead Managers to produce a prospectus for such offer. None of our Company and the Book Running Lead Managers have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Book Running Lead Managers which constitute the final placement of Equity Shares contemplated in this Preliminary Placement Document.

Information to Distributors (as defined below)

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**target market assessment**"). Notwithstanding the target market assessment, distributors should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The target market assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue. Furthermore, it is noted that, notwithstanding the target market assessment, the Book Running Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Preliminary Placement Document has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression "UK Prospectus Regulation" means Prospectus Regulation (EU) 2017/1129, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Accordingly, any person making or intending to make an offer within the United Kingdom of Equity Shares which are the subject of the placement contemplated in this Preliminary Placement Document should only do so in circumstances in which no obligation arises for our Company or any of the Book Running Lead Managers to produce a prospectus for such offer. None of our Company and the Book Running Lead Managers have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Book Running Lead Managers which constitute the final placement of Equity Shares contemplated in this Preliminary Placement Document.

Information to Distributors (as defined below)

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook ("**PROD**") (the "**UK MiFIR Product Governance Rules**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of: (a) investors who meet the criteria of professional clients as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), (b) eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and (c) retail clients who do not meet the definition of professional client under (b) or eligible counterparty per (c); and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the "**target market assessment**"). Notwithstanding the target market assessment, distributors should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The target market assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue. Furthermore, it is noted that, notwithstanding the target market assessment, the Book Running Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS 9A and COBS 10A respectively; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

NOTICE TO INVESTORS IN CANADA

Prospective Canadian investors are advised that the information contained within this Preliminary Placement Document has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within this Preliminary Placement Document and as to the suitability of an investment in the Equity Shares in their particular circumstances. For more information, see the section entitled "***Selling Restrictions – Canada***" on page 174.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information relating to investors in certain other jurisdictions, see the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 173 and 183, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares under the Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Managers, as follows:

1. you are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable laws in this relation, including reporting obligations/ making necessary filings, if any, with appropriate regulatory authorities including RBI, in connection with the Issue or otherwise in relation to accessing the capital markets;

2. you are eligible to invest in India under applicable laws, including the FEMA Non-Debt Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by the SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

3. you are not an affiliate of our Company, or a person acting on behalf of an affiliate of our Company;

4. if you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable laws, including the FEMA Non-Debt Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory or statutory authority or otherwise, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;

5. you will provide the information as required under the Companies Act, 2013, the PAS Rules and applicable SEBI regulations for record keeping by our Company, including your name, complete address, phone number, e-mail address, PAN and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

6. if you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares for a period of one year from the date of Allotment (hereinafter defined), except on the floor of the Stock Exchanges;

7. you are aware that this Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document has not been reviewed, verified or affirmed by the SEBI, the RBI, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document and the Placement Document shall be filed with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

8. you are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and approvals, governmental or otherwise, and authorities and complied and shall comply with all necessary formalities to enable you to commit to and participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honor such obligations;

9. neither our Company, the Book Running Lead Managers nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Managers.

Neither the Book Running Lead Managers nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

10. your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, which is not set forth in this Preliminary Placement Document;

11. all statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. None of our Company, the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

12. you are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis in the manner set forth herein and are not being offered to the general public, and the Allotment shall be on a discretionary basis at the sole discretion of our Company in consultation with the Book Running Lead Managers. Eligible QIBs do not have the right of renunciation with respect to Equity Shares proposed to be issued;

13. you are aware that the Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including the right to receive all dividend and other distributions declared, made or paid in respect of the Equity Shares after the date of issue of the Equity Shares, as applicable;

14. you have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under "***Selling Restrictions***", "***Transfer Restriction - Equity Shares Offered and Sold within the United States***" and "***Transfer Restrictions - All Other Equity Shares Offered and Sold in the Issue***" on pages 173, 183 and 186, respectively;

15. you have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including in particular the "***Risk Factors***" on page 35;

16. in making your investment decision, you have (i) relied on your own examination of our Company, the Subsidiaries and the Associates and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company, the Subsidiaries and the Associates and the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information as is publically available and contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

17. neither our Company nor the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against our Company

or any of the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

18. you are a sophisticated and informed investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered, including losses arising out of non-performance by our Company or the Book Running Lead Managers of any of its respective obligations or any breach of any representations and warranties by our Company or the Book Running Lead Managers, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to / acquire the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

19. if you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

20. you are not a "promoter" of our Company (as defined under Section 2(69) of the Companies Act, 2013 and under the SEBI ICDR Regulations), and are not a person related to any of the Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoter or Promoter Group of our Company or persons or entities related thereto. In terms of Regulation 179(2)(b) of the SEBI ICDR Regulations, a person related to any of the Promoters shall mean a QIB who has: (a) rights under a shareholders' agreement or voting agreement entered into with any of our Promoters or Promoter Group of our Company; (b) veto rights; or (c) right to appoint any nominee director on the board of our Company, and shall not include a QIB who does not hold any shares in the Company and has acquired his rights in the capacity of a lender;

21. you have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to the Promoters);

22. you have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined herein);

23. you are eligible to Bid for and hold Equity Shares Allotted together with any Equity Shares held by you prior to the Issue. Your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable laws;

24. the Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations;

25. to the best of your knowledge and belief, your aggregate holding, together with other Eligible QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

    i. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, among an Eligible QIBs, its subsidiary or holding company and any other QIB; and

ii. "Control" shall have the same meaning as is assigned to it under the SEBI Takeover Regulations.

26. you are aware that after Allotment, final applications will be made for obtaining listing and trading approvals from the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither, our Company nor the Book Running Lead Managers nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

27. you shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

28. you are aware that in terms of the requirements of the Companies Act, 2013, upon Allocation, the Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

29. you agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

30. you are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges;

31. you are aware that if you together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their websites and you consent to such disclosures being made by our Company;

32. you are aware that in terms of the SEBI FPI Regulations and the FEMA Non-Debt Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing individual and aggregate investment limits for an FPI in our Company are 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the sectoral cap applicable to our Company in accordance with the FEMA Non-Debt Rules, respectively. In terms of the FDI Policy and the FEMA Non-Debt Rules, 100% foreign investment is permitted under the automatic route in B2B e-commerce activities sector subject to compliance with the attendant conditionalities prescribed under the FDI Policy and the FEMA Non-Debt Rules. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

33. you are eligible to invest in and hold the Equity Shares of our Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendment to the FEMA Non-Debt Rules, wherein an entity of a country which shares a land border with India or the beneficial owner an investment into India who is situated in or is a citizen of any such country, can only make investments through the Government approval

route, as prescribed in the FEMA Non-Debt Rules;

34. you are aware and understand that the Book Running Lead Managers have entered into a placement agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

35. the contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Book Running Lead Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

36. neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

37. you are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in the Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

38. any dispute arising in connection with the Issue will be governed and construed in accordance with the laws of the Republic of India, and the courts in New Delhi, India, shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document;

39. you confirm that, either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents ("**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations; (a) you understand and acknowledge that the Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such meetings or Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such meetings or Company Presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

40. each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the

managed accounts;

41. you are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a Successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its sole discretion, in consultation with the Book Running Lead Managers; and

42. our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals, including in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**SEBI FPI Regulations**") and the Operating Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued by SEBI to facilitate implementation of the SEBI FPI Regulations, FPIs, including the affiliates of the Book Running Lead Managers, who are registered as category I FPI may issue, subscribe and otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit the same with SEBI by way of electronic transfer in the designated bank account of SEBI. Such P-Notes can be issued subject to compliance with the KYC norms and such other conditions as specified by SEBI from time to time, including payment of applicable regulatory fee. P-Notes have not been, and are not being, offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital. These investment restrictions also apply similarly to subscribers of offshore derivative instruments. Two or more subscribers of offshore derivative instruments having common ownership of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. In the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company. Pursuant to a circular dated November 5, 2019, the SEBI has issued certain operational guidelines to facilitate implementation of the SEBI FPI Regulations.

All investments made by a non-resident entity in India shall be subject to the FDI Policy. Further, any investments where the beneficial owner of the Equity Shares is situated in or is a citizen or is an entity of a country which shares land border with India, can only be made through the Government approval route as specified in the FDI Policy.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of or claims on the Book Running Lead Managers. Respective affiliates of the Book Running Lead Managers which are Eligible FPIs may purchase the Equity Shares in the Issue, and may issue P-Notes in respect thereof, in each case to the extent permitted by applicable law.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures from the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

2. warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, the Promoters, the management or any scheme or project of our Company.

It should not, for any reason, be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/ acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS

Certain Conventions

In this Preliminary Placement Document, unless the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "subscriber", "recipient" "investors" and "potential investor" are to the Eligible QIBs who are prospective investors in the Issue, references to "the Company", "our Company", "the Issuer" are to IndiaMART InterMESH Limited, and references to "we", "our" or "us" are to IndiaMART InterMESH Limited, together with its Subsidiaries and Associates, on a consolidated basis as at respective Fiscal ends.

In this Preliminary Placement Document, references to "US$", "USD" and "U.S. dollars" are to the legal currency of the United States, and references to "₹", "Rs.", "INR" "Indian Rupees" and "Rupees" are to the legal currency of the Republic of India. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and the "Government", "GoI", the "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Preliminary Placement Document in "million" units. One million represents 1,000,000.

Financial and Other Information

In this Preliminary Placement Document, we have included the following financial statements prepared under Ind AS:

a. the audited consolidated financial statements for Fiscal 2018 of our Company and its subsidiaries comprising the consolidated balance sheet as at March 31, 2018, and the consolidated statement of profit and loss (including other comprehensive income (loss)), and the consolidated statement of changes in equity and the consolidated statement of cash flow for the year ended March 31, 2018 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information ("**Fiscal 2018 Audited Consolidated Financial Statements**");

b. the audited consolidated financial statements for Fiscal 2019 of our Company and its subsidiaries comprising the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss (including other comprehensive income (loss)), and the consolidated statement of changes in equity and the consolidated statement of cash flow for the year ended March 31, 2019 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information ("**Fiscal 2019 Audited Consolidated Financial Statements**");

c. the audited consolidated financial statements for Fiscal 2020 of our Company, its subsidiaries and associate comprising the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss (including other comprehensive income (loss)), and the consolidated statement of changes in equity and the consolidated statement of cash flow for the year ended March 31, 2020 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information ("**Fiscal 2020 Audited Consolidated Financial Statements**" and collectively with Fiscal 2018 Audited Consolidated Financial Statements and Fiscal 2019 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**"); and

d. the audited condensed consolidated interim financial statements of our Company, its subsidiaries and associates comprising the condensed consolidated interim balance sheet as at December 31, 2020, the condensed consolidated interim statement of profit and loss (including other comprehensive income (loss)) for the quarter and nine months ended December 31, 2020, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flow for the nine months ended December 31, 2020 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information (the "**Interim Audited Consolidated Financial Statements**") and the audited statement of consolidated financial results of our Company, its subsidiaries and associates for the quarter and nine months ended December 31, 2020 read along with the notes thereto (the "**Statement of Audited Financial Results**").

The Fiscal 2018 Audited Consolidated Financial Statements and the Fiscal 2019 Audited Consolidated Financial Statements were audited by S.R. Batliboi & Associates LLP, Chartered Accountants, the Previous Auditors, while the Fiscal 2020 Audited Consolidated Financial Statements, Interim Audited Consolidated Financial Statements and the Statement of Audited Financial Results were audited by B S R & Co. LLP, Chartered Accountants, the Statutory Auditors.

In addition, Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its Audited Consolidated Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements, the Interim Audited Consolidated Financial Statements and the Statement of Audited Financial Results, as included in this Preliminary Placement Document, prepared in accordance with Ind AS, will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

Unless the context otherwise requires, financial numbers included in this Preliminary Placement Document have been derived from the Audited Consolidated Financial Statements, the Interim Audited Consolidated Financial Statements and the Statement of Audited Financial Results.

The Interim Audited Consolidated Financial Statements for the nine months ended December 31, 2020 is not indicative of future results and are not comparable with the annual Audited Consolidated Financial Statements.

For further information, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations"*** on page 78.

All numerical and financial information as set out and presented in this Preliminary Placement Document, except for the information in the section "***Industry Overview***" on page 105, for the sake of consistency and convenience have been rounded off or expressed in two decimal place in ₹ million or expressed in whole figures. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The fiscal year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular "Financial Year", "Fiscal Year", "Fiscal" or "FY" are to the twelve month period ended on March 31 of that year.

Certain non-GAAP financial measures and certain other statistical information such as interest coverage ratio, Adjusted EBITDA and Adjusted EBITDA Margin relating to our operations and financial performance have been included in this Preliminary Placement Document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across our industry and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

We have adopted Ind AS 115 - "Revenue from Contracts with Customers" ("**Ind AS 115**"), on a modified retrospective basis, effective reporting periods beginning on or after April 1, 2018 which does not require earlier periods to be restated. Transition adjustments arising from the adoption of Ind AS 115 have been recognised in retained earnings as of April 1, 2018 and the same has been given effect to in the Audited Consolidated Financial Statements prepared on or after March 31, 2019.

On March 30, 2019, the MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116 – "Leases". The amendment rules are effective from reporting periods beginning on or after April 1, 2019. This standard replaces current guidance under Ind AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model (refer Note 5B to Fiscal 2020 Audited Consolidated Financial Statements for details).

Except as disclosed above, there have been no changes in our accounting policies for the three fiscals and the nine months ended December 31, 2020.

All numerical and financial information as set out and presented in this Preliminary Placement Document, except for the information in the section "***Industry Overview***", for the sake of consistency and convenience have been rounded off or expressed in whole figures. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, professional organizations, from other external sources and knowledge of the markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*MSME Digitization Opportunities in India*" dated February 15, 2021 ("**RedSeer Report**"), which is a report commissioned by our Company from RedSeer Management Consulting Private Limited ("**RedSeer Consulting**"). RedSeer Consulting has issued the following disclaimer in the RedSeer Report:

"*While we have made every attempt to ensure that the information contained in this report has been obtained from reliable sources, all data and information provided in this report is intended solely for information purposes and general guidance on matters of interest for the personal use of the reader, who shall accept full responsibility for its use. The names, photographs and consumer quotes used are only for indicative/ informational purposes and does not have any significance to a particular person.*

RedSeer Consulting does and seeks to do business with companies covered in its research reports. As a result, readers should be aware that RedSeer Consulting may have a conflict of interest that could affect the objectivity of the report.

All information in this report is provided "as is", with no guarantee of completeness, accuracy, of the results obtained from the use of this information, and without warranty of any kind, express or implied, including, but not limited to warranties of performance, merchantability and fitness for a particular purpose. Given the changing nature of laws and the inherent hazards of electronic communication, there may be delays, omissions or inaccuracies in the information contained in this report. Accordingly, the information in the report is provided with the understanding that the authors herein are not engaged in rendering legal, accounting, tax, or other professional advice or services. As such, it should not be used as a substitute for consultation with professional advisers. The report cannot be sold for consideration, within or outside India, without the express written permission of RedSeer Consulting.

In no event shall RedSeer Consulting or its partners, employees or agents, be liable to you or anyone else for any decision made or action taken in reliance on the information in this report or for any errors, omissions, or delays in the content of this report or any losses, injuries, or damages including any incidental or any consequential, special or similar loss or damages, arising out of, or in connection with the use of the report.

Confidentiality Notice: The report contains information that may be confidential and proprietary. Unless you are the intended recipient (or authorized to receive this document for the intended recipient), you may not use, copy, disseminate or disclose to anyone the message or any information contained in the document. The report is prepared for our client's use, submission and sharing with the relevant parties as well as for inclusion in the placement documents.

QUALIFICATIONS, ASSUMPTIONS AND LIMITING CONDITIONS

This report is for the exclusive use of the RedSeer client named herein. This report is not intended for general circulation or publication, nor is it to be reproduced, quoted or distributed for any purpose without the prior written permission of RedSeer. There are no third-party beneficiaries with respect to this report, and RedSeer does not accept any liability to any third party.

Information furnished by others, upon which all or portions of this report are based, is believed to be reliable but has not been independently verified, unless otherwise expressly indicated. Public information and industry and statistical data are from sources we deem to be reliable; however, we make no representation as to the accuracy or completeness of such information. The findings contained in this report may contain predictions based on current data and historical trends. Any such predictions are subject to inherent risks and uncertainties. RedSeer accepts no responsibility for actual results or future events.

The opinions expressed in this report are valid only for the purpose stated herein and as of the date of this report. No obligation is assumed to revise this report to reflect changes, events or conditions, which occur subsequent to the date hereof.

All decisions in connection with the implementation or use of advice or recommendations contained in this report are the sole responsibility of the client. This report does not represent investment advice nor does it provide an opinion regarding the fairness of any transaction to any and all parties."

Accordingly, neither the accuracy nor completeness of information contained in the RedSeer Report is guaranteed. The opinions expressed are not recommendation to buy, sell or hold an instrument. The RedSeer Report is not exhaustive, and is subject to various limitations, and is based upon certain assumptions that are subjective in nature. While our Company has no reason to believe the data and statistics in the RedSeer Report are incorrect, our Company cannot assure you that it is accurate, complete or reliable and, therefore, our Company makes no representation or warranty, express or implied, as to the accuracy, completeness or reliability of such data or statistics. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made on the basis of such information.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither we nor the Book Running Lead Managers have independently verified such industry and market data and do not make any representation regarding the accuracy or completeness of such data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Book Running Lead Managers can assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends solely on the reader's familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – This Preliminary Placement Document contains information from RedSeer Consulting which we have commissioned***" on page 49. Thus, neither our Company nor the Book Running Lead Managers can assure you of the correctness, accuracy and completeness of such data. Accordingly, investment decisions should not be based solely on such information.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "can", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "seek", "shall", "should", "will", "would" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements and any other projections contained in this Preliminary Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from any of the forward-looking statements include, among others:

- significant operating losses incurred in the past;
- present and future impact of the novel coronavirus or any future pandemic or widespread public health emergency;
- inability to maintain a critical mass of the suppliers and buyers on our marketplace;
- competition from new and existing companies;
- inability to retain existing paying subscription suppliers or attract new paying subscription suppliers;
- risk exposure associated with online security and fraud;
- dependence on Indian suppliers purchasing our paid services to earn most of our revenue;
- allegations, lawsuits or negative publicity claiming items listed and content available on our online marketplace are pirated, counterfeit or illegal;
- factors that negatively affect the growth and profitability of the online commerce industry in India or the internet as a medium for commerce in India; and
- risks associated with investments, acquisitions, licensing arrangements and partnerships.

Additional factors that could cause actual results, performance or achievements to differ materially include but are not limited to, those discussed under "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Industry Overview***" and "***Business***" on pages 35, 78, 105 and 118, respectively. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document. Our Company and the Book Running Lead Managers expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in our Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. The Key Managerial Personnel and majority of the Directors are residents of India. A significant portion of our assets are located in India. As a result, it may be difficult for the investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments and execution of a foreign judgment is provided for under Sections 13 and 44A respectively, of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**") on a statutory basis.

Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud, or (vi) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction.

Each of the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, Hong Kong and United Arab Emirates, among others, has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgment, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally and any such amount may be subject to income tax in accordance with applicable laws. It is unlikely that an Indian court would enforce foreign judgments that would be contrary to or in violation of Indian law. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Rupee and the U.S. dollar (in Rupees per U.S. dollar), based on the reference rates released by the RBI/ FBIL, which are available on the website of the RBI/ FBIL. No representation is made that any Rupee amounts actually represent such amounts in U.S. dollars or could have been, or could be converted into, U.S. dollars at any particular rate, the rates indicated, any other rates or at all.

(₹ per US$)

Period	Period End(1)	Average(2)	High(3)	Low(4)
Fiscal:				
2020	75.39	70.88	76.15	68.37
2019	69.17	69.89	74.39	64.93
2018	65.04	64.45	65.76	63.35
Month ended:				
January 31, 2021	72.95	73.11	73.45	72.82
December 31, 2020	73.05	73.59	73.89	73.05
November 30, 2020	73.80	74.22	74.69	73.80
October 31, 2020	73.97	73.46	73.97	73.14
September 30, 2020	73.80	73.48	73.92	72.82
August 31, 2020	73.60	74.67	75.09	73.35

Source: www.rbi.org.in and www.fbil.org.in

(1) The price for the period end refers to the price as on the last trading day of the respective Fiscals or monthly periods.

(2) Average of the official rate for each Working Day of the relevant period.

(3) Maximum of the official rate for each Working Day of the relevant period.

(4) Minimum of the official rate for each Working Day of the relevant period.

Notes:

- *In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed*

- *The reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Preliminary Placement Document using certain definitions and abbreviations which you should consider while reading the information contained herein. The following list of certain capitalized terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

The terms defined in this Preliminary Placement Document shall have the meaning set out herein, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections "***Industry Overview***", "***Taxation***", "***Legal Proceedings***" and "***Financial Information***" beginning on pages 105, 203, 212 and 221, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
"Issuer"/ "Our Company"/ "the Company"/ "IndiaMart"/ "IndiaMART"	IndiaMART InterMESH Limited
"We"/ "us"/ "our"	Collectively, IndiaMART InterMESH Limited, its Subsidiaries and its Associates
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended
Associates	The entities which are associates of our Company. For more details, see "***Organisational Structure***" on page 150
Audit Committee	The audit committee constituted by the Board of Directors, as described in "***Board of Directors and Senior Management***" on page 142
Audited Consolidated Financial Statements	Collectively, Fiscal 2020 Audited Consolidated Financial Statements, Fiscal 2019 Audited Consolidated Financial Statements and Fiscal 2018 Audited Consolidated Financial Statements
Board of Directors/ Board	The board of directors of our Company, or a duly constituted committee thereof
Corporate Office	The corporate office of our Company, situated at 6th Floor, Tower 2, Assotech Business Cresterra, Plot No. 22, Sector 135, Noida 201 305, Uttar Pradesh, India
Corporate Social Responsibility Committee	The corporate social responsibility committee constituted by the Board of Directors, as described in "***Board of Directors and Senior Management***" on page 142
Cumulative Preference Shares	The 0.01% cumulative preference shares of our Company of face value of ₹328 each
Directors	The directors on the Board of Directors
EBS Trust	The IndiaMART Employee Benefit Trust
Equity Shares	The equity shares of our Company with a face value of ₹10 each
Executive Director	Executive director of our Company, unless otherwise specified
Fiscal 2018 Audited Consolidated Financial Statements	The audited consolidated financial statements for Fiscal 2018 of our Company and its subsidiaries comprising the consolidated balance sheet as at March 31, 2018, and the consolidated statement of profit and loss (including other comprehensive income (loss)), and the consolidated statement of changes in equity and the consolidated statement of cash flow for the year ended March 31, 2018 and the notes thereto, including a summary of significant accounting policies and other explanatory information, prepared in accordance with Ind AS
Fiscal 2019 Audited Consolidated Financial Statements	The audited consolidated financial statements for Fiscal 2019 of our Company and its subsidiaries comprising the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss (including other comprehensive income (loss)), and the consolidated statement of changes in equity and the consolidated statement of cash flow for the year ended March 31, 2019 and the notes thereto, including a summary of significant accounting policies and other explanatory information, prepared in accordance with Ind AS
Fiscal 2020 Audited Consolidated Financial Statements	The audited consolidated financial statements for Fiscal 2020 of our Company, its subsidiaries and associate comprising the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss (including other comprehensive income (loss)), and the consolidated statement of changes in equity and the consolidated statement of cash flow for the year ended March 31, 2020 and the notes

Term	Description
	thereto, including a summary of significant accounting policies and other explanatory information, prepared in accordance with Ind AS
Fund Raise Committee	The committee of the Board of Directors constituted by the Board of Directors with respect to the Issue, pursuant to a resolution passed by the Board of Directors dated January 18, 2021
Grant 2010	Stock options granted to employees in 2010 in terms of the stock option schemes then in force, which is now governed by the terms of the IndiaMART ESOS 2015
Grant 2012	Stock options granted to employees in 2012 in terms of the stock option schemes then in force, which is now governed by the terms of the IndiaMART ESOS 2015
Grant 2013	Stock options granted to employees in 2013 in terms of the stock option schemes then in force, which is now governed by the terms of the IndiaMART ESOS 2015
Grant 2015	Stock options granted to employees in 2015 pursuant to the IndiaMART ESOS 2015
Grant 2016	Stock options granted to employees in 2016 pursuant to the IndiaMART ESOS 2015
Grant 2017	Stock options granted to employees in 2017 pursuant to the IndiaMART ESOS 2015
Independent Director	A non-executive and independent director of our Company as defined in Section 2(47) of the Companies Act, 2013 and the SEBI Listing Regulations
IndiaMART ESBS 2018	IndiaMART Employees Stock Benefits Scheme, 2018
IndiaMART ESOS 2015	IndiaMART Employees Stock Option Scheme, 2015
Interim Audited Consolidated Financial Statements	The audited condensed consolidated interim financial statements of our Company, its subsidiaries and associates comprising the condensed consolidated interim balance sheet as at December 31, 2020, the condensed consolidated interim statement of profit and loss (including other comprehensive income (loss)) for the quarter and nine months ended December 31, 2020, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flow for the nine months ended December 31, 2020 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information
Key Managerial Personnel	The key managerial personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act and as described in "***Board of Directors and Senior Management***" on page 142
Memorandum/ Memorandum of Association/ MoA	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by the Board of Directors, as described in "***Board of Directors and Senior Management***" on page 142
Non-executive Director	A Director of our Company not being an Executive Director
Previous Auditors	The previous statutory auditors of our Company, being S.R. Batliboi & Associates LLP, Chartered Accountants
Promoter Group	The persons and entities constituting the promoter group of our Company as per Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	The promoters of our Company, namely, Dinesh Chandra Agarwal and Brijesh Kumar Agrawal
RedSeer Consulting	RedSeer Management Consulting Private Limited
RedSeer Report	Report titled "*MSME Digitization Opportunities in India*" dated February 15, 2021 prepared by RedSeer Consulting
Registered Office	The registered office of our Company, situated at 1st Floor, 29 Daryaganj, Netaji Subhash Marg, New Delhi 110 002, India
Risk Management Committee	The risk management committee constituted by the Board of Directors, as described in "***Board of Directors and Senior Management***" on page 142
RoC or Registrar of Companies	The Registrar of Companies, National Capital Territory of Delhi and Haryana
Shareholders	The holders of the Equity Shares from time to time
Stakeholders Relationship Committee	The stakeholders relationship committee constituted by the Board of Directors, as described in "***Board of Directors and Senior Management***" on page 142
Statement of Audited Financial Results	The audited statement of consolidated financial results of our Company, its subsidiaries and associates for the quarter and nine months ended December 31, 2020 read along with the notes thereto
Statutory Auditors	The current statutory auditors of our Company, being B S R & Co. LLP, Chartered Accountants
Subsidiaries	The subsidiaries of our Company. For more details, see "***Organisational Structure***" on page 150

Issue Related Terms

Term	Description
Allocated/ Allocation	Allocation of Equity Shares, in consultation with the Book Running Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of

Term	Description
	Application Forms and Bid Amount submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Issue and Allotment of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are Allotted pursuant to the Issue
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue during the Issue Period. An indicative format is set forth in the section "***Application Form***" on page 228
Bid Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue
Bid	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Book Running Lead Managers or BRLMs	Collectively, ICICI Securities Limited, Edelweiss Financial Services Limited and Jefferies India Private Limited
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price and shall include details of amount to be refunded, if any, to such Bidders
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●], 2021
Designated Date	The date of credit of Equity Shares to the Allotees' demat accounts pursuant to the Issue, as applicable to the relevant Allottees
Eligible FPIs	FPIs that are eligible to participate in the Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	Investors that (a) are QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws; and (b) (i) are in the United States or are U.S. Persons, or are acquiring for the account or benefit of U.S. Persons, in each case that are both U.S. QIBs and QPs, in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and in reliance on Section 3(c)(7) of the U.S. Investment Company Act; or (ii) are outside the United States and are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur
Escrow Account	Non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "INDIAMART INTERMESH LIMITED – QIP ESCROW" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Bid Amount payable by the Bidders in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited
Escrow Agreement	Agreement dated February 17, 2021, entered into by and among our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Bid Amounts and remitting refunds, if any, of the amounts collected, to the Bidders, in relation to the Issue
Escrow Bank	ICICI Bank Limited
Floor Price	Floor price of ₹9,065.61 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount on the Floor Price in accordance with the approval of the Shareholders on February 10, 2021, and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue	Offer, issuance and Allotment of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], 2021, the date after which our Company (or Book Running Lead Managers on behalf of our Company) shall cease acceptance of Application Forms and the Bid Amount
Issue Opening Date	February 17, 2021, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms and the Bid Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Bid Amount
Issue Price	A price per Equity Share of ₹[●]
Issue Size	Aggregate size of the Issue, up to [●] Equity Shares aggregating up to ₹[●] million
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue

Term	Description
Placement Agreement	Placement agreement dated February 17, 2021 by and among our Company and the Book Running Lead Managers
Placement Document	Placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	This preliminary placement document dated February 17, 2021 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013
QIB/ Qualified Institutional Buyer	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The letter from the Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts, except where the number of Equity Shares Allocated to a Successful Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bid Amount paid by a Successful Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, in which events the Refund Amount will be set out in the CAN
Relevant Date	February 17, 2021 which is the date of the meeting in which the Fund Raise Committee decided to open the Issue
Stock Exchanges	Together, NSE and BSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount and are Allocated Equity Shares pursuant to the Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorized or obligated by law to remain closed in Mumbai, India. However, with respect to the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI and for prior intimations required under the SEBI Listing Regulations, “Working Day” shall mean working days of the stock exchanges where the securities of the Company are listed

Conventional and General Terms/ Abbreviations

Term/ Abbreviation	Full Form
Adjusted EBITDA	Finance costs, tax expenses/ (income), depreciation and amortization expenses, share in net (profit) loss of associates and net loss on financial liability designated at FVTPL subtracted by other income other than net gain on financial assets measured at FVTPL and net gain on financial assets measured at FVTPL from the profit for the given period
AGM	Annual General Meeting
AIFs	Alternative Investment Funds
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Procedure Code	Code of Civil Procedure, 1908
Companies Act/ Companies Act, 2013	Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
Competition Act	Competition Act, 2002
CSR	Corporate Social Responsibility
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP/ Depository Participant	Depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign Direct Investment
FDI Policy	Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (Formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, GoI by circular DPIIT file number 5(2)/2020-FDI Policy, with effect from October 15, 2020

Term/ Abbreviation	Full Form
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Non-Debt Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIR	First information report
Form PAS-4	Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI	Foreign Portfolio Investors as defined under the SEBI FPI Regulations and includes a person registered under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
GoI/ Government	Government of India
GST	Goods and Service Tax
HUF(s)	Hindu undivided family(ies)
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
IFSC	Indian Financial System Code
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Ind AS Rules
Ind AS 24	Indian Accounting Standard 24 on Related Party Disclosure issued by the MCA
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016
India	Republic of India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
IT Act	Information Technology Act, 2000
MCA	The Ministry of Corporate Affairs, Government of India
MSME	Micro Small and Medium-sized Enterprises
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NCR	National Capital Region
NEAT	National Exchange for Automated Trading
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OFAC	U.S. Department of the Treasury's Office of Foreign Assets Control
p.a.	Per annum
PAN	Permanent Account Number
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
Qualified Purchaser / QP	As defined in section 2(a)(51) and the related rules of the U.S. Investment Company Act
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Rule 144A	Rule 144A of the U.S. Securities Act
SARs	Stock appreciation rights
SCR (SECC) Regulations	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Term/ Abbreviation	Full Form
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
SEC	United States Securities and Exchange Commission
SME	Small and medium enterprises
STT	Securities Transaction Tax
U.S. GAAP	Generally accepted accounting principles followed in the U.S.
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. QIBs	"Qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
US$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
USTR	United States Trade Representative
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Volcker Rule	Section 13 of the U.S. Bank Holding Company Act of 1956 (together with the rules, regulations and published guidance thereunder)
WHO	World Health Organization

Industry related definitions

Term	Description
2017 Notorious Markets List	2017 Out-of-Cycle Review of Notorious Markets released by the USTR
2018 Notorious Markets List	2018 Out-of-Cycle Review of Notorious Markets released by the USTR
AePS	Aadhaar enabled payment system
B2B	Business-to-business
B2C	Business-to-consumer
BFSI	Banking, financial services and insurance
BHIM	Bharat Interface for Money
CECRC	China E-commerce Research Center
CII	Confederation of Indian Industries
CMS	Catalog management system
CRM	Customer relationship management
DBT	Direct benefit transfer
E-KYC	Electronic Know Your Customer
ERP	Enterprise resource planning
FMCG	Fast moving consumer goods
FOS	Feet on street
GDPR	European Union General Data Protection Regulation
GMV	Gross merchandise volume
GVA	Gross value added
GVO	Gross value output
LMS	Lead management system
MDR	Merchant discount rates
NSDC	National Skills Development Corporation
NSS	National Sample Survey
PNS	Preferred number system
RFQ	Requests for quotes
RXIL	Receivables Exchange of India Limited
SEO	Search engine optimization
SIDBI	Small Industries Development Bank of India
SMBs	Small and medium businesses
TCs	Technology centers
TCSP	Technology Centre Systems Programme
TReDS	Trade receivables discounting system
UAM	Udyog Aadhaar Memorandum
UIDAI	Unique Identification Authority of India
UPI	Unified Payments Interface
USTR	Office of the United States Trade Representative

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including "***Risk Factors***", "***Use of Proceeds***", "***Placement and Lock-up***", "***Issue Procedure***" and "***Description of the Equity Shares***" on pages 35, 70, 171, 157 and 197, respectively.

Issuer	IndiaMART InterMESH Limited
Face Value	₹10 per equity share of the Company
Issue Size	Aggregating up to ₹[●] million, comprising [●] Equity Shares of our Company, at a premium of ₹[●] each. A minimum of 10% of the Issue Size, i.e. at least [●] Equity Shares, shall be available for Allocation to Mutual Funds only, and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation only to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs
Floor Price	₹9,065.61 per Equity Share In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders on February 10, 2021, and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue Price	₹[●] per Equity Share (including a premium of ₹[●] per Equity Share)
Eligible Investors	Eligible QIBs, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or restricted from participating in the Issue under the applicable laws. See "***Issue Procedure - Qualified Institutional Buyers***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 162, 173 and 183, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by the Book Running Lead Managers in consultation with our Company, at their sole discretion.
Date of Board Resolution approving the Issue	January 18, 2021
Date of Shareholders' Resolution approving the Issue	February 10, 2021
Dividend	Please see section "***Description of the Equity Shares***", "***Dividends***" and "***Taxation***" on pages 197, 77 and 203, respectively.
Taxation	Please see "***Taxation***" on page 203.
Equity Shares issued, subscribed and outstanding prior to the Issue	29,121,516 Equity Shares
Equity Shares issued, subscribed and outstanding immediately after the Issue	[●] Equity Shares
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, other provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For details, see "***Issue Procedure***" on page 157
Listing	Our Company has received in-principle approvals from BSE and NSE each dated February 17, 2021 under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares to be issued pursuant to the Issue.
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.
Lock-up	For details of the lock-up, see "***Placement and Lock-up***" on page 171

Transferability Restrictions	Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Also see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 173 and 183, respectively.
Use of Proceeds	The gross proceeds of the Issue will aggregate to approximately ₹[●] million. The net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue, are expected to be approximately ₹[●] million. See "***Use of Proceeds***" on page 70 for information regarding the use of Net Proceeds from the Issue.
Risk Factors	See "***Risk Factors***" on page 35 for a discussion of factors you should consider before deciding whether to subscribe to Equity Shares pursuant to the Issue
Closing Date	Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about [●], 2021.
Status and Ranking	Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends. The Shareholders (who hold Equity Shares as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in Shareholders' meetings on the basis of one vote for every Equity Share held. See "***Dividends***" and "***Description of the Equity Shares***" on page 77 and page 197, respectively.
Security Codes for the Equity Shares	**ISIN:** INE933S01016 **BSE Code:** 542726 **NSE Code:** INDIAMART

The Promoters have informed the Company that they may, subject to market conditions and receipt of approvals required, including under our insider trading policy, and in compliance with applicable law, undertake a secondary sale of Equity Shares held by them, aggregating up to 2% of the pre-Issue share capital of the Company, post completion of the Issue.

SELECTED FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Audited Consolidated Financial Statements and the Interim Audited Consolidated Financial Statements. The following tables set forth our selected financial information and should be read together with the more detailed information contained in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 78 and the Audited Consolidated Financial Statements and Interim Audited Consolidated Financial Statements included in "***Financial Information***" on pages F-33 and F-1, respectively.

Summary of Consolidated Balance Sheet data

(in ₹ million, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2019	As at March 31, 2020	As at December 31, 2020
Assets				
Non-current assets				
Property, plant and equipment	72.86	84.80	51.76	28.78
Capital work in progress	1.77	1.77	1.77	1.77
Right-of-use asset	-	-	799.71	659.17
Intangible assets	7.80	5.81	4.83	3.22
Investment in associates	-	-	295.61	285.74
Financial assets				
(i) Investments	-	-	-	99.99
(ii) Loans	0.92	1.22	0.73	2.40
(iii) Bank balances other than cash and cash equivalents	302.20	-	-	-
(iv) Others financial assets	35.27	35.60	400.83	40.47
Deferred tax assets (net)	1,155.57	858.08	245.70	-
Non-current tax assets (net)	-	-	211.60	213.87
Other non-current assets	6.78	7.34	17.22	17.20
Total Non-current assets	**1,583.17**	**994.62**	**2,029.76**	**1,352.61**
Current assets				
Financial assets				
(i) Investments	3,110.70	6,074.45	8,718.78	10,921.73
(ii) Trade receivables	6.79	5.71	16.82	16.19
(iii) Cash and cash equivalents	467.11	401.96	169.38	135.94
(iv) Bank balances other than (iii) above	-	375.48	69.26	370.24
(v) Loans	63.20	16.77	12.99	8.33
(vi) Others financial assets	41.44	157.80	79.83	52.55
Current tax assets (net)	91.15	105.54	79.34	78.76
Other current assets	63.57	75.22	53.13	45.24
Total current assets	**3,843.96**	**7,212.93**	**9,199.53**	**11,628.98**
Total assets	**5,427.13**	**8,207.55**	**11,229.29**	**12,981.59**
Equity and Liabilities				
Equity				
Share capital	99.77	285.92	288.77	290.72
Other equity	(3,312.46)	1,312.96	2,461.80	4,738.27
Equity attributable to equity holders of the parent	**(3,212.69)**	**1,598.88**	**2,750.57**	**5,028.99**
Non-controlling interests	0.46	-	-	-
Total Equity	**(3,212.23)**	**1,598.88**	**2,750.57**	**5,028.99**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Share buyback obligation	3,729.30	-	-	-
(ii) Lease liabilities	-	-	612.49	545.24
(iii) Other financial liabilities	2.62	2.84	-	-
Provisions	59.31	96.00	265.40	316.91
Deferred tax liabilities (net)	-	-	-	117.32
Contract liabilities*	1,660.91	2,297.91	2,697.21	2,179.13
Total Non-current liabilities	**5,452.14**	**2,396.75**	**3,575.10**	**3,158.60**
Current liabilities				
Financial liabilities				
(i) Trade payables				

(in ₹ million, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2019	As at March 31, 2020	As at December 31, 2020
(a) total outstanding dues of micro enterprises and small enterprise	11.31	-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	407.61	450.03	179.42	153.07
(ii) Lease liabilities	-	-	152.61	116.02
(iii) Other financial liabilities	0.18	0.48	259.97	198.76
Provisions	47.94	53.28	40.47	45.01
Contract liabilities*	2,259.23	3,561.91	4,155.58	4,155.47
Current tax liabilities (net)	-	-	-	-
Other current liabilities	460.95	146.22	115.57	125.67
Total Current liabilities	**3,187.21**	**4,211.92**	**4,903.62**	**4,794.00**
Total Liabilities	**8,639.36**	**6,608.67**	**8,478.72**	**7,952.60**
Total Equity and Liabilities	**5,427.13**	**8,207.55**	**11,229.29**	**12,981.59**

** (2018- Deferred Revenue)*

Summary of Consolidated Statement of Profit and Loss data

(in ₹ million, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2020	For the nine months ended 31 December 2019	For the nine months ended December 31, 2020
Income:					
Revenue from operations	4,105.08	5,074.17	6,388.54	4,687.80	4,898.96
Other income	190.18	409.72	685.91	513.60	761.91
Total income	**4,295.26**	**5,483.89**	**7,074.45**	**5,201.40**	**5,660.87**
Expenses:					
Employee benefits expense	1,948.57	2,299.83	2,666.69	2,002.77	1,481.15
Finance costs		-	32.83	16.35	51.85
Depreciation and amortisation expense	28.85	41.27	211.45	152.31	125.63
Net loss on financial liability designated at FVTPL	1,228.62	652.63	-	-	-
Other expenses	1,690.19	1,950.93	2,032.88	1,519.34	989.98
Total expenses	**4,896.23**	**4,944.66**	**4,943.85**	**3,690.77**	**2,648.61**
Net profit/ (loss) before share of profit/(loss) in associates and tax	**(600.97)**	**539.23**	**2,130.60**	**1,510.63**	**3,012.26**
Share in net profit/ (loss) of associates	-	-	(16.41)	(8.87)	(10.81)
Profit/ (loss) before tax	**(600.97)**	**539.23**	**2,114.19**	**1,501.76**	**3,001.45**
Income tax expense/ (income)					
Current tax	1.81	37.50	0.67	0.50	393.43
Deferred tax	(1,150.37)	301.29	325.62	156.53	366.83
Tax Impact related to change in tax rate and law	-	-	314.08	314.08	-
Total tax expense/ (Income)	(1,148.56)	338.79	640.37	471.11	760.26
Net profit for the period	**547.59**	**200.44**	**1,473.82**	**1,030.65**	**2,241.19**
Attributable to:					
Equity holders of the parent	547.59	200.44	1,473.82	1,030.65	2,241.19
Non-controlling interests	-	-	-	-	-
Other comprehensive income/(loss) (OCI)					
Items that will not be reclassified to profit or loss and its related income tax effects					
Re-measurement gain/(losses) on defined benefit plans	(14.36)	(11.17)	(74.03)	(51.30)	(25.34)
Income tax effect	5.20	3.81	18.56	12.94	6.38
	(9.16)	(7.36)	(55.47)	(38.36)	(18.96)
Other comprehensive income/(loss) for the period, net of tax	**(9.16)**	**(7.36)**	**(55.47)**	**(38.36)**	**(18.96)**
Total comprehensive income for the period	**538.43**	**193.08**	**1,418.35**	**992.29**	**2,222.23**
Attributable to:					
Equity holders of the parent	538.24	193.08	1,418.35	992.29	2,222.23
Non-controlling interests	0.19	-	-	-	-
Earnings per equity share:					
Basic earnings per equity share (INR) - face value of INR 10 each	28.60	7.75	51.14	35.80	77.46
Diluted earnings per equity share (INR) - face value of INR 10 each	20.22	7.61	50.24	35.21	76.15

Summary of Consolidated Statement of Cash Flows data

(in ₹ million, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2020	For the nine months ended December 31, 2019	For the nine months ended December 31, 2020
Profit before tax	(600.97)	539.23	2,114.19	1,501.76	3,001.45
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation and amortisation expense	28.85	41.27	211.45	152.31	125.63
Interest and other income	(28.02)	(29.65)	(45.69)	(37.31)	(35.14)
Provisions and liabilities no longer required written back	-	-	-	-	(22.65)
Gain from business transfer arrangement	-	(6.80)	-	-	-
Fair value gain on measurement and income from sale of financial assets - Investment in Mutual Funds measured at FVTPL	(161.63)	(373.20)	(639.77)	(475.61)	(702.55)
Fair value change in share buyback obligations	1,228.62	652.63	-	-	-
Gain on disposal of property, plant and equipment	(0.53)	(0.08)	(0.46)	(0.67)	(1.57)
Finance costs	-	-	32.83	16.35	51.85
Allowances for doubtful debts	-	0.81	1.86	0.33	(1.56)
Share-based payment expense	36.82	94.62	78.59	70.20	48.72
Share of net loss of associates	-	-	16.41	8.87	10.81
Loss on change of control of a subsidiary converted into an associate	-	-	-	-	2.04
	503.14	**918.83**	**1,769.41**	**1,236.23**	**2,477.03**
Change in:					
Trade receivables	(1.48)	0.27	(12.98)	(14.39)	0.47
Other financial assets	(48.38)	2.14	13.10	(19.22)	18.35
Other assets	99.83	(12.18)	1.86	11.35	5.26
Other financial liabilities	(2.73)	0.53	(61.86)	(49.88)	(44.92)
Trade payables	116.52	31.12	50.10	21.87	(21.87)
Contract and other liabilities	1,097.54	1,631.75	965.35	589.65	(499.83)
Provisions	36.02	30.85	67.18	59.51	36.05
Cash generated from operations	**1,800.46**	**2,603.31**	**2,792.16**	**1,835.12**	**1,970.54**
Income tax paid (net)	(9.90)	(51.90)	(186.05)	(165.33)	(392.00)
Net cash generated from operating activities	**1,790.56**	**2,551.41**	**2,606.11**	**1,669.79**	**1,578.54**
Cash flow from investing activities					
Proceeds from sale of property, plant and equipment	1.06	0.53	1.26	0.97	3.21
Purchase of property, plant and equipment and other intangible assets	(22.92)	(51.70)	(46.39)	(39.61)	(0.34)
Purchase of current investments	(3,241.70)	(5,199.11)	(4,578.20)	(3,453.20)	(2,490.42)
Proceeds from sale of current investments	1,655.25	2,608.56	2,573.63	1,992.68	974.72
Interest received	28.02	26.16	34.13	26.60	22.93
Advances received from/(paid for) selling shareholders (net)	-	(69.20)	69.20	80.21	-
Advance paid for leases	-	-	-	(18.04)	-
Refund/(payment) of refundable security deposits for listing on stock exchange.	-	-	(23.78)	(23.78)	23.78
Investment in bank deposits (includes earmarked balances with bank) (having original maturity of more than three months)	(72.24)	(73.28)	(43.50)	(370.56)	(6.27)
Redemption of bank deposits	-	-	-	349.73	54.59
Investment in associates and other entities	-	-	(312.02)	(312.01)	(99.99)
Proceeds from sale of dilution of Stake, net of cash paid	-	-	-	-	0.90
Net cash used in investing activities	**(1,652.53)**	**(2,758.04)**	**(2,325.67)**	**(1,767.01)**	**(1,516.89)**
Cash flow from financing activities					
Repayment of lease liabilities	-	-	(166.27)	(120.74)	(36.40)
Interest paid on lease liabilities	-	-	(32.83)	(16.35)	(51.85)

(in ₹ million, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2020	For the nine months ended December 31, 2019	For the nine months ended December 31, 2020
Proceeds from issue of preference shares under share buyback obligation	39.78	-	-	-	-
Dividend paid	-	-	(333.25)	-	(14.79)
Acquisition of non-controlling interest	-	(2.50)	-	-	-
Proceeds from issue of equity shares on exercise of share based awards	112.71	143.98	19.31	19.31	7.95
Net cash used in financing activities	**152.49**	**141.48**	**(513.04)**	**(117.78)**	**(95.09)**
Net decrease in cash and cash equivalents	**290.52**	**(65.15)**	**(232.60)**	**(215.00)**	**(33.44)**
Cash and cash equivalents at the beginning of the period	**176.59**	**467.11**	**401.96**	**401.96**	**169.38**
Cash and cash equivalents at the end of the period	**467.11**	**401.96**	**169.36**	**186.96**	**135.94**
Non-cash financing activities					
Fair value change in share buyback obligations	**1,228.62**	**652.63**	**-**	**-**	**-**
Conversion of preference shares into equity shares	**-**	**4,381.93**	**-**	**-**	**-**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the nine months ended December 31, 2020 and Fiscals 2020, 2019 and 2018, as per the requirements under Ind AS 24 "Related Party Disclosures" as notified under Section 133 of the Companies Act, read with the Ind AS Rules, as amended, see "***Financial Information***" beginning on page 221.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, or the industry and segments in which we operate or India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, financial condition, results of operations, cash flows or prospects. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "***Business***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Industry Overview***" and "***Selected Financial Information***" on pages 118, 78, 105 and 29, respectively, as well as the other financial and statistical information contained in this Preliminary Placement Document. If anyone or combination of the risks described below or other risks that are currently not known or are currently deemed immaterial actually occur, any of our business, financial condition, results of operations, cash flows or prospects could be adversely affected, the trading price of our Equity Shares could decline, and prospective investors may lose all or part of their investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

This Preliminary Placement Document also contains forward-looking statements that involve risks assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For details, see "***Forward-Looking Statements***" on page 18.

Unless specified or quantified in the relevant risks factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated, the financial information of our Company and our Subsidiaries, collectively the "Group", used in this section has been derived from the our audited consolidated financial statements for fiscals 2018, 2019 and 2020 and our audited condensed consolidated interim financial statements for the nine months ended December 31, 2020 prepared in accordance with Indian Accounting Standards.

Data included in this section in relation to certain operating metrics, financial information not otherwise included in the Interim Consolidated Financial Statements and the Audited Consolidated Financial Statements and certain business information and data (such as listed products and services, supplier storefronts, number of registered buyers and paying subscription suppliers, among others) have been reviewed and verified by AARK & Co. LLP, independent Chartered Accountants.

Certain information in this section is derived from the Redseer Report. We commissioned the Redseer Report for the purposes of confirming our understanding of the industry in connection with the Issue. Neither we, nor any of the BRLMs, nor any other person connected with the Issue has verified the third-party and industry related information in the Redseer Report. Further, these reports are prepared based on information as of specific dates and may no longer be current or reflect current trends. They may also base their opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect. Prospective investors are advised not to unduly rely on the Redseer Report when making their investment decision. For further details, see "***Industry Overview***" and "***Business***" on pages 105 and 118, respectively.

Internal Risks

Risks Relating to our Company and Industry

1. ***We had incurred significant operating losses in the past and we may not be able to improve our financial position or generate sufficient revenue to improve our total equity.***

As at March 31, 2018, 2019, 2020 and December 31, 2020, we had a total equity of ₹(3,212.23) million, ₹1,598.88 million, ₹2,750.57 million and ₹5,028.99 million, respectively. Our negative total equity as at March 31, 2018 was primarily attributable to our operating losses and net loss on financial liabilities designated at fair value through profit or loss ("**FVTPL**") in the respective fiscal.

These operating losses have primarily resulted from increasing expenditures related to employee benefits, content development and advertising in order to expand our sales network, develop our in-house technologies, provide premium numbers to participating suppliers, and increase the scale of our operations.

Despite negative total equity in fiscal 2018, we had relatively high levels of cash and investments primarily due to negative working capital in the same periods. For example, our revenue from operations was ₹4,105.08 million in fiscal 2018 and cash generated from operations was ₹1,790.56 million in fiscal 2018. After excluding the effects of share buyback obligations, our total equity was ₹516.61 million as at March 31, 2018. Our management has prepared our financial statements on a going concern basis. As per our revenue recognition policy, we recognize revenue from subscription packages as and when our services are rendered. Accordingly, although payments may be received in advance in full for subscription packages sold, for the period that our obligations remain unfulfilled, such payments are recorded as a liability on our balance sheet as deferred revenue. For details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 78.

Although our revenue from operations has grown, our revenue growth in the future may be lower. You should not rely on the revenue growth of any prior period as an indication of our future performance. We also expect our costs to increase in future periods as we continue to spend substantial financial resources to:

- grow the number of suppliers and buyers using our marketplace;
- implement our sales and customer acquisition strategy;
- develop and improve our technology infrastructure, hardware and software and replace obsolete hardware and software;
- develop and invest in new products, such as CRM systems, product services, search tools and payment services;
- expand our premium number service;
- create online supplier storefronts for new supplier listings on IndiaMART and expand our marketplace, including into new product and service categories;
- enhance the buyer experience, including through development and augmentation of mobile applications, or "apps", and platforms;
- increase awareness of our brands and marketplace through advertising, marketing and brand building initiatives;
- pursue strategic alliances and potential acquisitions and investments; and
- implement measures to mitigate the adverse impact of COVID-19.

These expenditures may not yield additional revenue as we anticipate or at all. Additionally, part of our growth strategy may require us to incur significant expenses, including acquiring assets or businesses and the costs associated with owning, operating and integrating such assets and businesses. If we are unable to achieve revenue growth that outpaces the growth of our expenses, we may not maintain profitability, our total equity may become negative, our cash position may deteriorate and we may become insolvent.

2. ***The outbreak of the novel coronavirus or any future pandemic or widespread public health emergency, could have a significant effect on our results of operations, and could negatively impact our business, revenues, financial condition and results of operations.***

The outbreak of a novel strain of coronavirus disease 19 ("**COVID-19**"), has had, and any future pandemic or widespread public health emergency could have, repercussions across regional and global economies and financial markets. The COVID-19 outbreak was recognized as a pandemic by the World Health Organization ("**WHO**") on March 11, 2020 and has significantly and adversely impacted economic activity and has contributed to significant volatility and adverse pressure in financial markets, and a number of governments and organizations have revised GDP growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside of their homes. Temporary closures of businesses had been ordered and numerous other businesses have temporarily closed voluntarily. Further, individuals' ability to travel has been curtailed through mandated travel restrictions and may be further limited. Since May 2020 some of these measures have been lifted and partial travel has been permitted. However, it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis, recession or depression, despite monetary and fiscal interventions by governments and central banks globally.

Factors related to the COVID-19 pandemic, or a future pandemic, that could have an adverse impact on our financial condition, results of operations and cash flows, include:

- loss in revenue due to a decline in buyers and suppliers traffic to our website and mobile app;
- disruption of business activity in small and medium businesses;
- inability of our paying subscription suppliers to pay fees, in part or full, or their insolvency or bankruptcy which could affect our revenues;
- requests from suppliers to seek modifications of their obligations, including fees, concessions, deferrals or abatements;
- slowdown in spending by customers due to economic slowdown and cost pressure faced by corporates globally;
- any impairment in the value of our assets that could be recorded as a result of weaker economic conditions;
- an increase in operational costs as a result of additional measures that will need to be taken by us for the health and safety;
- the transition to our employees working remotely from home could adversely impact the effectiveness or efficiency of our operations;
- our inability to access debt and equity capital on acceptable terms, or at all, and a further disruption and instability in the global financial markets or deteriorations in credit and financing conditions or downgrade of our or India's credit rating may affect our access to capital and other sources of funding necessary to fund our respective operations or address maturing liabilities on a timely basis;
- our inability to seek protection under our existing insurance coverage for liabilities and expenses that may arise due to impact of COVID-19 on our business and operations;
- the potential negative impact on the health of our personnel, particularly if a significant number of them are, or if any key managerial employee is, afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption. For example, we have been required to quarantine employees that were suspected of being infected of COVID-19, as well as others who had come into contact with those employees, which have had an adverse effect on our business operations; and
- there may be further material impacts on our operations if the outbreak of COVID-19 is not effectively controlled.

The COVID-19 outbreak and the related preventive and protective actions has impacted our business and operations. For example, because of the government mandated lockdown we had to temporarily close all of our offices and most of our employees have since been working remotely from home. We also closed several of our sales branches as a result of the mandated lockdown. Since the implementation of the country-wide lockdown in March 2020, we were required to act swiftly to mitigate the impact of lockdown on our operations. Considering the nature of the COVID 19 exigency, we were required to ensure the safety and well-being of our employees and vendor partners on one hand and to ensure business continuity at the other hand. In order to achieve this, most of our business processes were retooled to enable our employees to work from home to ensure the uninterrupted operation of our marketplace platforms and other support functions. While certain of the lockdown measures have been lifted since May 2020, most of our employees continue to work remotely. There can be no assurance that these remote work arrangements will not have an adverse impact on the efficiency or effectiveness of our operations in the short or long term.

If we do not respond appropriately to the pandemic, or if customers do not perceive our response to be adequate for a particular region or our Company as a whole, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future. In order to reduce the impact of COVID-19 on our operations, we have taken various steps to manage our expenses and liquidity, including renegotiating terms of contracts with landlords, service providers, vendors and other counterparties, reviewing the necessity of certain operating expenses to reduce our operating costs and closing certain of our sales branches. The COVID-19 pandemic may cause additional disruptions to operations if our employees or staff become sick, are quarantined, or are otherwise limited in their ability to travel or work. To contain the spread of the virus, we may be required to implement staggered shifts and other social distancing efforts at our offices, which could result in labour shortages and decreased productivity. These supply chain effects may negatively affect our ability to meet customer demand and may increase our costs of sales. All of the foregoing developments may have a significant effect on our results of operations and on our financial results. Although we have implemented risk management and contingency plans and taken preventive measures and other precautions, our efforts to mitigate the effects of any disruptions may prove to be inadequate.

While demand for online marketplace services is expected to remain resilient despite the pandemic, according to the Redseer Report, our business is also sensitive to reductions in consumer and business spending. We cannot predict the degree to, or the time period over, which our business will be affected by the COVID-19 outbreak. For example, this pandemic could necessitate further lockdowns, resulting in significant additional effects on our revenue, financial condition and results of operations. There are numerous uncertainties associated with the COVID-19 outbreak, including the number of individuals who will become infected, availability of a vaccine or a cure that mitigates the effect of the virus, the extent of the protective and preventative measures imposed by governments and whether the virus' impact will be seasonal, among others. Consequently, there may be adverse effects of this pandemic on our short-term business operations, our financial results and our cash flows may be impacted.

3. ***If we are unable to maintain a critical mass of suppliers and buyers on our online marketplace, the perceived usefulness of our services may decline, and our business, revenue and prospects could suffer.***

We earn revenue on IndiaMART through (i) the sale of subscription packages (available on a monthly, semi-annual, annual and multi-year basis) to suppliers, which offer a range of benefits including the listing of their supplier storefronts and products on a preferential basis on the IndiaMART marketplace; (ii) revenue from the sale of request for quote, or "RFQ", credits, which is generated when, in response to a buyer's RFQ, a supplier purchases a credit in order to obtain the buyer's contact information from within the RFQ and contact the buyer (which credit we refer to as an "**RFQ credit**"); (iii) advertising revenue from our IndiaMART desktop and mobile-optimized platforms and IndiaMART mobile app; and (iv) revenue from payment facilitation services.

We have devoted significant resources to increase the engagement of suppliers and buyers with our online marketplace and to grow the volume of organic visitor traffic. Our paid services will be attractive to suppliers only if sufficient buyers use our online marketplace to identify and conduct business with suppliers. Furthermore, our services will be attractive to buyers only if sufficient products and services are listed by suppliers on our online marketplace. The following table sets forth a breakdown of our suppliers and buyers for the periods indicated:

	As of March 31,			**As of December 31, 2020**
	2018	**2019**	**2020**	
Paying subscription suppliers	108,347	129,589	147,499	148,029
Registered buyers (in millions)	59.81	82.70	102.30	119.43
Registered Suppliers/Indian supplier storefronts (in millions)	4.72	5.55	5.96	6.37

We cannot assure you there will be continued demand for the types of products and services listed by suppliers on our online marketplace or that our efforts to attract and retain suppliers and buyers will succeed. A decline in the popularity of, or demand for, certain products and services listed on our online marketplace could reduce the number of buyers using our marketplace. In addition, suppliers may choose to list their products and services on alternative or competing platforms instead of, or in addition to, our online marketplace, which could reduce the range of products and services available to buyers, reduce buyer activity, and depress overall activity on our online marketplace. Any decline in overall activity on our online marketplace may result in us generating less revenue from fewer new and renewed subscriptions by suppliers on IndiaMART. If we are unable to maintain a critical mass of suppliers and buyers for our online marketplace, the perceived usefulness of our services may decline, and our business, revenue and prospects could suffer.

4. ***Competition from new and existing companies may reduce demand for our services or cause us to lose visitor traffic, market share or paying subscription suppliers, any of which could adversely affect our business, financial condition and results of operations.***

We are India's leading online marketplace for business goods and services, with approximately 60% market share of the online B2B classifieds space in India according to the Redseer Report. IndiaMART had an aggregate of 552.6 million, 723.5 million, 747.9 million and 703.8 million visits in fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, respectively. Although we believe that we maintain a large market share and strong competitive position, the online commerce industry is highly competitive, and we expect competition to intensify in the future. We face competition from other Indian and foreign online B2B marketplaces that seek to provide services similar to ours such as Tradeindia.com, Exporters India, JD Business and Alibaba India which we believe are some of the key competitors for IndiaMART. We also compete indirectly with Internet search engines, traditional brick and mortar suppliers and online business-to-consumer service providers, who may decide to enter the B2B marketplace space. Our indirect competitors include Google and Industry Buying. See also "***Business—Competition***" on page 138.

We may not be able to compete effectively with current and future competitors. The competitive factors in our industry include, among others, the number of active suppliers and buyers, the number, quality, reach, reliability and recentness of product and service listings, buyer and supplier loyalty, ability to facilitate interactivity among suppliers and buyers, increases in visitor traffic, brand recognition, technology, (including the accessibility of our marketplace from a range of devices), availability and ease of use of services, customer service and pricing. We may lose visitor traffic, market share and experience a decline in revenue if our position deteriorates as to these and other market factors. We may also lose market share to competitors with longer or more successful operating histories, superior strategy and execution, greater resources including available and accessible financial capital, greater brand recognition or a larger user base than us.

The management of some of our competitors may have more experience in implementing their business plan and strategy, or our competitors may offer more innovative features on their platforms or be more successful in increasing the number of suppliers and buyers on their platforms or the revenue generated from their operations. We expect many of our competitors to expend financial and other resources to improve their network and system infrastructure, including through platform design, in order to compete more aggressively. We expect that our costs related to advertising, marketing, brand building and employee benefit expenses will continue to grow as our competitors undertake marketing campaigns to enhance their brands and increase the volume of business conducted through their platforms. There can be no assurance that the advertising and marketing services that we adopt will be among the most effective forms available, which may diminish our brand, reputation and Internet presence.

If we are unable to respond successfully to such competitive pressures, our visitor traffic, number of enquiries, number of paying and non-paying subscription suppliers and advertisers and the prices of our subscription packages could significantly decline, which would have a material adverse effect on our business, financial condition and results of operations.

5. ***Our business, financial condition, results of operations and cash flows could be materially and adversely affected if we are unable to retain existing paying subscription suppliers on or attract new paying subscription suppliers to IndiaMART.***

Substantially all of our revenue comes from suppliers who list their products and services on IndiaMART. Our revenue from IndiaMART originates primarily from suppliers purchasing subscriptions. For further details, see "***Business***" on page 118.

We seek to attract new paying subscription suppliers to IndiaMART in order to increase our revenue, the number of products and services listed by suppliers on our marketplace, the number of buyers that use our marketplace, as well as to mitigate the loss of paying subscription suppliers that we are unable to retain. There are a number of reasons why an existing supplier may decide not to renew its paid services on IndiaMART. For example, a supplier may discontinue its business operations, change its business focus, sales strategy or marketing personnel, reduce its marketing budget, become dissatisfied with our services, or choose to sell its products or services through one of our competitors. In addition, suppliers may choose to use alternative or competing platforms instead of, or in addition to, our platforms, which could reduce the range of services and listings available to customers and result in a reduction of traffic to and activity on our platforms.

Further, due to the ongoing COVID-19 pandemic, many businesses may be adversely impacted by a fall in demand for their services and products and a disruption of business activity. This has had adverse impact on our revenues due to increased churn in our paying subscription suppliers during 2020. While we have undertaken various customer retention initiatives, such as discounts and relaxed payment terms for suppliers, there can be no assurance that these measures will be effective in improving our paying subscription suppliers base and we may experience further declines in the future if the pandemic continues or worsens.

Our inability to attract new suppliers or decisions by our existing suppliers not to renew their paid services or continue listing their products or services on our marketplace could significantly reduce our revenue. We may incur additional advertising and sales costs through our efforts to retain existing suppliers on our marketplace, sell new IndiaMART subscriptions and RFQ credits, attract new suppliers to list their products or services on IndiaMART, or to promote our CRM and messaging system and payment facilitation services. There is no guarantee that these expenditures will generate additional revenue for us or enable us to retain or expand our roster of suppliers, and our net revenue may be lower as a result. We may also encounter difficulty retaining and attracting suppliers if IndiaMART becomes less attractive to suppliers due to a decline in the number of RFQs posted by buyers. These developments could result in a significant decrease in our supplier retention rate.

We cannot assure you that we will be able to replace lost paying subscription suppliers, which may lead to a decline in the revenue of IndiaMART. If our IndiaMART suppliers do not continue to list their products and services and renew their paid subscriptions, the quantity and variety of products or services that are offered through IndiaMART may decline, which may adversely affect our business, financial condition, results of operations, cash flows and future growth.

6. ***We are exposed to risks associated with online security and fraud.***

The secure transmission of confidential information over the Internet and telephone is essential to maintaining our buyers' and suppliers' confidence in us. Security breaches, whether instigated internally or externally on our system or other Internet-based systems, could significantly harm our business. While we use secure transmission protocols on our marketplace including data encryption methods, application-level security and token-based authentication and authorization, we may not be able to prevent security breaches involving the confidential information of our suppliers and buyers, including any breaches with regards to transactions from our payment services. In order to enable payments on our marketplace, we have integrated the services of third-party payment solution providers, and we re-direct our users to those services to make payments and complete their transactions. There can be no assurance that transmissions of data through our third-party providers will be protected from security breaches. Even if we choose to deploy secure transmission protocols on our marketplace in the future, our implementation efforts may require significant additional costs or be unsuccessful, and a new set of protocols may not prevent all security breaches.

Our suppliers and buyers, as well as users of other online commerce companies, have been and will continue to be targeted by parties using fraudulent "phishing" emails to misappropriate passwords, financial information and other private information or to introduce viruses to our online visitors' computers. Furthermore, our business may be adversely affected by malicious and other third-party software applications that make changes to our online visitors' computers or interfere with the use of our online marketplace. These software applications, including "spyware", DDoS and "pop-ups", may harm our buyer experience by hijacking queries to our online marketplace, altering or replacing our search results or otherwise interfering with the ability of our suppliers and buyers to use our online marketplace. Third parties may also misuse our platforms to send spam messages to our suppliers and buyers, which may motivate them to stop using our marketplace. Spam that can be traced to our servers not only exposes us to liability but also poses the threat of legitimate emails originating from our servers being blocked by anti-spam monitoring services or tools. We cannot assure you that our network security measures will detect or prevent security breaches that could harm our business.

Furthermore, as technological development continues to at a rapid pace and the methods used for cyber-attacks also change frequently and may, in some cases, not be identified until an actual attack is completed, we may not be able to anticipate or to implement effective preventive measures against all cyber security breaches. Circumstances such as the COVID-19 pandemic, which require a large number of our employees to work from home may increase our vulnerability to cyber-attacks. We may not be able to anticipate or prevent all such attacks and could be held liable for any security breach or loss.

We also have agreements with certain companies that process credit card and pre-paid instrument transactions for suppliers and buyers on IndiaMART. However, under certain circumstances we may be liable for accepting fraudulent credit cards. We may also be subject to other payment disputes with buyers for such sales. If we are unable to combat the use of fraudulent credit cards, our revenue from such sales could be susceptible to demands from the relevant banks and credit card processing companies, and our financial condition, results of operations and cash flows could be adversely affected.

Finally, there can be no assurance that the confidential information of our suppliers and buyers will be protected on third-party payment gateways.

7. ***We earn most of our revenue from Indian suppliers purchasing paid services on IndiaMART. Factors that adversely affect such Indian suppliers could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.***

Our suppliers include Indian small and medium enterprises ("**SMEs**") as well as large corporations, and we expect such suppliers to continue to be a significant contributor to IndiaMART's future growth through their purchases of subscriptions and RFQ credits. We may experience stagnation or reduction in the size of our user base and product listings on IndiaMART if our suppliers do not continue to adopt online platforms such as ours in increasing numbers in the future.

Businesses anticipate and respond to adverse changes in economic conditions and adjust their production and spending patterns accordingly, and this has a direct impact on their sales made through our online marketplace and our revenues. Factors that could adversely affect the business of our Indian suppliers include, but are not limited to, the following:

- increased supply and input costs, including rising costs of labor, raw materials and other inputs;
- decline in demand for our suppliers' products or services;
- regulatory restrictions, trade disputes, industry-specific quotas, tariffs, non-tariff barriers and taxes;
- foreign exchange fluctuations that make imports more attractive vis-à-vis domestic manufacturers;
- lack of access to or increased costs of financing;
- the overall performance of the Indian economy; and
- any adverse impact to the general economy, consumer demand, business environment and commercial markets in India as a result of the COVID-19 pandemic.

Unfavorable changes in business and economic conditions affecting Indian suppliers could result in reduced marketing expenditures by suppliers. Additionally, certain suppliers that are SMEs may not have access to adequate resources, financing or personnel to respond to or comply with information requests or other requirements from customers or regulatory authorities, which may adversely affect their businesses. This may lead to fewer suppliers purchasing IndiaMART subscription packages and RFQ credits and decrease in our revenue, which may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

8. ***Despite our intent and efforts to have genuine items listed/content available on our online marketplace, we have been and may continue to be subject to allegations and lawsuits or negative publicity claiming that items listed and content available on our online marketplace are pirated, counterfeit or illegal.***

We have received in the past, and we anticipate we will receive in the future, communications alleging that items listed or made available through our online marketplace or any content made available in connection therewith, infringe third-party copyrights, trademarks, patents or other intellectual property rights. We have put in place a broad range of measures to prevent infringing, illegal, counterfeit and pirated goods from being offered on our marketplace, as well as spamming, fraudulent telemarketing and other notorious or malicious activities. These measures include:

- taking down infringing, illegal, counterfeit and pirated products from our marketplaces on receipt of complaints against such products or through customer calls at our customer support at (+91) 96-9696-9696;
- providing an online complaint platform for brand owners to report infringements; and
- enhancing our communication with various relevant Government authorities to eradicate sources of such goods.

We maintain strict procedures to address issues pertaining to infringing, illegal, counterfeit and fictitious listings on our marketplaces, as we receive confirmation, as a condition to use our platform, from users posting any contents to their authenticity and legality. When we receive complaints regarding infringement, passing off or counterfeit goods, we follow certain procedures to verify the nature of the complaint and the relevant facts. Upon verification of the complaint, we inform the concerned supplier about the complaint and request such supplier to respond to, refute the allegations and provide evidence of authenticity of the product within a certain time period. In the event that the supplier fails to address the grievance within the stipulated time period, we make a final judgment as to whether the product should be delisted from our marketplace and whether other remedial measures should be taken, such as arranging for suppliers to reimburse the buyer and/or close down the relevant supplier storefronts, based on the information provided in the complaint and any responses provided by the supplier. In some instances, suppliers may agree to delist their products from our website. We believe these procedures are important to ensure confidence in our marketplace among buyers and sellers and to minimize potential infringement of third-party intellectual property rights; however, these procedures could result in delays in delistings of allegedly infringing product listings, or these measures may not always be successful. In the event that alleged counterfeit or infringing products are listed on our marketplaces or allegedly infringing contents are made available through our marketplaces, we could face claims and negative publicity relating to these activities or for our alleged failure to act in a timely or effective manner in response to infringement or to otherwise restrict or limit these listings. If, as a result of regulatory developments, we are required to compensate users making claims, we would incur additional expenses. For further details, see "***Business – Security – Measures against infringing, illegal and counterfeit products***" on page 137.

We may implement further measures in an effort to strengthen our protection against these potential liabilities, including working with brands and Government authorities to assist in their investigations and taking legal actions against suppliers of counterfeit and illegal goods on our marketplace. These measures could require us to spend substantial additional resources and/or experience reduced revenues, and may reduce the attractiveness of our marketplace and other services to buyers, suppliers, brands and other participants. Furthermore, a supplier whose content is removed or whose services are suspended or terminated by us, regardless of our compliance with the applicable laws, rules and regulations, may dispute our actions and commence action against us for damages, make public complaints or allegations or organize group protests and publicity campaigns against us or seek compensation. Any costs incurred as a result of liability or asserted liability relating to the unlawful sale of goods or other infringement could harm our business.

We have also from time to time received advisory and cautionary notices from regulatory authorities in relation to the sale of unauthorized products by suppliers on our website, to which we respond and take suitable steps to address. We have in the past been and may in the future be subject to allegations of civil or criminal liability based on allegedly unlawful activities or unauthorized distribution carried out by third parties through our online marketplace. We also may be subject to negative publicity or allegations of violating intellectual property rights or facilitating transactions for pirated, counterfeit or illegal products. For instance, according to the "2017 Out-of-Cycle Review of Notorious Markets" (the "**2017 Notorious Markets List**") released by the Office of the United States Trade Representative ("**USTR**"), IndiaMART was identified as a 'notorious market'. In the 2017 Notorious Markets List it was also alleged that our marketplace facilitated global trade in counterfeit and illegal pharmaceuticals and further, disclaimed all liability, delays and responses and did not facilitate right holder attempts to remove listings. While the "2018 Out-of-Cycle Review of Notorious Markets" released by the USTR (the "**2018 Notorious Markets List**") only makes references to IndiaMART's presence in the 2017 Notorious Markets List, and IndiaMART was not mentioned in the "2019 Review of Notorious Markets for Counterfeiting and Piracy" and the "2020 Review of Notorious Markets for Counterfeiting and Piracy" released by the USTR (collectively, the "**2019 and 2020 Notorious Markets Lists**"), there can be no assurance that future reports will not name IndiaMART. Any such allegations in the future or continued public perception that counterfeit or pirated items are commonplace on our marketplaces or perceived delays in our removal of these listings, even if factually incorrect, could damage our reputation with users, diminish the value of our brand name or result in regulatory pressure or action against us, which may adversely affect our business, financial condition, results of operations and cash flows.

9. ***Any factors that negatively affect the growth and profitability of the online commerce industry in India or the Internet as a medium for commerce in India could adversely affect our business, financial condition and results of operations and prospects.***

Our future operating results will depend on numerous factors affecting the development of online commerce, which may be beyond our control. These factors include the rate of growth of personal computers, tablets, mobile devices, Internet and broadband usage and penetration, extant laws, regulations and policies governing online commerce, consumer confidence in online commerce, media publicity regarding online commerce, concerns on online data privacy and general economic conditions globally and in particular India. In particular, the European Union General Data Protection Regulation (the "**GDPR**") has taken full effect from May 25, 2018, which may result in more restrictive privacy-related requirements for entities outside the European Union that process personally identifiable information about European data subjects. While we believe that we have put in place adequate measures to comply with the provisions of the GDPR, there continues to be uncertainty as to the applicability, interpretation and implementation of its provisions and there can be no assurance that we are fully compliant. Our business, financial condition and results of operations and prospects may be materially and adversely affected if we are unable to comply with applicable provisions of the GDPR or on account of any unfavorable changes in or interpretations of the GDPR, or other provisions which may become applicable to us in the future. Additionally, in December 2019, the Government of India published the Personal Data Protection Bill, 2019, which provides for a framework for protection of personal data and use of non-personal data and seeks to, among others, lay down norms for cross-border transfer of personal data, define the scope of the definition of personal data and non-personal data, establishment of data protection authority and ensure the accountability of entities processing personal data. Further, the Telecom Commercial Communications Customer Preference Regulations, 2018 has been introduced to regulate unsolicited commercial communication and confers wide powers on access providers to deal with unsolicited commercial communication and provide for granular customer preferences and consent to be considered while sending commercial communication. Such a framework may restrict our ability to collect, use, disclose and transfer information with respect to our suppliers and buyers. Furthermore, the growth and development of electronic commerce and virtual items and currency may prompt calls for more stringent laws that may impose additional burdens on or limitations on operations of companies such as ours conducting business through the internet and mobile devices and compliance with these requirements may increase our compliance burden and costs and require significant management time and other resources. Further, if online commerce in India and Internet adoption by Indian SMEs do not continue to develop as we expect them to, or if we fail to identify and anticipate changes in trends and preferences in the online commerce industry and address them in time or at all, our business, financial condition and results of operations and prospects will be materially and adversely affected.

The continued growth in our revenue is substantially dependent upon the widespread acceptance and use of the Internet as a medium for commerce by businesses. In particular, rapid growth in the use of the Internet and other online services is still a relatively recent phenomenon in India, and we cannot assure you that this trend will continue, that Internet penetration among Indian suppliers, particularly SMEs will increase or that a sufficiently broad base of buyers will adopt and continue to use the Internet as a medium of commerce. As a result, growth in our user base and our online marketplace is dependent on attracting to our online marketplace suppliers and buyers who have historically used traditional channels of commerce to sell and purchase products and services.

Concerns about fraud, privacy, lack of trust and other problems may also discourage businesses from adopting the Internet as a medium of commerce. If these concerns are not adequately addressed, they may inhibit the growth of online commerce and communications. In addition, if a well-publicized breach of Internet security or privacy were to occur, general Internet usage could decline, which could reduce the use of our services and products and impede our growth. Our business, financial condition, results of operations and prospects will suffer to the extent the Internet, the online commerce industry and the use of the Internet as a medium of commerce in India do not continue to grow.

10. ***We may undertake investments, acquisitions, licensing arrangements and partnerships which may not be successful and may have a material adverse effect on our business, financial condition, results of operations and cash flows.***

As part of our growth strategy, we intend to selectively identify and acquire businesses, assets and technologies that are complementary to our business through investments, acquisitions, licensing arrangements and partnerships. These transactions could require that our management develop expertise in new areas, manage new business relationships and attract new types of customers. Furthermore, these transactions may require significant attention and time from our management, and the diversion of our management's attention and resources could have a material adverse effect on our ability to manage our business. We may also experience difficulties integrating any investments, acquisitions, licensing arrangements or partnerships into our existing business and operations. Future transactions may also expose us to potential risks, including risks associated with:

- our inexperience in completing investments in or acquisitions of other businesses;
- the employees, directors and other personnel of companies in which we invest may engage in misconduct that adversely impacts our business and brand;
- we may not be able to retain key personnel in the companies in which we make investments or acquire;
- our valuation of potential investments may not accurately reflect the value of the investments and we overpay or otherwise incur losses on our investments;
- the companies in which we invest may not fulfil the objectives or perform as we anticipated;
- the integration of new operations, services and personnel;
- the diversion of resources from our existing businesses and technologies;
- potential loss of, or harm to, relationships with employees or suppliers and buyers on our online marketplace; and
- our diligence on investments may not be complete and we may incur liabilities that were not anticipated.

Any of these risks could significantly disrupt our ability to manage our business and materially and adversely affect our business, financial condition, results of operations and cash flows.

11. ***We acquire a significant portion of our suppliers on IndiaMART through the unsolicited creation of supplier storefronts and such suppliers may refuse to consent to their information being made publicly available on our online marketplace, which may negatively affect our business and may subject us to various legal claims.***

A significant supplier acquisition strategy that we have implemented for IndiaMART has been to identify suppliers that we believe can enhance our database and create supplier storefronts for these suppliers and their products and services at no charge and based on publicly available information. We notify these suppliers of their new supplier storefronts by email or SMS, after which they remain suppliers on IndiaMART for as long as their contact information is current or until they elect to delist their supplier storefront. A portion of suppliers for whom we create supplier storefronts typically request that the supplier storefront be delisted and that we de-register the supplier from IndiaMART.

We devote substantial capital resources and employee resources to this supplier acquisition strategy and supplier storefront development. However, we do not earn revenue from suppliers until they purchase paid services on IndiaMART. If large numbers of the suppliers that we acquire through unsolicited supplier storefront creation do not become paying subscription suppliers, we may not recover the costs of our supplier acquisition expenditures, and our business, financial condition and results of operations may be adversely affected. In addition, competitors may seek to employ the same supplier acquisition strategies, and a competitor with significantly greater human resources and access to capital may be able to match or exceed the extent of our supplier network.

In addition, as we create supplier storefronts based on publicly available information or other postings made by them at other platforms about their business, products and services, we may be exposed to various legal claims. We may be required to spend significant money and divert personnel and management attention away from other priorities to resolve these types of claims. We do not maintain insurance to cover the cost of defending or settling such claims. If we are unable to defend against such claims, and even if we are successful, our reputation may be harmed and our business disrupted. As a result, our expenses may increase, our revenue may decline, and our business, financial condition, results of operations and reputation and brand may be adversely affected. See also "***—We have in the past been and may in the future be exposed to legal claims such as infringement, misappropriation, breach of privacy, defamation, or negligence which, if determined adversely against us, could cause us to pay significant damages***." on page 55.

12. ***The growth of our business depends on the growth of mobile Internet penetration and supporting infrastructure in India, and the steady emergence of mobile technology as a viable medium for transacting business.***

According to the Redseer Report, the fall in data prices coupled with increase in availability and affordability of smartphones has resulted in users increasingly consuming content on their mobile devices, and the number of wireless internet subscribers in India is projected to increase from 425 million as on December 2017 to 867 million by fiscal 2022, primarily driven by growth in the 4G subscriber base. While the growth potential of this market is difficult to forecast, we have identified our IndiaMART mobile website and app as a potentially strong growth source for our business. For example, as of December 31, 2020, our IndiaMART mobile app had been installed 18.29 million times, and, together with our IndiaMART mobile platform, accounted for 81% of total traffic to IndiaMART. We have and will continue to invest substantially in the growth and success of our mobile platform and apps, however, we may not be able to continue to increase the levels of mobile access and engagement on our online marketplace.

The success of our mobile growth strategy depends in part on:

- the expansion of 4G and 5G networks, as well as broadband wireless access on mass-market smartphones and other mobile devices, in India;
- the quality and security of our mobile offerings, including mobile-based payment services;
- our ability to successfully deploy our existing and future apps on popular mobile operating systems such as Android and iOS;
- our ability to provide compelling platforms and tools in a multi-device environment while ensuring their compatibility with the web browser platforms provided therein;
- our ability to adapt to the device standards used by third-party manufacturers and distributors; and
- increased adoption of mobile apps by Indian businesses, particularly SMEs.

As with our other growth initiatives, we expect to incur significant costs in introducing, continually updating and supporting our marketplace through our mobile app and mobile website, and our efforts may not be successful. For example, our mobile offerings may be less extensive than or inferior in quality compared to our competitors, and we may not be able to deploy our mobile apps on the most popular mobile operating systems or devices in a timely manner or at all. Furthermore, as our app distribution depends on the designated app stores for major operating systems such as Android and iOS, any changes to their app store policies may adversely affect the distribution, accessibility and availability of our app. We may lose all or a substantial portion of our investment in the growth initiative for our mobile app, which may have a material adverse effect on our business, financial condition, results of operations and cash flows.

13. ***We rely on telecommunications and information technology systems, networks and infrastructure to operate our business and any interruption or breakdown in such systems, networks or infrastructure or our technical systems could impair our ability to effectively operate our marketplace or provide our services.***

Our ability to collect, process and disseminate data using the Internet in a secure and efficient manner is dependent on telecommunications and information technology systems, networks and infrastructure, including but not limited to systems that we develop ourselves. Our systems including our website, mobile app and mobile website are vulnerable to technical failures of our hardware or software, breakdowns in the servers on which our online marketplace is hosted, difficulties in linkages with third-party systems, corruption or loss of our electronically stored data, computer viruses, power loss, electronic intrusion attempts, break-ins, sabotage, vandalism or other disturbances or disruptions in the Internet generally. In particular, as we store a large quantity of data through cloud-based service providers, our accessibility to the data stored in such systems may affected by changes in the costs of maintaining and operating cloud services, applicable government policies and regulations, security breaches or any other disruption affecting the operations of such cloud service providers. Further, actions by governmental or regulatory authorities in India or internationally which restrict access to the internet or our website could adversely impact the ability of our users to access our website. For instance, it has been brought to our attention that users in the United Arab Emirates ("**UAE**") have been facing difficulties in accessing our website - www.indiamart.com. Consequently, we filed a complaint with the Telecom Regulatory Authority ("**TRA**"), UAE, which in turn asked us to raise this matter with Etisalat, the local internet service provider in the UAE. Etisalat has indicated to us that they have blocked our website on the directions of local police authorities.

Our business could also be impacted by the failure of telecommunications network operators to provide us with the requisite bandwidth which could also interfere with the speed and availability of our online marketplace, as well as by breakdowns at the level of our Internet service providers. Additionally, systems and software that are developed internally may contain undetected errors, defects or bugs, which we may not be able to detect and repair in time, in a cost-effective manner or at all. In such circumstances, we may be liable for all costs and damages, as we would not be entitled to any indemnification or warranty that may have been available if we had obtained such systems or software from third-party providers.

Disruptions or instabilities in telecommunications networks, our website, mobile app, mobile website, servers and databases as well as the functioning of Internet service providers could lead to buyer and supplier dissatisfaction and damage our reputation. Any damage to or failure of our systems could lead to difficulties in accessing our online marketplace, service interruptions or delays, loss of our database content, inability to accept or fulfil supplier or buyer requests, inaccurate data being processed or displayed, and would otherwise impair our ability to effectively provide our services, which could result in our paid suppliers and advertisers choosing to stop listing or advertising their products and services on our marketplace. Furthermore, as most of our employees work remotely from home as a result of the government mandated lockdown imposed in India in response to the COVID-19 pandemic, there can be no assurance that our technology and security systems are sufficient or adequate to protect our data and information or otherwise prevent security breaches. There can also be no assurance that the technology network and systems on which our employees rely to work remotely will not breakdown or be disrupted, whether through system errors, third party attacks or otherwise. In addition, to perform reliably, the fixed telecommunications networks and Internet infrastructure in India, and in any other locations that we may operate in, require maintenance and periodic upgrading of the appropriate networks and infrastructure which are beyond our control. We cannot assure you that our back-up and disaster recovery measures and business continuity planning would effectively eliminate or alleviate the risks arising from the above contingencies and we are not insured against such losses.

We may not have any access to alternative telecommunication networks other than those we currently use, in the event of disruptions, failures or any other problems in the network or infrastructure of our current telecommunications service providers. In addition, we cannot assure you that a more technologically sophisticated and reliable fixed telecommunications network or Internet infrastructure will be developed in India or any other region that we may operate in, that will ensure our ability to deliver smooth and reliable provision of our services to suppliers and buyers on our online marketplace. Our success will depend upon third parties maintaining and improving Internet infrastructure to provide a reliable network with adequate speed and data capacity and telecommunication networks with good clarity and lower congestion. Continued disruption in the telecommunication networks where we operate may lead to a reduction in the number of paying subscription suppliers on IndiaMART and have a materially adverse effect on our business, financial condition and results of operations.

14. ***Our failure to manage our growth and scalability could affect the performance of and features on our marketplace and reduce our attractiveness to suppliers and buyers.***

During the past few years, we have experienced significant growth in our business operations as our total revenue from operations has increased from ₹4,105.08 million in fiscal 2018 to ₹6,388.54 million in fiscal 2020. This growth has placed, and will continue to place, a significant strain on our management, operational, and financial infrastructure. We are now deploying our management and employees, information technology infrastructure, data protection and storage systems, and computer hardware and software across a larger, more complex and still-expanding range of operations. As our operations grow in scale, we must continuously improve, upgrade and adapt our systems and infrastructure to continue offering new or enhanced services, current features and superior functionality on pace with rapidly evolving customer demands. For instance, in April 2017, we launched our IndiaMART payment protection program, which addresses the suppliers' payment risks and the buyers' grievances if any, with respect to payments made through IndiaMART's platform. We may be liable for any losses incurred if the IndiaMART payment protection program fails to deliver the assured payments, goods or services to the appropriate parties or if any of the third party payment modes fail to process the payments and we do not maintain insurance for such losses or claims. Our inability to maintain the reliability and integrity of our systems and infrastructure in a cost-efficient and competitive manner may prevent us from providing new or enhanced services effectively, which could negatively impact our brand, reduce the attractiveness of our marketplace to new suppliers and buyers, or result in us not being able to retain existing suppliers and buyers, any of which could adversely affect our business, financial condition and results of operations.

In addition, to effectively manage our growth, we will need to continue to improve our operational, financial and management controls, and our reporting systems and procedures. In particular, rapid growth increases the challenges involved in, among others, continuous training and development of skilled and competent personnel and developing and improving internal administrative infrastructure. These systems, enhancements and improvements will require significant capital expenditures and management resources. Failure to implement these enhancements and improvements could hurt our ability to effectively manage our growth.

If we do not manage our growth in an effective manner, we may damage our attractiveness and reputation with suppliers and buyers that use our online marketplace, which may adversely affect our business, financial condition and results of operations.

15. ***Our continued success is substantially dependent on the strength of our brand and our reputation.***

Brand recognition is important to the success of our business. We believe that the recognition and reputation of our IndiaMART brand among suppliers and buyers have significantly contributed to the growth of our business. To be successful in the future, we must continue to preserve, grow and leverage the value of our brands. Many factors, some of which are beyond our control, may negatively impact our brands and reputation. Reputational value is based in large part on perceptions of subjective qualities. An isolated incident or the aggregate effect of individually insignificant incidents can erode the trust and confidence of our current and potential suppliers and buyers, particularly if those incidents result in adverse publicity, governmental investigations or litigation. For instance, according to the 2017 Notorious Markets List released by the USTR, IndiaMART was identified as a 'notorious market'. In the 2017 Notorious Markets List it was also alleged that our marketplace facilitated global trade in counterfeit and illegal pharmaceuticals. While the 2018 Notorious Markets List only makes references to IndiaMART's presence in the 2017 Notorious Markets List, and IndiaMART was not mentioned in the 2019 and 2020 Notorious Markets Lists, there can be no assurance that future reports will not name IndiaMART. Further, in a research report issued by an advisory firm in December 2020, it has been alleged that we facilitated certain of our customers in bidding for tenders by the Government of India for the production of certain military equipment. While we have responded to the advisory firm clarifying, among other things, that while our platform disseminates publicly available information published by the Government, we do not provide services to facilitate such tenders by the Government of India nor do we facilitate customers' bidding related to such government tenders, including the production or manufacturing of military equipment.~~,~~ There can however be no assurance that this will not adversely affect our reputation and reduce user activity, which may adversely affect our business, financial condition and results of operations.

Maintaining and enhancing the recognition and reputation of our brand is critical to our business and competitiveness. This may require us to make substantial investments, including major television and digital marketing campaigns. See "***Business—Sales, Customer Acquisition, Marketing and Branding—Marketing and Branding***" on page 134 for more information about our marketing campaigns. Such investments may not be successful or generate sufficient revenue to cover their significant upfront costs. As a result, our financial condition may be adversely impacted.

16. ***If we do not adapt to technological developments or industry trends, the performance and features of our marketplace may become outdated and our marketplace may become less attractive to suppliers and buyers.***

The industry in which we operate is characterized by rapidly changing technology, evolving industry standards and norms, and the introduction of new platform features or other products and services. Technological developments and industry trends rapidly evolve, and the systems, infrastructure and technologies we currently employ may become obsolete quickly or over time. Our continued growth will depend, in part, on our ability to identify, develop, acquire or license leading technologies that are applicable to our business, enhance our existing services, develop new services and address the increasingly sophisticated and varied needs of our existing and prospective suppliers and buyers. Further, we must adapt and respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. In particular, wireless networks around the globe have recently started to test and adopt 5G technology, the next phase of mobile telecommunications standards. If we are unable to adapt or respond to changing technological standards and upgrades, such inability may materially and adversely affect our business in the future.

The success of our new products and services will depend on factors such as proper identification of market demand and trends and the competitiveness of our marketplace relative to the platforms and services of our competitors. Even if we are able to maintain, upgrade or replace our existing systems and services, or develop new technologies, systems and services, we may not be as quick or efficient as our competitors in doing so. As some of our systems are customized or developed internally, considerable internal resources and expenses are required to maintain and upgrade these systems, and we may be unable to devote adequate financial resources or obtain sufficient financing on commercially acceptable terms in time or at all. We may also not be able to attract, retain or contract for skilled personnel or implement required upgrades and improvements to our systems. If we do not appropriately maintain, expand and upgrade our systems and online marketplace in a timely manner or at a reasonable cost or both, we may lose market opportunities or damage our attractiveness and reputation with suppliers and buyers that use our marketplace, which may adversely affect our business, financial condition and results of operations.

17. ***We may need additional capital and we may not be able to obtain it, which could adversely affect our liquidity and financial position.***

We may require additional cash resources due to changed business conditions or other future developments, including investments in brand building initiatives, expansion of our premium number service, development and augmentation of our mobile apps, or any investments or acquisitions we may decide to pursue. Our ability to obtain additional capital is subject to a variety of uncertainties, including our future financial condition, results of operations and cash flows, conditions in the capital markets in which we may seek to raise funds and general economic, political and other conditions in India and elsewhere. We may be unable to obtain additional capital in a timely manner or on acceptable terms or at all. The terms and amount of any additional capital raised through issuances of equity securities may result in significant dilution to our shareholders. Any incurrence of debt would result in the incurrence of interest expense and could require us to agree to operating and financial covenants that could restrict our operational flexibility and materially and adversely affect our business.

18. ***Certain visitors and buyers on our online marketplace may expose us to special risks associated with compliance with applicable legal requirements under U.S. Economic Sanctions Laws.***

The U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") administers certain laws and regulations, or "U.S. Economic Sanctions Laws", that restrict U.S. persons and, in some instances, non-U.S. persons like us, in conducting activities, transacting business with or making investments in certain countries, governments, entities and individuals subject to U.S. economic sanctions, or sanctions targets. For instance, some of our registered buyers originate from Cuba, Syria, Ukraine, Iran and North Korea. Cuba, Syria, Iran and North Korea are currently the target of comprehensive U.S. Economic Sanctions Laws. In addition, parties in these countries may also be identified on the Specially Designated Nationals and Blocked Persons List ("**SDN List**") published by OFAC.

We do not earn any revenue from such buyers, and instead earn revenue primarily from the sale of subscription packages to suppliers in India. It is possible that U.S. authorities could view certain of our past transactions with certain visitors to have violated U.S. Economic Sanctions Laws. Further, we do not use any screening mechanisms on our online marketplace to identify and block visitors originating from any countries or territories subject to U.S. Economic Sanctions Laws or who may be identified on the SDN List. If our activities are found to violate any applicable sanctions or other trade controls, we may be subject to potential fines or other sanctions. We intend to conduct our business activities in compliance with all applicable laws and regulations. A violation of these laws and regulations, or even an alleged violation, could harm our reputation and cause some of our U.S. investors to sell their interests in our company to be consistent with their internal investment policies or to avoid reputational damage, and some U.S. institutional investors might forego the purchase of our Equity Shares, all of which may negatively impact the trading prices of our Equity Shares.

19. ***We may not be able to respond in a timely and cost effective manner to changes in preferences of our suppliers and buyers on our online marketplace.***

Our future growth depends on our ability to continue to attract new buyers and paying subscription suppliers to our online marketplace and increase the spending of existing paying subscription suppliers on IndiaMART. Our ability to achieve profitability depends on the generation of cumulative revenue and increasing cumulative gross margin for a sustained period after acquiring a new supplier. However, constantly changing customer preferences have historically affected and will continue to affect our business and the online B2B commerce industry. It is difficult to accurately and consistently predict the services and features that our suppliers will demand. Moreover, a shift in buyers' preferences away from the products and services offered on our online marketplace could have a material adverse effect on our financial condition and results of operations. Furthermore, while IndiaMART operates primarily in the English language, a significant proportion of the communities in India speak and use non-English languages and such communities may not be able to use IndiaMART, or may find IndiaMART unappealing to use, as a result of IndiaMART being primarily in English. If suppliers and buyers develop preferences for non-English language platforms, IndiaMART may lose its attractiveness and we may not be able to successfully implement our strategies. Our future success depends in part on our ability to anticipate and respond to changes in customer preferences, and there can be no assurance that we will respond in a timely or effective manner. Failure to anticipate and respond to changing preferences of our suppliers and buyers and evolving trends in online commerce could lead to reduced revenue and gross margins from our online marketplace, which would have a material adverse effect on our financial condition and results of operations.

20. ***Wage pressures in India may prevent us from sustaining our competitive advantage and may reduce our revenue.***

Employee benefit expenses, which typically include salaries, wages, bonus and incentives, contribution to provident and other funds, gratuity expenses and staff welfare expenses represent the largest annual expense for us, and our ability to maintain or reduce such costs is critical for our business operations. Employee benefit expenses constituted 39.80%, 46.51%, 53.94% and 55.92% of our total expenses in fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, respectively. Additionally, we have experienced high employee attrition in the past and may incur additional costs to improve our employee retention rate in the future. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition, and consequently we may need to increase the prices of our services. An increase in wages and salaries paid to our employees may result in a material adverse effect on our revenue in the event that we are unable to pass on such increased expenditure to our suppliers and advertisers without losing their business to our competitors. Additionally, any new regulation or law requiring us to increase the retirement benefits that we offer to our employees may increase our expenses. Likewise, if we are unable to sustain or increase the number of employees as necessary to meet growing demand, our business, financial condition, results of operations and cash flows could be adversely affected.

The Parliament of India has approved the Code on Social Security, 2020 (the 'Code')which, after coming into effect, would impact our contributions towards provident fund and gratuity for our employees. As the effective date from which the changes under the Code become effective has not yet been announced and the final rules for quantifying the financial impact from such changes are yet available, we cannot be certain of the financial impact these changes will have on our financial condition, results of operations and cash flows.

21. ***We may in the future be unable to increase our numbers of suppliers and buyers by attracting online search engines users to our marketplace through search engine optimization techniques or search-related marketing.***

We depend on Internet search engines and search engine optimization ("**SEO**"), in particular to attract and acquire new online visitors to our marketplace and retain existing suppliers and buyers. Internet search engines may change their algorithms to determine the ordering and presentation of search results or change our position in their search results in a manner that negatively affects the search engine ranking of or the placement of links to our online marketplace. As a result, our access to existing and potential users may become limited as search engines may direct these users to competitors or other alternatives. Our failure to successfully manage our SEO strategy could result in a substantial decrease in traffic to our online marketplace, which would reduce our access to existing and potential suppliers and buyers. If we are unable to reduce our dependency on search engines, we will remain subject to the operating dynamics of search engines, which may lead to a decline in traffic to our online marketplace and adversely affect our business, financial condition and results of operations.

Another method we employ to attract traffic to our marketplace is the placement of links to our online marketplace on the results page of Internet search engines. An additional portion of visitors to our platforms are directed to our online marketplace through pay-per-click, keyword search and display advertising services. The pricing and operating dynamics of these advertising tools can change rapidly, and there can be no assurance that our arrangements with various Internet search engines will not change adversely or that, in the event such changes occur, those new arrangements will be on commercially acceptable terms.

22. ***This Preliminary Placement Document contains information from Redseer Consulting which we have commissioned.***

The industy and market information in "***Industry Overview***" on page 105 includes information that is derived from the Redseer Report. We commissioned this report for the purpose of confirming our understanding of the industry in connection with the Issue. Neither we, nor any of the BRLMs, nor any other person connected with the Issue has verified such information in the Redseer Report. Redseer Consulting has advised that it does not guarantee the accuracy, adequacy or completeness of the Redseer Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of the Redseer Report or the data therein. The Redseer Report highlights certain industry and market data relating to our Company and its competitors. Such data is subject to many assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that Redseer Consulting's assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Preliminary Placement Document. Further, the Redseer Report is not a recommendation to invest / disinvest in any company covered in the Redseer Report. Redseer Consulting states that it is not responsible for any loss or damage arising from the use of the Redseer Report. Prospective investors are advised not to unduly rely on the Redseer Report when making their investment decisions.

23. ***Our success depends significantly on our senior management and other skilled personnel, and we may be adversely affected if we lose their services without finding equally skilled replacements.***

Our success depends largely on the efforts, expertise and abilities of our senior management, as well as other skilled personnel, including information technology, operations and sales personnel. All of our senior management and other skilled personnel are at-will employees. Our senior management, some of whom have been with us since our inception, are important to our business because of their experience and knowledge of the industry. In particular, our success depends upon the continued efforts of our founders and Promoters, Dinesh Chandra Agarwal and Brijesh Kumar Agrawal, who are also directors on our Board. If we lose the services of any member of our senior management or any other skilled personnel, we may not be able to locate suitable or qualified replacements and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business and growth and have a material adverse effect on our business, operations and financial results. We also do not maintain key-man insurance for any of our key personnel.

We have experienced high employee attrition in the past, and as we expect to continue to expand our operations and develop new services, we will need to continue to retain and attract experienced and skilled personnel. The labour market for skilled employees is extremely competitive, and the process of hiring employees with the necessary skills requires the diversion of significant time and resources. The specialized skills we require can be difficult and time-consuming to acquire and develop and, as a result, such skilled personnel are often in short supply. Competition for these individuals could require us to offer higher compensation and other benefits in order to attract and retain them, which could increase our operating expenses and adversely affect our results of operations. Further, we may require a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with us and we may not be able to successfully integrate any newly hired personnel. If we do not succeed in attracting qualified senior management and employees or retaining existing senior management and employees, our business and prospects for growth could be adversely affected.

24. ***Misconduct or poor performance by our suppliers and buyers, despite our efforts to monitor them, may hurt our brand and reputation as a trusted medium for business transactions and may subject us to liability.***

Despite our procedures that require suppliers who purchase subscription packages or services or list their products and services on IndiaMART to undergo identity authentication and verification and agree to specific terms of use, fictitious supplier storefronts and listings, fraudulent transactions and sales of low-quality, faulty, defective, illegal, banned, counterfeit, misleading or otherwise commercially unacceptable products by our suppliers may occur. This risk becomes much higher in case of non-paying suppliers, where there is lesser stringent process of authentication and verification, coupled with lesser control over supplier storefronts and listings created by such non-paying supplier. From time to time, our suppliers may list products that infringe on third-party copyrights, trademarks, patents or other intellectual property rights, which may result in legal or other proceedings in which we may be involved. For instance, according to the 2017 Notorious Markets List released by the USTR, IndiaMART was identified as a 'notorious market'. In the 2017 Notorious Markets List it was also alleged that our marketplace facilitated global trade in counterfeit and illegal pharmaceuticals. Further, the 2018 Notorious Markets List released by the USTR only refers to IndiaMART's presence in the 2017 Notorious Markets List, and IndiaMART was not mentioned in the 2019 and 2020 Notorious Markets Lists.

In addition, several buyers on our marketplace have filed first information reports against our Company and the relevant suppliers, alleging non-receipt of delivery of the products for which it had placed orders with suppliers discovered through our marketplace. Further, we have also initiated several criminal proceedings against suppliers, among others, for creating and hosting fraudulent web catalogues on our website. For further details, see "***Legal Proceedings – Litigation involving our Company***" on page 212.

Although we have implemented various security and quality measures, such as our listing complaint and take-down procedures, in an effort to detect and reduce these occurrences, there can be no assurance that such measures will be timely or effective, and we may not be able to verify the accuracy of all the listings and leads on our online marketplace. The occurrence of other misuses such as spamming, scamming or circulating viruses may also occur. The occurrence or perception of any of these or similar incidents could give rise to actions against us, harm our reputation, impair our ability to attract and retain suppliers and buyers and cause us to incur additional costs to respond to such incidents.

New or additional security and quality measures that we implement may also make our online marketplace less attractive to current and prospective suppliers and buyers. From time to time, we receive notices from third parties claiming infringement of their intellectual property rights on account of product listings of suppliers on our marketplace. For instance, Exxon Mobil Corporation has filed several suits against a supplier and our Company alleging infringement of its trademark, which are pending. For further details, see "***Legal Proceedings – Litigation involving our Company***" on page 212. We have also from time to time received advisory and cautionary notices from regulatory authorities in relation to the sale of unauthorized products by suppliers on our website, to which we respond and take suitable steps to address. While we respond to such notices by removing such listings, third parties or regulatory authorities may also pursue other legal remedies, including the initiation of legal proceedings against us claiming, amongst others, injunctions against and damages for alleged unauthorized use of trademarks and copyrights or imposing penalties and other restrictions on our business operations. Our continued growth depends on our ability to maintain our reputation as a trusted medium for online B2B commerce. If our brand or reputation is harmed, it may be more difficult to maintain and grow our user base, which could in turn materially and adversely affect our business, financial condition, results of operations and prospects.

25. ***There are outstanding legal proceedings and litigations against our Company and one of our Subsidiaries. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.***

Our Company and one of the Subsidiaries are involved in certain legal proceedings (including direct and indirect taxation related proceedings, criminal and civil proceedings and commercial and intellectual property disputes) at different levels of adjudication before various courts and forums. In the event of adverse rulings in these proceedings or consequent levy of penalties by other statutory authorities, we may need to make payments or make provisions for future payments, which may increase expenses and current or contingent liabilities and adversely affect our reputation. Involvement in such proceedings could divert our management's time and attention, and consume financial resources. Further, an adverse judgment in these proceedings could have an adverse impact on our business, results of operations and financial condition. We cannot assure you that any of such proceedings will be settled in our favor or in favor of our Company or Directors, as applicable, or that no additional liability will arise out of these proceedings. For further details, see "***Legal Proceedings***" on page 212.

26. ***We may not be successful in implementing our growth strategies.***

To remain competitive, we have to grow our business by increasing the number of suppliers and buyers that use our marketplace, further monetize our user base, and successfully introduce new products and services and new businesses. Our success in implementing our growth strategies may be affected by:

- our ability to maintain a critical mass of suppliers and products and services on our online marketplace;
- continued growth in demand for our services and our suppliers' products and services;
- compounding of network and community effects as our business, brand and reputation grow;
- our ability to increase awareness of our IndiaMART brand;
- our ability to increase the number of buyers on our online marketplace;
- our ability to increase the number of suppliers on our online marketplace, including SMEs and large corporates;
- our ability to compete effectively with existing and future competitors;
- our ability to increase our subscription fees and advertising rates;
- our ability to generate revenue from our payment facilitation services;
- our ability to effectively develop, augment and market our mobile apps and platforms;

- our ability to assess changing preferences and new demands of our buyers, customize our existing services and introduce new services to meet those preferences and demands;
- our ability to attract, train and retain senior management and employees who have the requisite skills;
- our ability to successfully adapt to technological changes and developments;
- our ability to effectively develop, implement or market our platform tools, including our CRM and messaging system, our machine-learning systems used to enhance user experience, and our platform search engine;
- our ability to build, acquire, maintain and update required IT infrastructure;
- the general condition of the global and Indian economies;
- the growth of the Internet as a medium for the provision of information and as an effective resource for Indian businesses, particularly SMEs;
- changes in our regulatory environment; and
- our ability to successfully identify, execute and implement acquisitions and investments.

Many of these factors are beyond our control and there can be no assurance that we will succeed in implementing our growth strategies. If we are not successful, our business, results of operations and prospects may be adversely affected.

27. ***We depend on third-party service providers for a significant portion of outsourced operational services and sales, and our business may be adversely affected if they fail to meet our requirements or face operational or system disruptions.***

We depend on various third-party service providers for certain operational services and sales relating to our business. We outsource from time to time certain tasks including call center services, customer service functions, supplier storefront design and creation, management of our premium number service, and management of our TrustSEAL program to multiple service vendors. Our customer care, outbound sales unit and buyer RFQ enrichment and verification operations for IndiaMART are also outsourced, as well as user data management and catalogue development. Additionally, we work with third party service providers, which we refer to as "channel partners", who help to promote IndiaMART and sell subscription packages to suppliers across India. As channel partners are third parties, we have limited ability to control their activities and the activities of their employees and sales personnel. Our channel partners may oversell, mis-sell or otherwise make improper representations to suppliers in respect of IndiaMART or our services and products. If our third-party service providers fail to perform adequately, experience difficulty meeting our requirements for quality and customer service standards, face operational or system interruptions or fail to comply with applicable laws, rules and regulations in India, are negligent or willfully take actions that damage our brand or if we are unable to locate alternate third-party service providers as needed, our brand and reputation could suffer, we may be exposed to liability on their account, and our business, financial condition and results of operations may be adversely affected. In the event that any action is initiated by the Department of Telecommunication ("**DoT**"), Ministry of Communications, Government of India ("**GoI**") or any other regulators against any of our service providers or any fee is imposed or charged in relation to our premium number service or any other service provided by us, we may be unable to offer such service, which could have a material adverse impact on our business, financial condition and results of operations.

28. ***We may be unable to successfully protect our intellectual property rights from being infringed by others, including competitors.***

We have registered "INDIAMART" (device and word mark) under several classes as a trademark in India. Additionally, we have also obtained trademark protection over several of our other marks, such as "indiamart.com" (label and device mark), "M" (device mark), "TRUST SEAL" (label and word mark), "STAR SUPPLIER" (word mark), "INTERMESH" (word mark), "BUY LEAD" (word mark), "INDIAMART BUY LEAD" (word mark), "INDIAMART PRIME" (word mark), "INDIAMART LEADING SUPPLIER" (word mark), POORAA (device mark) and "POORAA" (word mark) and applied for the registration of certain trademarks including "TRUSTSEAL" (word mark) and "INDIAMART TRUSTSEAL" (word mark) which are pending registration, as of the date of this Preliminary Placement Document. We are yet to receive registration or final approval for use of some of our trademarks from the Registrar of Trademarks. However, we cannot guarantee that any of our pending trademark applications will be approved by the applicable governmental authorities or that it will not be abandoned.

We protect our intellectual property in India through a combination of trademark statutes and laws and contract provisions. Our key executives are prohibited by the terms of their employment letters from disclosing confidential information, including proprietary information, to any person during or after their employment with us. Further, we retain ownership of all work product of our executives produced during the terms of their employment with us. Despite our efforts to protect our proprietary information by using automatic defense mechanism built on our system, third parties may be able to obtain and use our proprietary information without authorization or to develop similar technology independently. Policing unauthorized use of our intellectual property is often difficult and the steps taken may not be sufficient to prevent the infringement by unauthorized third parties of our intellectual property. Piracy, including in the digital environment, continues to present a threat to revenues from products and services based on intellectual property.

We have registered domain names in India, including for www.indiamart.com and www.tolexo.com among others, and have legal rights over the domain name and the sub-domain names for the period for which such domain names are registered. The acquisition and maintenance of domain names are generally regulated by Internet regulatory bodies, which may modify their regulatory policies and the requirements for the holding of domain names. We may, therefore, be unable to obtain or maintain registration of relevant domain names in India or other countries in which we may propose to undertake business operations in the future. We may also face additional difficulties in expanding into any other country and may have to expend considerable time and other resources to obtain domain name registration in such countries. Any delay in acquiring our preferred domain names may provide our competitors the opportunity to obtain such domain names. We may be unable to prevent competitors from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of, our trademarks and other proprietary rights. We cannot assure you that our business strategy of creating a strong brand and reputation will be successful if we are unable to protect our domain names and trademarks and any such failure may have an adverse effect on our business and results of operations.

In addition, intellectual property may not receive the same level of protection in India as it does in the United States and certain other countries. Our failure to protect our intellectual property rights in a meaningful manner or challenges to related contractual rights could result in erosion of brand value and limit our ability to control marketing on or through the Internet using our various domain names or otherwise, which could adversely affect our business, financial condition and results of operations.

Litigation may be necessary in the future to enforce our intellectual property rights and protect our branding and reputation. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect our business, financial condition and results of operations. If the outcome of any such legal proceedings is adverse to us, we may not be able to adequately protect our reputation, which could have a material adverse effect on our business operations.

29. ***The data of our suppliers, buyers and paid advertisers may be misappropriated by our employees or third-party service providers and as a result cause us to breach our contractual obligations in relation to such confidential information.***

We collect information from suppliers and buyers when they register on our online marketplace and from other third parties that contract to advertise on IndiaMART. Although we have implemented a number of measures to control access to the confidential information by our employees and third-party service providers on our servers, databases and software systems and ensure that they enter into confidentiality and non-disclosure agreements as necessary, there can be no assurance that the confidentiality and non-disclosure agreements entered into with our third-party service providers and certain of our employees will adequately prevent the disclosure of confidential information, such as the information relating to our suppliers, buyers and advertisers, by an employee or a third-party service provider. We may not have sufficient internal controls and processes to ensure that our employees and third-party service providers comply with their obligations under such confidentiality and non-disclosure agreements. For instance, our Company has filed several FIR against a former employee and other persons, alleging, among other things, the commission of data theft, infringing of trademarks and misappropriation of data. For further details, see "***Legal Proceedings***" on page 212. If any confidential information is misappropriated by our employees or third-party service providers, our suppliers, buyers or paid advertisers may raise claims against us for breach of our contractual obligations. We cannot assure you that we will have adequate recourse against our employees or third-party service providers who disclose or misappropriate confidential information. In the absence of adequate recourse against such employees or third-party service providers, the successful assertion of any claim may have a material adverse.

Additionally, we could be adversely affected if legislation or regulations are expanded or amended to require changes in our business practices or if legislation or regulations are interpreted in ways that negatively affect us. As privacy and data protection become more closely regulated in India, we may also become exposed to additional potential liability, particularly as we operate communications channels, such as our CRM and messaging system. Breaches of applicable privacy and data protection laws, whether by us or third parties using our platforms, could expose us to liability. Compliance requirements imposed by such privacy and data protection laws and regulations could also result in us incurring additional costs to comply with such requirements. Further, the IT Act provides for civil and criminal liability including compensation to affected persons, fines and imprisonment for various computer related offenses, which includes unauthorized disclosure of confidential information and failure to protect sensitive personal data. The GoI has notified various rules under the IT Act, pertaining to handling, disclosure and protection of sensitive personal data and in relation to storing, transmitting and providing any services with respect to electronic messages. India has also implemented privacy laws, including the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, which impose limitations and restrictions on the collection, use, disclosure and transfer of personal information. As part of our operations, we are required to comply with the IT Act and the rules thereof, failing which we may face claims and actions against us. Additionally, the Government of India, in December 2019, published the Personal Data Protection Bill, 2019, which provides for a framework for protection of personal data and use of non-personal data and seeks to, among others, lay down norms for cross-border transfer of personal data, define the scope of the definition of personal data and non-personal data, establishment of a data protection authority and ensure the accountability of entities processing personal data. Should such a framework be notified, our ability to collect, use, disclose and transfer information with respect to our suppliers and buyers may be further restricted. We may also be restricted in our ability to collect information from our suppliers, buyers and paid advertisers under new data protection laws. Our failure to take reasonable security precautions, safeguard personal information or collect such information in the future may have a material adverse effect on our business, financial condition and results of operations. The introduction of new IT legislation, including for protection of privacy, may require us to modify our existing systems, or invest in new technologies to ensure compliance with such applicable laws, which may require us to incur additional expenses and adversely affect our financial condition. Change in existing legislation or introduction of new legislation may require us to incur additional expenditure, to ensure compliance with such legislation, which may adversely affect our financial condition.

30. ***We are subject to an extensive regulatory framework and may be required to receive or renew certain approvals or licenses required in the ordinary course of business. Any failure to obtain licenses in a timely manner, or any non-compliance with or changes in, the regulations applicable to us may adversely affect our business, results of operations and prospects.***

We may be required to obtain certain approvals, licenses, registrations and permissions for operating our business, some of which may expire in the ordinary course of our business and for which we would have to make an application for obtaining the approval or its renewal. Further, the approvals that we obtain may stipulate certain conditions requiring our compliance.

Further, we are subject to a broad range of laws, rules and regulations, including the IT Act and rules made thereunder, governing several aspects of our business and operations. In particular, we are an 'intermediary' as defined under the IT Act and therefore, are required to comply with certain requirements including undertaking due diligence in respect of information hosted on our website and ensuring that we do not knowingly host or publish prohibited or offending information including, among others, information that infringes intellectual property rights or violates any law in force, contains viruses or threatens the security or sovereignty of India. Further, in the event we discover such information being hosted on our website, we are required to disable such information and to retain such data for investigation purposes under law. We are also required to maintain security measures and procedures in respect of information collected and displayed on our website, which may be categorized as 'personal information'. If we fail to comply with the provisions of the IT Act and the rules made thereunder including in respect to our responsibilities as an intermediary, we may be subject to significant penalties, including fines and imprisonment. In addition, we are also required to comply with various other regulations and laws, including telecommunication related regulations. Furthermore, any future regulation or restriction calling activity in India may also increase our operational costs.

We are also subject several other laws and regulations, including the Companies Act, 2013, which substantially governs our operations, including in respect of issuance of securities, calling of and conducting meetings of our Board and shareholders as well as entering into related party transactions. Any non-compliance with the provisions of the Companies Act, 2013, may result in imposition of significant fines on us, which may have a negative impact on our business and financial condition.

If we fail to obtain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. In addition, in the event that we are unable to comply with applicable laws in the future, we may be subject to fines, penalties or other prosecution proceedings, which may negatively affect our brand, reputation, business, financial condition, results of operations and cash flows.

31. ***We have in the past been and may in the future be exposed to legal claims such as infringement, misappropriation, breach of privacy, defamation, or negligence which, if determined adversely against us, could cause us to pay significant damages.***

The essence of our business model is the aggregation and distribution of third-party data on the Internet. Independent listing and creation of storefronts by non-paying suppliers and our use of third-party information, such as for the creation of supplier storefronts on IndiaMART as part of our supplier acquisition initiatives, exposes us to legal claims such as infringement or misappropriation of intellectual property, breach of privacy, defamation, or negligence. Third parties may in the future collect information from our marketplace and start platforms displaying the same or similar information. For instance, an FIR has been filed against our Company, alleging that our marketplace displayed certain details about a supplier without the proprietor's prior permission, resulting in a loss to such proprietor's firm. We may also be subject to legal claims arising out of infringement of our marketplace model and intellectual property rights by our competitors. For instance, our Company has filed a suit against Just Dial Limited before the High Court of Delhi for infringement of copyright and visual presentation of our website. The High Court of Delhi, in its order dated November 11, 2021, has granted an ex-parte ad-interim injunction in favor of our Company and directed the appointed local commissioners to conduct the search and seizure for collecting evidence of infringing and illegal activities committed by Just Dial Limited. Meanwhile, Just Dial Limited has filed a commercial suit before the High Court of Bombay in January 2021 against our Company, Amazon Internet Services Private Limited and Amazon Web Services, seeking, among other things, an injunction against the defendants (including our Company) from using Just Dial Limited's database, products, catalogues, trade name, domain name and other property and a decree for a sum of ₹10 million in damages. We may also be subject to other claims alleging that we provide inaccurate, false or misleading information. For further details, see "***Legal Proceedings – Litigation involving our Company***" on page 212. As we continue to increase our user base and expand our business, and as litigation becomes more common, we face a higher risk of being the subject of such claims. The validity and scope of any claims against us relating to intellectual property rights involve complex legal and factual questions and analyses and, therefore, the outcome may be uncertain.

We cannot assure you that we will be able to successfully defend any third-party claims and, regardless of the merits of the claim, such claims may significantly divert our efforts and resources to litigate or settle. In addition, in the event of an adverse outcome in any such claims, we may be required to pay substantial monetary damages or discontinue products, services or practices which may infringe or violate the intellectual property which is the subject of the claim. As a result, our brand and reputation may suffer and we may be restricted from pursuing some or all of our business, any of which may cause our suppliers and buyers to reduce their use of our services and products. This, in turn, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

There is also no assurance that our online marketplace listings will remain up-to-date and accurate. We may be made party to the claims made by buyers or other visitors to our marketplace, in the event the contents of the product listings provided by our suppliers and our advertisers on our online marketplace are incorrect or misleading, or in the event that the verifications provided under our TrustSEAL program are found to be inaccurate. We may need to incur significant costs and resources to investigate and defend these claims, regardless of the outcome. In addition, implementing stricter measures to reduce exposure to such liability or to limit the information collated and provided by our services may result in our online marketplace being less attractive to our suppliers and paid advertisers, which would adversely affect our business, financial condition, results of operations and cash flows.

32. ***We accept a wide variety of non-cash payment methods on IndiaMART, which subjects us to related risks.***

We accept payment on IndiaMART for our services through a variety of non-cash methods. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time, raising our operating costs and lowering our revenue. We are also subject to various rules, regulations and requirements, regulatory or otherwise, governing electronic funds transfers and payment systems, which could change or be reinterpreted in a manner that makes it difficult or impossible for us to comply. If we or our third-party payment gateway operators fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from users, process electronic funds transfers or facilitate other types of online payments, and our business, financial condition, results of operations and cash flows could be materially and adversely affected.

33. ***The insurance policies we maintain may be insufficient to cover future costs and losses the incurrence or magnitude of which are unforeseen or unpredictable.***

We maintain insurance which we believe is typical in our industry in India and in amounts which we believe to be commercially appropriate for a variety of risks, including fire and special perils policy to cover risks such as fire and natural calamities, burglary and housebreaking policy, and an all-risks policy for our office equipment. We also maintain employees' deposit-linked insurance and directors and officers liability policies and group personal accident insurance, group mediclaim and group term insurance policies in respect of our employees. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, particularly when the loss suffered is not easily quantifiable. Our insurance policies contain exclusions and limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. The occurrence of an event for which we are not insured, where the loss is in excess of insured limits occurs or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Further, despite such uninsured losses we may remain obligated for any financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business operations, financial condition, results of operations and cash flows.

34. ***We will continue to be controlled by our Promoters and certain members of Promoter Group after the Issue.***

As of the date of this Preliminary Placement Document, our Promoters and certain members of Promoter Group together hold an aggregate of 51.98% of the outstanding Equity Shares, which allows them to control the outcome of the matters submitted to our Shareholders for approval. Our Promoters and certain members of Promoter Group have the ability to exercise control over us and certain matters which include appointment of Directors, our business strategy and policies and approval of significant corporate transactions such as mergers, consolidations, asset acquisitions and sales and business combinations. For instance, our Company, the Promoters and the members of the Promoter Group have entered into an agreement, and pursuant to the terms of Articles of Association as amended in accordance with the special resolution passed by our shareholders in the AGM held on August 31, 2020, which sets out certain arrangements between the Company and each of the Promoters, including giving Dinesh Chandra Agarwal a right to continue as the managing director of our Company during his lifetime, giving Brijesh Kumar Agrawal a right to continue as whole time director of our Company, a right to nominate the chairman of the Company, a right to appoint a director and chief executive officer of the Company, subject to each of the Promoters and their respective Promoter Groups holding at least 5% of paid-up share capital of the Company in aggregate and in accordance with applicable law. The extent of their shareholding in us may also delay, prevent or deter a change in control, even if such a transaction is beneficial to our other shareholders. It may deprive our other shareholders of an opportunity to receive a premium for their Equity Shares as part of a sale of our Company and may reduce the price of our Equity Shares. The interests of our Promoters and Promoter Group as our controlling shareholders could also conflict with our interest or the interests of our other shareholders. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in our favor, and they may take actions that are not in our best interest or that of our other shareholders. These actions may be taken even if they are opposed by our other Shareholders, including those who have purchased Equity Shares in this Issue.

35. ***We have entered into, and will continue to enter into, related party transactions which may not always enable us to achieve the most favorable terms.***

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. For instance, we have entered into lease agreements for certain premises with our related party, MEPL, pursuant to which we are required to pay monthly rent payments to MEPL. We also pay certain fees to Mr. Dhruv Prakash, our Non-Executive Director, for training related services he performs for us under a service agreement. While we believe that all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, there can be no assurance that we could not have achieved more favorable terms had such arrangements not been entered into with related parties. Furthermore, we cannot assure you that any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. Further, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. There can be no assurance that our Directors and executive officers will be able to address these conflicts of interests or others in an impartial manner. For further details regarding our related party transactions, see "***Related Party Transactions***" on page 34.

36. ***All of the offices from which we operate, including our registered office and corporate office are leased or occupied by us pursuant to co-working arrangements. If some of these leases or service agreements, in particular for our registered office and corporate office, are terminated or not renewed on favorable terms or at all, our business, financial condition, results of operations and cash flows could be adversely affected.***

The premises on which our registered office at New Delhi and our corporate office at Noida, Uttar Pradesh are situated have been leased to us. The lease agreement in respect of our corporate office is valid until July 14, 2023 and includes a provision for renewal of two terms of three years each. In addition, as on December 31, 2020, we have taken 35 premises on lease and five premises have been occupied pursuant to co-working arrangements. Of these, as on date, the lease agreements for two of our offices have expired and are pending renewal. We have also entered into service/lease agreements for setting up new offices, which are not presently operational. We have also been granted a 90-year land allotment and an extension to develop a new business site for our operations by the New Okhla Industrial Development Authority in Uttar Pradesh, which has the option to cancel our allotment as construction had not commenced before October 2019. While we have applied for an extension of this timeline, there is no assurance that our request will be granted. Further, some of the lease deeds executed for our operational offices are pening for registration. The registration of such lease deeds are required under applicable laws and, if we fail to register such lease deeds, our rights to use the relevant property may be adversely affected and we may become subject to penalties. If any of these leases or allotment are terminated for any reason or are not renewed on favorable terms or at all, we may suffer a material disruption in our operations or increased costs, or both, which may materially and adversely affect our business, financial condition, results of operations and cash flows.

37. ***We may be subject to vicarious product liability claims for defective products or may be subject to fines and penalties for products sourced from or sold through our online marketplace.***

Although we have not been exposed to product liability claims as no sale and purchase of goods is taking place on our online marketplace, we may be exposed to vicarious product liability claims relating to personal injury, death, property or other damage in the event that products sourced or sold by the suppliers listed on our online marketplace are defective or fail to function as intended or expected.

In addition, our suppliers may use our online marketplace to list products, the sale of which are prohibited, banned or subject to regulation, such as licensing requirements. For example, under the Drugs and Cosmetics Act, 1940, (the "**Drugs Act**") and central and state excise statutes, the sale, exhibition, distribution or offering for sale of drugs (as defined under the Drugs Act) or alcohol are both subject to stringent regulation, including requirements to obtain applicable approvals and licenses from the relevant authorities. If such products were listed on our online marketplace, we may be perceived by the relevant authorities to be carrying on such activities without obtaining the requisite approvals or licenses, which may subject us to fines, penalties or legal proceedings. Furthermore, there can be no assurance that we will not become subject to legal claims, whether justified or not, by suppliers, buyers or their customers under the Consumer Protection Act, 2019, the Legal Metrology Act, 2009 or other similar consumer protection laws or regulation.

Although suppliers on IndiaMART assume liability and agree to indemnify us under subscription and other agreements that we enter with them, these contractual protections may not shield us from all potential liability. We may be required to spend significant money and divert personnel and management attention away from other priorities to resolve these types of claims. If we are unable to defend against such claims, and even if we are successful, our reputation may be harmed and our business disrupted. As a result, our expenses may increase, our revenues may decline, and our business and results of operations may be materially and adversely impacted.

38. ***Contingent liabilities that have not been provided for could adversely affect our financial condition.***

As of December 31, 2020, we had contingent liabilities as per Ind AS 37.

The following table sets out our contingent liabilities not provided for (as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets) as of December 31, 2020, on a consolidated basis:

(in ₹ million)

Particulars	As of December 31, 2020 *(audited)*
Contingent Liabilities	
Income tax demand	302.68
Total	302.68

For further details regarding contingent liabilities, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Selected Financial Information***" on pages 78 and 29, respectively.

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities materialize, our business, financial condition, results of operations and cash flows may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

39. ***We may not pay cash dividends on our Equity Shares. Consequently, you may not receive any return on investment unless you sell your Shares for a price greater than that which you paid for it.***

Whether we will pay dividends in the future and the amount of any such dividends, if declared, will depend on a number of factors, including our future earnings, financial condition and performance, cash flows, working capital requirements, capital expenditures and other factors considered relevant by our directors and shareholders. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. For details, see "***Dividends***" on page 77. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. There can be no assurance that we will, or have the ability to, declare and pay any dividends on the Equity Shares at any point in the future.

40. ***Our Previous Auditors have included a matter of emphasis in the audited standalone financial statements for Fiscal 2018.***

Our Previous Auditors have included a matter of emphasis to the information required to be disclosed in the audited standalone financial statements pursuant to the auditor's report issued for Fiscal 2018 which does not require any corrective adjustment in our financial statement. The matter of emphasis is regarding the effect of scheme of arrangement to demerge the online business undertaking of Tolexo Online Private Limited, a wholly-owned subsidiary of our Company which has been transferred on a going concern basis to our Company and accounted for as prescribed in the scheme approved by the Honorable National Company Law Tribunal by an order dated October 11, 2017 effective from January 1, 2017, the appointed date, stating that the accounting treatment, while made pursuant to such scheme, was not in compliance with the relevant accounting standard relating to business combination, Ind AS 103. Our Previous Auditors' opinion is not modified in respect of the said matter. We cannot assure you that our audit reports for any future fiscal periods will not contain qualifications, matters of emphasis, modifications or other observations which affect our business and results of operations.

External Risks

41. ***We are not, and do not intend to become, regulated as an investment company under the U.S. Investment Company Act and related rules.***

We have not been and do not intend to become registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**"). Accordingly, unlike registered investment companies, we will not be subject to the vast majority of the provisions of the U.S. Investment Company Act, including provisions that require investment companies to have a majority of disinterested directors, provide limitations on leverage and limit transactions between investment companies and their affiliates. None of these protections or restrictions is or will be applicable to us.

If we were to become subject to the U.S. Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the U.S. Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect our operating results and financial performance. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the U.S.

Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity, and shareholders in that entity may be entitled to withdraw their investment.

We are relying on the exemption provided by Section 3(c)(7) of the U.S. Investment Company Act to avoid being required to register as an investment company under the U.S. Investment Company Act and related rules. In order to help ensure compliance with the exemption provided by Section 3(c)(7) of the U.S. Investment Company Act, our Company has implemented restrictions on the ownership and transfer of Equity Shares by any persons acquiring our Equity Shares in Issue who are in the United States or who are U.S. Persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended, or the U.S. Securities Act), which may materially affect your ability to transfer our Equity Shares.

42. ***U.S. regulation of investment activities may negatively affect the ability of banking entities to purchase our Equity Shares.***

The Volcker Rule generally prohibits certain "banking entities" from engaging in proprietary trading, or from acquiring or retaining an "ownership interest" in (as defined therein), sponsoring or having certain relationships with "covered funds", unless pursuant to an exclusion or exemption under the Volcker Rule. As we are relying on an analysis that our Company does not come within the definition of an "investment company" under the U.S. Investment Company Act because of the exception provided under section 3(c)(7) thereunder, our Company may be considered a "covered fund" for purposes of the Volcker Rule. The following would be considered a "banking entity" subject to the Volcker Rule: (i) any U.S. insured depository institution, (ii) any company that controls an U.S. insured depository institution, (iii) any non-U.S. company that is treated as a bank holding company for purposes of Section 8 of the International Banking Act of 1978 (i.e., a non-U.S. company that maintains a branch, agency or commercial lending office in the U.S.) and (iv) any affiliate or subsidiary of any of the foregoing under the U.S. Bank Holding Company Act, other than a covered fund that is not itself a banking entity under clauses (i), (ii) or (iii) above.

There may be limitations on the ability of "banking entities" to purchase or retain our Equity Shares in the absence of an applicable Volcker Rule exemption. Consequently, depending on market conditions and the banking entity status of potential purchasers of our Equity Shares from time to time, the Volcker Rule restrictions could negatively affect the liquidity and market value of our Equity Shares.

Each investor must make its own determination as to whether it is a "banking entity" subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares. Investors are responsible for analyzing their own regulatory position and none of our Company, the Managers or any other person connected with the Issue makes any representation to any prospective investor or holder of our Equity Shares regarding the treatment of our Company under the Volcker Rule, or to such investor's investment in the our Company at any time in the future.

43. ***Rights of shareholders under Indian laws may differ from the laws of other jurisdictions.***

The Articles of Association and applicable Indian laws govern our corporate affairs. Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. In particular, shareholders' rights, including in relation to class actions, may not be as extensive under Indian law as shareholders' rights under the laws of other countries or jurisdictions, such as the United States. Accordingly, investors may have more difficulty in asserting their rights as shareholders in an Indian company than as shareholder of a corporation in another jurisdiction.

44. ***There may be less information available about the companies listed on the Indian securities markets compared with information that would be available if we were listed on securities markets in certain other countries.***

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants, and that of markets and market participants in the United States and other countries. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be, however, less publicly available information about Indian companies than is regularly made available by public companies in more developed economies. As a result, investors may have access to less information about the business, prospects, financial condition, cash flows and results of operations of our Company and our competitors that are listed on stock exchanges in India than companies subject to reporting requirements of other countries.

Risks Relating to India

45. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, financial condition, results of operations and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India. Such changes may also adversely affect our business, financial condition, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has implemented two major reforms in Indian tax laws, namely the goods and services tax ("**GST**") and provisions relating to General Anti-Avoidance Rules ("**GAAR**"). Given the recent implementation of these laws, there can be no assurances as to the manner in which this tax regime will be implemented, which could create uncertainty. Any of the above events may result in an adverse effect on our business, financial condition, results of operations and/or prospects. Tax authorities in India may also introduce additional or new regulations applicable to our business, which could adversely affect our business and profitability.

Further, while no law, regulation or policy has been adopted as on date, the Government of India in December 2019, published the Personal Data Protection Bill, 2019, which provides for a framework for protection of personal data and non-personal data and seeks to, among others, lay down norms for cross-border transfer of personal data, define the scope of the definition of personal data and non-personal data, establishment of data protection authority and ensure the accountability of entities processing personal data. Any such laws, if they come into force, could impose restrictions on our operations and increase our compliance costs.

Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

46. ***Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.***

The Audited Consolidated Financial Statements for fiscals 2018, 2019 and 2020 and the Interim Consolidated Financial Statements for the nine months ended December 31, 2020 included in this Preliminary Placement Document have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

47. ***Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to GoI regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Further, all investments by entities incorporated in a country which shares a land border with India, or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require the prior approval of the Government of India. These restrictions may adversely impact the ability of the Company and its investee companies to raise capital in a timely manner.

Any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilising the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure you that any required approval from the RBI or any other government agency can be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

48. ***Financial instability in other countries may cause increased volatility in Indian financial markets***

The Indian market and economy is influenced by economic and market conditions in other countries, including, but not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations.

In recent periods, there have been concerns over recession in large economies such as the United Kingdom and Australia, geopolitical issues involving the United States and China and a slowdown in global economic growth. In addition, adverse geopolitical conditions such as increased tensions between India and its neighboring countries resulting in any military or political conflict in the region could adversely affect our business and operations. Further, trade tensions between the United States and major trading partners, most notably China, continue to escalate following the introduction of a series of tariff measures in both countries. China's policy response to these trade measures presents a degree of uncertainty. This may also impact other emerging markets, particularly in Asia. Such events may lead to countries imposing restrictions which may affect our suppliers and our ability to provide services.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. In Europe, the exit of the United Kingdom from the European Union, and any prolonged period of uncertainty which results, could have a significant negative impact on international markets. These could include further falls in stock exchange indices and/or greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. The Indian economy may also be impacted by a scarcity of credit or other financing in India and, volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges and changes in India's tax, trade, fiscal or monetary policies.

There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In particular, there are rising concerns of a possible slowdown in the Chinese economy, and China is one of India's major trading partners. Such factors might also result in a slowdown in India's export growth momentum.

The course of market interest rates continues to be uncertain due to factors such as inflation, fiscal deficit and the Government of India borrowing program. Any increase in inflation in the future, because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy. Any uncertainty regarding liquidity and interest rates and any increase in interest rates or reduction in liquidity could materially and adversely impact our business.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares. Adverse economic developments overseas in countries where we have operations could have a material adverse impact on us and the trading price of the Equity Shares.

49. ***Natural disasters, epidemics, pandemics, such as COVID-19, terrorist attacks and other acts of violence or war could have a negative effect on the Indian economy and cause our business to suffer.***

Our business activities are conducted in India. Accordingly, our financial position and results of operations have been and will continue to be significantly affected by overall economic growth patterns in India, which could, in turn, be influenced by a number of factors outside our control. India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. Further, military activities, terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic, religious or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious and infectious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. A worsening of the current outbreak of COVID-19 virus or future outbreaks of COVID-19 virus, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of avian or swine influenza or other contagious disease could also have a material adverse effect on our business and the trading price of the Equity Shares.

50. ***Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.***

The access to the debt capital markets depend significantly on the credit ratings of the Company and India's sovereign debt rating. Credit ratings may also important to us when competing in certain markets and when seeking to engage in longer-term transactions. These ratings are assigned by rating agencies, which may reduce or withdraw their ratings or place us on 'credit watch' with negative implications at any time, or may downgrade India's sovereign debt rating. India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or decline in India's foreign exchange reserves, which are outside our control. For instance, the long-term foreign-currency credit rating of India was recently downgraded from Baa2 to Baa3. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise financing, and the interest rates and other commercial terms at which such financing may be available. As a result, we may not be able to raise funds on acceptable terms, or to raise sufficient funds. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

51. ***You may be subject to Indian taxes arising out of capital gains or stamp duty.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

Further, the Finance Act, 2020 ("**Finance Act**"), passed by the Parliament of India. The Finance Act stipulates the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Under the Finance Act, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. The Government of India has recently announced the union budget for Fiscal 2022, pursuant to which the Finance Act may undergo various amendments. Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect the Company's business, financial condition and results of operations.

Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. See also "***Taxation***" on page 203.

Risks Relating to this Issue and Investments in our Equity Shares

52. ***Applicants to this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.***

Under the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date. The Allotment of Equity Shares in the Issue and the credit of Equity Shares to the applicant's demat account with its depository participant could take approximately seven days to 10 Working Days from the Bid/Issue Closing Date. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events or material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. The occurrence of any such event after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants will not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of SEBI. We may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

53. ***Any future issuance of Equity Shares may dilute your shareholdings, and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of our Equity Shares.***

Our Company may be required to finance its future growth and business requirements through additional securities offerings. Any future equity issuances of Equity Shares or convertible securities or securities linked to the Equity Shares by us, including through the exercise of outstanding stock options, may lead to the dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any sales of substantial amounts of our Equity Shares by our Promoters or other major shareholders, or the perception that such sales could occur, could adversely affect the market price of our Equity Shares and could materially impair our future ability to raise capital through offerings of our Equity Shares. Our Promoters have informed the Company that they intend, subject to market conditions and receipt of approvals required, including under our insider trading policy, and in compliance with Applicable Law, to undertake a secondary sale of Equity Shares held by them, aggregating up to 2% of the pre-Issue share capital of our Company, post completion of the Issue. We cannot assure you that we will not issue further Equity Shares or convertible securities or other equity linked securities or that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

54. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

The Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

55. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, 2013, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. Our decision to file a registration statement will depend on the costs and potential liabilities associated with any such registration as well as the perceived benefits of enabling holders in such jurisdiction to exercise their preemptive rights and any other factors we consider appropriate at such time. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to you by Indian law. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in our Company may be reduced.

56. ***Listed companies in India are highly regulated and we are subject to continuous reporting requirements.***

We are subject to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we incur significant legal, accounting, corporate governance and other expenses. We are subject to the SEBI Listing Regulations which requires us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a listed company, we are required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. We are also required to monitor trading in the Equity Shares in terms of the SEBI Insider Trading Regulations. There have been instances in the past where certain designated persons (as identified pursuant to the SEBI Insider Trading Regulations) of our Company have traded in the Equity Shares in violation of the code of conduct implemented by our Company in terms of the SEBI Insider Trading Regulations. In such instances, our Company had issued warning letters to and imposed monetary penalties on such designated persons. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention are required. As a result, our management's attention may be diverted from our business concerns, which may affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

57. ***The trading price of the Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.***

The Issue Price shall be determined by us in consultation with the Book Running Lead Managers, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. It may not necessarily be indicative of the market price of the Equity

Shares after this Issue is complete. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to the Issue.

The trading price of the Equity Shares may fluctuate due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the ongoing COVID-19 pandemic, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors and the perception in the market about investments in the e-commerce sector, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

For example, conditions in the Indian securities markets may cause the trading price of the Equity Shares to fluctuate. The Indian securities markets are generally smaller and more volatile than securities markets in developed economies. In the past, the Indian stock exchanges have experienced high volatility and other problems that have affected the market price and liquidity of the listed securities, including temporary exchange closures, broker defaults, settlement delays and strikes by brokers. Excessive volatility may, in turn, trigger the imposition of circuit breakers. See "***—There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time.***" below. A closure of, or trading stoppage on, either of BSE and NSE could adversely affect the trading price of the Equity Shares.

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Additionally, in recent years, there have been changes in laws and regulations regulating the taxation of dividend income, which have impacted the Indian equity capital markets. See "***Dividends***" on page 77.

Any of these factors could adversely affect the market price and liquidity of the Equity Shares.

58. ***There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner, or at all, and Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade. Further, the prospective investors will not be able to immediately sell their Equity Shares on the Stock Exchange, which could expose them to market risk.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be applied for or granted until the Equity Shares have been issued and Allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell the Equity Shares.

Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade. Investors can start trading the Equity Shares Allotted to them only after they have been credited to an investor's demat account, are listed and permitted to be traded. Since our Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

59. ***There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time.***

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on the Stock Exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform us of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares.

60. ***The right of the Equity Shareholders to receive payments under the Equity Shares will be subject to tax and other liabilities upon insolvency of the Company.***

The Equity Shares will be subordinated to other liabilities preferred by law, such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of the Company's business (including workmen's dues, such as salary, holiday remuneration, amounts due under the Employees' State Insurance Act, 1948, compensation in relation to death or disability of employees, money payable to the provident fund, gratuity fund, etc.). In the event that bankruptcy or insolvency proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy or insolvency are instituted by or against the Company, the payment of sums or dividends to the Equity Shares may be substantially reduced or delayed, or the shareholding in the Company may be significantly diluted or otherwise completely extinguished.

61. ***An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares***

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in this Issue, eligible QIBs subscribing for each of the Equity Shares may only sell their Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up equity share capital of our Company is ₹291,215,160 divided into 29,121,516 Equity Shares of ₹10 each. The face value of the Equity Shares is ₹10 per equity share. The Equity Shares are listed and traded on BSE and NSE.

On February 16, 2021, the closing price of the Equity Shares on BSE and NSE was ₹8,856.95 and ₹8,855.85, respectively. The tables below set out, for the periods indicated, the high, low and average closing prices and the trading turnover on NSE and BSE for the Equity Shares.

A. The following tables set out the reported high, low and average of the closing prices of the Equity Shares on NSE and BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for Fiscals 2020, 2019 and 2018.

NSE

Fiscal	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)	Total volume of Equity Shares traded in the Fiscals (in number)	Total turnover of Equity Shares traded in the Fiscals (₹ in million)
Fiscal 2020	2,662.85	February 24, 2020	206,450	553.20	1,132.60	August 14, 2019	18,703	21.31	1,888.16	23,340,841	39,526.93
Fiscal 2019	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Fiscal 2018	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(Source: www.nseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.
4. Our Company was listed and admitted to trading on the NSE on July 4, 2019, and hence, data only from the listing date is available.

BSE

Fiscal	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)	Total volume of Equity Shares traded in the Fiscals (in number)	Total turnover of Equity Shares traded in the Fiscals (₹ in million)
Fiscal 2020	2,659.85	February 24, 2020	11,889	31.82	1,133.10	August 14, 2019	753	0.86	1,887.70	2,289,092	3,794.96
Fiscal 2019	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Fiscal 2018	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(Source: www.bseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.
4. Our Company was listed and admitted to trading on the BSE on July 4, 2019, and hence, data only from the listing date is available.

B. The following tables set out the reported high and low closing prices of the Equity Shares recorded on NSE and BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months.

NSE

Month	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in million)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in million)
January 2021	8,217.45	January 12, 2021	244,208	1,989.91	7,038.30	January 1, 2021	525,320	3,672.27	7,656.46	4,598,628	35,309.62
December 2020	6,407.20	December 31, 2020	72,477	462.18	5,012.55	December 3, 2020	48,779	248.47	5,629.17	2,193,153	12,448.49
November 2020	5,092.40	November 27, 2020	244,598	1,229.95	4,697.95	November 26, 2020	59,771	279.76	4,888.35	1,271,385	6,261.62
October 2020	5,020.80	October 6, 2020	118,164	597.92	4,846.00	October 30, 2020	27,659	135.41	4,964.97	1,672,435	8,358.99
September 2020	5,330.45	September 28, 2020	181,264	976.08	3,828.15	September 1, 2020	233,456	885.09	4,788.54	5,953,389	27,542.95
August 2020	3,708.00	August 25, 2020	477,392	1,779.09	2,892.00	August 3, 2020	699,998	2,073.77	3,179.81	4,025,805	12,998.38

(Source: www.nseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each month presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

BSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in million)
January 2021	8,217.15	January 12, 2021	21,124	171.92	7,041.30	January 1, 2021	19,844	138.80	7,658.32	317,809	2,444.54
December 2020	6,405.40	December 31, 2020	2,386	15.19	5,013.80	December 3, 2020	3,830	19.42	5,627.25	119,114	682.01
November 2020	5,070.35	November 27, 2020	27,869	138.20	4,699.05	November 26, 2020	6,393	29.93	4,889.49	103,475	507.65
October 2020	5,019.85	October 6, 2020	2,626	13.32	4,845.50	October 19, 2020	11,160	53.56	4,963.16	97,622	487.40
September 2020	5,331.85	September 28, 2020	17,100	92.02	3,830.00	September 1, 2020	9,711	36.90	4,789.11	604,783	2,730.67
August 2020	3,710.30	August 25, 2020	24,465	91.36	2,889.75	August 3, 2020	45,854	135.55	3,180.15	244,624	791.44

(Source: www.bseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each month presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

C. The following table sets forth the market price of the Equity Shares on NSE and BSE on January 19, 2021, the first Working Day following the approval of the Board of Directors for the Issue.

NSE						BSE					
Open (₹)	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded**	**Turnover (₹ in million)**	**Open (₹)**	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded**	**Turnover (₹ in million)**
7,559.00	7,724.85	7,376.95	7,404.60	267,901	2,008.89	7,570.00	7,706.90	7,380.10	7,406.20	9,928	74.54

(Source: www.nseindia.com and www.bseindia.com)

USE OF PROCEEDS

The gross proceeds of the Issue shall be approximately ₹[●] million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue of approximately ₹[●] million, shall be approximately ₹[●] million ("**Net Proceeds**").

Purpose of the Issue

Our Company proposes to utilize the Net Proceeds for its future growth and expansion. The Net Proceeds may be utilized for augmenting long term cash resources, funding the organic or inorganic growth opportunities in the area of the Company's operations and adjacencies, making investments in companies including in subsidiaries, joint ventures, associates or otherwise (either through debt or equity or any convertible securities), growing existing businesses or entering into new businesses in line with the strategy of the Company or for any other general purposes as may be permissible under the applicable law and approved by the Board.

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

As permissible under applicable laws and subject to the review of the Audit Committee as required under the SEBI Listing Regulations and in accordance with the decision of the Board, our Company's management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us. Pending utilisation of the Net Proceeds, our Company intends to temporarily invest the funds in creditworthy instruments, including money market, mutual funds, and deposits with banks. Such investments will be in accordance with the investment policies as approved by the Board and/ or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws. In accordance with the SEBI Listing Regulations, our Company shall disclose the utilization of funds raised through the Issue in its annual report every year until such funds are fully utilized.

Neither the Promoters nor the Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds.

CAPITALIZATION STATEMENT

The following table sets forth our capitalization statement on a consolidated basis as of December 31, 2020 which is based on the Interim Audited Consolidated Financial Statements and adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with "***Selected Financial Information***", "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and other financial information contained in the "***Financial Information***" on pages 29, 35, 78 and 221, respectively.

(in ₹ million)

Particulars	Pre-Issue (as at December 31, 2020) (on a consolidated basis)	As adjusted after considering the Issue (i.e. Post Issue)*# (on a consolidated basis)
Borrowings		
Non-current borrowings	-	**[●]**
Current borrowings	-	**[●]**
Total borrowings (A)	-	[●]
Equity		
Share Capital**	290.72	[●]
Other equity^	4,738.27	[●]
Equity attributable to equity holders of the Company	5,028.99	[●]
Non-controlling interests	-	[●]
Total equity (B)	5,028.99	[●]
Total capitalization (A+B)	5,028.99	[●]

** Will be finalized upon determination of the Issue Price.*
*** Share capital is net of shares held by Indiamart Employee Benefit Trust.*
^ Other equity includes other comprehensive income.
 # Without consideration of share issue expenses. The figures in this column are unaudited and derived by giving effect to the issue of [●] Equity Shares at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) through the Issue, without consideration for any other transaction or movement in such financial statement line items after December 31, 2020.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Preliminary Placement Document is set out below:

(In ₹, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORIZED SHARE CAPITAL**	**994,425,584**
	99,442,460 equity shares of face value of ₹10 each	994,424,600
	Three 0.01% cumulative preference shares of face value of ₹328 each	984
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	29,121,516 equity shares of face value of ₹10 each	291,215,160
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] equity shares of face value of ₹10 each aggregating up to ₹[●][(2)]	[●]
D	**PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	[●] equity shares of face value of ₹10 each [(3)(4)]	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue[*]	4,811,199,447
	After the Issue[(5)]	[●]

** As of February 17, 2021.*

(1) The authorized share capital of our Company was reclassified from 31,500,000 Equity Shares and 1,493,903 0.01 % cumulative preference shares having face value of ₹328 each and 1,894,254 compulsorily convertible cumulative preference shares having face value of ₹100 each, pursuant to the resolutions of the Board of Directors and the Shareholders dated January 18, 2021 and February 10, 2021, respectively.

(2) The Issue has been authorized by the Board of Directors and the Shareholders pursuant to their resolutions dated January 18, 2021 and February 10, 2021, respectively.

(3) To be determined upon finalization of the Issue Price.

(4) Does not include any Equity Shares that may be issued to employees of our Company on exercise of options granted to them under the IndiaMART ESOS 2015 or IndiaMART ESBS 2018.

(5) The securities premium account after the Issue is calculated on the basis of gross proceeds. To be determined upon finalization of Issue Price.

Equity Share Capital History of our Company

The history of the equity share capital of our Company is set forth below:

Date of Allotment	Number of Equity Shares	Face value (₹)	Issue Price per Equity share (₹)	Nature of Consideration
September 13, 1999	700	10	10.00	Cash[(1)]
January 10, 2000	8,000,000	10	10.00	Other than cash[(2)]
March 31, 2000	215,500	10	10.00	Cash[(3)]
November 30, 2000	22,500	10	40.00	Cash[(3)]
June 17, 2001[#]	75,250	10	40.00	Cash[(3)]
July 15, 2001[#]	76,500	10	40.00	Cash[(3)]
August 30, 2001[#]	71,250	10	40.00	Cash[(3)]
March 31, 2002	33,000	10	40.00	Cash[(3)]
October 5, 2002	34,500	10	40.00	Cash[(3)]
March 30, 2007	639,659	10	234.50	Cash[(3)]
November 24, 2008	100	10	328.00	Cash[(3)]
January 29, 2016	20	10	770.00	Cash[(3)]
February 5, 2016	10	10	770.00	Cash[(3)]
March 31, 2018	301,681	10	100.00	Cash[(4)]
	373,723	10	150.00	Cash[(4)]

Date of Allotment	Number of Equity Shares	Face value (₹)	Issue Price per Equity share (₹)	Nature of Consideration
	132,412	10	200.00	Cash[(4)]
May 9, 2018	9,976,805	10	N.A.	N.A.[(5)]
	5,020	10	50.00	Cash[(4)]
	1,426	10	75.00	Cash[(4)]
May 31, 2018	77,450	10	50.00	Cash[(4)]
	277,650	10	75.00	Cash[(4)]
	568,160	10	100.00	Cash[(4)]
June 6, 2018	2,076,091	10	146.93	Cash[(6)]
	1,105,632	10	385.00	Cash[(6)]
	15,498	10	385.00	Cash[(6)]
June 16, 2018	25,682	10	50.00	Cash[(4)]
	11,990	10	75.00	Cash[(4)]
	79,120	10	100.00	Cash[(4)]
June 25, 2018	520,132	10	100.00	Cash[(4)]
September 22, 2018	1,258,831	10	146.93	Cash[(6)]
	2,338,462	10	385.00	Cash[(6)]
	277,252	10	385.00	Cash[(6)]
May 27, 2019	182,814	10	100.00	Cash[(4)]
September 30, 2019	145,000	10	10.00	Cash[(7)]
July 20, 2020	21,846	10	100.00	Cash[(4)]
September 19, 2020	37,602	10	100.00	Cash[(4)]
	135,000	10	10.00	Cash[(7)]
November 8, 2020	7,248	10	100.00	Cash[(4)]
Total	**29,121,516**			

 # Holders of Equity Shares allotted pursuant to these allotments were provided an exit opportunity in accordance with the process as set forth in the SEBI Circular (CIR/CFD/DIL3/18/2015) dated December 31, 2015.

(1) Subscription to memorandum of association of the Company.

(2) Allotment of Equity Shares in consideration of acquisition of the assets and liabilities of InterMESH Systems, a sole proprietorship firm.

(3) Allotment pursuant to preferential allotment.

(4) Allotment to the employees of our Company, pursuant to exercise of employee stock options.

(5) Allotment pursuant to the bonus issue in the proportion of 1 (one) Equity Share for every 1 (one) Equity Shares to the existing Shareholders, as on May 8, 2018.

(6) Allotment pursuant to conversion of compulsorily convertible preference shares.

(7) Allotment to EBS Trust under the IndiaMART ESBS 2018.

Except as stated in "- ***Equity Share Capital History of our Company***" above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

History of Preference Share Capital of our Company

The history of the preference share capital of our Company is set forth below:

Date of allotment	Number of preference shares	Face value (₹)	Issue Price (₹)	Nature of Consideration
Non-cumulative redeemable preference shares				
January 10, 2000	2,000,000	10	10.00	Other than cash[(1)]
Total	0			
Series A 0.01% cumulative preference shares of our Company of face value of ₹328 each				
November 24, 2008	1,493,903	328	328.00	Cash[(2)]
June 6, 2018	(930,000)	328	-	-
September 22, 2018	(563,903)	328	-	-
Total	**0**			

Date of allotment	Number of preference shares	Face value (₹)	Issue Price (₹)	Nature of Consideration
Series B 0.01% compulsorily convertible cumulative preference shares of our Company of face value of ₹100 each				
January 29, 2016	947,122	100	770.00	Cash(2)
February 5, 2016	774,925	100	770.00	Cash(2)
June 6, 2018	(552,816)	100	-	-
September 22, 2018	(1,169,231)	100	-	-
Total	**0**			
Series B1 0.01% compulsorily convertible cumulative preference shares of our Company of face value of ₹100 each				
March 31, 2017	94,713	100	770	Cash(2)
July 26, 2017	51,662	100	770	Cash(2)
June 6, 2018	(7,749)	100	-	-
September 22, 2018	(138,626)	100	-	-
Total	**0**			

(1) Allotment of non-cumulative redeemable preference shares in consideration of acquisition of the assets and liabilities of InterMESH Systems, a sole proprietorship firm. The non-cumulative redeemable preference shares allotted were redeemed by the Company in tranches. There are no outstanding non-cumulative redeemable preference shares as on the date of this Preliminary Placement Document.

(2) Allotment pursuant to preferential allotment.

As on the date of this Preliminary Placement Document, our Company does not have any issued, subscribed and paid-up preference share capital.

Employee Stock Option Schemes

1. **IndiaMART ESOS 2015**

Pursuant to the resolutions of the Shareholders dated November 10, 2008, our Company was authorized to implement employee stock option schemes to grant, offer and allot an aggregate of 1,066,216 options to eligible employees, exercisable for up to 1,066,216 Equity Shares. Further, pursuant to such resolution, our Company adopted and instituted three employee stock option schemes, with effect from November 24, 2009, March 15, 2012 and July 31, 2013, respectively. Under these schemes, our Company granted options to eligible employees in the years 2010 ("**Grant 2010**"), 2012 ("**Grant 2012**") and 2013 ("**Grant 2013**").

Subsequently, pursuant to a resolution dated June 8, 2015 of the Board and a resolution dated September 23, 2015 of the Shareholders, our Company adopted the IndiaMART ESOS 2015, which governs all previous stock option schemes of our Company, including Grant 2010, Grant 2012 and Grant 2013. The maximum Equity Shares that may be issued upon exercise of grants under the IndiaMART ESOS 2015 should not exceed the aggregate of 5% of the expanded share capital of our Company and the existing pool of 1,516,216 options that were approved pursuant to the shareholder resolutions dated November 10, 2008 and October 27, 2012. Subsequently, the Board, by its resolution dated May 3, 2016, approved an increase in the pool to 2,136,216 options. However, pursuant to a resolution of the Board dated April 30, 2018, the IndiaMART ESOS 2015 was discontinued with respect to future grants of options. Further, pursuant to such resolution of the Board and the resolution of the Shareholders dated May 7, 2018, 372,746 options, comprising the options under IndiaMART ESOS 2015 that had not been granted to eligible employees, are governed by the IndiaMART ESBS 2018.

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

As on the date of this Preliminary Placement Document, our Company has granted an aggregate of 2,139,690 options under IndiaMART ESOS 2015, including lapsed stock options granted under the IndiaMART ESOS 2015, which were added back to the pool. Of the granted options, an aggregate of 1,715,886 stock options have vested and have been exercised, 409,881 options have lapsed and 13,923 options are outstanding which will be exercisable into 27,846 Equity Shares, as on the date of this Preliminary Placement Document.

The IndiaMART ESOS 2015 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

2. **IndiaMART ESBS 2018**

Pursuant to a resolution of the Board dated April 30, 2018 and the Shareholders dated May 7, 2018, our Company instituted the IndiaMART ESBS 2018. In terms of the IndiaMART ESBS 2018, eligible employees may be granted options and/or stock appreciation rights ("**SARs**").

Pursuant to a trust deed dated June 14, 2018, a trust by the name "IndiaMART Employee Benefit Trust" ("**EBS Trust**") has been set up in connection with the implementation of IndiaMART ESBS 2018. The current trustees of the EBS Trust are Madhup Agrawal, Abhishek Bhartia and Vikas Aggarwal. The EBS Trust has been set up to implement equity based incentive schemes of our Company, including the IndiaMART ESBS 2018, whereby our Company will initially issue and allot the Equity Shares to the EBS Trust, which will subsequently, transfer the Equity Shares to the employees when they exercise their stock options or SAR units.

In terms of the IndiaMART ESBS 2018 and resolutions dated June 4, 2018 and June 11, 2018 of the Board and Shareholders, respectively, a maximum of 45,492 stock options and 1,400,000 SAR units resulting into an aggregate of 745,492 Equity Shares, may be granted to eligible employees, identified in accordance with the IndiaMART ESBS 2018. The IndiaMART ESBS 2018 will be administered and monitored by the Nomination and Remuneration Committee. Further, by way of the Board and Shareholders resolutions dated July 31, 2019 and September 25, 2019, respectively: (i) the IndiaMART ESBS 2018 was ratified for implementation; (ii) benefits under the IndiaMART ESBS 2018 were extended to or for the benefit of permanent employees of the present and future subsidiaries of our Company; and (iii) the terms of the IndiaMART ESBS 2018 were amended with respect to the appreciation of SAR units to be received by the employees whereby the appreciation will be calculated as the difference between the vesting date price and the SAR price.

IndiaMART ESBS 2018 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

As on the date of this Preliminary Placement Document, an aggregate of 800,740 SAR units have been granted under IndiaMART ESBS 2018, of which 76,824 SAR units have lapsed on account of employees having resigned from our Company. Of the granted SAR units granted under the IndiaMART ESBS 2018, an aggregate of 294,172 SARs have vested and have been exercised, 76,824 SARs have lapsed and 429,744 SARs are outstanding as on the date of this Preliminary Placement Document.

Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of our Company, is set forth below:

Sr. No.	Category	Pre-Issue (As of February 12, 2021)^		Post-Issue (for institutional investors)* (As of [●], 2021 for all other categories)	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of share holding
A.	**Promoters' holding****				
1.	Indian				
	- Individual, HUF and others	15,137,091	51.98	[●]	[●]
	- Bodies corporate	-	-	-	-
	Sub-total	**15,137,091**	**51.98**	**[●]**	**[●]**
2.	Foreign promoters	-	-	-	-
	Sub-total (A)	**15,137,091**	**51.98**	**[●]**	**[●]**
B.	**Non – Promoters' holding**				
1.	Institutional Investors	8,629,168	29.63	[●]	[●]
2.	Non-Institutional Investors				
	- Private Corporate Bodies	209,265	0.72	[●]	[●]

Sr. No.	Category	Pre-Issue (As of February 12, 2021)^		Post-Issue (for institutional investors)* (As of [●], 2021 for all other categories)	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of share holding
	- Directors and relatives*** (other than Promoters)	41,974	0.14	[●]	[●]
	- Indian public (Individual and HUF)	3,791,611	13.02	[●]	[●]
	- Others (including Non-resident Indians (NRIs) and Foreign Company)	1,264,973	4.35	[●]	[●]
	- Indimart Employee Benefit Trust	47,434	0.16		
	Sub-total (B)	**13,984,425**	**48.02**	**[●]**	**[●]**
	Grand Total (A+B)	**29,121,516**	**100**	[●]	[●]

^ *Based on beneficiary position data of our Company as on February 12, 2021.*

**The post-Issue shareholding pattern will be filled-in before filing of the Placement Document with the Stock Exchanges*.

*** This includes shareholding of the members of the Promoter Group.*

**** This includes shareholding of 'immediate relatives' as defined under the SEBI Insider Trading Regulations.*

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "***Details of Proposed Allottees***" on page 223.

The Promoters have informed the Company that they may, subject to market conditions and receipt of approvals required, including under our insider trading policy, and in compliance with applicable law, undertake a secondary sale of Equity Shares held by them, aggregating up to 2% of the pre-Issue share capital of the Company, post completion of the Issue.

DIVIDENDS

The declaration and payment of dividends, if any, by our Company is governed by applicable provisions of the Companies Act and the Articles of Association. The Board may also, from time to time, declare interim dividends. For further information, see "***Description of the Equity Shares***" on page 197.

The Board has approved and adopted a formal dividend distribution policy in terms of Regulation 43A of the SEBI Listing Regulations. In terms of this policy, the declaration of dividend shall be determined by the Board after taking into consideration the financial performance, advice of executive management and is dependent on a number of internal, external factors and financial parameters, including, but not limited to, capital allocation plans; minimum cash required for contingencies or unforeseen events; funds required to service any outstanding loans; liquidity and return ratios; any other significant developments that require cash investments; any significant changes in macro-economic environment affecting India or the geographies in which our Company operates, or the business of our Company or its clients; any political, tax and regulatory changes in the geographies in which our Company operates; any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model; any changes in the competitive environment requiring significant investment; adverse market conditions and business uncertainty; inadequacy of profits earned during the fiscal year; inadequacy of cash balance; and large forthcoming capital requirement which are best funded through internal accruals, etc.

The following table details the dividend paid by our Company on the Equity Shares in respect of Fiscals 2020, 2019 and 2018 and interim dividend declared with respect to Fiscal 2021 until the date of this Preliminary Placement Document:

Particulars	Fiscal 2021	Fiscal 2020*	Fiscal 2019	Fiscal 2018
Face value per Equity Share (in ₹)	10.00	10.00	10.00	10.00
Dividend rate (%)**	-	100%	-	-
Dividend (interim) per Equity Share (in ₹)	-	10.00	-	-
Dividend (final) per Equity Share (in ₹)	-	10.00	-	-
Total dividend (in ₹) (exclusive of dividend distribution tax and dividend distributed to Indiamart Employee Benefit Trust)	-	288,772,470	-	-
Dividend distribution tax (in ₹)	N.A.	59,445,541	-	-

** Based on the Fiscal 2020 Audited Consolidated Financial Statements. The Board had not recommend any final dividend for the Fiscal 2020. The interim dividend of ₹10 per Equity Share declared by Board at its meeting held on March 3, 2020 shall be considered as the final dividend for the Fiscal 2020.*

*** Dividend rate = Dividend per Equity Share / face value per Equity Share x 100*

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

The Equity Shares to be issued in connection with the Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of Fiscal in which they have been allotted.

For a summary of certain Indian and United States federal tax consequences of dividend distributions to the Shareholders, see "***Taxation***" and "***Certain U.S. Federal Income Tax Considerations***" on pages 203 and 189, respectively. Also see "***Risk Factors – We may not pay cash dividends on our Equity Shares. Consequently, you may not receive any return on investment unless you sell your Equity Shares for a price greater than that which you paid for it***" on page 58.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless otherwise specifically mentioned, the following discussion should be read together with the information in "***Selected Financial Information***" on page 29, and our audited consolidated financial statements as of and for fiscal years ended March 31, 2018, 2019 and 2020 and our audited condensed consolidated interim financial statements as of and for the nine months ended December 31, 2020 along with the related schedules thereto (the "**Audited Consolidated Financial Statements**"), included in "***Financial Information***" on page 221. Unless otherwise stated, references in this section to "we", "our", "us" or "the Group" are to our Company and our Subsidiaries.

The Audited Consolidated Financial Statements, which comprise of the consolidated balance sheet as at March 31, 2018, 2019 and 2020 and December 31, 2020, the consolidated statements of changes in equity as at March 31, 2018, 2019 and 2020 and December 31, 2020, the consolidated statements of profit and loss for the years ended March 31, 2018, 2019 and 2020 and the nine months ended December 31, 2020 and the consolidated statements of cash flows for the years ended March 31, 2018, 2019 and 2020 and the nine months ended December 31, 2020 and accompanying annexures thereto, included in this Preliminary Placement Document have been prepared in accordance with Indian Accounting Standard ("**IndAS**") notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time.

We have included various operational and financial performance indicators in this Preliminary Placement Document, including certain non-GAAP financial measures, some of which may not be derived from the Audited Consolidated Financial Statements. The manner in which such operational and financial performance indicators, including non-GAAP financial measures, are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of the Audited Consolidated Financial Statements and other information relating to our business and operations included in this Preliminary Placement Document.

IndAS differs in certain respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may not be familiar. Accordingly, the degree to which the financial statements included in this Preliminary Placement Document will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the prospective investor's familiarity with IndAS. Any references to "fiscal" are to our fiscal year ending March 31 of each year. Unless otherwise stated, all figures provided in this section are on a consolidated basis. Data included in this section in relation to certain operating metrics, financial information not otherwise included in the Audited Consolidated Financial Statements and certain business information and data (such as listed products and services, supplier storefronts, number of registered buyers and subscription suppliers, among others) have been reviewed and verified by AARK & Co. LLP, independent Chartered Accountants in accordance with SRS 4400 (Engagement to Perform Agreed-Upon Procedures Regarding Financial Information) issued by the ICAI.

Statements contained in this discussion that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those forward-looking statements. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us or any other person, or that these results will be achieved or are likely to be achieved. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors and contingencies that could affect our financial condition, results of operations and cash flows. You are also advised to read "***Forward-Looking Statements***" and "***Risk Factors***" on pages 18 and 35, respectively, which discuss a number of factors or contingencies that could affect our financial condition and results of operations. Prospective investors in the Equity Shares are cautioned not to place undue reliance on these forward-looking statements.

The information in this section is derived from the Redseer Report. We commissioned the Redseer Report for the purposes of confirming our understanding of the industry in connection with the Issue. Neither we, nor any of the BRLMs, nor any other person connected with the Issue has verified the information in the Redseer Report. Further, these reports are prepared based on information as of specific dates and may no longer be current or reflect current trends. They may also base their opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect. Prospective investors are advised not to unduly rely on the Redseer Report when making their investment decision. For further details, see "***Risk Factors***", "***Industry Overview***" and "***Business***" on pages 35, 105 and 118, respectively.

Overview

We are India's largest online B2B marketplace for business products and services with approximately 60% market share of the online B2B classifieds space in India in fiscal 2020, according to the Redseer Report. We primarily operate through our product and supplier discovery marketplace, www.indiamart.com or "IndiaMART". Our online marketplace provides a platform for mostly business buyers, to discover products and services and contact the suppliers of such business products and services. Our marketplace also offers services, such as cloud telephony, CRM, chat messaging and payment gateways to enable suppliers and buyers to have conversations, accept online payments and engage in commerce efficiently. IndiaMART had an aggregate of 552.6 million, 723.5 million, 747.9 million and 703.8 million visits in fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, respectively, of which 396.9 million, 550.3 million, 569.4 million and 572.3 million comprised mobile traffic, or 72%, 76%, 76% and 81% of total traffic, respectively, for the same periods.

We refer to sellers of products and services listed on IndiaMART marketplace as "suppliers", and suppliers that subscribe to paid services on IndiaMART as "paying subscription suppliers". We refer to each visitor to IndiaMART, including, among others, each separate visitor from the same business entity or establishment, for whom we obtain basic identifying and contact information as our "registered buyer". As of December 31, 2020, we had 119.43 million registered buyers and 6.37 million supplier storefronts from India. These Indian supplier storefronts had listed 70.71 million products as of December 31, 2020 of which 80% of goods comprised products and 20% were services. We refer to an enquiry placed by buyers on IndiaMART through telephone, SMS, email or by posting an RFQ (as defined below) as a "business enquiry". We count business enquiries received by a supplier, including each receipt of the same business enquiry by multiple suppliers, as a business enquiry delivered. A total of 289.98 million, 448.97 million, 464.21 million and 459.61 million business enquiries, respectively, were delivered to IndiaMART suppliers in fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020. For fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, we had 52.59 million, 72.52 million, 74.20 million and 72.20 million daily unique buyer requests, respectively, of which 52%, 55%, 55% and 58% were repeat buyers calculated on the basis of the past 90 days, respectively.

IndiaMART provides a robust two-way discovery marketplace connecting buyers and suppliers. Buyers locate suppliers on our marketplace, including both Indian small and medium enterprises, or "SMEs", and large corporates, by viewing a webpage/mobile site/mobile app containing the supplier's product and service listings, or a "supplier storefront", or by posting requests for quotes called "RFQs" or "BuyLeads". Buyers can make business enquires on IndiaMART through telephone, SMS, e-mail or by posting RFQs. Our marketplace covers a widespread range of industries spread across India, rather than relying on a single target industry or geography. As of December 31, 2020, we had organized our listings across 56 industries. For a complete list of industry categories on our marketplace, see "***—IndiaMART—Our Product Listings***" below. Additionally, our marketplace platform offers solutions to facilitate communication, engagement and payments between suppliers and buyers. For more details of these services, see "***—IndiaMART—Services for Suppliers***" below.

Furthermore, according to the Redseer Report, the growing B2C e-commerce market has led to a large number of sellers bringing their businesses online to meet consumer demand during the government mandated lockdown in India in response to the COVID-19 pandemic. Our online marketplace capitalizes on this opportunity by helping buyers gain access to a large pool of suppliers, comprehensive product and supplier information in a standardized format and greater transparency in prices. Our online marketplace also provides suppliers with cost-effective ways to reach new buyers across geographies.

Using our reservoir of data on suppliers' and buyers' behavior and preferences, we are able to deploy artificial intelligence based, data driven algorithmic matchmaking between buyers and sellers on our platform. Coupled together with our voice and text based multilingual search engine (operating in nine languages), this enables users to efficiently discover relevant products and services. We believe this leads to an increase of repeat buyers on our platform. For the year ended March 31, 2020 and the nine months ended December 31, 2020, we had 55% and 58% repeat buyers calculated on the basis of the preceding 90 days. In addition, as of December 31, 2020, 37% of the suppliers on our platform have acted as buyers of other products and services in the last 12 months. This establishes a virtuous cycle of user engagement, leading to a self-sustained traction in traffic and business enquiries.

The image below illustrates the value proposition of IndiaMART together with its subsidiaries and associate companies for buyers and suppliers.

Through associate companies.

Our online marketplace is accessible through desktop and mobile-optimized platforms. Our IndiaMART mobile website, together with our mobile app, accounted for 72%, 76%, 76% and 81% of total traffic to IndiaMART for fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, respectively. Also, as of December 31, 2020, 79% of our paying subscription suppliers were active on our mobile app in the last 30 days.

We earn revenue primarily through the sale of subscription packages (available on a monthly, semi-annual, annual and multi-year basis) to suppliers, which offer a range of benefits including the listing of their supplier storefronts on a priority basis on IndiaMART, access to CRM and messaging systems, access to an online payment gateway and access to RFQs. We also earn revenue through advertising on our IndiaMART desktop and mobile-optimized platforms, including our mobile app, payment facilitation service and from the sale of "RFQ credits".

In fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, substantially all of our revenue from operations was earned through the sale of subscription packages, and a minor portion of our total revenue was earned through advertising, facilitation of payment and sale of RFQ credits.

Factors Affecting Our Results of Operations

Our business and results of operations have been affected by a number of significant factors that we believe will continue to affect our business and results of operations in the future. These factors include the following:

Subscription revenue on IndiaMART

Our subscription revenue is sourced from the sale of subscription packages. Revenue from the sale of subscription packages contributed a substantial portion to our total revenue in fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020. Although we have diversified the types of revenue we receive from our marketplace, including revenue from advertising on our IndiaMART desktop and mobile-optimized platforms and IndiaMART mobile app, and from the sale of "RFQ credits", we expect that subscription revenue will remain a significant contributor to our total revenue. We seek to improve margins by increasing the average revenue per customer through selling higher tier subscription packages to suppliers, increasing the number of suppliers who have subscribed for our packages and increasing the prices of existing packages.

The prices of our subscription packages are set internally and revised based on changes in the market and the perceived usefulness of our services. In addition, the price we charge for our subscription packages is affected by the validity of the package and the level of benefits included in such package. With respect to validity of packages, each of the Silver and Gold subscriptions are available for purchase on a monthly, annually or multiple years basis and the Platinum subscription is available for purchase on a semi-annual, annual or multiple years basis. Our longer-term subscription packages offer discounts relative to our short-term subscriptions. For further details of our paid subscriptions, see "***Business—Paid services for suppliers—Paid subscriptions***" on page 131. Given that most of our subscription packages are paid for in advance, in full or in part, a multi-year subscription package provides us with a large cash infusion as compared with packages of shorter duration. As our suppliers move from one type of duration to another, we could experience changes in our cash flows.

With respect to the benefits included with our subscription packages, we have introduced a number of innovations that are helpful to both buyers and suppliers, including (i) the introduction of buyer request for quotes, or "RFQs," (ii) TrustSEAL verification, (iii) our IndiaMART "Cloud Telephony" premium number service, (iv) our CRM and lead management solutions, (v) IndiaMART payment gateway service, (vi) buyer profiling, which provides suppliers access to additional profile information of the buyers they communicate with, and (vii) priority listings on IndiaMART. RFQ credits, which are also sold separately, and IndiaMART premium number service phone numbers have been included in various subscription packages and made available to subscription suppliers. We believe that the introduction of these innovations and their inclusion in our various subscription packages has been a major reason in helping us justify the increase in average prices for our subscription packages. Although we believe that the inclusion of additional benefits in our subscription packages has helped to increase our subscription revenue by increasing the customers for our subscription packages and justifying higher prices, the development and ongoing provision of such additional benefits can be expensive. For example, the ongoing costs associated with our premium number service are captured in our financial statements under "buyer engagement expenses" and relate to payments made to (i) the telecom provider for the initial provision and ongoing maintenance of unique numbers, and (ii) the provider of the software solution that allows for software-based missed calls alerts. Our buyer engagement expenses were ₹147.06 million, ₹185.99 million, ₹171.78 million and ₹132.48 million, in fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, respectively. There can be no assurance that the marginal revenue received from subscription packages incorporating additional benefits will exceed the marginal cost of developing and providing such benefits on an ongoing basis.

Size of our marketplace

Our marketplace will only be attractive to buyers and suppliers if we are able to continue offering access to an extensive range of suppliers and buyers through our marketplaces. Buyers are attracted to our marketplaces by, among other things, the wide range of our products and services. Sellers are attracted to our marketplaces by, among other things, our strong traffic which leads to increased business enquiries and convenience on our platform. As of March 31, 2018, March 31, 2019, March 31, 2020 and December 31, 2020, IndiaMART provided 59.81 million, 82.70 million, 102.30 million and 119.43 million registered buyers, respectively, with access to 4.72 million, 5.55 million, 5.96 million and 6.37 million supplier storefronts in India, respectively, and a total of 289.98 million, 448.97 million, 464.21 million and 459.61 million tracked business enquiries were delivered to suppliers in fiscals 2018, 2019, 2020 and the nine months ended December 31, 2020, respectively. As we maintain and grow our base of buyers and suppliers, we believe that a network effect leads to our large and growing number of buyers generating more enquiries for our suppliers, which in turn attracts more suppliers and storefronts, which in turn attracts more buyers. In addition to the network effects, we also gain from the community effect on account of the business profile of our suppliers and the products and services listed on our marketplace, as a result of which a number of suppliers for one product or service category on our marketplace become buyers for products or services in other categories and, to a lesser extent, vice versa. These network and community effects enable us to significantly leverage our operations in order to implement our growth strategies.

Growth of our mobile platform

Our business strategy and planning are premised on the continuation of favorable trends in mobile usage, especially among Indian businesses. We have created a mobile website and app for our IndiaMART platform. Our IndiaMART mobile app had been installed 6.76 million, 10.84 million, 14.38 million and 18.30 million times, as of March 31, 2018, 2019 and 2020 and December 31, 2020, respectively, and our mobile website and app together accounted for 76%, 76% and 81% of total traffic to IndiaMART as of March 31, 2019, March 31, 2020 and December 31, 2020, respectively, compared to only 72% in fiscal 2018. As mobile penetration increases, and Indian businesses adopt mobile usage in greater numbers, we expect our existing and future investments in our mobile platform and apps will increasingly become a key contributor to our future growth.

Employee-related expenses and outsourcing

Our large and geographically diverse employee base in 32 cities in India allows us to engage with our current and prospective suppliers with greater effectiveness and in their localities, allowing us to develop our customer relationships on the ground and understand their challenges.

We have experienced high employee attrition, particularly with respect to our sales team, which increases our requirement for specialized skills that are often in short supply and can be difficult and time-consuming to acquire, train and develop and, as a result of which may result in increase in employee related expense.

Employee benefit expense with regard to our IndiaMART business has historically been our largest expense and we expect this trend to continue going forward, in line with the growth of our Company's business and operations. Our employees increased from 2,609 as of March 31, 2018 to 2,826 as of December 31, 2020.

Following the outbreak of COVID-19, the Government of India implemented a mandated lockdown in India in mid-March 2020, which required us to temporarily close our offices. While certain of these measures have been lifted since May 2020, most of our employees have been and continue to work remotely from home. We have proactively implemented various measures to manage our operating costs, including our employee-related expenses. We have closed several of our sales branches and have leveraged remote working technology platforms to enable our employees to work from home, allowing us to reduce our variable costs and expenses for operating our offices and sales branches. Additionally, we work with third party service providers, which we refer to as "channel partners", who help to promote IndiaMART and sell subscription packages to suppliers across India, which allows us to reduce our expenses with respect to our sales team. We have also launched a new "Online Associate Program" (OAP) initiative to provide work opportunities to individuals who are affected by COVID-19, homemakers, differently-enabled and graduates who are not otherwise employed. Through the OAP, individuals can take on work assignments remotely to support IndiaMART's operations.

Our employee benefits expense was ₹1,948.57 million, ₹2,299.83 million, ₹2,666.69 million and ₹1,481.15 million in fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, respectively, which as a percentage of total income was 45.37%, 41.94%, 37.69% and 26.16%, respectively. A major component of our employee benefits expense was salaries, wages and bonus. Our salaries, allowance and bonus payments have increased by 35.07% from fiscal 2018 to fiscal 2020 while the number of our employees increased by 26.75% over the same period. Our salaries, allowance and bonus for fiscal 2020 and the nine months ended December 31, 2020 were ₹2,409.20 million and ₹1,379.07 million, respectively.

We believe that our fixed and variable pay structure, in combination with our ESOP/SAR schemes, helps to attract, retain and motivate talent. In addition, we have implemented training programs and provide other perquisites such as subsidized meals, transport and employee medical insurance.

We have also sought to improve our margins by increasing our revenue per employee, as well as achieving cost optimization by shifting our focus from field based sales servicing to telephone based sales servicing and increasing our sales through channel partners and implementing ongoing outsourcing initiatives as a means of optimizing employee costs. As a result, our outsourced expenses are expected to increase over time, particularly for our outsourced field sales team and content development expenses. As the scale of our IndiaMART marketplace grows, our content development expenses incurred in connection with payments to third-party service providers to create new supplier storefronts and enhance existing supplier storefronts is expected to increase. Nonetheless, we believe there will be improvements in our margins through (i) the reduced need for additional employees as a result of outsourcing certain business functions, (ii) optimized sales costs through targeted sales efforts based on supplier behavior analytics and (iii) the implementation of automated services such as digital payment and standing instructions for collection of subscriptions.

As we experience continued growth, we have taken steps to ensure that our existing technology and support infrastructure are capable of handling higher user volumes including greater adoption of automated systems and processes and reliance on outsourced call centers, channel partners and Internet-based tools for customer acquisition and servicing.

We believe that to hire and retain required talent is going to be increasingly challenging, and our success in doing so as well as our success in implementing other productivity measures will continue to affect our results of operations.

Competition

Although we maintain a leading market share and strong competitive position, according to the Redseer Report, the Internet and the online commerce industry are highly competitive, and we expect competition to intensify in the future. We face competition from other Indian and foreign companies who operate online marketplaces that seek to provide services similar to ours. We also compete indirectly with Internet search engines and other similar marketplaces. Some of our competitors may have or in the future may develop competitive advantages in terms of user base size, the number, quality and recentness of listings, user loyalty, ability to facilitate interactivity among suppliers and buyers, brand recognition, technology, availability and ease of use of services, customer service and pricing. If we lose market share to competitors, our business, financial condition and results of operations may be adversely affected and such loss may weaken the network effects that we rely on.

Our reputation, branding, marketing and sales efforts

We believe that IndiaMART has developed a well-established brand for business in India. The quality of our reputation and brand is a crucial way for us to distinguish ourselves from our competitors and maintain our market position. Most of our branding and marketing is done by our sales representatives through personalized interactions with potential customers. Our branding is aided by our spending on marketing, such as targeted digital marketing, search engine advertisements and offline advertising, and we may also engage in advertising campaigns from time to time through television and print media which may increase our marketing expenditures. Nonetheless, our strong referral network, increased word-of-mouth awareness as well as the ongoing cycle of suppliers acting as buyers and vice versa has lessened our reliance on search engine advertisements and advertising campaigns in recent years. Our advertisement expenses were ₹31.09 million, ₹20.99 million, ₹21.64 million and ₹5.65 million for fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, respectively.

In addition, our sales efforts benefit from our reputation and branding by allowing us to make a more convincing case to prospective subscription suppliers. As on December 31, 2020, we have a national sales network spanning more than 1,000 cities across India, comprising our employees, outsource representatives and channel partners operating on telephone, field or digital mediums. The costs of assembling and maintaining such a team are significant because (i) sales representatives make up a significant proportion of our outsourced sales cost and total employees, thus contributing to our overall employee benefits expense, (ii) our operational offices are either leased premises with rental and maintenance expenses or occupied premises under a co-working arrangement and (iii) we incur recruitment and training expenses when our sales force is initially hired and to aid in their ongoing development. Additionally, we work with third party service providers, which we refer to as "channel partners", who help to promote IndiaMART and sell subscription packages to suppliers across India. We believe this wide footprint helps to build our brand.

We believe that due to the brand awareness that we enjoy and our investments in marketing and sales efforts, we are able to attract and retain both buyers and suppliers in our marketplace. We intend to leverage the IndiaMART brand as we pursue new growth initiatives.

Our Critical Accounting Policies

Certain of our accounting policies require the application of judgment by our management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Our management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following are the critical accounting policies and related judgments and estimates, which are extracted from our Audited Consolidated Financial Statements for fiscal 2020, used in the preparation of our financial statements. For more information on each of these or our other accounting policies, see "***Financial Information***" on page 221.

Revenue from contracts with customers and other income

Revenue from contracts with customers

The Group is primarily engaged in providing web services. Revenue from contracts with customers is recognized when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services and excluding taxes or duties collected on behalf of government.

The specific recognition criteria described below must also be met before revenue is recognized.

Rendering of services

Revenue from web services are recognized based on output method i.e. pro-rata over the period of the contract as and when the Group satisfies performance obligations by transferring the promised services to its customers. Revenues from lead based services are recognized based on output method i.e. as and when leads are consumed by the customer or on the expiry of contract whichever is earlier. Activation revenue are amortized over the estimated customer relationship period.

Advertising revenue is derived from displaying web based banner ads and sale of online advertisements.

Revenue from banner advertisement is recognized pro rata over the period of display of advertisement as per contract. Revenue from sale of online advertisements is recognized based on output method and the Group apply the practical expedient to recognize advertising revenue in the amount to which the Group has a right to invoice. Until September 1, 2020, we also generated revenue from the provision of online marketing services for exhibitions, trade shows and concerts through our then subsidiary, TTOPL. Revenue from online marketing services is recognized as and when the Group satisfies performance obligations by transferring the promised services to its customers. On September 1, 2020, we disposed a 70% equity stake in TTOPL, retaining a 30% equity stake, resulting in TTOPL becoming our associate.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognized when the payment is made. The Group recognizes contract liability for consideration received in respect of unsatisfied performance obligations and reports these amounts as deferred revenue and advances from customers in the balance sheet. The unaccrued amounts are not recognized as revenue till all related performance obligation are fulfilled. The group generally receives transaction price in advance for contracts with customers that run up for more than one year. The transaction price received in advance do not have any significant financing component as the difference between the promised consideration and the cash selling price of the service arises for reasons other than the provision of finance.

Other Income

Interest income

For all financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends

Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Fair value measurement

The Group measures financial instruments, such as Investment in optionally convertible preference shares (OCRPS), Investment in mutual funds and share buyback obligation, at fair value at each balance sheet date.

(a) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

   (i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(b) All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

(i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 – inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 – Unobservable inputs for the asset or liability reflecting Group's assumptions about pricing by market participants

For assets and liabilities that are recognized in the consolidated financial statements on fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for recurring fair value measurement, such as investment in debt instruments and convertible preference shares issued with share buyback obligation measured at fair value.

External valuers are involved for valuation of significant assets, such as unquoted investments in debt instruments, and significant liabilities, such as convertible preference shares. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any). Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The estimated useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the estimated useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Unique telephone numbers are amortized on a written down value at 40% annually.

Intangibles being Softwares acquired by the Group are amortized on a written down value at 40% annually.

Advances paid towards the acquisition of intangible assets outstanding at each balance sheet date are classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under intangible assets under development.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Taxes

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

As we have opted for a concessional tax regime as per the Taxation Laws Amendment Ordinance 2019 with effect from April 1, 2019, MAT provisions are no longer applicable to us.

Sales/ value added taxes/ Service tax/ Goods and service tax (GST) paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of sales/ value added taxes/ GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet

Provisions and contingent liabilities

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements

Share-based payments

Employees of the Group also receive remuneration in the form of stock options (ESOP) and stock appreciation rights (SAR) as a share based payment transactions under Group's Employee stock option plan and Employee stock benefit scheme. Both of these are equity settled share based payment transactions.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Current versus non-current classification

The Group presents assets and liabilities in balance sheet based on current/non-current classification. An asset is classified as current when it is:

(i) Expected to be realized or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realized within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

Leases

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset; (2) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease; and (3) the Group has the right to direct the use of the asset. At the date of commencement of the lease, the Group recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Leases for which the group is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease. Effective April 1, 2019, the Group adopted Ind AS 116, "Leases" and applied it to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purposes of impairment testing, the recoverable amount (i.e. the high of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. These lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the lease. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Group changes its assessment of whether it will exercise an extension or a termination option. Lease liability and right-of-use assets have been separately presented in the Group's balance sheet and lease payments have been classified as financing cash flows.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the lease property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were recognized in finance costs in the Group's statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land classified as a finance lease is amortized over the period of the lease up to a maximum of 90 years.

Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements of the Group using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounting for in accordance with Ind AS 105.

Under the equity method, an investment in an associate is initially recognized in the consolidated balance sheet at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounting for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in associate, any excess of the cost of investment over the Group's share of net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such objective evidence of impairment, then it is necessary to recognize impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (high of value in use and fair value less cost of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with Ind AS 36 to the extent that the recoverable amount in the investment subsequently increases.

Our Income

Our income consists of (i) revenue from operations consisting of (A) income from IndiaMART (referred to as income from web services) and (B) income from our former subsidiary, TTOPL (referred to as revenue from marketing exhibitions), for the period up till the disposal of our 70% equity stake in TTOPL (out of our 100% equity stake) on September 1, 2020, (ii) net gain on financial assets measured at FVTPL and (iii) other income.

Revenue from operations

Substantially all of our revenue from operations has historically been derived from income from web hosting services. A substantial portion of our income from web hosting services comprises revenue from IndiaMART sourced from the sale of subscription packages (monthly, semi-annual, annual and multi-year, up to a maximum of three years) to suppliers, which offer a range of benefits including the listing of their storefronts and products and services on a priority basis on IndiaMART and monthly RFQ credits and pay-per-lead revenue that is generated when interested suppliers purchase and utilize an RFQ credit to obtain the buyer's contact information or when the RFQ credit's validity lapses. We also generate advertising revenue from selling advertising space on our IndiaMART desktop and mobile-optimized websites and the IndiaMART mobile app, as well as facilitation of payment services.

The sale of subscription packages, including RFQ credits based on subscription tiers, accounted for a substantial portion of our total revenue in fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020. Revenue from the sale of RFQ credits, advertising and marketing services accounted for a small portion of our total revenue in fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020.

Through our former subsidiary, TTOPL, until the disposal of our 70% equity stake (out of our 100% equity stake) in TTOPL on September 1, 2020, we also generated a small portion of revenue through advertisement and marketing fees that we earn by marketing exhibitions, trade shows and concerts for the clients.

The substantial majority of our revenue from operations is generated within India.

Net gain on financial assets measured at FVTPL

Net gains on financial assets measured at FVTPL comprised net gains on disposal of current investments, and fair value gains on investments in mutual funds and investments in debt instruments if any. We had positive impact on total income on account of net gain on financial assets measured at FVTPL by ₹161.63 million, ₹373.20 million, ₹639.77 million and ₹702.55 million for fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, respectively.

Other income, other than net gain on financial assets measured at FVTPL

Aside from net gains on financial assets measured at FVTPL, the other key components of our other income are interest income on bank deposits and security deposits and other interest income.

Our Expenses

Our expenses consists primarily of employee benefits expenses, depreciation and amortization expenses, finance costs and other expenses such as outsourced sales cost, customer support expenses, content development expenses, buyer engagement expenses, internet and other online expenses and advertisement expenses.

Employee benefit expense

Our employee benefit expense consists primarily of employee salaries, wages, and bonuses as well as staff welfare expenses, gratuity expenses and employee share based payments. Staff welfare expenses relate to perquisites such as subsidized lunches and transport, and employee events that we hold for our employees. Gratuity expenses relate to our gratuity plan, a defined benefit plan that we operate for our employees and under which every employee who has completed a statutory defined period of service receives a gratuity payment on departure from our Company, the exact amount of which is calculated based on years of service in accordance with applicable laws and regulations.

Depreciation and amortization expense

Our depreciation and amortization expense consists primarily of depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of intangible assets.

Finance costs

Our finance costs consist only of interest recognized on lease liabilities pursuant to the adoption of Ind AS 116, "Leases" with effect from April 1, 2019.

Net loss on financial liability designated at FVTPL

Our net loss on financial liability designated at FVTPL consists primarily of the share buyback obligation of preference shares, which is driven by the mark-to-market fair valuation of deferred share capital and fluctuates from period over period due to changes in fair market value. Fair value of the instruments is determined based on discounted cash flow valuation techniques using cash flow projections, and financial projections and budgets approved by the management. In fiscals 2018 and 2019, we recorded a net loss on financial liability designated at FVTPL due to share buyback obligations on our preference shares. However, for fiscal 2020 and the nine months ended December 31,2020, we did not record such loss as all of our convertible preference shares were converted into equity shares during fiscal 2019.

Other expenses

Our other expenses consist primarily of:

- *Outsourced sales cost*: Costs incurred in connection with our outsourced sales team and our channel partners, who are responsible for acquiring new subscription suppliers.

- *Customer support expenses*: Primarily includes expenses incurred in connection with the orientation of new suppliers on IndiaMART and costs incurred in connection with the enrichment of RFQs posted by registered buyers on IndiaMART, most of which are outsourced to a third party service provider.

- *Content development expenses*: Costs primarily incurred to (i) pay third parties to develop supplier storefronts for new suppliers or enhance existing supplier storefronts and the TrustSEAL verification program, which are outsourced to third-party service providers and (ii) attract buyers and suppliers.

- *Rent expenses*: Following the adoption of Ind AS 116 with effect from April 1, 2019, our rental expenses in respect of our operating leases (other than low-value, short-term and variable lease arrangements) are recorded as (i) a depreciation cost against the right-of-use asset in respect of such leases and (ii) a finance cost against interest accrued on lease liability in respect of such leases. In fiscals 2018 and 2019, our rental expenses were recorded as rent, under other expenses, in our statements of profit and loss. Rent expenses, under other expenses, for fiscal 2020 and nine-months ended December 31, 2020 comprise expenses relating to low-value, short-term and variable lease arrangements.

- *Buyer engagement expenses*: Primarily includes expenses incurred as a result of our premium number service which is provided to paying and non-paying suppliers including the rental of phone numbers from telecom providers and the accompanying software solution from software providers, as well as the cost of notifications sent to suppliers through SMS or email, such as missed call alerts from buyers, all of which we recognize as "buyer engagement expenses" in our financial statements.

- *Internet and other online expenses*: Expenses incurred in connection with server hosting for our platform as well as the supplier storefronts, connectivity and bandwidth related costs at our offices, domain name expenses for our own use as well as that of our suppliers and professional consultancy services availed with respect to artificial intelligence and machine learning programs that we use for our platform and operations, all of which we recognize as "Internet and other online expenses" in our financial statements.

- *Advertisement expenses*: Expenses incurred primarily as a result of brand building efforts on social media, and any digital media and television advertising campaigns we may engage from time to time, all of which we recognize as "advertisement expenses" in our financial statements.

In addition to the above, our other expenses also include (i) rates and taxes; (ii) outsourced support costs (iii) power and fuel; (iv) repairs and maintenance; (v) travelling and conveyance; (vi) legal and professional fees; (vii) insurance expenses; (viii) collection charges; (ix) communication costs; (x) printing and stationery; (xi) recruitment and training expenses; (xii) directors' sitting fees; (xiii) corporate social responsibility activity expenses; and (xiv) miscellaneous expenses.

Our Results of Operations

The following table sets forth a breakdown of our consolidated results of operations and each item as a percentage of our total income for the years/periods indicated.

	Fiscal ended March 31						**Nine months ended December 31**			
	2018		**2019**		**2020**		**2019**		**2020**	
	(₹ in millions)	**(%) of total income**	**(₹ in millions)**	**(%) of total income**	**(₹ in millions)**	**(%) of total income**	**(₹ in millions)**	**(%) of total income**	**(₹ in millions)**	**(%) of total income**
Income:										
Revenue from operations	4,105.08	95.6%	5,074.17	92.5%	6,388.54	90.3%	4,687.80	90.13%	4,898.96	86.5%
Net gain on financial assets measured at FVTPL	161.63	3.8%	373.20	6.8%	639.77	9.0%	475.61	9.14%	702.55	12.4%
Other income	28.55	0.7%	36.52	0.7%	46.14	0.7%	37.99	0.73%	59.36	1.1%
Total income	**4,295.26**	**100.0%**	**5,483.89**	**100.0%**	**7,074.45**	**100.0%**	**5,201.40**	**100%**	**5,660.87**	**100.0%**
Expenses:										
Employee benefits expense	1,948.57	45.4%	2,299.83	41.9%	2,666.69	37.7%	2,002.77	38.50%	1,481.15	26.2%
Finance costs	-	-	-	-	32.83	0.5%	16.35	0.31%	51.85	0.9%
Depreciation and	28.85	0.7%	41.27	0.8%	211.45	3%	152.31	2.93%	125.63	2.2%

	Fiscal ended March 31						Nine months ended December 31			
	2018		2019		2020		2019		2020	
	(₹ in millions)	(%) of total income	(₹ in millions)	(%) of total income	(₹ in millions)	(%) of total income	(₹ in millions)	(%) of total income	(₹ in millions)	(%) of total income
amortization expense										
Net loss on financial liability designated at FVTPL	1,228.62	28.6%	652.63	11.9%	-	-	-	-	-	
Other expenses	1,690.19	39.4%	1,950.93	35.6%	2,032.88	28.7%	1,519.34	29.21%	989.98	17.5%
Total expenses	**4,896.23**	**114.0%**	**4,944.66**	**90.2%**	**4,943.85**	**69.9%**	**3,690.77**	**70.96%**	**2,648.61**	**46.8%**
Share in net profit / (loss) of associates	-	-	-	-	(16.41)	0.2%	(8.87)	0.17%	(10.81)	0.2%
Profit (Loss) before tax	**(600.97)**	**-14.0%**	**539.23**	**9.8%**	**2,114.19**	**29.9%**	**1,501.76**	**28.87%**	**3,001.45**	**53.0%**
Income tax expense / (income)										
Current tax	1.81	0.0%	37.50	0.7%	0.67	0.0%	0.50	0.01%	393.43	6.9%
Deferred tax / (credit)	(1,150.37)	-26.8%	301.29	5.5%	325.62	4.6%	156.53	3.01%	366.83	6.5%
Tax expense related to change in tax rate and law	-	-	-	-	314.08	4.4%	314.08	6.04%	-	-
Total tax expense / (income)	**(1,148.56)**	**-26.7%**	**338.79**	**6.2%**	**640.37**	**9.1%**	**471.11**	**9.06%**	**760.26**	**13.4%**
Profit for the period	**547.59**	**12.7%**	**200.44**	**3.7%**	**1,473.82**	**20.8%**	**1,030.65**	**19.81%**	**2,241.19**	**39.6%**

Nine months ended December 31, 2020 compared to nine months ended December 31, 2019

Total income. We had total income of ₹5,660.87 million for the nine months ended December 31, 2020, an increase of 8.83% over our total income of ₹5,201.40 million for the nine months ended December 31, 2019. This increase in total income was due to an increase in our other income and an increase in our revenue from operations.

- *Revenue from operations*. Our revenue from operations totaled ₹4,898.96 million for the nine months ended December 31, 2020, an increase of 4.5% from ₹4,687.80 million for the nine months ended December 31, 2019. The increase in revenue from operations was primarily attributable to (i) an increase in the number of subscription customers on IndiaMART to 148,029 as of December 31, 2020 from 141,640 as of December 31, 2019.

- *Fair value gain on financial assets measured at FVTPL*. Our fair value gain on financial assets measured at FVTPL totaled ₹702.55 million for the nine months ended December 31, 2020, an increase of 47.72% from ₹475.61 million in the nine months ended December 31, 2019. This increase was primarily due to an increase in fair value on investments in mutual funds, which was ₹10,921.73 million as at December 31, 2020, compared with ₹8,718.78 million as at December 31, 2019.

- *Other income other than fair value gains on financial assets measured at FVTPL*. Our other income totaled ₹59.36 million for the nine months ended December 31, 2020, a 56.25% increase from ₹37.99 million for the nine months ended December 31, 2019 primarily due to provisions and liabilities no longer required written back in the nine months ended December 31,2020.

Total expenses. Our total expenses totaled ₹2,648.61 million for the nine months ended December 31, 2020, a decrease of 28.24% from ₹3,690.77 million for the nine months ended December 31, 2019. This decrease in total expenses was primarily due to a decrease in our employee benefits expenses and our other expenses.

- *Employee benefits expense.* Our employee benefits expenses were ₹1,481.15 million for the nine months ended December 31, 2020, a 26.04% decrease from ₹2,002.77 million for the nine months ended December 31, 2019 which was primarily attributable to a decrease in the number of our IndiaMART employees from 3,373 as at December 31, 2019 to 2,826 as at December 31, 2020 and a corresponding decrease in employee payouts due to impact of COVID-19 on our business. Our number of employees decreased as we implemented various interim measures to optimize cost and productivity leading to better efficiencies and reducing the size of our required workforce.

- *Finance costs.* Our finance costs were ₹51.85 million for the nine months ended December 31, 2020, a 217.13% increase from ₹16.35 million for the nine months ended December 31, 2019, which was attributable to an increase in interest costs in respect of lease liabilities.

- *Depreciation and amortization expense.* Our depreciation and amortization expenses were ₹125.63 million for the nine months ended December 31, 2020, a 17.52% decrease from ₹152.31 million for the nine months ended December 31, 2019, primarily as a result of a decrease in depreciation of right-of-use assets in respect of leases from ₹121.66 million for the nine months ended December 31, 2019 to ₹103.78 million for the nine months ended December 31, 2020.

- *Other expenses*. Our other expenses were ₹989.98 million for the nine months ended December 31, 2020, 34.84% decrease from ₹1,519.34 million for the nine months ended December 31, 2019, which was primarily attributable to (i) a decrease in outsourced sales costs from ₹527.28 million to ₹372.56 million due to increased outsourced sales operations;; (ii) a decrease in content development expenses from ₹181.91 million to ₹69.96 million; (iii) a decrease in customer support services from ₹176.34 million to ₹111.66 million; (iii) a decrease in travelling and conveyance expenses from ₹42.81 million to ₹1.21 million; and (iv) a decrease in internet and other online expenses from ₹173.27 million to ₹139.92 million.

Share in net loss of associates. Our share of loss of associates for the nine months ended December 31, 2020 was ₹10.81 million, a 21.87% increase from ₹8.87 million for the nine months ended December 31, 2019.

Profit before tax. As a result of the factors outlined above, our profit before tax increase to ₹3,001.45 million for the nine months ended December 31, 2020 from a profit before tax of ₹1,501.76 million for the nine months ended December 31, 2019. As a percentage of total income, our profit before tax increased to 53.02% for the nine months ended December 31, 2020 from 28.87% for the nine months ended December 31, 2019.

Profit after tax. As a result of the factors outlined above, and also as a result of current tax of ₹393.43 million and deferred tax of ₹366.83 million for the nine months ended December 31, 2020, as compared to current tax of ₹0.50 million, deferred tax of ₹156.53 million and tax expense related to change in tax rate and law of ₹314.08 million for the nine months ended December 31, 2019, our profit after tax was ₹2,241.19 million for the nine months ended December 31, 2020, as compared to ₹1.030.65 million for the nine months ended December 31, 2019.

Fiscal 2020 compared to fiscal 2019

Total income. We had total income of ₹7,074.45 million in fiscal 2020, an increase of 29.00% over our total income of ₹5,483.89 million in fiscal 2019. This increase in total income was primarily due to an increase in revenue from operations in fiscal 2020 over fiscal 2019.

- *Revenue from operations*. Our revenue from operations totaled ₹6,388.54 million in fiscal 2020, an increase of 25.90% from ₹5,074.17 million in fiscal 2019. The increase in revenue from operations was primarily attributable to (i) an increase in the number of subscription customers on IndiaMART to 147,499 in fiscal 2020 from 129,589 in fiscal 2019, and (ii) an increase in the revenue per paying supplier on IndiaMART in fiscal 2020 due to an increase in the price of our subscriptions and our successful upselling of existing subscription suppliers into high value subscription packages.

- *Fair value gain on financial assets measured at FVTPL*. Our fair value gain on financial assets measured at FVTPL totaled ₹639.77 million in fiscal 2020, an increase of 71.43% from ₹373.20 million in fiscal 2019. This increase was primarily due to an increase in fair value on investments in mutual funds, which was ₹8,718.78 million as at March 31, 2020, compared with ₹6,074.45 million as at March 31, 2019.

- *Other income, other than fair value gains on financial assets measured at FVTPL*. Our other income totaled ₹46.14 million in fiscal 2020, a 26.34% increase over our other income of ₹36.52 million in fiscal 2019. This was mainly due to an increase in interest income from financial assets in fiscal 2020.

Total expenses. Our total expenses totaled ₹4,943.85 million in fiscal 2020, a 0.02% decrease over our total expenses of ₹4,944.66 million in fiscal 2019. The decrease in total expenses was primarily due to not incurring a net loss on financial liability designated at FVTPL on our share buyback obligations, partially offset by an increase in employee expenses and other expenses. As a percentage of our total income, our total expenses decreased to 69.88% in fiscal 2020 from 90.17% in fiscal 2019.

- *Employee benefits expense*. Our employee benefits expense totaled ₹2,666.69 million in fiscal 2020, a 15.95% increase over our employee benefits expense of ₹2,299.83 million in fiscal 2019, which was primarily attributable to an increase in the number of our IndiaMART employees from 2,995 as at March 31, 2019 to 3,307 as at March 31, 2020 and corresponding increase in salaries, allowance and bonus on account of annual increments. Our IndiaMART employees increased primarily due to increased hiring of servicing employees to cater to the growing paying supplier base as well as ramp-up in our product and technology team.

- *Finance costs.* Our finance costs totaled ₹32.83 million in fiscal 2020, which we did not incur in fiscal 2019, as a result of interest costs in respect of lease liabilities pursuant to the adoption of Ind AS 116 with effect from April 1, 2019.

- *Depreciation and amortization expense*. Depreciation and amortization expense totaled ₹211.45 million in fiscal 2020, a 412.36% increase from depreciation and amortization expense of ₹41.27 million in fiscal 2019, primarily due to depreciation of right-of-use assets in respect of our lease liabilities of ₹ 167.55 million in fiscal 2020 pursuant to the adoption of Ind AS 116 with effect from April 1, 2019.

- *Net loss on financial liability designated at FVTPL*. We did not incur any net loss on financial liability designated at FVTPL in fiscal 2020, compared to ₹652.63 million in fiscal 2019 as all of the convertible preference shares were converted into equity shares during fiscal 2019.

- *Other expenses*. Our other expenses totaled ₹2,032.88 million for fiscal 2020, a 4.20% increase over our other expenses of ₹1,950.93 million in fiscal 2019, which was primarily attributable to increases in (i) outsourced sales costs from ₹575.58 million in fiscal 2019 to ₹724.48 million in fiscal 2020 due to increased outsourced sales operations, and (ii) internet and other online expenses from ₹177.11 million in fiscal 2019 to ₹232.29 million in fiscal 2020 as a result of developing business intelligence and machine learning based technology tools across our platform and operations, partially offset by a decrease in rent expenses from ₹154.03 million in fiscal 2019 to ₹22.90 million in fiscal 2020 due to the adoption of Ind AS 116 with effect from April 1, 2019, which resulted in the recording of our rental expenses in respect of our leases (other than low-value, short term and variable leases) as depreciation expenses of right-of-use assets and finance cost against interest accrued on the lease in fiscal 2020.

Profit before tax. As a result of the factors outlined above, our profit before tax increased to ₹2,114.19 million in fiscal 2020 from a profit of ₹539.23 million in fiscal 2019. As a percentage of total income, our profit before tax increased to 29.88% in fiscal 2020 from 9.83% in fiscal 2019.

Profit for the year. As a result of the factors outlined above, and as a result of current tax of ₹0.67 million, deferred tax of ₹325.62 million and tax expense related to change in tax rate and law of ₹314.08 million in fiscal 2020, as compared to current tax of ₹37.50 million and deferred tax credit of ₹301.29 million in fiscal 2019, our profit for the year was ₹1,473.82 million in fiscal 2020, as compared to ₹200.44 million in fiscal 2019.

Fiscal 2019 compared to fiscal 2018

Total income. We had total income of ₹5,483.89 million in fiscal 2019, an increase of 27.67% over our total income of ₹4,295.26 million in fiscal 2018. This increase in total income was primarily due to increase in revenue from operations in fiscal 2019 over fiscal 2018.

- *Revenue from operations*. Our revenue from operations totaled ₹5,074.17 million in fiscal 2019, an increase of 23.61% from ₹4,105.08 million in fiscal 2018. The increase in revenue from operations was primarily attributable to (i) an increase in the number of subscription customers on IndiaMART to 129,589 in fiscal 2019 from 108,347 in fiscal 2018, and (ii) an increase in the amount received per paying supplier on IndiaMART in fiscal 2019 due to an increase in the price of our subscriptions and our successful upselling of existing subscription suppliers into high value subscription packages.

- *Net gain on financial assets measured at FVTPL*. Our net gain on financial assets measured at FVTPL totaled ₹373.20 million in fiscal 2019, an increase of 130.90 % from ₹161.63 million in fiscal 2018. This increase was primarily due to an increase in fair value gain of ₹321.86 million on investment in mutual funds in fiscal 2019 from ₹89.09 million in fiscal 2018.

- *Other income other than net gains on financial assets measured at FVTPL*. Our other income totaled ₹36.52 million in fiscal 2019, a 27.92% increase over our other income of ₹28.55 million in fiscal 2018. This was mainly due to increase in interest income from financial assets in fiscal 2019.

Total expenses. Our total expenses totaled ₹4,944.66 million in fiscal 2019, a 0.99% increase over our total expenses of ₹4,896.23 million in fiscal 2018. This increase in total expenses was primarily due to increase in depreciation and amortization expenses, employee benefit expenses and other expenses and partly offset by decrease in net losses on financial liability designated at FVTPL in fiscal 2019. As a percentage of our total income, our total expenses decreased to 90.17% in fiscal 2019 from 113.99% in fiscal 2018.

- *Employee benefits expense*. Our employee benefits expense totaled ₹2,299.83 million in fiscal 2019, a 18.03% increase over our employee benefits expense of ₹1,948.57 million in fiscal 2018, which was primarily attributable to an increase in the number of our IndiaMART employees from 2,609 as at March 31, 2018 to 2,995 as at March 31, 2019 and corresponding increase in salaries, allowance and bonus. Our IndiaMART employees increased primarily due to increased hiring of servicing employees to cater to the growing paying supplier base as well as ramp-up in our product and technology team.

- *Depreciation and amortization expense*. Depreciation and amortization expense totaled ₹41.27 million in fiscal 2019, a 43.05% increase from depreciation and amortization expense of ₹28.85 million in fiscal 2018, primarily due to an addition of property, plant and equipment of ₹ 50.02 million, as compared with ₹ 22.50 million in fiscal 2018, resulting in an increase in depreciation of property, plant and equipment in fiscal 2019.

- *Net loss on financial liability designated at FVTPL*. Our net loss on financial liability designated at FVTPL totaled ₹652.63 million in fiscal 2019 a decrease of 46.88% from ₹1,228.62 million in fiscal 2018. This represented loss on designating CCPS, at fair value as of date of conversion to equity shares, and during fiscal ended March 31, 2019, Company had converted all CCPS into equity shares.

- *Other expenses*. Our other expenses totaled ₹1,950.93 million for fiscal 2019, a 15.43% increase over our other expenses of ₹1,690.19 million in fiscal 2018, which was primarily attributable to increases in (i) outsourced sales costs from ₹441.55 million in fiscal 2018 to ₹575.58 million in fiscal 2019 due to increased outsourced sales operations (ii) buyer engagement expenses from ₹147.06 million in fiscal 2018 to ₹185.99 million in fiscal 2019 due to an increase in the cost of communications and (iii) internet and other online expenses from ₹119.56 million in fiscal 2018 to ₹177.11 million in fiscal 2019, primarily due to an increase in website hosting expenses.

Profit before tax. As a result of the factors outlined above, our profit before tax increased to ₹539.23 million in fiscal 2019 from loss of ₹600.97 million in fiscal 2018. As a percentage of total income, our profit before tax, increased to 9.8% in fiscal 2019 from negative 13.99% in fiscal 2018.

Profit for the year. As a result of the factors outlined above, and as a result of current tax of ₹37.50 million and deferred tax of ₹301.29 million in fiscal 2019, as compared to current tax of ₹1.81 million and deferred tax credit of ₹1,150.37 million in fiscal 2018 our profit for the year was ₹200.44 million in fiscal 2019, as compared to a ₹547.59 million in fiscal 2018.

Liquidity and Capital Resources

Our principal sources of liquidity comprise revenue from operations, our existing cash and bank balances and our liquid investments. As of December 31, 2020, we had total cash and cash equivalents of ₹ 135.94 million, deposits with banks of ₹ 370.24 million and investments in mutual funds of ₹ 10,921.73 million. As of December 31, 2020, we did not have any open lines of credit or any other banking facilities, either short-term or long-term and had no indebtedness.

We have high levels of cash and investments although our balance sheet reflects significant liabilities due to our upfront collection of subscription fees. We typically receive cash payment for the subscription package upfront at the time the subscription package is sold to a supplier, and revenue is recognized over the period of subscription. As a result, although payment may be received in advance, in full or in part, for the subscription package, the revenue we receive from subscription packages is recognized over the period of the contract as and when our services are rendered. For the period that our obligations remain unfulfilled, such revenue is recorded as a liability on our balance sheet as deferred revenue which will get recognized in subsequent periods as the obligation are fulfilled. High balances of deferred revenue provides us predictability of our future revenue. If the obligation is more than 12 months away, deferred revenue is recognized as a non-current liability. If not, it is recognized as a current liability. We adjust deferred revenue on a monthly basis by (i) reducing deferred revenue to the extent that our obligations decrease under our existing subscription packages with the passage of time and (ii) increasing deferred revenue to the extent that we sell new subscription packages and have greater obligations going forward. Deferred revenue is one of the causes of our negative total equity in the past, notwithstanding our high levels of cash balances and investments. See also "***Risk Factors—Risks Relating to Our Company and Our Industry—We had incurred significant operating losses in the past and we may not be able to improve our financial position or generate sufficient revenue to improve our total equity.***" on page 35.

Our liquidity needs primarily arise from working capital requirements, the funding of capital expenditure and strategic investments and acquisitions. We fund our working capital requirements primarily through cash generated from our operations. We believe that after taking into account the expected cash to be generated from our business and operations, and our investment activities, we have sufficient working capital for our present and anticipated requirements for capital expenditure and other cash requirements for 12 months following the completion of this Offer.

In order to reduce the impact of COVID-19 on our operations, we have proactively taken various steps to manage our expenses and liquidity, including closing all of our operating offices and transitioning our employees to remote working arrangements, closing several of our sales branches and leveraging remote working technology platforms to reduce our operating expenses. We also undertook a review of our variable costs and operating expenses and implemented reductions where appropriate. See "***Risk Factors—The recent outbreak of the novel coronavirus disease could have a significant effect on our results of operations and could negatively impact our business, revenues, financial condition and results of operations***" on page 36 for risks of the COVID-19 outbreak on our operations and financial condition; and see "***Business—Impact of COVID-19***" on page 122 for more details regarding the impact of COVID-19 on our operations.

Treasury Investments and cash and bank balances

The following table sets forth information on our treasury investments and cash and bank balances as at the dates indicated:

	As of March 31			As of December 31, 2020
	2018	**2019**	**2020**	
		(₹ in millions)		
Investment in mutual funds	3,110.70	6,074.45	8,718.78	10,921.73
Cash and cash equivalents	467.11	401.96	169.38	135.94
Deposits with banks	302.20	375.48	402.63	370.24
Total	**3,880.01**	**6,851.89**	**9,290.79**	**11,427.91**

The following table sets forth certain information concerning our cash flows for the periods indicated:

	Fiscal ended March 31			Nine months ended December 31	
	2018	**2019**	**2020**	**2019**	**2020**
			(₹ in millions)		
Net cash from/(used in) operating activities	1,790.56	2,551.41	2,606.11	1,669.79	1,578.54
Net cash from/(used in) investing activities	(1,652.53)	(2,758.04)	(2,325.65)	(1,767.01)	(1,516.89)
Net cash from/(used in) financing activities	152.49	141.48	(513.04)	(117.78)	(95.09)
Net increase/(decrease) in cash and cash equivalents	290.52	(65.15)	(232.58)	(215.00)	(33.44)
Cash and cash equivalents at end of the year	467.11	401.96	169.38	186.96	135.94

Net cash from/(used in) operating activities

In the nine months ended December 31, 2020, net cash from operating activities was ₹1,578.54 million, reflecting cash generated from operations of ₹1,970.54 million and income tax paid (net) of ₹392.00 million. Movement in working capital comprised primarily of a decrease in contract and other liabilities of ₹499.83 million, a decrease in other financial liabilities of ₹44.92 million and a decrease in trade payables of ₹21.87 million which was partially offset by an increase in provisions of ₹36.05 million and a decrease in other financial assets of ₹ 18.35 million.

In fiscal 2020, net cash from operating activities was ₹2,606.11 million, reflecting cash generated from operations of ₹2,792.16 million and income tax paid (net) of ₹186.05 million. Movement in working capital comprised primarily of increase in other liabilities of ₹965.35 million, an increase in provisions of ₹67.18 million and an increase in trade payable of ₹50.10 million, which was partially offset by decrease in other financial liabilities of ₹61.86 million.

In fiscal 2019, net cash from operating activities was ₹2,551.41 million, reflecting cash generated from operations of ₹2,603.31 million and income tax paid (net) of ₹51.90 million. Movement in working capital comprised primarily of increases in other liabilities of ₹1,631.75 million and increase in trade payable of ₹31.12 million which was partially offset by increase in other assets of ₹12.18 million.

In fiscal 2018, net cash from operating activities was ₹1,790.56 million, primarily attributable to cash generated from operations of ₹1,800.46 million, partially offset by income tax paid (net) of ₹9.90 million. Movement in working capital comprised primarily of increases in other liabilities of ₹1,097.54 million, an increase in trade payables of ₹116.52 million, and decrease in other assets of ₹99.83 million, which was partially offset by increase in other financial assets of ₹48.38 million and a decrease in other financial liabilities of ₹2.73 million.

Net cash from/(used in) investing activities

For the nine months ended December 31, 2020, our net cash used in investing activities was ₹1,516.89 million, primarily as a result of the purchase of current investments of ₹2,490.42 million, which was partially offset by proceeds from the sale of current investments of ₹974.72 million. On September 1, 2020, we disposed a 70% equity stake in TTOPL for a consideration of ₹2.12 million, retaining a 30% equity stake, resulting in TTOPL becoming our associate. During the nine months ended December 31, 2020, we also acquired a 8.98% equity interest in Mobisy Technologies Private Limited for an aggregate consideration ₹99.99 million.

For fiscal 2020, our net cash used in investing activities was ₹2,325.67 million, primarily as a result of purchase of mutual fund investments of ₹4,578.20 million, investment in associates of ₹312.02 million to acquire a 26% equity stake in Simply Vyapar Apps Private Limited, investment in bank deposits (including earmarked balances with banks) of ₹43.50 million and purchase of property, plant and equipment and other intangible assets of ₹46.39 million, partially offset by proceeds from the sale of current investments of ₹2,573.63 million.

For fiscal 2019, net cash used in investing activities was ₹2,758.04 million, reflecting purchase of mutual fund investments of ₹5,199.11 million and the purchase of property, plant and equipment and other intangible asset of ₹51.70 million, partially offset by proceeds from the sale of mutual fund investments of ₹2,608.56 million.

For fiscal 2018, our net cash used in investing activities was ₹1,652.53 million, primarily as a result of purchase of mutual fund investments of ₹3,241.70 million, investments in bank deposits having an original maturity of more than three months of ₹72.24 million, and purchase of property, plant and equipment and other intangible assets of ₹22.92 million, substantially offset by proceeds from sale of mutual funds investment of ₹1,655.25 million.

Net cash from/(used in) financing activities

For the nine months ended December 31, 2020, our net cash used in financing activities was ₹95.09 million, primarily due to interest paid on lease liabilities of ₹51.85 million and the repayment of lease liabilities of ₹36.40 million.

For fiscal 2020, our net cash used in financing activities was ₹513.04 million, primarily due to dividends paid (including dividend distribution tax) of ₹333.25 million, repayment of lease liabilities of ₹166.27 million and interest paid on lease liabilities of ₹32.83 million.

For fiscal 2019, net cash from financing activities was ₹141.48 million, primarily reflecting proceeds from issues of Equity Shares on the exercise of ESOP.

For fiscal 2018, our net cash from financing activities was ₹152.49 million, primarily due to proceeds from issues of Equity Shares on exercise of ESOP of ₹112.71 million and proceeds from issues of preference shares under share buyback obligations of ₹39.78 million.

Borrowings

As of December 31, 2020, we had no long-term or short-term borrowings.

Capital expenditures

Our capital expenditures primarily relate to the purchase of fixed assets such as computers and laptops and intangible assets such as unique telephone numbers for use as customer service numbers, and software licenses. The primary source of financing for our capital payments has been our cash from operations.

The table below provides details of our net cash outflow on capital expenditures for the periods stated:

	Fiscal year ended March 31,			Nine months ended December 31, 2020
	2018	**2019**	**2020**	
		(₹ in millions)		
Purchase of property plant and equipment and other intangible assets	22.92	51.70	46.39	0.34

The COVID-19 pandemic may require us to incur additional capital expenditures to mitigate any adverse impact on our business and operations. See "***Risk Factors—The recent outbreak of the novel coronavirus disease could have a significant effect on our results of operations and could negatively impact our business, revenues, financial condition and results of operations***" on page 36 for risks of the COVID-19 outbreak on our operations and financial condition.

Technology development

We develop proprietary technology primarily through in-house resources and improve our platforms and mobile apps through our product and technology team. For further details, see "***Business—Technology, Infrastructure and Product Development***" on page 135.

Contractual Obligations

Following are the contractual obligations as at December 31, 2020:

	(₹ in millions)
Trade payables	153.07
Lease liabilities	661.26
Contract liabilities	6,334.60
Other financial liabilities	198.76
Total	**7,347.69**

Our lease obligations are substantially related to the operational office premises, including our Registered Office and Corporate Office, which we had taken either on lease or occupied under a co-working arrangement as of December 31, 2020. Our lease terms are typically for three years and renewable by mutual consent with our lessors.

Our other long-term liabilities that are contractual obligations are substantially all of the deferred revenue liabilities in our balance sheet.

Contingent Liabilities

Our contingent liabilities as of December 31, 2020 as per Ind AS 37 were as follows:

	(₹ in millions)
Income tax demand	302.68
Total	**302.68**

Notes:

(1) On February 28, 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers altered historical understandings of such obligations, extending them to cover additional portions of the

employee's income. However, the judgment is not explicit if such interpretation may have retrospective application resulting in increased contribution for past and future years for certain of our employees. Based on an internal assessment, we evaluated that there are numerous interpretative challenges on the retrospective application of the judgment which results in impracticability in estimation of and timing of payment and amount involved. As a result of lack of implementation guidance and interpretative challenges involved, we are unable to reliably estimate the amount involved. Accordingly, we will continue to evaluate the amount of provision made, if any, on there being further clarity on the matter.

(2) We are involved in various lawsuits, claims and proceedings that arise in the ordinary course of business, the outcome of which is inherently uncertain. Some of these matters include speculative and frivolous claims for substantial or indeterminate amounts of damages. We record a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. Our management reviews these provisions and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. Our management believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on our business, financial position, results or cash flows, with respect to loss contingencies for legal and other contingencies as at December 31, 2020.

(3) The Indian Parliament has approved the Code on Social Security, 2020 (the "Code") which would primarily impact our contributions towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules for quantifying the financial impact are yet to be framed. Our management will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.

For details on income tax matters and service tax matters under dispute, see "***Legal Proceedings – Tax Proceedings against our Company and the Subsidiaries***" on page 218.

Non-GAAP Financial Measures

In evaluating our business, we consider and use non-GAAP financial measures such as Adjusted EBITDA, Adjusted EBITDA Margin and Interest Coverage Ratio to review and assess our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. Adjusted EBITDA, Adjusted EBITDA Margin and Interest Coverage Ratio for our Company may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation. We have included Adjusted EBITDA, Adjusted EBITDA Margin and Interest Coverage Ratio of our Company because we believe it is an indicative measure of our operating performance and is used by investors and analysts to evaluate companies in the same industry. Adjusted EBITDA, Adjusted EBITDA Margin and Interest Coverage Ratio of our company should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity reported in accordance with Ind AS. We believe that the inclusion of supplementary adjustments applied in the presentation of Adjusted EBITDA, Adjusted EBITDA Margin and Interest Coverage Ratio of our Company are appropriate because it is a more indicative measure of our baseline performance as it excludes certain charges that the Company's management considers to be outside its core operating results. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the Audited Consolidated Financial Statements included in this Preliminary Placement Document. Investors should read this information in conjunction with the Audited Consolidated Financial Statements included elsewhere in this Preliminary Placement Document.

The following table sets forth our Adjusted EBITDA, Adjusted EBITDA Margin and Interest Coverage Ratio for the periods indicated therein:

	Fiscal year ended March 31,			**Nine months ended December 31, 2020**
	2018	**2019**	**2020**	
			(₹ in million)	
Adjusted EBITDA	**466.32**	**823.41**	**1,688.97**	**2,427.81**
Adjusted EBITDA Margin (%)	11%	16%	26%	50%
Interest Coverage Ratio	-*	-*	-*	-*

***** *Since our Company does not have any interest cost on borrowings, the interest coverage ratio for the Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2020 cannot be determined.*

Reconciliation of Adjusted EBITDA and Computation of Adjusted EBITDA Margin

	Fiscal year ended March 31,			**Nine months ended December 31, 2020**
	2018	**2019**	**2020**	
			(₹ in million)	
Net profit for the year/ period	547.59	200.44	1,473.82	2,241.19
Adjustments:-				
Add:-				

	Fiscal year ended March 31,			Nine months ended December 31, 2020
	2018	2019	2020	
	(₹ in million)			
Total tax expenses/(income)	(1,148.56)	338.79	640.37	760.26
Finance costs	-	-	32.83	51.85
Depreciation and amortization expenses	28.85	41.27	211.45	125.63
Net loss on financial liability designated at FVTPL	1,228.62	652.63	-	-
Share in net (profit)/loss of associates	-	-	16.41	10.81
Less:-				
Other income other than net gain on financial assets measured at FVTPL	(28.55)	(36.52)	(46.14)	(59.38)
Net gain on financial assets measured at FVTPL	(161.63)	(373.20)	(639.77)	(702.55)
Adjusted EBITDA(1)	**466.32**	**823.41**	**1,688.97**	**2,427.81**
Revenue from operations	4,105.08	5,074.17	6388.54	4,898.96
Adjusted EBITDA Margin (%)(2)	11%	16%	26%	50%

Notes:

(1) Calculated Adjusted EBITDA for a given period by adding our finance costs, tax expenses/(income), depreciation and amortization expenses, share in net (profit) loss of associates and net loss on financial liability designated at FVTPL and subtracting other income other than net gain on financial assets measured at FVTPL and net gain on financial assets measured at FVTPL from our profit of the given period.

(2) Adjusted EBITDA Margin is Adjusted EBITDA as a percentage of revenue from operations.

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected.

Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. For further details, see "***Risk Factors—Risks Relating to Our Company and Our Industry—Contingent liabilities that have not been provided for could adversely affect our financial condition.***" on page 57.

Reconciliation of Interest Coverage Ratio

The following table sets forth our interest coverage ratio, which we define as profit for the year before interest cost on borrowings and tax expense divided by interest cost on borrowings for Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2020, respectively:

	Fiscal year ended March 31,			Nine months ended December 31, 2020
	2018	2019	2020	
	(₹ in million)			
Profit for the period (A)	547.59	200.44	1,473.82	2,241.19
Add:				
Interest cost on borrowings (B)	-	-	-	-
Tax expenses/ (income) (C)	(1,148.56)	338.79	640.37	760.26
Interest Coverage Ratio (D=(A+B+C)/B)	-*	-*	-*	-*

***** *Since our Company does not have any interest cost on borrowings, the interest coverage ratio for the Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2020 cannot be determined.*

Off-Balance Sheet Transactions

We do not have any off-balance sheet transactions.

Market Risks

Interest rate risk

We currently have no borrowings and are thus not exposed to interest rate risk in respect of borrowings. We own a significant amount of investments in mutual funds and bonds, many of which invest in securities with interest rate exposure. To the extent that interest rates in India change, the performance of such mutual funds and our investments may be adversely affected.

Exchange rate risk

The foreign currency revenue we receive is denominated in US dollars and originates from advertising revenue on our platforms paid by international advertisers. We also have expenses in foreign currency which are primarily related to our cloud-based servers. However, these amounts have not been material to date and we believe that foreign currency fluctuations do not have any material impact on our business and results of operations. Such fluctuations may generally impact the overall economy and business environment and hence could affect us.

Inflation

In past years, India has experienced relatively high rates of inflation. Inflation has had an impact on salaries, wages and bonuses paid as well as our other inputs, including personal computers and software. In addition, inflation generally impacts the overall economy and business environment and hence could affect us.

Seasonality

Our business is not seasonal.

Other Qualitative Factors

Unusual or infrequent events or transactions

Except as described in this Preliminary Placement Document, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

Known trends or uncertainties

Other than as described in "***Risk Factors***" on page 35, "***Business—Impact of COVID-19***" on page 122 and this "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" to our knowledge there are no known trends or uncertainties that have had or are expected to have a material adverse impact on our income or revenue from operations.

Dependence on a few customers and suppliers

We do not depend on any particular customer or supplier or group of customers or suppliers.

Total turnover of each major industry segment

We are currently operating in only a single segment within two geographic segments, India and abroad. For further details, see "***Financial Information - Fiscal 2020 Audited Consolidated Financial Statements***" on page F-33.

New product or business segments

Other than as described in the section entitled "***Business***" elsewhere in this Preliminary Placement Document and this "***Management's Discussion and Analysis of Financial Condition and Results of Operations***," there are no new products or business segments in which we operate, and we have not announced, and do not expect to announce any new products or business segments in the near future.

Significant Developments after December 31, 2020 that May Affect Our Future Results of Operations

To our knowledge, except as disclosed in this Preliminary Placement Document, including disclosure regarding the impact of COVID-19 on our operations, there is no subsequent development after the date of our financial statements contained in this Preliminary Placement Document which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

See "***Risk Factors— The outbreak of the novel coronavirus or any future pandemic or widespread public health emergency, could have a significant effect on our results of operations, and could negatively impact our business, revenues, financial condition and results of operations.***" on page 36 for risks of the COVID-19 outbreak on our operations and financial condition; and see "***Business—Impact of COVID-19***" on page 122 for more details regarding the impact of COVID-19 on our operations.

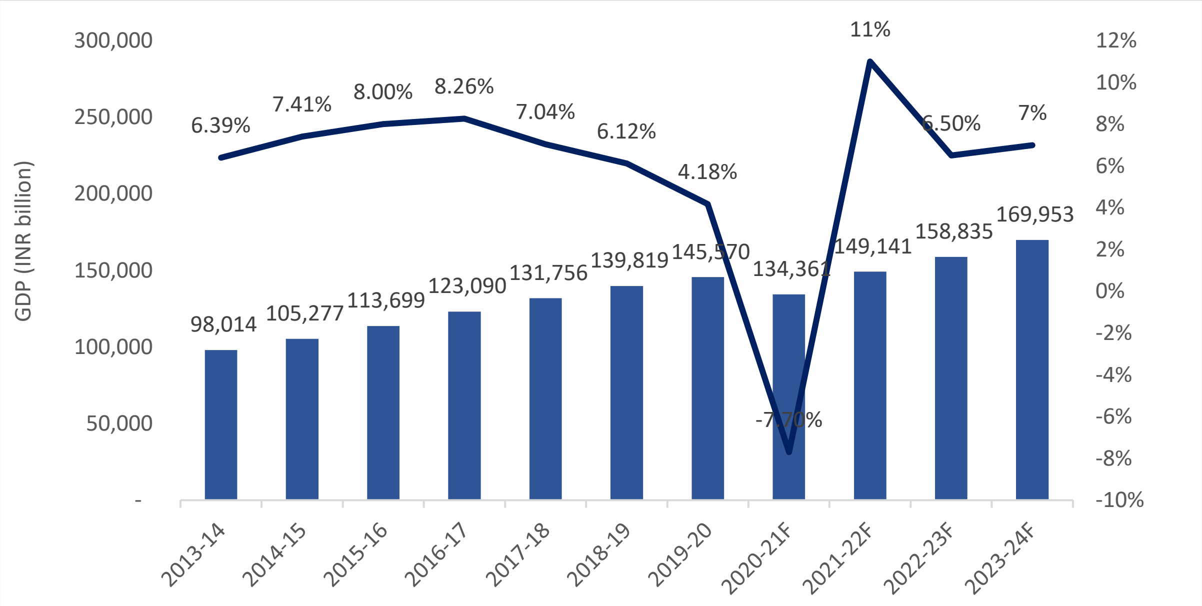
INDUSTRY OVERVIEW

The information in this section is derived from the Redseer Report. We commissioned the Redseer Report for the purposes of confirming our understanding of the industry in connection with the Issue. Neither we, nor any of the Lead Managers, nor any other person connected with the Issue has verified the information in the Redseer Report. Further, these reports are prepared based on information as of specific dates and may no longer be current or reflect current trends. They may also base their opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect. Prospective investors are advised not to unduly rely on the Redseer Report when making their investment decision.

India's GDP growth and contribution of manufacturing and MSME sectors

Before the pandemic shook the world, the Indian economy was on a steady growth path and the GDP growth rate varied in the range of 6.1-8.3% from 2013-14 to 2018-19. However, as the effects of COVID became pronounced during Mar'20 and nation-wide lockdown was imposed to control the spread, the GDP growth in 2019-20 dropped to 4.2%, with the GDP reaching INR 145,570 billion. As COVID continued during the remainder of 2020, the consumption & investment levels dropped significantly, leading to a projection of 7.7% GDP drop in 2020-21.

GDP (INR Bn) & GDP growth (%) of India at constant prices[(1)(2)]



The Indian economy is primarily service based with the service sector contributing 55.2% to the GDP in FY20 while the contribution of manufacturing sector to the GDP has remained constant at around 17.42% over the same period[2]. As per the National Manufacturing Policy, while the share of manufacturing in India's GDP has stagnated at 17-18%, the share of comparable Asian economies is much higher at 25-35%. There is potential for this contribution to increase to 25- 30% of the country's GDP along with the creation of up to 100 million new jobs in the manufacturing sector by 2022 under the 'Make in India' initiative.[3]

GDP growth across developing and developed countries

India is the world's seventh-largest economy and has shown consistent growth, however, the economy has been greatly affected during the pandemic and its effects would be seen in the coming years as well. The RBI forecasts a 7.7% fall in the Real GDP for FY21. For USA and China, the projected GDP change for CY20 is (-4.3%) and 1.9% respectively. In the future years however, the Indian GDP is projected to bounce back to the pre-COVID range and retain a healthy growth rate of 6.5-7% in the long run.[4]

[1] Reserve Bank of India, Handbook on Statistics on Indian Economy
[2] Ministry of Statistics and Programme Implementation: Provisional Estimates of Annual Income 2019-20
[3] Indian Brand Equity Foundation - Manufacturing Sector in India
[4] International Monetary Fund

Digital India – Increasing adoption of Internet laying the groundwork

Internet growth in India

The number of internet subscribers in India reached from 718.74 million as on December 2019 to nearly 749.07 million by June 2020 primarily driven by growth in wireless internet services[5]. Wireline broadband services are expected to grow at a comparatively gradual rate due to constraints around high initial investment in deployment of fixed line infrastructure and increased user preference to use internet on the go.

Mobile internet the primary driver for overall internet growth, driven by smartphone adoption

The number of internet subscribers in the country increased at a CAGR of 21.36% from FY16 to FY20 to reach 743.19 million in FY20[6]. Out of the 749.07 million subscribers as on June 2020, nearly 726 million are wireless internet subscribers[5]. Over the next five years, rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India, creating opportunities for new businesses.

Rise in the adoption of high speed wireless internet (4G service) is expected to be primarily driven by the following aspects:

- Competitive data rates offered by 4G service providers (initiated by the disruptive launch of 4G services by Reliance Jio)
- Falling prices of 4G-enabled smartphones and introduction of affordable smart feature-phones by telecom operators
- Continued investments in improvement of telecom infrastructure and leading to deepening network coverage of high-speed data services
- Digital India initiative by the Government of India

The MSME Market in India

As per the National Sample Survey (NSS), there were 63.39 million non-agriculture MSMEs in India engaged in different economic activities in 2015-16 (19.67 million MSMEs were involved in manufacturing whereas 43.72 million MSMEs were involved in services, of which 23.04 million were involved in trade). As per RedSeer estimates, there has been a net increase of 12 million MSMEs between FY16 and FY20, taking the total MSME tally in FY20 to 75 million. Of which, 52 million MSMEs were involved in services and 23 million were involved in manufacturing, each growing at 6.6% CAGR. Rightly called the backbone of Indian economy, MSMEs employ around 120-130 million people spread across urban and rural India.

Contribution of MSMEs in the country's economy

The Micro, Small and Medium Enterprises (MSMEs) in the country contribute a significant portion to India's GDP. This contribution from the MSME segment to GDP stood at nearly 30 percent in FY20, with around 6 percent coming from manufacturing and around 24 percent from the service segment in past 3-5 years.[7] The contribution by MSMEs to exports stood at 48% in FY20.

The Union Minister for Micro, Small and Medium enterprises said that the government plans to create 5 Cr additional jobs in the MSME sector in the next 5 years and increase GDP contribution of MSMEs to 50%. The aim is also to increase MSME contribution to exports from 48% to 60%.[8]

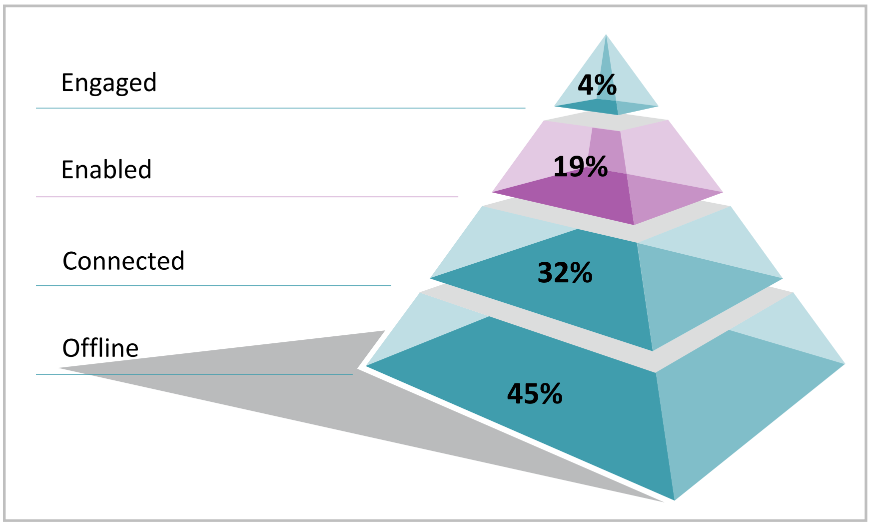
SME Internet adoption in India – Current levels low, but a large opportunity ahead

As per Redseer estimates, 55 percent of SMEs in India are digitally connected as of 2020 and 23 percent use internet for business purposes. On the other hand, 89 percent of all enterprises were already connected to internet in China by 2015[9]. Digitally enabled SMEs are projected to grow twice as fast as the non-digital SMEs.

Of the 55 percent SMEs that were digitally connected, only 4 percent were adjudged to be using the full potential of digital technologies while the remaining 51 percent were not actively promoting or selling their business online.

[5] Telecom Regulatory Authority of India
[6] India Brand Equity Foundation – Telecommunications Sector
[7] CII - Sectors
[8] Press Information Bureau – Government of India
[9] Report by iResearch

Digital engagement of SMEs



Source: Redseer Estimates (Engaged: Using digital technology actively to enable business online; Enabled: Have their own website or use social media for business or maintain corporate e-mail id to engage and understand customer base; Connected: Use internet for general information gathering and communication but not for business purposes)

Digitization imparts wide ranging benefits to SMEs, ranging from increased online visibility to improved bottom-line. Some of the important benefits are outlined below:

- Increase in customer reach.
- Improved revenue and profitability.
- Increase in employment.

However, as per RedSeer's research, MSMEs cited various challenges in their path to digital adoption. Some of them are:

- Awareness of digital solutions: MSMEs are not aware of the range of solutions available in the market
- Lack of Trained Labour: MSMEs find it very difficult to find trained labour within their budgets in order to expand their tech presence
- Low reach of small players: Small businesses are predominantly offline with apprehensions of high costs of digital solutions

As a result, digital platforms could consider addressing the following unmet opportunities:

- Offering an easy-to-use platform in various languages thus eliminating the need of comprehensive trainings
- Reaching out to the tier 2 + cities where the opportunity is largely untapped currently and explaining the cost benefit equation to them

Government policies and their impact on the MSME sector

Make In India

The "Make in India" initiative launched in September, 2014, aims at promoting India as a preferred investment destination and a global hub for manufacturing design and innovation.

The initiative aims to increase the contribution of the manufacturing sector to 25 percent of the gross domestic product by 2025.

Good and Services Tax (GST)

The GST rollout in 2017, aims to boost competitiveness and performance in India's manufacturing sector. Some of the areas where the GST can potentially have a positive impact on SMEs are highlighted below.

- Ease of starting a business – GST enables a centralized registration, making it easier to set up businesses
- Market Expansion – With the GST, tax credit will be transferred across state boundaries, irrespective of the location of the buyer and seller, which will help expand the market for SMEs
- Improved logistics and faster delivery of services.
- Reduction of tax burden on new businesses.
- It has also made it easier for B2B e-commerce platforms to onboard the SMEs with ready documentation.

The first month post the GST implementation, witnessed registration of over 1 million businesses in the system.[10]As of 10th January 2021, there are 12.5 million registered taxpayers under GST[11]. The Quarterly Return Filing and Monthly Payment of Taxes (QRMP) Scheme launched under GST will allow 92% of the taxpayers with annual revenue of up to INR 5 crore to file their returns once in a quarter, instead of the present monthly system, starting January 2021. As many as 9.4 million registered taxpayers can opt for the scheme, showing how big a part of the tax base SMEs are.

Reduction in Corporate Tax

To make sure India stays globally competitive and a favoured destination for investment, a bold historic decision was taken in 2019 to reduce the corporate tax rate for new companies in the manufacturing sector to an unprecedented level of 15%. For existing companies, the rate has been brought down to 22%. As a result, India's corporate tax rates are now amongst the lowest in the world.

Push towards a Digital Economy

Demonetization and promotion of digital payments with initiatives like Aadhaar Pay, Bharat QR Code and the incentivization of the government's flagship BHIM (Bharat Interface for Money) app are some of the major initiatives towards a cashless economy. The volume of transactions on UPI has reached 2,234.16 million in Dec 2020 as compared to 1308.40 million in Dec 2019 showing the growing popularity of digital payment options. As per Redseer surveys, UPI platforms were cited as the most used digital solution by retail and non-retail MSME.

As part of the Sixth Bi-monthly Monetary Policy Statement for 2019-20 dated February 06, 2020, the Reserve Bank of India has constructed a composite Digital Payments Index (DPI) to capture the extent of digitization of payments across the country. The RBI-DPI has been constructed with March 2018 as the base period, i.e. DPI score for March 2018 is set at 100. The DPI for March 2019 and March 2020 work out to 153.47 and 207.84 respectively, indicating appreciable growth.

Other important steps taken for promoting the digitization of businesses include E-way bills and E-invoicing. E-way bill is an electronic document generated on the E-Way Bill portal evidencing movement of goods. As per Rule 138 of the CGST Rules, 2017, every registered person who causes movement of goods (which may not necessarily be on account of supply) of consignment value more than Rs. 50000/- is required to furnish information in thee-way bill. The total number of e-way bills generated was 118.58 crores as of March 2020, and reached 165 crores on 24 Jan 2021.

On the other hand, E-invoices were started in October 2020 for taxpayers with a turnover greater than INR 500 crores. In January 2021, it was extended for taxpayers with a turnover between 100-500 crores. This would therefore mean greater digitization for Medium enterprises that fall within this bracket. On 15th January 2021, the milestone for 20 crore IRNs (Invoice Reference Numbers) was achieved. As of 24 Jan 2021, total number of invoices uploaded was 1129 crores.

Surviving the Pandemic and its after-effects

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[10] Over 12 lakh businesses apply for new GST registration: Revenue Secretary Hasmukh Adhia, Financial Express – July 2017
[11] Goods and Services Tax Network

MSMEs were not unaffected by the drop in economy caused by the pandemic. In order to ensure that businesses, especially MSMEs, survive the period, the government announced a stimulus package in May 2020. INR 3 lakh crore collateral free loan scheme was announced as part of the INR 20 lakh crore economic stimulus package. For two lakh MSMEs which are stressed or considered non-performing assets, the Centre will facilitate provision of ₹20,000 crore as subordinate debt. A ₹50,000 crore equity infusion is also planned, through an MSME fund of funds with a corpus of ₹10,000 crore.

Atal New India Challenges in Applied Research and Innovation for Medium and Small Enterprises (ARISE - ANIC) was also launched in September 2020 to promote research & innovation and increase competitiveness of Indian startups and MSMEs. [12]

Medium and Large Enterprises – Higher on the internet adoption maturity curve

As per Zinnov, there are nearly 1200 Large Enterprises in India, which contribute close to 40% of India's GDP, where any organization that has a headcount exceeding 1000 is considered to be a Large Enterprise.[13]

Adoption of internet amongst LEs

By 2023, the digital spend by public-listed Large Enterprises is expected to grow at a CAGR of 40% to touch USD 3.6Bn, clearly indicating a strong focus on digital initiatives. Zinnov research suggests that by 2021, the digital spend in public-listed Large Enterprises is set to contribute ~20% to the overall IT spend across verticals. Currently, BFSI, Manufacturing, IT/ITeS, Retail/CPG, Telecom constitute nearly 80% of the overall market for digital spend. [13]

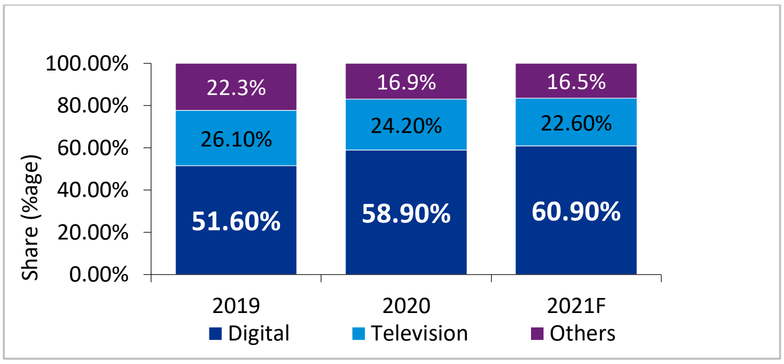
The Indian Advertising Market

Advertising revenues expected to grow driven by Digital advertising gaining prominence

India's advertising revenue is projected to reach Rs. 789 billion in FY22 from Rs. 726 billion in FY20. India's advertising revenue is forecast to expand at a CAGR of 4.3% between FY20 and FY22. Digital advertisement revenues are likely to outweigh TV advertising revenues by FY21, an achievement previously projected to occur only by FY23. Digital advertising emerged as the second-largest advertising medium in India, generated revenues worth INR 199 billion in FY20. [14]

Global Advertising Trends – The Shift towards digital advertising

The global advertising market saw nearly 4.1% decline in 2020 to reach USD 590.6 billion. The projections for the year were for a steeper 9.9% decline but the market showed unexpected recovery in H2. The market is expected to reach USD 651.1 Bn by growing at 10.2% in 2021. [15] While overall ad spend fell due to the global effects of Covid-19, the spend on digital media advertising grew by 9.4% to reach USD 347.6 billion. Digital has been the major contributor to the recovery of the global ad expenditure by contributing 58.8% of the total ad spend in 2020.



Source: Global Ad Spend Forecasts, GroupM This Year Next Year Report 2020

Growth of online advertising

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[12] Atal Innovative Mission
[13] Based on Zinnov Management Consulting
[14] India Brand Equity Foundation – Media and Entertainment
[15] GroupM 2021 Global Ad-ex forecast

Digital continues to power ad spend growth in the Indian markets. It was the only segment to have a positive projected growth of 12-18% in 2020. Suffering only a minor contraction of 7% in the first half, Digital stood at INR 64.72 billion at the end of H1, while other mediums saw a 40-55% decline over the same period.[16]

The Local Indian search market

Spending on search advertising though once a relatively bigger component of the digital ad-ex market is slowly losing its share. Although there has been a steady increase in spending on search advertising from 2017-2019, its share in digital ad-ex has fallen from 28.3% to 23.32% during the same period. On the other hand, share of the social segment has been increasing to reach 22% in 2019 from 13.4% in 2017. [17] After the pandemic, the social segment of digital ad-ex became all the more relevant, therefore becoming the second largest contributor at 26% in the first half of 2020. While there was an explosive spike in video consumption in 2020, this did not translate to ad spends and video only maintained its share of 30% (same as 2019) of Digital AdEx in H1. However, video continued to be the largest contributor in the digital ad-ex space.[16]

The Indian Classifieds market

The digital classifieds market in India is a combination of horizontal and vertical players. The horizontals offer listing across a host of goods and services, ranging from real estate, home services, pet care, used goods to medical suppliers. On the other hand, the vertical players focus on a single product/service category such as matrimonial, recruitment services etc. The digital classifieds market in India was estimated at INR 43 billion in 2019, expected to grow at a CAGR of ~22-25 per cent over 2019-25 to reach a size of INR 140-160 billion by 2025.[19]

The growth in the digital classifieds market from 2019 to 2025 is estimated to be driven by the growth in B2B, Automotive and Real Estate classifieds, with Horizontals also continuing to maintain robust growth.

The global business-to-business e-commerce market size is estimated to reach USD 20.9 trillion by 2027, expanding at a CAGR of 17.5% during the forecast period.[18] The Government of India’s policies and regulatory frameworks such as 100% Foreign Direct Investment (FDI) in B2B E-commerce and 100% FDI under automatic route under the marketplace model of B2C E-commerce are expected to further propel growth in the sector. The B2B digital classified market in 2020 is estimated to be about INR 11.02 billion. This market size only consists of revenues from online B2B classified websites, which are involved in the listing, discovery and matchmaking of businesses on their platform.

Advertising spends across SMEs and Large enterprises[19]

Marketing spends: Offline vs Online

Compared to B2C companies which focus on a large mass of a distributed customer base, the B2B business model is geared towards maintaining relationships with a smaller number of repeat customers, who’d likely account for a significant amount of the company’s business. Thus, B2B organizations are currently more likely to spend a major share of their marketing funds on the offline mode to maintain relationships with the existing customer base. With increasing use of the online medium for marketing and discoverability, the same may change depending upon the value B2B organizations are able to extract out of this emerging medium.

The pandemic forced many businesses to go digital, while many could not survive the sudden and forced shift, some adapted to find new avenues for growth. 20-25% of the overall business for MSMEs came through online leads in FY20, where service sector MSMEs saw a larger share with over 30% of their business coming from online sources.

40-50% of the digitally connected MSMEs also engage in digital marketing, where the use of digital tools like WhatsApp and Facebook Marketplace for marketing and promotion was slightly more common. The importance of digital marketing was already being realized by MSMEs and the lockdown made it even more relevant since it was the only channel to reach customers.

[16] Pitch Madison Advertising Report – August 2020
[17] Pitch Madison Advertising Report – 2019
[18] Research and Markets Business-to-Business (B2B) e-Commerce Market Assessment Report
[19] Redseer Estimates

On the other hand, large enterprises (all enterprises excluding MSMEs) spent 25-30% of their overall marketing expenses on digital marketing[20]

Large enterprises: Discussions with Large enterprises indicated that the spread of digital marketing across different sub-segments like display, video, search and classifieds depends upon the nature of products that the company has to offer and the nature of customers:

- On the other hand, B2B companies selling technical products may find it more prudent to spend on classifieds like Indiamart, TradeIndia and Alibaba, rather than google ads as they are likely to get more genuine enquiries on these platforms

Buyer behavior on B2B e-commerce platforms

Product discovery and purchase decision

With the growing availability of products on B2B e-commerce portals, the use of internet as a medium of product discovery has increased. However, most of the buyers prefer to do their transactions offline and make use of online platforms only for the purpose of price discovery and widening their supplier base.

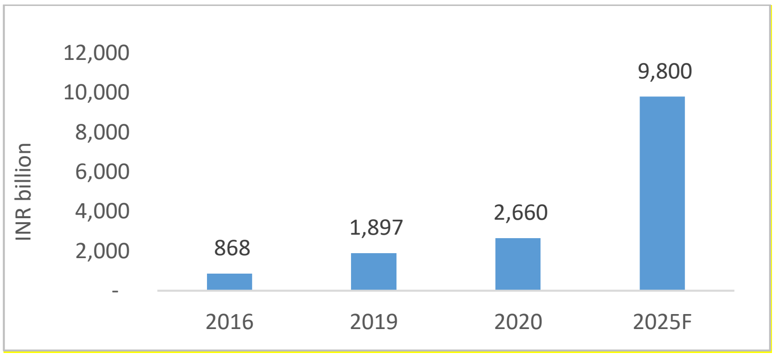
Behavior on the online medium

Popular B2B e-commerce platforms have witnessed an increase in traffic on their websites indicating an increase in B2B buyer activity. Most of the B2B buyers that come online tend to visit these B2B e-commerce sites directly. Some buyers, however, prefer to search for the desired products by using search engines before zeroing in on the appropriate B2B e-commerce website.

Deepening internet penetration fueling E-commerce growth in India

The market size for E-commerce India is estimated to be INR 2,660 billion in 2020[21]. It is forecasted to reach INR 9,800 billion by 2025, growing at a 30% CAGR over 2020-25, with grocery and fashion/apparel likely to be the key drivers of incremental growth.

E-commerce in India (INR billion)



Source: RedSeer Market Estimates

As per RedSeer estimates, while the retail market in India dropped from INR 63,420 billion in 2019 to INR 54,600 billion in 2020, E-tailing saw a rise from INR 1,897 billion in 2019 to INR 2,660 billion in 2020. Driven by the same, E-tail penetrated 4.9% of retail in 2020 and is projected to penetrate 11% by 2025, reaching US$ 9,800 billion market.

The Indian B2B e-commerce market

The growing B2C E-commerce market has led to a large number of sellers bringing their businesses online to meet consumer demand during the lockdown. As per RedSeer estimates, India wholesale market reached INR 46,690 billion in 2020 (dropped from INR 53,410 billion in 2019).

[20] Brand Equity report
[21] Redseer Estimates

In order to tap into this potential, B2B e-commerce players have started building platforms for SMEs and traders. The number of SMEs buying and selling online have increased over the years with 28% of the internet-enabled[22] SMEs being engaged in e-commerce in 2020[23]. In China, nearly 34 percent of all SMEs were engaged in online marketing in 2015 indicating a possibly greater number engaged in e-commerce[24].

The government of India has allowed 100% FDI in B2B e-commerce to enable greater investments and bringing in expertise and operating knowledge of global majors.

Landscape of the Indian B2B Ecommerce market

The B2B landscape in India is largely fragmented with millions of unorganized MSMEs, distributors and wholesalers operating throughout the country. B2B e-commerce on the other hand, attempts to bring all these players onto a single platform with an aim to aggregate demand and supply. B2B e-commerce players have started building platforms for SMEs and traders.

While there are several B2B e-commerce platforms with different operating models, they can be broadly categorized under two broad business models –Classifieds and Transaction- based.

Online B2B classifieds

Online B2B classifieds provide a cost effective and convenient channel for exchange of goods and services by connecting buyers and suppliers. They primarily operate on the following revenue streams:

- Subscription – B2B classifieds offer a number subscription packages to sellers in exchange for increasing their visibility on the platform
- Pay per lead – Platforms also offer certain requirements posted by buyers as 'paid leads' to suppliers. These paid leads can be purchased by the suppliers over and above their subscription packages.
- Advertising – Suppliers buying space for display advertising on the platform

Some of the major online B2B classified platforms in India include IndiaMart, TradeIndia, Exporters India, Alibaba India and JD Business.

Transaction based platforms

Transaction based B2B platforms function in a similar manner to the B2C platforms where buyers can compare and purchase products offered by multiple sellers directly. However, unlike B2C, B2B transaction-based platforms have features specific to B2B requirements like applying for bulk orders, quantity discounts, ability to edit a purchase order online, quotations and RFPs for orders, pricing by customer, ability to accept different payment types like bank transfers and scheduled payments, ability to provide basic dashboards for seeing a consolidated view of purchases and sales, etc.

The B2B transaction based platforms may have the following monetization models:

- Commission in a marketplace model – Charging a specified commission (percentage) on every transaction
- Inventory based model – Profits earned on re-selling inventory purchased beforehand from sellers
- Advertising –Platforms also monetize through selling space on the website for display advertising

Some of the major online B2B transaction-based platforms in India include Udaan, ShopX, Jumotail, Ninjacart, Industry Buying, Power2SME, Amazon Business and Moglix.

SMEs using third party B2B platform

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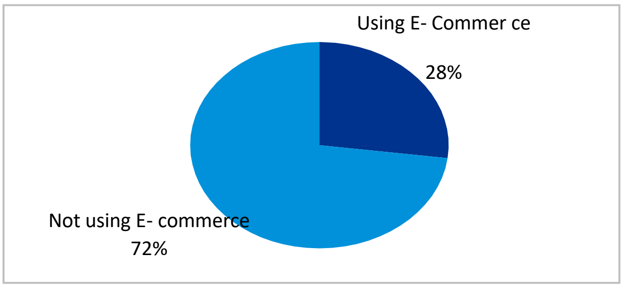
[22] Internet-enabled: Have their own website or use social media for business or maintain corporate e-mail id to engage and understand customer base

[23] India Brand Equity Foundation – E-commerce Sector

[24] China National Network Information Center

Business processes are becoming data-driven and SME sector has been benefitting from the continued expansion of E-commerce in India. As per Redseer estimates, 28 percent of the SMEs using internet are engaging in use of e-commerce for business. While the satisfaction level for end consumer reach coverage came out to be high, the satisfaction with prices remained neutral in the case of MSMEs using E-B2B platforms for business purposes.

Percentage of online SMEs using E-commerce



Source: Redseer Estimates

MSME Digital Experience[25]

Overall, the digital engagement of MSMEs was found to be medium, which was a combination of high interest to avail online benefits and low tendency to use paid digital services. The digital penetration among MSMEs is fueled by the listing and e-tailing websites where manufacturers and retailers are able to showcase their products to a wider customer base. Metal and Machinery and Textiles under manufacturing and Professional services including IT and ITeS and Trade under services are sectors with relatively high digital adoption.

The digital behaviour and platform usage experience of various segments in the MSME sector was recorded to better understand the dynamics. Although many retailers were available on listing platforms, most of them were not availing paid services. However, those who did, shared that the revenue from paid listings are higher due to increased visibility in local and global markets.

Manufacturers saw an increase in queries after getting listed on platforms and had 10+% revenue coming in from these lead-conversions. Most manufacturers reached were paying platforms for value added services they offer to get better business opportunity. Also, many of them are on more than one listing platforms.

Service sector companies were found to spend the most on IT solutions (non-hardware) by adopting digital services for various functions. Although they did not see a decline in cost by adoption of digital services, but did see a reduction in time and effort. Moreover, most MSME companies in service sector were on one or more platforms. They were looking to develop inhouse IT and Digital Marketing teams to keep improving the experience of current and potential customers.

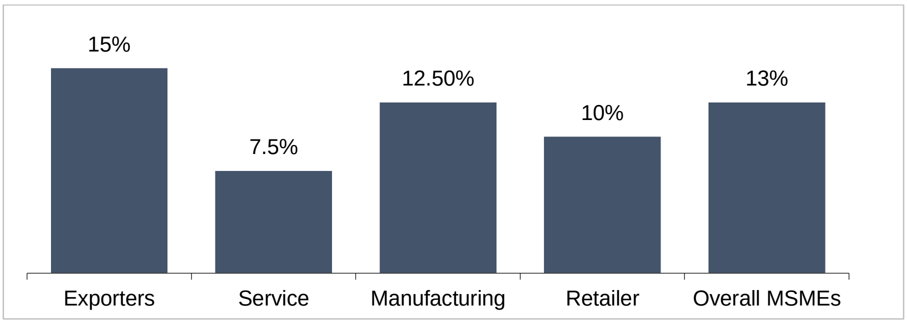
Exporters received higher business through their own company websites (than third-party platforms) as it reflected genuineness and added to their credibility for the customers.

Retailers also confirmed that the revenue from paid listings are higher due to increased visibility in local and global market.

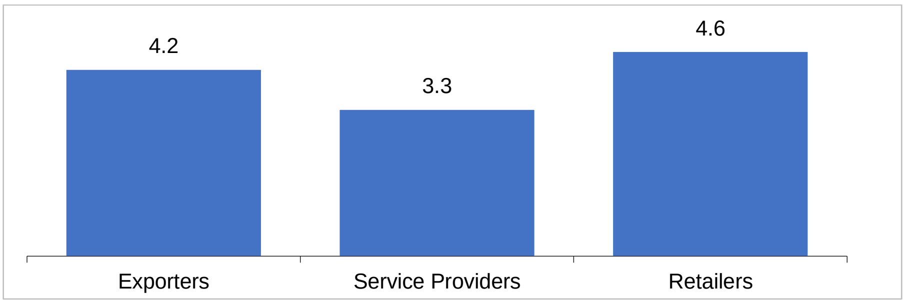
Among the benefits, increase in average annual revenue was seen across the segments. MSMEs also rated (out of 5), the degree of improvement in customer engagement, post digital adoption. Most ratings were in the satisfactory zone (more than 3 out of 5), wherein retailers and exporters reported a stronger improvement in customer engagement (more than 4 out of 5).

[25] RedSeer IAMAI Report (Jan'19)

% Increase in annual revenue, led by digital partnerships

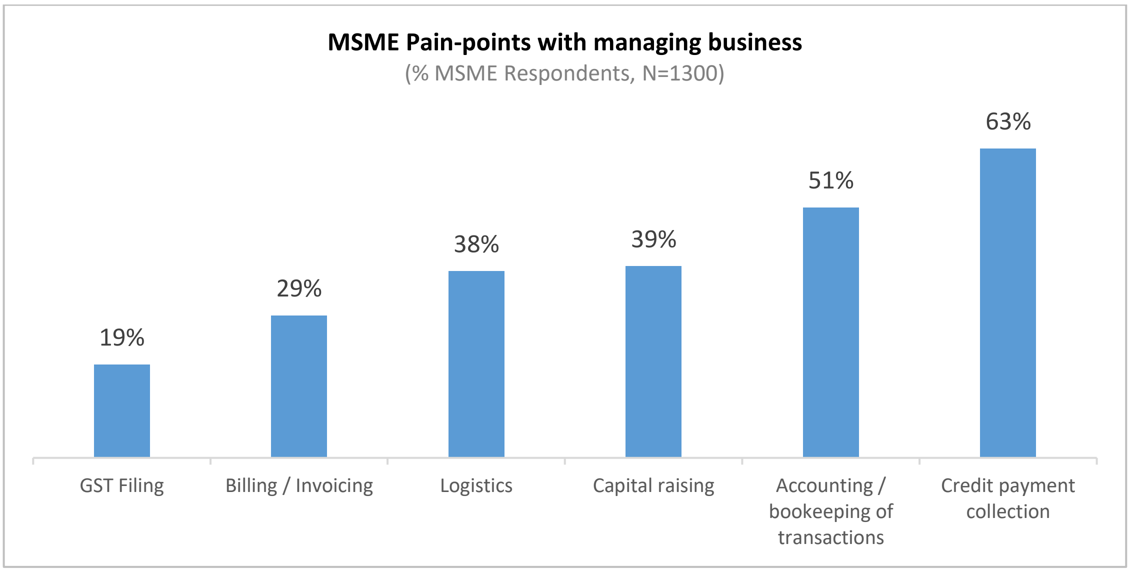


Improvement in customer engagement through digital partnership (Rating out of 5)



Potential of Digital Services for MSMEs[26]

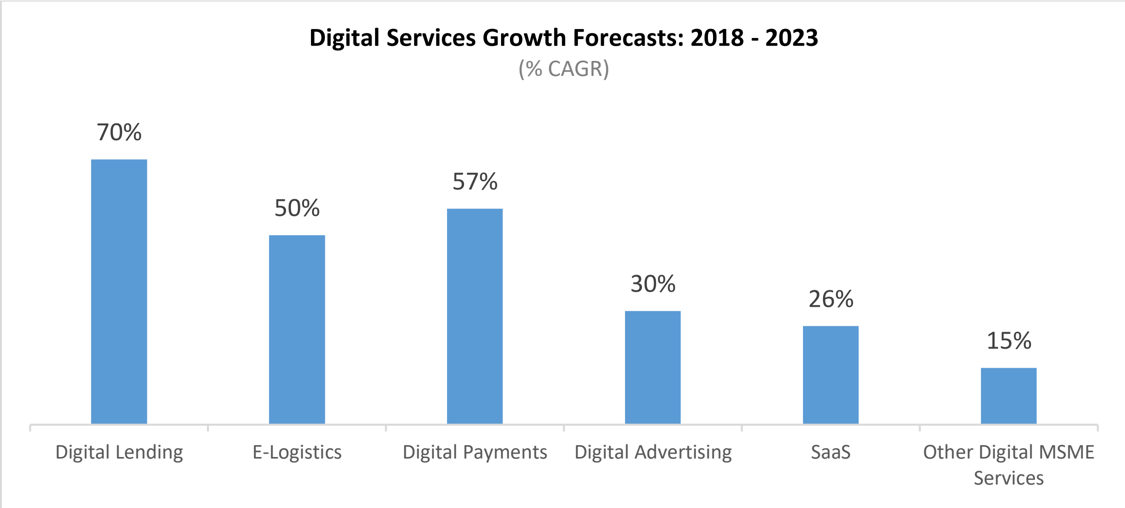
As per a survey conducted by RedSeer, MSMEs continue face multiple challenges in managing their unorganized & complex financial operations. MSMEs typically deal with financial operations that fall under most of these buckets: capital raising, supplier/customer payments, billing/invoicing, book-keeping and collection and tax-filing. Each of these however pose different challenges which MSMEs with limited resources find it difficult to deal with. In the surveys, a significant number of MSMEs cited challenges with credit payment collection, bookkeeping, capital, raising, logistics and billing / invoicing.



Driven by the same, multiple digital models have entered the space aimed at resolving the MSME pain points. These digital services have resonated extremely well with the target MSMEs through provision of affordable, convenient and transparent services, leading to promising growth & expansion opportunities for these digital

[26] RedSeer Analysis & Estimates

services. As per RedSeer estimates, digital lending was likely to grow at a significant 70% CAGR, followed by digital payments at 57% CAGR and logistics at 50% CAGR.



Digital Lending:

Digital Lending platforms charge a small commission from businesses for making it easy for them to get credit instantly with least amount of documentation and hence trying to remove one of the major barriers of growth of industries. With credit flow being a pain point for most MSMEs, digital lending platforms are emerging as a feasible solution. Invoice discounting platforms allow small business to access cash locked up in outstanding invoices in real time. Digital lending solutions also help with transaction funding which includes lending short term funds (based on the transaction) value to ensure easy cash flow. The digital lending space for MSMEs has a mix of market-places, actual lenders, and E-B2B retailers (who provide lending as a value added service). The need for the service is increasingly being recognized, especially since the lockdown, and therefore, it has one of the highest projected growths.

Digital Payments:

Digital payment platforms provide payment convenience to MSMEs, thereby ensuring payment safety and enabling faster payment turn-arounds. Digital payments are enabling the smallest of merchants to accept payments from all customer groups with almost nil commissions for transactions. While digital payment platforms are easing out the MSME transactions, digital banking solutions provide simple branch-less banking facility for the unbanked.

E-Logistics:

E-Logistics companies form contracts at fixed rates (irrespective of the changing market rate) or charge commissions from the companies based on the trucks hired by them. E-Logistics firms are helping businesses to improve their CFR by better optimization of vehicles and faster deliveries. Features like logistics tracking, make E-logistics safer and more efficient for MSMEs. Payments and Logistics have been the most impactful business enablers helping businesses solve the ground level problems of transparency as well as managing operations better.

Digital Advertising:

Digital Advertising includes digital marketing and consumer targeting services which are aimed at gathering customer attention towards the offerings. It allows businesses to target the increasing internet users and show relevant content. The importance of digital advertising was particularly realized during the pandemic, thereby increasing the focus placed on this section. Apart from digital agencies, the B2B listing services have partnered with Google to build packages including listings and digital marketing for small businesses to have a better visibility over the internet.

SaaS:

The SaaS application market in India was sized at ~$1 Bn in 2018 and is projected to reach ~$3 Bn by 2023, growing at 26% CAGR. Enterprise Applications that enable business operation on premise requiring heavy investments are being replaced by On-cloud applications. SaaS models are designed for businesses to pay as per their needs unlike on premise models where the whole solution had to be bought, thus converting a Capex model to an Opex model. SaaS solutions is currently a small part of the cloud market globally but is seeing increasing adoption as users become at ease with the concept of cloud and their concerns on data security get addressed. SaaS application have multi-faceted benefits- including ease of usage, reduced legacy system and operational costs, reduced training and setup time, reduced burden of upgrading and maintenance.

- **Inventory Management**

Managing inventory digitally makes the process effective for businesses. With regular reports being digitally generated, it ensures product availability and prevents small businesses from missing orders because of unmanaged inventory.

- **Order Management**

Order Management helps tracking of orders from inception to fulfillment. It involves managing the people, processes and data connected to the order as it moves through its lifecycle. This often goes hand-in-hand with inventory management to match delivery commitments. Efficient order management can also ensure better customer satisfaction and eventually customer retention.

- **Accounting/Invoicing**

Digital solutions can make accounting and invoicing processes faster and simpler for MSMEs struggling to keep their records in place. The software records and processes accounting transactions in functional modules such as journal or ledgers and also helps with generating e-invoices. GST compliant, multi-lingual, and customized digital accounting solutions are available in the market.

- **Receivables Management**

Receivables management is all about ensuring that customers pay their invoices and is therefore important for strengthening the financial and liquidity potential. A lot of MSMEs conduct credit based transactions and delay in payment collection could lead to locking up of cash in outstanding invoices. Digital solutions allow small businesses to keep better track of account receivables and innovative features like payment reminders, integrated with digital payment links via UPI / wallets.

- **Procurement Management**

Procurement management is a strategic approach to optimizing organizational spend. It involves sourcing, requisitioning, ordering, inspection, and reconciliation. It means acquiring your goods and services from preferred vendors, within your determined budget, either on or before the deadline. Often entirely or partially inaccessible for small business, the information and knowledge associated with procurement management is made available to MSMEs by digital platforms. This allows better allocation of resources and reduces cost and time dedicated to the process.

- **Tax Compliance**

With businesses, especially smaller ones, still facing issues with GST compliance needs, tax compliance software are an easy and efficient way. Automating the GST and other compliance need by using technology helps them improve their business and work compliantly across departments. Businesses that move goods within or outside a state can generate e-way bills easily, with a few clicks.

- **Distributor Management**

A DMS (Distributor Management System) not just controls your down-stream supply chain, but it also helps to control promotions, improve productivity, streamline inventory and sales processes, and distributor claims to get accurate, reliable data on secondary sales. Since many small distributors are unorganised and find it difficult to manage multi-brand data, a DMS could generate actionable data and information.

- **Payroll**

Small business managers often assume many roles within the organisation but with lack of knowledge, training and time, compensation management, payroll taxes and overtime calculations can become extremely difficult and time consuming. Payroll software helps make this tedious process much simpler and convenient. Automating the process could help in improving the accuracy, employee satisfaction and business efficiency.

Paid customers on third party B2B Ecommerce platforms[27]

With the increasing benefits of e-commerce, the number of SMEs on B2B platforms have been growing over time. This has resulted in increased competition on such platforms for customer leads and made it imperative for suppliers to improve their visibility in the respective categories and capture relevant leads as far as possible. Thus, more number of suppliers are subscribing to premium packages which helps them get higher number of relevant leads. Some examples of subscription numbers for B2B Ecommerce platforms are outlined below.

The number of suppliers using paid services on Indiamart has increased from 108,000 in FY18 to 130,000 in FY19 and 147,000 in FY20.

Conducting business online- E-commerce and finance

As per Redseer estimates, 28 percent of the SMEs using internet are engaging in use of e-commerce for business. This implies that around 15 percent of the overall SME base of 75 million may be engaging in use of e-commerce for business.

B2B E-commerce platforms are creating a business ecosystem which is enabling smoother transactions, procurement of raw materials and industrial goods, and forging a better connection between established brands and small shop owners. These B2B platforms have already on boarded a large number of small business, as outlined below:

Number of suppliers on a select B2B e-commerce platforms

B2B platform	No. of users	No. of suppliers
Indiamart	102 million	6 million
Trade India	5.6 million	4 million
Industry Buying	85,000	5,000
Moglix (International)	NA	16,000

Source: Company websites, Investor Presentations

Key players in the B2B e-commerce space

Indiamart has around 60 percent market share of the online B2B classifieds space in India in FY20. KPIs of key players in the B2B e-commerce classifieds market:

	Indiamart	Trade India	Industry Buying	Moglix
Classification	Horizontal	Horizontal	Horizontal	Horizontal
Industry categories	56	39	37	37
No of users	102 Mn	5.6 Mn	85,000	NA
Revenue (INR mn) FY1926	5,070	930	1250	2170**
Traffic details (Oct, 2020 – Dec, 2020)				
Total traffic (Mobile Web + desktop)	143.3 Mn	16.3 Mn	5.319 Mn	4.875 Mn
Direct traffic(as a % of total traffic)	14.84%	15.14%	47.37%	32.70%
Search traffic(as a % of total traffic)	83.30%	82.25%	50.78%	63.24%
Organic search (as a % of total search)	83.28%	82.24%	32.47%	31.72%
Country (India) Website rank (based on traffic)	68	612	1620	1904

Source: Company websites, Financials from MCA, SimilarWeb accessed on Jan 22, 2021
**Just Dial traffic details have not been included as it operates both in the B2C and B2B classifieds space and only combined traffic numbers are available*
***Indicates Moglix's international revenue*

[27] B2B classified market size does not include revenues earned by Google or any other search engines

BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "***Forward-Looking Statements***", "***Risk Factors***", "***Selected Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 18, 35, 29 and 78, respectively. Unless otherwise stated or unless context requires otherwise, the financial information of our Company used in this section has been derived from the Audited Consolidated Financial Statements and the Interim Consolidated Financial Statements. References to "fiscal" or "fiscal year" in this section are to our fiscal year ended March 31.

Data included in this section in relation to certain operating metrics, financial information not otherwise included in the Audited Consolidated Financial Statements and the Interim Consolidated Financial Statements and certain business information and data (such as listed products and services, supplier storefronts, number of registered buyers and paying subscription suppliers, among others) have been reviewed and verified by AARK & Co. LLP, independent Chartered Accountants.

The information relating to the B2B e-commerce and digital classifieds industry in this section is derived from the Redseer Report. We commissioned the Redseer Report for the purposes of confirming our understanding of the industry in connection with the Offer. Neither we, nor any of the BRLMs, nor any other person connected with the Offer has verified the industry and third party information in the Redseer Report. Further, these reports are prepared based on information as of specific dates and may no longer be current or reflect current trends. They may also base their opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect. Prospective investors are advised not to unduly rely on the Redseer Report when making their investment decision. For further details, see "***Risk Factors***" and "***Industry Overview***" on pages 35 and 105, respectively.

OVERVIEW

We are India's largest online B2B marketplace for business products and services with approximately 60% market share of the online B2B classifieds space in India in fiscal 2020, according to the Redseer Report. We primarily operate through our product and supplier discovery marketplace, www.indiamart.com or "IndiaMART". Our online marketplace provides a platform for mostly business buyers, to discover products and services and contact the suppliers of such business products and services. Our marketplace also offers services, such as cloud telephony, CRM, chat messaging and payment gateways to enable suppliers and buyers to have conversations, accept online payments and engage in commerce efficiently. IndiaMART had an aggregate of 552.6 million, 723.5 million, 747.9 million and 703.8 million visits in fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, respectively, of which 396.9 million, 550.3 million, 569.4 million and 572.3 million comprised mobile traffic, or 72%, 76%, 76% and 81% of total traffic, respectively, for the same periods.

We refer to sellers of products and services listed on IndiaMART marketplace as "suppliers", and suppliers that subscribe to paid services on IndiaMART as "paying subscription suppliers". We refer to each visitor to IndiaMART, including, among others, each separate visitor from the same business entity or establishment, for whom we obtain basic identifying and contact information as our "registered buyer". As of December 31, 2020, we had 119.43 million registered buyers and 6.37 million supplier storefronts from India. These Indian supplier storefronts had listed 70.71 million products as of December 31, 2020 of which 80% of goods comprised products and 20% were services. We refer to an enquiry placed by buyers on IndiaMART through telephone, SMS, email or by posting an RFQ (as defined below) as a "business enquiry". We count business enquiries received by a supplier, including each receipt of the same business enquiry by multiple suppliers, as a business enquiry delivered. A total of 289.98 million, 448.97 million, 464.21 million and 459.61 million business enquiries, respectively, were delivered to IndiaMART suppliers in fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020. For fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, we had 52.59 million, 72.52 million, 74.20 million and 72.20 million daily unique buyer requests, respectively, of which 52%, 55%, 55% and 58% were repeat buyers calculated on the basis of the past 90 days, respectively.

IndiaMART provides a robust two-way discovery marketplace connecting buyers and suppliers. Buyers locate suppliers on our marketplace, including both Indian small and medium enterprises, or "SMEs", and large corporates, by viewing a webpage/mobile site/mobile app containing the supplier's product and service listings, or a "supplier storefront", or by posting requests for quotes called "RFQs" or "BuyLeads". Buyers can make business enquires on IndiaMART through telephone, SMS, e-mail or by posting RFQs. Our marketplace covers a widespread range of industries spread across India, rather than relying on a single target industry or geography. As of December 31, 2020, we had organized our listings across 56 industries. For a complete list of industry categories on our marketplace, see "**—IndiaMART—Our Product Listings**". Additionally, our marketplace platform offers solutions to facilitate communication, engagement and payments between suppliers and buyers. For more details of these services, see "**—IndiaMART—Services for Suppliers**".

Furthermore, according to the Redseer Report, the growing B2C e-commerce market has led to a large number of sellers bringing their businesses online to meet consumer demand during the government mandated lockdown in India in response to the COVID-19 pandemic. Our online marketplace capitalizes on this opportunity by helping buyers gain access to a large pool of suppliers, comprehensive product and supplier information in a standardized format and greater transparency in prices. Our online marketplace also provides suppliers with cost-effective ways to reach new buyers across geographies.

Using our reservoir of data on suppliers' and buyers' behavior and preferences, we are able to deploy artificial intelligence based, data driven algorithmic matchmaking between buyers and sellers on our platform. Coupled together with our voice and text based multilingual search engine (operating in nine languages), this enables users to efficiently discover relevant products and services. We believe this leads to an increase of repeat buyers on our platform. For the year ended March 31, 2020 and the nine months ended December 31, 2020, we had 55% and 58% repeat buyers calculated on the basis of the preceding 90 days. In addition, as of December 31, 2020, 37% of the suppliers on our platform have acted as buyers of other products and services in the last 12 months. This establishes a virtuous cycle of user engagement, leading to a self-sustained traction in traffic and business enquiries.

The image below illustrates the value proposition of IndiaMART together with its subsidiaries and associate companies for buyers and suppliers.

**Through associate companies.*

Our online marketplace is accessible through desktop and mobile-optimized platforms. Our IndiaMART mobile website, together with our mobile app, accounted for 72%, 76%, 76% and 81% of total traffic to IndiaMART for fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, respectively. Also, as of December 31, 2020, 79% of our paying subscription suppliers were active on our mobile app in the last 30 days.

We earn revenue primarily through the sale of subscription packages (available on a monthly, semi-annual, annual and multi-year basis) to suppliers, which offer a range of benefits including the listing of their supplier storefronts on a priority basis on IndiaMART, access to CRM and messaging systems, access to an online payment gateway and access to RFQs. We also earn revenue through advertising on our IndiaMART desktop and mobile-optimized platforms, including our mobile app, payment facilitation service and from the sale of "RFQ credits".

In fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, substantially all of our revenue from operations was earned through the sale of subscription packages, and a minor portion of our total revenue was earned through advertising, facilitation of payment and sale of RFQ credits.

Our Scale and Size

The table below sets forth our growth in the following metrics for fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020:

	As of and for fiscal year ended March 31,			CAGR (fiscal 2018 / 2020)	As of and for nine months ended December 31, 2020
	2018	2019	2020		
Indian supplier storefronts (in millions)	4.72	5.55	5.96	12%	6.37
YoY Growth – Indian supplier storefronts	49%	18%	7%	-	-
Paying subscription suppliers[1]	108,347	129,589	147,499	17%	148,029
YoY Growth – Paying subscription suppliers	13%	20%	14%	-	-
Registered buyers (in millions)	59.81	82.70	102.30	31%	119.43
YoY Growth – Registered buyers	52%	38%	24%	-	-
Total traffic (in millions)[3]	552.6	723.5	747.9	16%	703.8
YoY Growth – Total traffic	70%	31%	3%	-	-
Percentage of mobile traffic to total traffic	72%	76%	76%	-	81%
Total business enquiries delivered (in millions)[2]	289.98	448.97	464.21	27%	459.61
YoY Growth – Total business enquiries delivered (for the fiscal year)	85%	55%	3%	-	-

Notes:

(1) Refers to paying subscription suppliers that have opted for any IndiaMART subscription service for varying periods (including monthly, semi-annual, annual and periods for more than one year).

(2) A single business enquiry made by a buyer that is received by multiple suppliers is counted as a separate business enquiry delivered to each receiving supplier.

(3) Traffic means the number of visits on our marketplace.

The table below sets forth our growth in the following metrics over the last nine quarters through December 31, 2020:

	As of and for the quarter ended								
	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Indian supplier Storefronts (in millions)	5.44	5.55	5.62	5.71	5.86	5.96	6.07	6.21	6.37
Growth corresponding QoQ	25%	18%	11%	6%	8%	8%	8%	9%	9%
Paying subscription suppliers	123,550	129,589	132505	137103	141,640	147,499	133,110	141,344	148,029
Registered buyers (in millions)	77.66	82.70	87.80	92.98	97.79	102.30	107.24	113.48	119.43
Total business enquiries delivered[3] (in millions)	119.92	112.24	113.01	123.17	112.21	115.82	130.53	175.49	153.59
–Growth corresponding QoQ	49%	21%	15%	4%	-6%	3%	16%	42%	37%
Total traffic	172.9	171.4	184.3	196.0	**187.6**	**180.1**	**191.4**	**258.9**	**253.4**
Growth corresponding QoQ	24%	-0.5%	2%	-1%	9%	5%	4%	32%	35%

Notes:

(1) A single business enquiry made by a buyer that is received by multiple suppliers is counted as a separate business enquiry delivered to each receiving supplier.

OUR OPPORTUNITY

According to the Redseer Report, the growing B2C e-commerce market has led to a large number of sellers bringing their businesses online. This online addressability has led to businesses becoming increasingly discoverable online, which is leading to the B2B e-commerce market gaining traction as well. Further, given the ticket sizes associated with B2B/wholesale transactions, the opportunity for B2B e-commerce is even higher as compared to B2C e-commerce market. As businesses adopt e-commerce marketplaces to distribute their products and services, we believe this presents us an opportunity to further enhance our e-commerce marketplace ecosystem by providing suppliers and buyers with tools and solutions to facilitate commerce.

According to the Redseer Report, the wholesale market in India reached ₹46,690 billion in 2020. In order to tap into this potential, B2B e-commerce players have started building platforms for SMEs and traders. The number of SMEs buying and selling online have increased over the years with 28% of the internet-enabled-SMEs being engaged in e-commerce in 2020, according to the Redseer Report. Despite the large size of this market, current commerce channels and infrastructure in India are often unable to meet the demands of businesses and their evolving needs.

The current B2B market in India is fragmented and largely unorganized, as a result of which, suppliers and buyers face significant challenges in transacting with their offline counterparts. We target the Indian B2B market with the objective of facilitating discovery of businesses through our online marketplace, which we have designed to address the significant challenges faced by offline suppliers and buyers. We also offer tools and solutions to facilitate communications and commerce for suppliers and buyers on our platform. Notwithstanding the large suppliers and leading brands on our marketplace, we estimate that a majority of the suppliers and buyers on our marketplace are Indian SMEs.

According to the Redseer Report, 75 million MSMEs in India contribute a significant amount to India's GDP. This contribution from the MSME segment stood at nearly 30% in fiscal 2020. The number of MSMEs in India have increased at a compounded annual growth rate of 6.6% in the 5 years subsequent to fiscal 2016, from 63.39 million non-agriculture MSMEs in 2015-16. Further, according to the Redseer Report, digitally connected SMEs are estimated to have nearly twice the revenue growth trajectory compared to SMEs which are offline. However, according to the Redseer Report, internet penetration among Indian SMEs remains low, at only 55% in India in 2020 and 23% of Indian SMEs used internet for business purposes. In comparison, nearly 89% of all SMEs in China were connected to the internet in 2015, according to the Redseer Report. Market conditions are also made favorable by a projected growth in India's GDP and government initiatives such as "Make in India", which encourages manufacturing in India; tax reforms, such as the goods and services tax rollout in 2017, which aims to boost competitiveness and performance in India's manufacturing sector, and the reduction in corporate tax to ensure India stays globally competitive and a favored destination for investment; and the push towards a digital economy with initiatives such as Aadhaar pay, Bharat QR Code, the government's flagship Bharat Interface for Money; and the volume of transactions on the United Payments Interface integrated payment initiative reaching 2,234.16 million in 2020, with Redseer surveys indicating United Payments Interface platforms as the most used digital solution by retail and non-retail MSMEs. In light of these favorable market, economic and regulatory conditions and developments, we believe this offers us a significant potential for growth.

We believe that our online marketplace provides a number of benefits which are highly relevant to the B2B market:

- *Product, service and supplier discovery for buyers*. Our marketplace is widely available for buyers across India and internationally, providing businesses with a wide variety of products and services from various suppliers on a single platform that may otherwise be difficult to find or be unavailable to them. With regards to traditional offline marketplaces, buyers typically experience a time-consuming and inefficient product and supplier discovery and procurement experience, due to smaller shops with lesser availability of inventory caused by expensive real estate and congested spaces, unstructured and haphazard urban development, logistical challenges, overcrowded and overpopulated areas, as well as a lack of amenities, parking and sanitation. We provide comprehensive product and supplier information along with prices in a standardized format at a single destination for the convenience and benefit of buyers. Our marketplace also enables buyers to easily discover and evaluate products and services through voice and multi-lingual search, customer-driven review and ratings, and a communication channel for buyers to interact with suppliers directly to discuss business requirements.

- *Market opportunities and cost efficiencies for suppliers*. Our online marketplace provides suppliers with cost effective ways to reach new buyers and access new geographic markets. According to the Redseer Report, the Indian advertisement market is projected to reach ₹789 billion in 2022. Furthermore, the digital classifieds market in India was estimated at ₹43 billion in 2019, and is expected to grow at a CAGR of approximately 22 – 25% over 2019 to 2025 to reach a size of ₹140 – 160 billion by 2025. Businesses may leverage our platform as a means for digital and search advertising by creating an online presence and sharing their business and contact details with potential buyers. By means of our various subscription packages and RFQ credit offerings, suppliers have the flexibility to select subscriptions that best suit their budget, while fulfilling their sales targets and managing buyer enquiries efficiently with our CRM and messaging systems. In addition, our paid subscriptions are bundled with RFQ credits which can be utilized to view details of relevant business enquiries. Based on user behavior and responsiveness of the suppliers, we have implemented an artificial intelligence based, behavioral data driven algorithmic matchmaking engine to match buyers with suppliers. Further, our IndiaMART premium number service maps all relevant phone numbers of the supplier to an allotted unique number which ensures that they do not miss any business enquiries from the buyers, thereby reducing any lost opportunities. Additionally, our platform also enhances suppliers' customer relationship management and engagement by providing suppliers with information on buyers' profiles. As of December 31, 2020, a total of 1.12 million suppliers availed the IndiaMART premium number service. In addition, there were a total of 148,029 paying subscription customers on December 31, 2020, compared to 6.37 million supplier storefronts on IndiaMART on December 31, 2020. We believe this offers a large market opportunity to provide our service offerings to a wider supplier base.

- *Competitive, transparent and reliable transactions*. Buyers benefit from access to a large database of suppliers that promotes competitive and transparent pricing. Most of our paying subscription suppliers are registered under GST with GSTIN displayed on our website, which establishes credibility about their business establishment. In addition, IndiaMART's TrustSEAL program addresses buyer concerns over the existence of suppliers by verifying, through a third-party service provider, the suppliers' corporate filings, registrations, certifications and licenses. Further, our IndiaMART payment protection program addresses the suppliers' payment risks and the buyers' grievances if any, with respect to payments made through IndiaMART's platform.

IMPACT OF COVID-19

An outbreak of COVID-19 was recognized as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Due to a government mandated lockdown in India, we had to temporarily close our offices in mid-March 2020 and our employees transitioned to working remotely from home. While certain of these measures have been lifted since May 2020, keeping in view health and safety of our employees, most of our employees continue to work remotely from their homes, thereby avoiding the chances of contracting COVID. During these difficult times, the company supported its employees both mentally and financially by organizing various wellness programs and through financial assistance to employees wherever required. While our employees have been working remotely, and notwithstanding these office closures, our business and operations have continued and we have not faced any material disruptions to our business and operations as a result of the temporary office closures, supported by our negative working capital model, strong balance sheet and diversification across product categories and geographies.

As a result of the COVID-19 pandemic and related government mandated lockdown measures, traffic to our website decline significantly initially but, as all the offline physical markets were closed, we saw an increase in demand for certain necessity products during the lockdown, such as masks and sanitizers. We also increased our focus on new categories of products and services as well as existing categories or areas of business, such as sanitization, safety, hospital, pharmaceutical and food supply, to be able to cater to increase buyer demand. The traffic on our website for the quarter ended December 31, 2020, stood at 253 million, a 35% increase from December 31, 2019. We also supported the government of India by leveraging our marketplace platform to facilitate the procurement of medical resources and other equipment to support communities.

Due to lockdown, many small and medium businesses faced challenges on account of a fall in demand and disruptions to their business activity. This had an adverse impact on our revenue as we noticed an increased churn in our paying subscription suppliers, especially customers with monthly payment plans. We undertook various customer retention initiatives, such as short-duration subscription packages, flexible payment terms, and discounts for suppliers, to help them navigate through the situation. Our paying subscription suppliers declined 10% from 147,499 as at March 31, 2020 to 133,110 as at June 30, 2020, but increased to 148,029 as at December 31, 2020. We also saw a significant decline in customer collections, which has gradually recovered during the quarter ended December 31, 2020.

As our revenues were under pressure, we proactively implemented various measures to optimize cost across all our business functions, including measures focused on productivity enhancements, efficiency improvements, automation and cutting discretionary spending while avoiding large reductions in our workforce. In order to optimize our operating efficiency, we leveraged remote working technology platforms to enable our employees to work from home. We closed several sales branches as we focused on telecommunication as a mode for interaction with our customers, which led to an increase in employee productivity. Additionally, following the implementation of the country-wide lockdown, we also launched a new "Online Associate Program" (OAP) initiative to provide work opportunities to individuals who are affected by COVID-19, homemakers, differently-abled and graduates who are not otherwise employed. Through the OAP, individuals can opt to take on remote work assignments to support IndiaMART's operations through a listing on its website or other third party job portals. The program provides an avenue for members of the community to earn income during these difficult times by allowing them to work from home on work assignments.

The COVID 19 pandemic saw an increase in the adoption of online platforms for commerce, with even the traditionally offline physical businesses adopting the use of telecommunication and digital mediums to run their businesses. In the long-term, we expect that this increase in online adoption will help our business in a positive manner. See "***Risk Factors— The outbreak of the novel coronavirus or any future pandemic or widespread public health emergency, could have a significant effect on our results of operations, and could negatively impact our business, revenues, financial condition and results of operations.***" on page 36 for potential risks of the COVID-19 outbreak on our operations and financial condition.

OUR STRENGTHS

We believe the following competitive strengths contribute to our success and distinguish us from our competitors:

IndiaMART's strong network effects and brand recognition drives leadership in the B2B marketplace in India.

IndiaMART is India's largest online B2B marketplaces for business products and services with approximately 60% market share of the online B2B classifieds space in India according to the Redseer Report. As of December 31, 2020, IndiaMART provided 119.43 million registered buyers with access to 6.37 million supplier storefronts in India, which list 70.71 million products and services across 56 industries. We believe that "IndiaMART" has become an established and trusted pan India brand, primarily through word-of-mouth accounts of our suppliers' and buyers' experiences. Our proven IndiaMART platform attracts repeat buyers, leading to less dependence on paid traffic. For the nine months ended December 31, 2020, paid visits comprised of less than 0.02% of overall visits. We believe that the strength of our IndiaMART brand in India and the vastness of our online marketplace is unmatched. Our strong brand recognition and market position creates the following positive effects on our business:

- *Network Effects*. Our market leading position creates strong network effects as a large number of buyers on our online marketplace results in more enquiries for suppliers, which in turn attracts more suppliers to register, create supplier storefronts and list products and services, consequently attracting more buyers.

- *Community Effects*. The large numbers of product and service listings on our marketplace, our focus on B2B commerce and targeted customer acquisition initiatives also create strong community effects as suppliers for one product or service category on our marketplace become buyers for products and services in the same or other categories, thereby increasing organic traffic to our marketplace. For instance, a trader of a particular good may become a buyer to procure the same product in large quantities from other suppliers on our marketplace and a manufacturer listed as a supplier on our market place may become a buyer of various goods and services, such as raw materials, machinery and equipment or related services that may be required for the production or sales and distribution of its manufactured goods. As of December 31, 2020, our online marketplace had a total of 6.37 million Indian supplier storefronts of which 37% also acted as buyers in last twelve months. We believe that our vast and vibrant network of buyers and suppliers allows us to act as an enabler of scale in the Indian B2B e-commerce sector.

Comprehensive, convenient and reliable platforms for buyers.

Our offerings are well suited to the needs of buyers and enable them to receive comprehensive information on a variety of products and services, and communicate effectively with a large number of suppliers.

- *Access to a large number of verified suppliers, products and services*. Most of our paying subscription suppliers have disclosed their GST registration numbers on their storefronts which adds credibility to their business establishments. Buyers are able to review supplier profiles, their GST registration number, their company details if available/applicable including the date of incorporation or establishment, the address of registered offices and comprehensive information about their products and services including their prices and specifications, and in many instances view product photos and access IndiaMART's TrustSEAL profiles of suppliers that helps in establishing credibility of the suppliers on our marketplace. Additionally, our platform enables buyers to view reviews and ratings for suppliers. Access to our large database of suppliers and products also gives buyers the benefit of competitive and transparent prices.

- *Diverse industry and product and service categories*. Our marketplace offers listings across a wide spread range of industries, comprehensively covering products and services across the value chain ranging from raw materials, to machinery, to components and finished goods. Our products and services are spread across 56 industries rather than relying on a single target industry. For a complete list of industry categories on our marketplace, see "***—IndiaMART—Our Product Listings***". As of December 31, 2020, our online marketplace had a total of 70.71 million listed products of which 80% comprised products and 20% comprised services. To provide buyers with a more efficient search mechanism, we have developed a comprehensive taxonomy. This provides a logical and hierarchical structure which is divided into various different levels of sub-categories. Potential buyers from varying industries may therefore reliably use our platform to procure most of the required products and services for their businesses. The wide assortment of industry and product and service categories enables us to secure a diversified revenue stream, which in turn allows us to further grow our marketplace and provide a broad range of products and services for our buyers.

- *Diverse geographies*. Our products and services are spread across India rather than relying on a single geography. Although 33% and 58% of buyers and paying subscription suppliers are respectively derived from the top eight metro cities in India, namely Delhi NCR, Mumbai, Bengaluru, Hyderabad, Kolkata, Ahmedabad, Pune and Chennai, our marketplace offerings also generate traffic from second and third tier cities representing more than 1,000 cities in total. Potential buyers from varying geographies may therefore reliably use our platform to procure most of the required products and services for their businesses. The wide assortment of product and services spread across geographies helps us to further grow our marketplace by attracting buyers across geographies.

- *Precise and user-friendly search and reliable matchmaking service*. Any buyer can utilize our voice and text based multilingual search service, available in nine languages, to find the specific products and services that they require. Our search service provides contextual search features optimized and personalized for users and a predictive auto-suggest feature that suggests search phrases and terms, which appear under the search box while a buyer is typing its original search. Search results includes information about the supplier of the product or service, including the supplier's GST registration, TrustSEAL, location, pricing details, product photographs and descriptions, to the extent available, that help buyers to make quick comparisons of our suppliers' available offerings. Our IndiaMART desktop website, mobile app and mobile website also include a fully-functional search, localization features including search in "Hinglish" (a blend of the Hindi and English languages). We assess responsiveness and preferences of suppliers through their call pick-up rate, RFQ consumption, enquiry reply rate, callbacks done on our platform and supplier preference settings regarding category and location. This enables us to utilize behavioral data driven algorithms for buyer and supplier matchmaking, thereby allowing for more efficient product discovery for buyers' requirements, with priority given to responsive suppliers.

- *Effective tools for communication.* Supplier storefronts on IndiaMART offer a number of convenient ways for buyers to connect with suppliers, such as email, SMS, chat, call and the click-to-call feature on the IndiaMART mobile app. The IndiaMART platform also provides suppliers and buyers with a CRM and messaging system to communicate directly on the platform, allowing buyers to effectively manage their requirements. Buyers are also able to utilize these features to communicate product and service specification requirements to suppliers effectively and keep records of conversation with each supplier. IndiaMART also allows buyers to easily connect with our database of suppliers by posting RFQs, which gives buyers access to many suppliers that they would not have reached through traditional methods. We aim to maximize the visibility of buyer RFQs through our automated systems that match buyers' customized RFQs with potential suppliers and our search feature that allows interested suppliers to locate and seek further details about RFQs. To increase the responsiveness of suppliers to buyers, our IndiaMART premium number service, which is operated by our third-party service providers, has allotted unique phone numbers to approximately 1.12 million suppliers as of December 31, 2020, providing suppliers with software-based missed call alerts. Our CRM and messaging system also enables easy follow-up with suppliers and maintains conversation records, helping buyers manage multiple leads and price negotiations in an organized manner.

Efficient and effective marketing platform for suppliers.

We believe our service offerings are well-suited to the needs of suppliers seeking to find new customers in an effective and economical platform and market their products and services in the following respects:

- *Access to a large and growing number of buyers*. A total of 289.98 million business enquires were delivered to IndiaMART suppliers in fiscal 2018 from our 59.81 million registered buyers, 448.97

million business enquires were delivered in fiscal 2019 from our 82.70 million registered buyers, 464.21 million business enquiries were delivered in fiscal 2020 from our 102.30 million registered buyers and 459.61 million business enquiries were delivered in the nine months ended December 31, 2020 from our 119.43 million registered buyers. In addition, a number of leading corporate customers use our platform for their procurement needs, which may not have been accessible to such suppliers. For example, as of December 31, 2020, users from 50 out of 50 large businesses that make up the CNX Nifty index, the NSE's benchmark index for the Indian equity market comprising the 50 largest companies by market capitalization, use our platform.

- *Subscription packages and subscription-free services*. We offer monthly pricing schemes primarily for our Silver subscription packages in addition to annual and multi-year subscription models which are available across subscription tiers. Some of our platinum subscription packages are also available on a semi-annual basis. We offer basic and premium subscription models, which include a set number of RFQ credits (depending on the level of the paid subscription package) that may be used by the suppliers. Suppliers may view sample RFQs before selecting a paid subscription package, and therefore understand the relevant quantities and geographies for which a particular product or service is in demand. In addition, our subscription-free services including supplier storefronts are intended to attract first-time suppliers to our marketplace.

- *A cost-effective platform*. We believe that we provide suppliers with a return-on-investment-driven and cost-effective method for marketing their products or services, allowing them to attract buyers or expand into new markets. IndiaMART allows businesses to create an online presence and share their business and contact details with potential buyers across India. Suppliers can use RFQ credits purchased separately or included with subscription packages to obtain contact information of interested buyers, presenting an instant and cost-effective means of accessing interested and relevant buyers. We believe these options provide suppliers with the flexibility to select subscription packages that best suit their budget and business requirements such as categories and location of interest.

- *IndiaMART premium number service and communication tools provide benefits to participating suppliers*. Our IndiaMART premium number service allotted unique phone numbers to approximately 1.12 million suppliers as of December 31, 2020, and connects calls directly to suppliers while also providing them with software-based missed call alerts so as to ensure that enquiries from interested buyers are not missed. The IndiaMART premium number service, which is operated by our third-party service providers, also provides useful statistics to participating suppliers such as the number of calls received and whether they are being successfully answered or not. In addition, our IndiaMART premium number service blocks calls from identified marketers and spammers which increases the relevance of the service for our suppliers. Our software platform also provides suppliers with information on buyers' profiles to enhance the effectiveness of suppliers' communications with buyers. The IndiaMART platform provides suppliers with solutions to communicate directly with buyers on the platform, allowing suppliers to effectively manage customer relationships. We believe that this service has also increased buyer and supplier satisfaction by increasing the likelihood of receiving a response from suppliers, improving the quality of supplier-buyer communications and leads to greater buyer engagement, benefiting suppliers and helping to convert engagements into transactions.

- *IndiaMART CRM and messaging system*. With the advent of our IndiaMART mobile app, the CRM and messaging system became critical for facilitating two-way communication between suppliers and buyers on our platform. By means of the IndiaMART CRM and messaging system, the supplier has access to comprehensive information of the potential buyers and the enquiries received by them in the past. This solution also allows suppliers to manage phone, email and SMS enquiries from buyers in one place and monitor response to those enquiries. These features help to ensure suppliers do not miss buyers' business enquiries have a complete history of their communications with buyers, and set up reminders, send templated quotations and send smart replies using pre-defined template responses.

Deep understanding of online trade and commerce in India that drives innovative solutions.

With over 20 years of experience in online trade and commerce, we believe that we have a deep understanding of the online commerce landscape and its participants. We have continuously leveraged our experience and insights from our ecosystem of suppliers and buyers along with the strengths of our IndiaMART marketplace to introduce innovative solutions, including content management system, premium number service, RFQs, CRM and messaging system, payment services and algorithmic matchmaking. Our multi-tenant seller CMS was developed internally and helps suppliers manage their product and service catalogs on IndiaMART. We utilize data analytics to improve our understanding of the behavior of suppliers and buyers on our marketplace. Our RFQs automated search engine connects buyer RFQs with relevant suppliers on IndiaMART, giving buyers quick and free access to suppliers and offering suppliers greater choice of, and affordable access to, buyers. Further, our behavioral data driven artificial intelligence based matchmaking platform utilizes supplier behavior patterns and buyer requirements to match them more efficiently. In addition, our digital online payment facility was implemented in fiscal 2018 to allow buyers to make payments to suppliers using multiple payment options.

Robust mobile platform.

According to the Redseer Report, the number of internet subscribers in India increased at a CAGR of 21.36% from 2016 to 2020 to reach 743.19 million in 2020. Out of the 749.07 million subscribers as of June 31, 2020, nearly 726 million are wireless internet subscribers. The mobile website and app that we developed are capable of handling the dynamic needs of our buyers and suppliers while remaining reliable, secure and scalable. Our mobile website and app together accounted for 72%, 76%, 76% and 81%, respectively, of total traffic to IndiaMART as of March 31, 2018, 2019, 2020 and December 31, 2020, compared to 72% as of March 31, 2018. Our IndiaMART mobile website and app is designed to optimize the buyers' experience in product, service and supplier discovery, and has generated 396.9 million visits during the year ended March 31, 2018, 550.3 million visits during the year ended March 31, 2019, 569.4 million visits during the year ended March 31, 2020 and 572.3 million visits during the nine months ended December 31, 2020.

Our IndiaMART mobile app had been installed 18,293,678 million times and 79% of paid suppliers have been active on the app in the last 30 days as of December 31, 2020, and is available for Android and iOS devices. As of December 31, 2020, 417,930 users had rated our IndiaMART app 4.67 out of 5.0 on the Google Play store, the main Android app store. While our IndiaMART app allows buyers to search for products and services, the mobile app also serves as an effective CRM and messaging system for suppliers which allows them to manage buyer enquiries, and call or reply to enquiries on their mobile devices. We continue to make investments in mobile web and app development by recruiting skilled workforce and to further enhance our user experience, provide innovative features to our buyers and suppliers and increase the speed and efficiency of our mobile platforms.

Experienced Management Team and Large Sales and Service Representatives Team with Proven Track Record of Performance.

We are led by a management team with extensive experience in the online trade and commerce segment, and a proven track record of performance. Our senior management team, led by our founder and Managing Director, Dinesh Chandra Agarwal and co-founder and whole-time Director, Brijesh Kumar Agrawal, has significant experience in online trade and commerce. In addition, members of our management team, which comprises a mix of homegrown talent and lateral talent from leading multinational companies and firms, possess complementary skills and have extensive experience and knowledge of the online B2B and e-commerce industry. We believe that our management team has developed strong working relationships with our employees, which adds to our stability and long-term growth. The Company is also able to utilize the relevant expertise of its Board of Directors, which comprises members from various industries and professional backgrounds including finance, venture capital and technology.

We have a total of 3,055 sales and service representatives as of December 31, 2020, spread in multiple cities across India in addition to a call based customer service, which allows us to effectively engage with suppliers, thereby enabling us to develop our customer relationships and better understand their challenges. Additionally, we work with third party service providers, which we refer to as "channel partners", who help to promote IndiaMART and sell subscription packages to suppliers across India.

OUR STRATEGIES

We have employed and will continue to employ the following strategies, which we believe will drive future growth and development:

Continue to increase the size of IndiaMART marketplace.

We believe that the breadth and quality of our suppliers and their product and service listings are critical to the success of our online marketplace. As of December 31, 2020, we had 6.37 million Indian supplier storefronts with 70.71 million listed products and services, which buyers can access on IndiaMART. Our strategies to increase the number of free and paying subscription suppliers on IndiaMART include:

- *Continue to focus on our non-paying and paying supplier acquisition and customer service efforts*. We plan to expand our supplier acquisition efforts, as well as focus on developing our direct sales force as part of our efforts to up-sell higher margin, higher value subscription packages to existing paying subscription suppliers with category and city-specific pricing models to help increase our sales and profitability. Further, we have enabled our sales representatives through mobile oriented technology solutions to collate or update all the available supplier related information such as their products, description along with price, images, geolocation, GST registration and other details which will further help in increasing the efficiency of these representatives. In addition, we identify potential paying subscription suppliers' behavior on our platform which helps us to drive paying supplier acquisition in a focused manner. We also plan to increase the number of our telephone-based and online customer service employees and capabilities. Increasing our outsourced sales efforts such as channel partners and telephone based sales will further strengthen our existing sales and service network.

- *Realize the scalability of our marketplace*. We believe that our marketplace for discovery of products and services is highly scalable. As we experience continued growth, we have taken, and will continue taking steps to ensure that our existing technology and support infrastructure are capable of handling higher user volumes through greater adoption of automated systems and processes, including behavioral data driven algorithmic matchmaking capabilities, and reliance on outsourced call centers, channel partners and Internet-based tools for free and paying customer acquisition, upselling and servicing. We further plan to leverage scale of our marketplace in developing category or vertical specific features as and when demand of such category or vertical reaches a meaningful scale. For example, our CMS and LMS applications are the tools we have implemented that allow suppliers to comprehensively manage their supplier storefronts, business enquiries, calls, RFQs, and orders posted and received, either through our desktop or mobile-optimized platforms or the IndiaMART app.

- *Leverage growth in mobile penetration*. We have developed a mobile website and a mobile app for our IndiaMART platform, and we have experienced significant increases in buyers accessing our platform through our mobile website and app. For fiscal 2020 and the nine months ended December 31, 2020, 76% and 81%, respectively, of traffic came through our mobile website and app. We believe that leveraging increases in mobile penetration in India and promoting the use of our mobile website and app will consequently increase the number of active buyers and suppliers on our online marketplace.

Attract larger suppliers and leading brands while growing our core SME segment supplier base.

While Indian small and medium enterprises initially comprised the core base of the supplier community on IndiaMART, larger corporates and leading brands are a growing supplier segment on our platform. We therefore seek to make IndiaMART an engaging and effective marketplace for the larger corporate and leading brand suppliers, while sustaining our efforts to grow our strong SME supplier base. By continuing to work with large businesses and understanding their purchasing and sourcing processes, we believe that we will be well-positioned to continue to attract large companies to IndiaMART as both suppliers and buyers. We believe that attracting large businesses facilitates creation of a network effect for our marketplace. Specifically, a brand that is onboarded helps us in approaching additional brands or divisions of the same company, leading to deeper penetration within the supplier's group, in addition to attracting other competitors in the similar industry. Further, as we increase the number of large corporates and leading brands, we expect our average revenue realization to grow through our competitive pricing strategies. This also helps IndiaMART strengthen its credibility amongst small and medium enterprises.

Enhance our buyers' experience.

We continue to enhance our buyers' experience by concentrating on our mission to "make doing business easy". Along with our efforts to provide buyers with a comprehensive discovery platform backed by a suite of products and services offered by a large number of suppliers that include large brands, we seek to improve the quality and completeness of product and service information on our marketplace listings, including price, photos and videos, and reviews and ratings of suppliers, so as to help buyers shortlist the appropriate suppliers. We also aim to increase our buyers' satisfaction levels by showing reviews and ratings for suppliers and improving the buyers' matchmaking with suppliers and ultimately the chances of fulfilling the buyers' needs through IndiaMART. We will further personalize the buyer's experience on IndiaMART by using the buyer's history, preferences of location and other requirements as matched with suppliers' behavior and preferences as well as data points acquired from our IndiaMART premium number services, RFQ consumption, callbacks and reply history.

Our CRM and messaging system, localization and personalization solutions enable us to effectively gather, analyze and make use of supplier behavior and help us prioritize suppliers that are most relevant, active and responsive to buyers' enquiries. We also seek to improve the quality of IndiaMART's email, SMS, call and chat features to allow smooth communications between buyers and sellers, thereby enabling deeper communication between buyers and suppliers of their requirements and price negotiations.

Furthermore, we seek to develop and offer suitable payment solutions for our buyers in order to provide a complete and better buying experience through IndiaMART. Our IndiaMART payment protection program addresses the suppliers' payment risks and the buyers' grievances if any, with respect to payments made through IndiaMART's platform. Further, by means of our digital payment facility, buyers are able to make payments directly through multiple payment options including debit card or credit cards.

Improve supplier engagement, services, retention and monetization.

We plan to maximize our engagement with suppliers on IndiaMART, including Indian SMEs and large businesses, by continuing to make IndiaMART an advantageous platform for marketing their products and services as well as enabling their business processes. We aim to improve our content management systems and further personalize our suppliers' experiences on IndiaMART so that they can fully leverage our platform as a channel to spearhead their marketing efforts.

We also intend to increase retention and engagement of existing suppliers by improving our matchmaking algorithm which analyzes supplier data on our platform such as RFQ consumption and use of IndiaMART premium number service, payment facilitation services and CRM and messaging system, and by adding additional intelligent ranking methods to supplier search results. We believe this will provide better matchmaking results to our suppliers, and therefore, improve the conversion of business enquiries and retention.

We seek to increase our revenue by attracting more paying suppliers and achieve better realization per customer through sale of gold and platinum packages. We also intend to continue offering competitive paid subscription services and attractive RFQ bundles which cater to the supplier's various business needs and provide personalization features which enables us to tailor our services based on the suppliers' interests in particular categories or geographies. Further, we plan to introduce differential pricing of our subscription packages depending on specific categories, keywords and geographical location.

We also intend to develop solutions both organically and inorganically through investments, for our suppliers' business and operational processes, such as inventory management, order management, accounting and invoicing, receivables management, procurement management, tax compliance, distributor management and payroll services. For example, we have invested in Vyapar, a mobile based accounting software and we have developed Pooraa, an order management system. We believe these solutions will enhance the attractiveness of the IndiaMART platform to suppliers and create new revenue opportunities for us and help us retain our suppliers, which will in turn benefit and attract more buyers.

Continue investing in our mobile platforms and capabilities.

We believe that mobile platforms will continue to drive the growth of online commerce in India. For fiscal 2020 and the nine months ended December 31, 2020, 76% and 81%, respectively, of traffic to IndiaMART comprised mobile traffic. Since our mobile website and app are largely do-it-yourself tools, increased usage of our mobile platforms helps to increase our operating efficiency. We intend to further encourage the use of our mobile platforms by suppliers and buyers through targeted marketing initiatives and offering innovative and effective solutions such as our CRM and messaging system, integrated voice search, and by encouraging buyers to use our mobile platform to upload their RFQs to IndiaMART. We also believe that investing in our mobile platforms will increase our potential customer base.

Strengthen our core business and expand our footprint through acquisitions and investments.

We intend to continue to grow our platform through acquisitions and investments in businesses that strengthen our core business. We believe we have a disciplined approach to target identification, valuation and execution to drive our inorganic growth. Our in-house investment team comprises 3 investment professionals, led by a senior investment professional, and focuses on sectoral research, deal prospecting, customer diligence and evaluating and preparing the business case for potential investment targets. In 2020, we analysed more than 200 companies for the said purpose.

In fiscal 2020, we acquired a 26% stake in Simply Vyapar Apps Private Limited, which owns Vyapar, a mobile-based accounting software that automates billing and accounting processes, and an 8.98% equity stake in Mobisy Technologies Private Limited, which owns Bizom, a provider of sales force automation and distributer management system software. These investments align with our long-term vision of helping to "make doing business easy" for businesses by providing them with technology-enabled and cost effective solutions.

INDIAMART

Buyers

Our online marketplace is available to buyers at no charge. Visitors can become registered buyers on IndiaMART by agreeing to our privacy policy, providing contact details and setting up their own accounts.

The number of registered buyers on IndiaMART (including multiple buyers by the same business) has grown over the last few years, increasing from approximately 59.81 million as of March 31, 2018, to 82.70 million as of March 31, 2019 to approximately 102.30 million as of March 31, 2020 and to approximately 119.43 million as of December 31, 2020. As of December 31, 2020, IndiaMART's registered buyers were based in over 1,000 cities across India, with 33% share of top eight metro cities in India, namely Delhi NCR, Mumbai, Bangalore, Hyderabad, Kolkata, Ahmedabad, Pune and Chennai.

Services for Buyers

The services that we offer to buyers are free and include:

- *Search*. A buyer can utilize our search engine to find specific products and services that they require. Search results can be ordered and filtered based on the location or nature of suppliers' businesses (for example, wholesaler, manufacturer, exporter, retailer or service provider). As of December 31, 2020, we had 70.71 million products and services, across 56 industries, 6.37 million Indian supplier storefronts, and 148,029 paying subscription customers available on IndiaMART. Our search service integrates context driven suggestions, voice and multi-lingual search and localization features including Hinglish, synonyms and abbreviations, and also provides a predictive auto-suggest feature that suggests search phrases and terms, which appear under the search box while a buyer is typing its original search. This auto-suggest feature anticipates buyers' needs by suggesting search terms that highlight products and services that we believe will be relevant to the buyer based on the buyer's search terms, browsing history and our analysis of past searches on our marketplace.

  Search result includes information about the supplier of the product, including the supplier's profile and business type, verification status, GST registration number, TrustSEAL (if any), location, product photographs and videos (in certain cases) and descriptions along with the price, to the extent available that helps buyers to make quick comparisons of our suppliers' available offerings.

  Our IndiaMART mobile app also includes a fully-functional search and browsing service. Our app is available for Android and iOS devices for free download and does not require payment to use.

- *Requests for quotes*. In addition to utilizing our search engine to find and contact suppliers, a registered buyer can also post an RFQ on IndiaMART, to which suppliers can respond. As part of the RFQ enrichment process, we use direct phone calls, SMS communications, buyers' profiles based on their history on IndiaMART and other verification tools to verify a buyer's mobile or e-mail. An RFQ may include a description of the product or service that a buyer seeks to purchase, the buyer's intended use or application of the product, the estimated quantity for purchase and an indicative price. If a supplier is interested in selling to a buyer under the terms of the buyer's RFQ, the supplier can utilize an RFQ credit and obtain the buyer's contact information from within the RFQ.

  Buyers that submit an RFQ automatically receive a list of suppliers that, based on the behavioral data driven matchmaking algorithm, we believe will be relevant suppliers for the buyer's requirements.

- *Supplier verification*. We operate supplier verification process to safeguard the interest of our buyers. This process includes verifying telephone, email and GST registration, conducting supplier responsiveness checks and taking buyer feedback for these suppliers. Buyers are also able to assess suppliers based on reviews and ratings of suppliers.

- *Secured Payment*. Our IndiaMART payment protection program addresses the buyers' grievances if any, with respect to payments made through IndiaMART's platform.

Suppliers

IndiaMART is available to suppliers across India who complete our free registration process. Supplier can create a supplier storefront at no charge to display information about their company, products and services. We selectively verify mobile numbers and e-mail addresses of new supplier registrations using our automated systems. In addition, we collate GSTIN/PAN and tag geographical locations for most of our paying subscription suppliers.

As of December 31, 2020, we had 148,029 paying subscription customers on our IndiaMART platform. Our suppliers on IndiaMART include Indian SMEs and large businesses who are manufacturers, wholesalers, exporters and traders. The top 10% of customers accounted for 42% of revenue for the nine months ended December 31, 2020.

We have increased the number of Indian supplier storefronts on IndiaMART over the past few years from 4.72 million as of March 31, 2018, to 5.55 million as of March 31, 2019, to 5.96 million as of March 31, 2020 and to 6.37 million as of December 31, 2020. For more information, see "***—Sales, Customer Acquisition, Marketing and Branding—Sales and Customer Acquisition***".

We structure and design our business platform to provide a high degree of supplier engagement. We facilitate some of our participating suppliers by means of our IndiaMART premium number service, which allots unique phone numbers to suppliers, and connects calls directly to suppliers while also providing them with software-based missed call alerts. In addition, our CRM and messaging system provides suppliers access to comprehensive information of the potential buyers and their enquiries received by them in the past and allows suppliers to manage phone, email and SMS enquiries from buyers in one place and connect with them. Through this service, we are able to increase the supplier's overall response rates, and thereby improve buyer satisfaction and feedback.

Services for Suppliers

On IndiaMART, we offer a combination of free and paid services to our suppliers.

Free services for suppliers

Our free services for suppliers include:

- *Supplier storefronts*. Suppliers can create storefronts, which are webpages within IndiaMART that allow suppliers to create an online space displaying their products and services, product specifications, prices, photos and videos, as well as their contact information, company profile, awards and recognitions, quality certifications, infrastructure and facilities, and testimonials. Supplier storefronts are accessible through our desktop and mobile-optimized platforms and our mobile app. Supplier storefronts offer multiple convenient ways for buyers to connect with suppliers, such as through email, SMS, call and the click-to-call feature in our IndiaMART mobile app.

- *Content Management Solution and CRM and messaging system*. Our CMS and CRM and messaging applications were developed in-house to maximize the functionality of our desktop and mobile-optimized platforms and give suppliers "do-it-yourself" tools for managing their presence on IndiaMART. CMS helps suppliers manage their product and service catalogs on IndiaMART. Our CRM and messaging system provides suppliers instant access to, and the ability to manage all of, their IndiaMART business enquiries, whether received by email, SMS or phone, in one place online. Suppliers can arrange and reply to enquires in one place through our LMS communication services, including on-platform chat and calls, smart-reply features and chat management tools such as notes, reminders and automated alerts. In addition, our mobile app allows suppliers to manage their listings and conduct business effectively on their mobile devices. The mobile app also offers instant notifications of enquiries, RFQs and replies.

- *IndiaMART premium number service*. Our IndiaMART premium number service allotted unique phone numbers to approximately 1.12 million participating suppliers as of December 31, 2020. This service helps to forward calls directly to suppliers while also providing software-based missed call alerts to suppliers so as to ensure that inquiries from interested buyers are not missed. This automated service allows suppliers to capture business opportunities even if they miss an initial communication from a buyer. Our platform also provides suppliers with information on buyers' profiles to enhance the effectiveness of suppliers' communications with buyers. The IndiaMART premium number service, which is operated by our third-party service providers, also provides useful statistics to participating suppliers such as the number of calls received and whether they are being successfully answered or not. In addition, our service also has the added benefit of reducing spam and telemarketing calls received by our suppliers by automatically blocking calls from known telemarketers or telephonic spammers.

- *Assured Payments*. If the buyer chooses to make payments through IndiaMART's platform, our suppliers benefit from assured payments through our IndiaMART payment protection program, which addresses the suppliers' payment risks and the buyers' grievances if any, with respect to payments made through IndiaMART's platform.

Paid services for suppliers

We offer a range of paid services to allow suppliers to maximize their business opportunities on IndiaMART. In addition to services available to non-paying subscription supplier, our paid services for suppliers include:

- *Paid subscriptions*. We offer suppliers the following multiple levels of paid subscriptions that include various features designed to increase a supplier's visibility and access to buyers on IndiaMART. A dedicated customer service team assists our new paying subscription suppliers to design and create their supplier storefronts and catalogs of products and services. To encourage the adoption of RFQs as well as to drive higher engagement with suppliers, we introduced subscription packages that include varying numbers of free bundled RFQ credits.

- "Mini Dynamic Catalog" or "Silver". Our standard Silver subscription package includes a supplier storefront which the supplier can customize based on a standard IndiaMART storefront template, a unique webpage with a personalized URL containing the IndiaMART domain name (for example, http://www.indiamart.com/BusinessName), the ability to display a specified number of products and services in a specified number of categories, access to online payment gateways and seven to 10 RFQ credits every week with a validity of one week and one RFQ credit every day with a validity of one day. We list the products and services of our Silver suppliers on a priority basis in either the city or industry specific categories (or both) depending on the type of package chosen such that their products and services appear higher in the results than non-paying suppliers. We offer our Silver packages at monthly and annual prices of ₹3,000 and ₹28,500 respectively;

- "Gold". We offer two variation of our Gold subscription package. Any Silver subscription package subscriber with TrustSEAL verification is considered to be a Gold package. In addition, subscribers to our 'Maximiser' service includes all benefits of the Silver subscription package and gives suppliers full access to our supplier storefront customization tools to realize the full marketing potential of our marketplace. Maximiser subscribers are also able to select their own website address which need not include the IndiaMART domain name. Our Gold subscription package subscribers are provided with 20 to 30 RFQ credits every week with a validity of one week and two RFQ credits every day with a validity of one day. We list the products and services of our Gold suppliers on a priority basis in either the city or industry specific categories (or both) depending on the type of package chosen such that their products and services appear higher in the results than Silver and non-paying suppliers. The Maximiser package is available at an annual price of ₹55,000; and

- "Platinum". We offer multi-tiered variations of our Platinum package, which is our top subscription package. In addition to all the benefits of the Silver and Gold subscription packages, we list the products and services of our Platinum suppliers on a priority basis in either the city or industry specific categories (or both) depending on the type of package chosen and keyword based search results such that their products and services appear higher in the results than Gold, Silver and non-paying suppliers. Among the different tiers of Platinum suppliers, Industry Leaders, Featured Premium Listing Suppliers, Leading Suppliers and Star Suppliers are listed from top to bottom. Platinum suppliers receive 50 to 100 RFQ credits every week with a validity of one week and three to four RFQ credits every day with a validity of one day depending on their tier. Furthermore, we have recently introduced the "IndiaMART Verified Exporter" service specifically for exporters, which entitles suppliers to receive five to 75 RFQ credits every week with a validity of one week to be utilized only for international trade enquiries.

  To improve supplier retention, we have automated our payment processes and adopted automatic renewal mechanisms that debits accounts or cards at standard fixed intervals. Revenue from the sale of subscription packages accounted for more than 95% of our total revenue in fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020.

We provide most of our paying subscription suppliers with a relationship manager. In most cases, a relationship manager serves as the supplier's primary point of contact to guide paying subscription suppliers and for addressing any issues or inquires. Relationship managers are readily accessible through phone or email. The close contact that we have with our paying subscription suppliers provides us with more frequent opportunities to engage with them and upsell our subscription packages by recommending additional paid services as we accumulate more information about each supplier's usage, business operations and needs.

- *TrustSEAL*. Our TrustSEAL program is our verification program that addresses buyers' concerns over the credibility of suppliers. Under the TrustSEAL program, our third-party service provider independently verifies certain of a supplier's corporate filings, registrations, certifications and licenses to ensure that the supplier is legitimate. We believe that concern over the reliability of online suppliers deters potential buyers from using B2B online platforms and that our TrustSEAL program, together with our strong brand and reputation, addresses this concern and draws more buyers to our IndiaMART marketplace.

- *RFQ credits*. IndiaMART connects buyers with suppliers through an automated behavioral data driven algorithmic matchmaking engine that matches buyers RFQs with relevant suppliers listed on our platform and shares the buyer's requirements with such suppliers. Furthermore, most of the buyer requirements are posted on our platform are made visible to all suppliers, whether they are listed or not. Any supplier who is interested in obtaining the buyer's contact information may do so by utilizing an RFQ credit, which was either purchased by the supplier individually or as part of a subscription package. Although we include bundled RFQ credits with all subscription packages, many of our suppliers often purchase additional RFQ credits. Further, RFQ credit utilization provides us with information on supplier behavior that is further used in enhancing the matchmaking relevancy. Revenue from the sale of RFQ credits only on IndiaMART accounted for less than 5% of our total revenue in fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020.

- *Content Management Solution CRM and messaging system.* In addition to our CMS messaging system applications and CRM on desktop that we offer as free services to suppliers, we also offer CRM on mobile app to paying subscription suppliers. Additionally, paying suppliers can integrate the CRM with their in-house systems for a seamless experience.

- *Pay with IndiaMART*. This service enables paying subscription suppliers to receive payments from their buyers via debit or credit cards, netbanking or digital wallets by using third party gateway services. This requires a minimal set-up and can be used on a pay-as-you-go basis. Paying subscription suppliers pay a small fee for each transaction without any fixed charges.

Our Product Listings

The listings displayed on IndiaMART cover a wide range of our suppliers' products and services. Buyers on our online marketplace can browse through the listings by category or access listings directly through keyword searches. To provide with a more efficient search mechanism, we have developed a comprehensive taxonomy that is easy to navigate. This provides a logical and hierarchical structure for 70.71 million products across 56 industries which are divided into various different levels of sub-categories. We believe that this taxonomy system significantly enhances our user experience in search and product discovery.

There are 56 industry categories for products and services listed on IndiaMART as of December 31, 2020, as provided below:

	Industry category[(1)]	% of paid suppliers
1	Industrial Plants, Machinery & Equipment	8%
2	Construction & Building Raw Material	7%
3	Apparel, Clothing & Garments	6%
4	Packaging Material, Supplies & Machines	6%
5	Consumer Electronics & Household Appliances	5%
6	Construction Machinery, Building Supplies & Services	5%
7	Industrial & Engineering Products, Spares and Supplies	5%
8	Electrical Equipment and Supplies	5%
9	Mechanical Components & Parts	4%
10	Vegetables, Fruits, Grains, Dairy & Other FMCG & Grocery Items	3%
11	Chemicals, Dyes & Allied Products	3%
12	Furniture, Furniture Supplies & Furniture Hardware	3%
13	Operation Theater, Medical Imaging & Pathology & Hospital Supplies	3%
14	Housewares, Home Appliances, Household Decorations & Consumables	3%
15	Kitchen Containers, Utensils, Stove, Cookware, Tableware & Food Choppers	2%
16	Pharmaceutical Drugs, Medicines, Vitamins & Other Healthcare Products	2%
17	Cosmetics, Toiletries & Personal Care Products	2%
18	Tools, Machine Tools, Power Tools & Hand Tools	2%
19	Fertilizers, Seeds, AgroMachines, Poultry & Animal Husbandry	2%
20	Scientific, Measuring, Laboratory Instruments & Supplies	2%
21	Electronics Components and Supplies	2%
22	Home Furnishings and Home Textiles	1%
23	Sports Goods, Games, Toys & Accessories	1%
24	Automobiles, Spare Parts and Accessories	1%
25	Others[(2)]	16%
Grand Total		**100%**

Notes:

(1) *If a storefront is dealing in more than one industry, then it was considered in the industry in which the largest variety of products are falling, as offered by the respective customer.*

(2) *Others (last row in above table) includes the following industry categories: 1. Gifts, Crafts, Antiques & Handmade Decorative 2. Metals, Minerals, Ores & Alloys, 3 Security Devices, Safety Systems and Security Services, 4. Bags, Handbags, Luggage Bags, Belts, Wallets and Accessories, 5. Media, Advertising, Copywriting & Publishing Services, 6. Textiles, Yarn, Fabrics & Allied Industries, 7. Pen, Pencil, Books, Notebooks, Stationery, Whiteboard & Publications, 8. Gems, Jewelry, Precious Stones, Vaastu & Astrology, 9. Fashion & Garment Accessories for Men, Women & Kids. 10 Architectural & Designing Services, 11. Industrial & Engineering Services, Solutions & Consultancy, 12. Stones, Marble & Granite Supplies, 13. Stationery and Paper Products, 14. Computers, Software, IT Support & Solutions, 15. Telecom Products, Equipment & Supplies, 16. Products Rental, Leasing & Maintenance Services, 17. Ayurvedic & Herbal Product, 18. Business & Management Consultants, 19. Information Technology and Telecommunication Services, 20. Packers & Movers, Clearing Agents & Logistic Services, 21. Trade Event Organizers, Event Management & Event Planners, 22. Hospital, Clinics, Medical Practitioners and Consultation Services, 23. Research, Development, Testing & Laboratory Services, 24. Financial & Legal Advisory Services, 25. Facility Management & House Keeping Services, 26. Bicycles, Rickshaws, Spares and Accessories, 27 Travel, Tourism, Recreational & Other Hospitality Services, 28. HR Consultants & Placement Agencies, 29 Railway, Shipping & Aviation Products, Spares & Equipment, 30. Leather and Leather Products & Accessories, 31 Educational & Professional Training Institutes, 32. Independent Contractors & Freelance Workers, and 33. Call Centers and Business Process Outsourcing.*

Buyer and Supplier Geographical Spread

The table below illustrates the locations of the buyers and suppliers on our marketplace as of December 31, 2020:

City categorization definition	Number of cities	Buyers Percentage	Paying Subscription Suppliers
Delhi NCR, Mumbai, Bangalore, Hyderabad, Kolkata, Ahmedabad, Pune and Chennai	8	33%	58%
Population more than 500,000 excluding the cities covered above	69	26%	27%
Remaining cities	Rest of India (1,000+ cities)	41%	15%

Advertising on IndiaMART

We also earn revenue by selling advertising space on IndiaMART. Revenue from advertising on IndiaMART accounted for less than 5% of our total revenue in fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020.

IndiaMART Payment Facilitation

In April 2017, we launched the IndiaMART payment protection program, which addresses the suppliers' payment risks and the buyers' grievances if any, with respect to payments made through IndiaMART's platform. We also offer payment gateway services which require minimal set up, and enable suppliers to receive payments through debit card, credit card, netbanking or digital wallets by using third party gateway services, for which we charge a small fee for each transaction.

SALES, CUSTOMER ACQUISITION, MARKETING AND BRANDING

Sales and Customer Acquisition

We have developed a sales and service network comprising a large team of sales and service representatives and channel partners in multiple cities across India in addition to a call based customer service team, which allows us to effectively interact with suppliers across India.

A significant supplier acquisition strategy that we have implemented for IndiaMART has been to identify suppliers that we believe can enhance our database and, at no charge, create online supplier storefronts for these suppliers and their products and services. We notify these suppliers of their new supplier storefronts by email or SMS, after which they become suppliers until they choose to delist their supplier storefront. For more information, see "***Risk Factors—Risks Relating to Our Company and Our Industry—We acquire a significant portion of our suppliers on IndiaMART through the unsolicited creation of supplier storefronts and such suppliers may refuse to consent to their information being made publicly available on our online marketplace, which may negatively affect and may subject us to various legal claims***" on page 44.

We are strengthening our sales and marketing team to generate new customer leads. Further, we enable our sales representatives through mobile oriented technology solutions to collate or update available supplier related information such as their products, description along with price, images, geolocation, GST registration and other details which will further help in increasing the efficiency of these representatives. In addition, we identify potential paying subscription suppliers based on their behavior on our marketplace, which helps us to drive paid supplier acquisition in a targeted manner. As of December 31, 2020 our sales team operates from 42 operational offices across 32 cities in India to provide us with a direct presence in each of these cities. As of December 31, 2020, we utilize an in-house sales team of 371 employees, as well as outsourced sales team of 874 outsourced field sales representatives. Our sales initiatives drive the acquisition of new suppliers that utilize our online marketplace through data collection, lead generation, new client acquisition. Active leads generated from our online platform are passed on to our sales representatives, who then contact prospective suppliers and offer subscription packages and RFQ credits. Our sales team also gathers and maintains a database of prospective users based on data gathered at both industry and locality levels. References and recommendations from our customers have played an important role in winning new customers in the past and as a result we continue to focus on providing excellent after-sales support. Further, as of December 31, 2020, we had a 1,810 person in-house servicing team, providing after sales support and upselling higher value subscription packages to our customers. Additionally, we work with third party service providers, which we refer to as "channel partners", who help to promote IndiaMART and sell subscription packages to suppliers across India.

Marketing and Branding

With a 'digital first' approach, most of our marketing and branding activities are targeted towards online mediums. One of the major changes in the past few years has been our shift from above the line to social media and digital videos to capitalize on the immense growth in online video consumption among Indian users. From time to time, we create online campaigns for our buyers and sellers in order to educate, and engage our users and to ultimately improve traction amongst our target audience. We also release topically relevant campaigns which have helped us position the IndiaMART brand as we deem appropriate. Campaigns such as #DreamOn (Women's Day) #CarryTheLegacy (Father's Day) have allowed us to garner traction from the online target audience. In fact, one of our women's day campaigns #HatsoffLadies became viral on social media. In fiscal 2020, we launched the "Bada Aasaan Hai" brand campaign, which highlights our mission to make it easy for businesses to do business by empowering them with technology-enabled and cost-effective solutions.

In addition to our marketing and branding initiatives, our sales and servicing team complements our marketing efforts. Our sales force identifies and approaches many relevant businesses every year. They collect large volume of data from them such as product names, product photographs and description using state of the art mobile enterprise resource planning ("**ERP**") and create quality content for the platform. This content helps us in optimizing our website on search engines.

We have also worked on personalization of communication for suppliers and buyers. Our website and app homepages are customized according to the user's history, which has made our communications more targeted and effective to users of our marketplace.

CUSTOMER SERVICE

Our IndiaMART customer service teams are responsible for the complete lifecycle of customer service beginning immediately after customer acquisition. Most of the suppliers who purchase subscription packages on IndiaMART are assigned a relationship manager who serves as the single contact point for any issues or inquiries related to the customer's activities on the IndiaMART marketplace. Relationship managers remain in regular contact with their customers to educate, engage and service these customers. The relationships between our relationship managers and customers give us a deep understanding of our customers' businesses, which enables us to promote new features and enhancements to our marketplace and to upsell subscriptions based on our customers' business needs. We also offer call support (+91) 96-9696-9696 to all suppliers and buyers on IndiaMART through our outsourced call centers, and through WhatsApp.

TECHNOLOGY, INFRASTRUCTURE AND PRODUCT DEVELOPMENT

Our product and technology team has developed a technology platform that we believe is capable of handling the dynamic needs of our users while remaining reliable, secure and scalable. We believe that our scalability will allow us to provide high-quality services on a larger scale and keep pace with our projected growth. Our technology infrastructure is based on a combination of in-house developed and third-party open-source and licensed technologies.

Our key landmark technological innovation milestones are as follows:

- 2003: launched TrustSEAL for documentary verification of suppliers
- 2008: shifted focus from the exports business to the domestic B2B market
- 2009: launched RFQ feature called BuyLead
- 2010: launched IndiaMART Premium Number Service
- 2012: launched IndiaMART mobile website and app
- 2013: launched price discovery service
- 2015: launched behavioral matchmaking feature
- 2016: implemented mobile ERP system
- 2017: launched IndiaMART payment protection program and payment facilitation 2018:
- 2018: launch CRM and messaging system
- 2019: implemented voice and multi-lingual search engine
- 2019: launched order management system software, called Pooraa, through our subsidiary
- 2020: implemented supplier reviews & ratings systems

Our product development primarily takes place at our headquarters in Noida, Uttar Pradesh.

The key components of our technology platform include:

- *Technology Stack*. Our webpages and main databases use licensed technology and popular open source tools. Our deployment of these various tools reduces the time needed for programs and web services to load webpages and communicate with our servers. Our IndiaMART platform relies on servers that are located in data centers in India and the United States. We use virtualization techniques and cloud-based services to optimize our servers, processors and other hardware resources. These techniques allow multiple processes to run simultaneously on our large-capacity servers, which accelerates content delivery through our network and increases the security of our platforms.

- *Mobile-Friendly Platform*. Our online marketplace is accessible through personal computing devices through our IndiaMART mobile platform and mobile apps. Our platforms can identify whether visitors are browsing from desktop or mobile devices and adapt their interfaces to the device being used. We have developed our IndiaMART mobile app for the Android and iOS operating systems.

- Reliable, Fast and Scalable. With a combination of in-house developed, and third party open source and licensed solutions, we have designed and built our system to handle large amounts of data flow with reliability and scalability. Our system infrastructure is designed to ensure that our online marketplace is available 24 hours a day, seven days a week. We make extensive use of data replication techniques to store multiple copies of our data and protect our data through redundancy. We have also implemented solutions to maintain standby databases and cloud-based copies of our databases and server configurations to allow for recovery in the event of a data center outage or for disaster recovery purposes.

Our systems are highly scalable due to our data replication, caching and virtualization techniques. Our existing technology has high-capacity request handling abilities that can be quickly scaled up by adding more physical servers and dividing workload between these servers.

- *Multi-tenant CMS and CRM and messaging applications*. Our multi-tenant CMS and CRM and messaging applications were developed in-house to maximize the functionality of our desktop and mobile platforms for our suppliers, and give suppliers “do-it-yourself” tools for managing their presence on IndiaMART. Our CMS and CRM and messaging applications are the tools that allow suppliers to comprehensively manage their supplier storefronts, business enquiries, calls, and RFQs posted and received, either through our desktop or mobile-optimized platforms or the IndiaMART app.

- *Operational efficiency through our Desktop and Mobile ERP application*. We have developed an in-house, web-based ERP application that connects most aspects of our operations and is accessible by our employees through desktop and mobile devices. Our ERP application allows us to maintain our relationship with our suppliers and it enables us to keep track of each point of contact that we have with our customers. Our ERP application helps us to improve operational efficiency by connecting our operations across multiple cities and with third-party service providers. Our ERP application is integrated with Navision to manage our accounting functions, as well as with cloud-based tools to help increase efficiency at our various levels of operations.

- *Anti-Fraud and Anti-Spam Technology*. Our anti-fraud and anti-spam technology enables us to detect and monitor fraudulent activities and identify and filter spam listings and messages on our marketplace. The accuracy and effectiveness of this technology are further expected to be improved through its machine-learning capability and customizable rules. We have a dedicated data verification team and maintain strict data verification and database maintenance procedures to protect the accuracy of our databases and the quality of our suppliers, buyers and products on our marketplace. We employ one-time password verification procedures for most paying subscription suppliers and buyers that submit RFQs. Verification also assists us in identifying and removing non-active users to ensure up-to-date listings of suppliers, products and services. We expect to continue increasing the number of suppliers and buyers that we verify.

- *Behavioral data driven algorithmic solutions and advanced analytics*. We have achieved improved buyer fulfillment results due to our data driven process, which enables efficient algorithmic matchmaking between buyers and suppliers based on factors such as product, location, quantity and price, as well as our reservoir of supplier and buyer data accumulated through various sources including our IndiaMART premium number service, RFQ purchases and responses to buyer enquiries, and analytics of supplier behavior and buyer preferences.

SECURITY

We are committed to maintaining the security of information in our possession regarding our business, our buyers and suppliers and their businesses. We have implemented a number of measures to ensure network security and protect our online marketplace and our systems from unauthorized tampering. We have deployed tools that detect and alert us to abnormal activity on our servers. Our servers are monitored by our server administration team 24 hours a day.

Our security measures include firewalls built around our servers to prevent unauthorized access to our databases and rigorous standards governing physical access to our data centers and servers.

Our marketplace has logical data-access control mechanisms. We use a one-time password system to verify mobile numbers that our suppliers and buyers use to access our marketplace. We also have fraud detection systems that identify individuals that attempt to misuse our marketplace by sending spam messages as buyer enquiries.

Online payments on our platforms are accepted over secure protocols. We do not store any credit or debit card details of our users, and we have integrated our applications to work closely with third-party online payment gateways.

In compliance with the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011, we have implemented the measures in accordance with the international Standard ISO 27001 on “Information Technology – Security Techniques – Information Security Management System – Requirements” across our organization, including a comprehensive and documented information security program and information security policies that contain managerial, technical, operational and physical security control measures that are commensurate with the information assets being protected given the nature of our business.

Measures against infringing, illegal and counterfeit products

To protect consumers, brand owners and legitimate suppliers and to maintain the integrity of IndiaMART and our other marketplaces, we have put in place a broad range of measures to prevent infringing, illegal, counterfeit and pirated goods from being offered or advertised on our marketplace, as well as spamming, fraudulent telemarketing and other notorious or malicious activities. These measures include:

- taking down infringing, illegal, counterfeit and pirated products from our marketplaces on receipt of complaints against such products/services or through customer calls at our customer support at (+91) 96-9696-9696 or customercare@indiamart.com;
- providing an online complaint platform for brand owners to report infringements;
- enhancing our communication with various relevant Government authorities to eradicate sources of such goods and/or services.

We maintain strict procedures to address issues pertaining to infringing, illegal, counterfeit and fictitious listings on our marketplace. We receive representations from users regarding the authenticity and legality of the contents being posted as a condition to using our platform. When we receive complaints or allegations regarding such products or services, we follow procedures to verify the complaint or allegations and the relevant facts before delisting the items. Generally, we give suppliers who have been accused of posting or selling infringing, illegal, counterfeit and pirated products a certain time to respond and refute the allegations and provide evidence of the authenticity of the product or service.

If allegations of posting or selling such infringing, illegal, counterfeit or pirated products have not been adequately refuted or responded to, or if fictitious activities have been confirmed, we may penalize the parties involved through a number of means including:

- delisting the impugned products and/or services;
- arranging for the suppliers to reimburse the buyer; and
- closing down the relevant supplier storefront.

In appropriate circumstances we may also notify the relevant law enforcement and other authorities to take legal action against the offending party, including in extreme cases criminal proceedings.

In addition, we ensure that all suppliers adhere to our terms and conditions of use that are applicable to our marketplace (www.indiamart.com/terms-of-use.html) and take necessary measures to prevent any breaches of such terms and conditions of use from occurring. For example, we reserve rights to delist the products and services which violate the terms and conditions of use and privacy policy listed on our marketplace. We may, in our sole discretion, refuse services to anyone, or, temporarily or indefinitely, discontinue products and categories on our marketplace.

COMPETITION

IndiaMART

We face competition in attracting and retaining suppliers and buyers from a number of competitors, both in India and internationally. These competitors include Indian online B2B marketplaces, foreign B2B online marketplaces that provide Indian buyers with access to international suppliers who are willing to provide their products and services in India, and foreign-owned online B2B marketplaces with a presence in the Indian online B2B space. Additionally, existing B2C marketplaces in India may choose to enter the B2B space and compete with us. We compete with such competitors on the basis of, among other factors, reach, brand recognition, breadth and quality of suppliers and product listings, pricing and customer service.

Our competitors vary based on industry and geographic niche. We believe that Tradeindia.com, Alibaba India and Exporter India are some of the key competitors for IndiaMART. However, we are able to differentiate ourselves from our key competitors on the basis of our innovative product offerings such as IndiaMART premium number service, our TrustSEAL verification program, buyer RFQ's, our mobile site and app, our high quality service standards, and our management and employees. All these factors make us strong brand with 60% market share in online B2B classified space in India in fiscal 2020 (*source: Redseer Report)*. We also differentiate ourselves from our competitors on the basis of a large number of suppliers and buyers, and the strong network and community effects that our marketplace generates, resulting in repeat suppliers and buyers, businesses using our platform as both suppliers and buyers. For the years ended March 31, 2018, 2019 and 2020 and the nine months ended December 31, 2020, we had 52.59 million, 72.52 million, 74.20 million and 72.20 million daily unique buyer requests, respectively, of which 52%, 55%, 55% and 58%, respectively, were repeat buyers calculated on the basis of the past 90 days.

Other indirect competitors include:

- Just Dial – a provider of business-to-consumer phone and web-based local search services in India, typically based on the immediate geographic proximity of businesses to the consumer;
- Google and other search engines – these services allow buyers to locate suppliers, provided such suppliers have a web presence;
- B2B transaction based platforms such as Industry Buying, Power2SME, Moglix, ShopX, Udaan, Jumotail, Ninjacart and Amazon Business (*Source: Redseer Report*); and
- Traditional trading channels such as a trade show organizers, trade magazine publishers, the yellow pages, classified advertisements and outdoor advertising.

We believe that we are able to differentiate ourselves from our indirect competitors on the basis of our focus on enabling the buying and selling of products through detailed product and service catalogues with specifications, price information and user behavior based matchmaking services, as well as enabling communications between buyers and suppliers with respect to their requirements and price negotiations.

OUR OTHER BUSINESSES AND MARKETPLACES

Tolexo

We own Tolexo Online Private Limited, which operates a business process software referred to as "Pooraa". Pooraa provides businesses with an easy-to-use software based system for catalog management, pricing management, customer management, inventory management, analytics and reporting, order management, invoicing, payment reminders and tally integration. We earn revenues through the sale of subscription packages for availing such services. As of December 31, 2020, Pooraa had 117 paying subscription suppliers.

Ten Times

We own a 30% equity stake in Ten Times Online Private Limited, which operates an online platform "Ten Times" (www.10times.com) for business events discovery and networking. The Ten Times platform also enables businesses to create, manage and host virtual events. organizers' events, such as exhibitions and trade shows in India and abroad. It earns revenue through marketing fees as well as subscription fees for hosting events on its virtual platform.

Vyapar

In fiscal 2020, we acquired a 26% stake in Simply Vyapar Apps Private Limited, which owns Vyapar, a mobile-based accounting software that automates billing and accounting processes. The investment aligns with our long-term vision of helping to "make doing business easy" for businesses by providing them with technology-enabled and cost effective solutions. Vyapar helps businesses to handle their business and operational processes. Vyapar generates revenue through subscription packages. As of December 31, 2020, Vyapar had 74,912 paying subscription suppliers.

Bizom

In fiscal 2020, we acquired a 8.98% equity stake in Mobisy Technologies Private Limited, which owns Bizom, a sales force automation and distributor management system software. Bizom facilitates businesses with business and operational processes, such as order management, distributor management, claims management, retail execution and merchandising, asset management, task and lead management, service representative management and attendance management.

INTELLECTUAL PROPERTY

We have registered "INDIAMART" (device and word mark) under several classes as a trademark in India. Additionally, we have also obtained trademark protection over several of our other marks, such as "indiamart.com" (label and device mark), "M" (device mark), "TRUST SEAL" (label and word mark), "STAR SUPPLIER" (word mark), "INTERMESH" (word mark), "BUY LEAD" (word mark), "INDIAMART BUYLEAD" (word mark), "INDIAMART PRIME" (word mark), "INDIAMART LEADING SUPPLIER" (word mark), "POORAA" (device mark) and "POORAA" (word mark) and applied for the registration of certain trademarks including "TRUSTSEAL" (word mark) and (device) and "INDIAMART TRUSTSEAL" (word mark), which are pending registration, as of the date of this Preliminary Placement Document. We are yet to receive registration or final approval for use of some of our trademarks from the Registrar of Trademarks. There can be no assurance that any of our pending trademark applications will be approved by the applicable government authorities or that they will not be abandoned. We have registered domain names, including www.indiamart.com, www.10times.com, www.pooraa.com and www.hellotrade.com, among others.

We protect our intellectual property in India through a combination of copyright, trademark and Internet statutes and laws and contract provisions. In our efforts to protect our intellectual property rights, we have recently filed a suit and sought various interim orders with the Calcutta High Court against persons who infringed and used our trademark without authorization. The Calcutta High Court has passed an interim order restraining such persons who are either infringing or may infringe our trademark INDIAMART and copyright during the proceedings and directed the Ministry of Electronics and Information Technology, GoI ("**MEITY**") to identify and take down the infringing material from the worldwide web. While this would enable us to enforce our IPRs, policing unauthorized use of our intellectual property is often difficult and the steps taken may not be sufficient to prevent the infringement by unauthorized third parties of our intellectual property. Piracy, including in the digital environment, continues to present a threat to revenues from products and services based on intellectual property. For more information, see "***Legal Proceedings—Litigation involving our Company—Civil and other material proceedings"*** and ***"Risk Factors—Risks Relating to Our Company and Our Industry—We may be unable to successfully protect our intellectual property rights from being infringed by others, including competitors***" on pages 216 and 52.

EMPLOYEES

As of March 31, 2018, 2019 and 2020 and December 31, 2020, we had 2,539, 2,915, 3,150 and 2,782 permanent employees, respectively, in IndiaMART.

In addition, the table below sets forth the number of employees employed at our Company as well as each of our Subsidiaries as of March 31, 2018, 2019 and 2020 and December 31, 2020:

Particulars	As of March 31, 2018	2019	2020	As of December 31, 2020
IndiaMART workforce				
Employees				
Sales (a)	488	407	426	371
Servicing (b)	1,454	1,842	2,098	1,810
Product & Tech	424	520	466	463
Corporate	173	146	160	138
Total IndiaMART employees (c)	**2,539**	**2,915**	**3,150**	**2,782**
Other workforce				
Tolexo employees (d)	20	23	68	44
Tentimes employees (e)	50	57	89	-
Total employees (f)=c+d+e	**2,609**	**2,995**	**3,307**	**2,826**
Outsourced field sales representative (g)	979	1,067	1,405	874
Total sales and service representative (h)=a+b+g	**2,921**	**3,316**	**3,929**	**3,055**

Compensation paid to our employees includes both salary and allowances, as well as other benefits including medical allowance, mediclaim, term and personal accident insurance policy and annual leave, as well as performance-linked incentives and retirement benefits such as gratuity to eligible employees. In addition we have a stock based incentive plan to promote the long term retention of our employees.

None of our employees are represented by a labor union. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

We recognize the need to ensure continuity in order to maintain our competitive edge over our competitors. We believe that our continued success and competitiveness depends on, amongst others things, our ability to maintain a qualified and competent team of individuals. To that end, we provide competitive training and career development program. As of December 31, 2020, 28% of our employees have worked for us for more than five years. We also focus on building a positive working environment and promote diversity and gender equality within our workplace. As of December 31, 2020, the average age of our employees was 29 years and 23% of our employees comprised of female employees.

Our future success will depend upon our ability to attract and retain qualified personnel. Competition for qualified personnel remains intense and we may not be successful in retaining our key employees or attracting skilled personnel. See "***Risk Factors—Risks Relating to Our Company and Our Industry—Our success depends significantly on our senior management and other skilled personnel, and we may be adversely affected if we lose their services without finding equally skilled replacements***" on page 50.

In addition to the services of our own employees, our operations depend on services provided by third parties, including with respect to our content development, call centers and acquisition initiatives, TrustSEAL program, operation of our IndiaMART premium number service and data collection activities.

AWARDS AND ACCREDITATIONS

We have been recognized with various awards and recognitions over the past several years, including "The Digital Person of the Year" (awarded to Mr. Dinesh Agarwal at the 10th Indian Digital Awards by IAMAI, 2020), "Most Promising Company of the Year" (CNBC Awaaz CEO Awards, 2019), "Certificate of Recognition" for cooperation with Intellectual Property Right Holders by REACT (The Anti-Counterfeiting Network), "India Law Awards 2019" for Technology, Media and Telecommunication In-House Legal Team, 'Video Content in a Business Website- Special Mention' at Video Media Awards and Summit 2019 "Best Online Classified Website" (Drivers of Digital Summit & Awards, 2018), "Best Online Classified Application" (Drivers of Digital Summit & Awards, 2018), "Best Business App" (Drivers of Digital Summit & Awards, 2018), "Best Business App Award" (Global Mobile App Summit & Awards, 2017), "Best Online Classified Website Award" (Drivers of Digital Awards, 2016) "Special Contribution Award" (WASME – Super SME Awards, 2016), "Manthan Award" (South Asia and Asia Pacific 2013 under the 'E-business and Financial Inclusion' category), "Red Herring 100 Asia Awards 2008", "Nominated among the top three at Emerging India Awards 2008".

INSURANCE

We maintain and annually renew insurance for our physical assets and our employees as required by applicable laws and regulations. As on the date of this Preliminary Placement Document, we maintain the following policies for IndiaMART:

- employees' deposit linked insurance policy for providing life insurance benefits to our employees;
- fire and special perils policy to cover risk to computers and office equipment from fire and natural calamities;
- burglary and housebreaking policy to cover risk to computers and office equipment;
- Mediclaim, term insurance and personal accident policy for employees;
- directors' and officers' liability and company reimbursement insurance covering claims arising out of actual or alleged breaches of duty, neglect, omissions or errors by directors and officers; and
- all-risks policy for our office equipment.

PROPERTIES

We have taken on lease for our corporate office located at 6th floor, Tower 2, Assotech Business Cresterra, Plot No. 22, Sector 135, Noida-201305, Uttar Pradesh, India which is valid until July 14, 2023 and includes a provision for renewal of two terms of three years each. In addition, as of December 31, 2020, we have taken 36 premises on lease located across India including our Registered Office and occupied five premises under co-working arrangements as our other operational offices located across India.

Further, we have been allotted land measuring approximately 8,000 square meter on 90 year lease by Noida authority, to develop a new business site.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

In accordance with the Articles of Association, read with applicable provisions of the Companies Act, our Company is required to have not less than three Directors and not more than 15 Directors. Currently, our Company has six Directors, including two Executive Directors, one Non-executive Director and three Independent Directors.

The following table sets forth details regarding the Board as of the date of this Preliminary Placement Document:

Name, Address, DIN, Term, Occupation and Nationality	Age (in years)	Designation
Dinesh Chandra Agarwal *Address:* E 46, Sector 30, Noida 201 301, Uttar Pradesh, India *DIN:* 00191800 *Term:* Five years from January 8, 2020 *Occupation:* Business *Nationality:* Indian	51	Managing Director and Chief Executive Officer
Brijesh Kumar Agrawal *Address:* H 41, Sector 27, Noida 201 301, Uttar Pradesh, India *DIN:* 00191760 *Term:* Five years from January 8, 2020 (Liable to retire by rotation) *Occupation:* Business *Nationality:* Indian	44	Whole-time Director
Dhruv Prakash *Address:* A 14, Sector 26, Noida 201 301, Uttar Pradesh, India *DIN:* 05124958 *Term:* Liable to retire by rotation *Occupation:* Professional Consultant *Nationality:* Indian	69	Non-executive Director
Rajesh Sawhney *Address:* A/402, The IVY Residential Complex, Sushant Lok, Phase 1, Gurugram 122 001, Haryana, India *DIN:* 01519511 *Term:* Five years from September 23, 2020 *Occupation:* Entrepreneur *Nationality:* Indian	55	Independent Director
Elizabeth Lucy Chapman	40	Independent Director

Name, Address, DIN, Term, Occupation and Nationality	Age (in years)	Designation
Address: Sonna Mahal CHS, 6th floor, 143, Terrace Apartment, Marine Drive, Mumbai Marine Lines, Mumbai 400 020, Maharashtra, India *DIN:* 06459440 *Term:* Five years from September 23, 2020 *Occupation:* Business *Nationality:* British		
Vivek Narayan Gour *Address:* MG 1203, The Magnolias, DLF Golf Links, DLF City Phase 5, Gurugram 122 009, Haryana, India *DIN:* 00254383 *Term:* Five years from May 7, 2018 *Occupation:* Service *Nationality:* Indian	58	Independent Director

Brief Profile of the Directors

Dinesh Chandra Agarwal is the Managing Director and the Chief Executive Officer of our Company. He holds a bachelor's degree in technology (computer science and engineering) from Harcourt Butler Technological Institute, Kanpur University. He has experience in the field of internet, networking and systems development and consulting. He was previously the proprietor of InterMESH Systems, which was subsequently acquired by our Company, and has 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. He is a charter member of The Indus Entrepreneurs (TiE), a global network of entrepreneurs and professionals. He is also a member of the governing council of the Internet and Mobile Association of India. He has been a Director on the Board since the incorporation of our Company. He received the "Zee Business Dare to Dream Awards, 2018" in the category of "inspirational leader" and was awarded the Digital Person of the Year award at the 10th edition of India Digital Awards presented by IAMAI in 2020.

Brijesh Kumar Agrawal is a Whole-time Director of our Company. He holds a master's degree in management science from University of Lucknow and a post graduate diploma in business management from Northern Institute for Integrated Learning in Management, New Delhi. He has experience in the field of internet, business management and supply chain. Previously, he worked with H N Miebach Logistics India Private Limited. He is a charter member of The Indus Entrepreneurs (TiE), a global network of entrepreneurs and professionals. He has been a Director on the Board since the incorporation of our Company.

Dhruv Prakash is a Non-executive Director of our Company. He holds a master's degree in science (chemistry) from Meerut University and a post graduate diploma in business management from Indian Institute of Management, Ahmedabad. He has experience in the field of management consulting, finance, manufacturing and chemicals. He has previously worked at Korn/Ferry International Private Limited, Helion Ventures Private Limited, Hewitt Associates (India) Private Limited, Amar Dye-Chem Limited, DCM Toyota Limited, Hindustan Reprographics Limited and Escorts Limited. He was first appointed to the Board on May 11, 2012 and resigned from the Board on January 27, 2015 and was subsequently re-appointed on September 1, 2016.

Rajesh Sawhney is an Independent Director of our Company. He holds a bachelor's degree in engineering (electronics and communication) from University of Delhi and a master's degree in management studies from University of Bombay. He has completed the Advance Management Program from Harvard Business School. He has experience in the field of media, entertainment, telecommunications and internet industry. He has worked with Reliance Capital Limited and Reliance Entertainment Limited. He has been a Director on the Board since January 27, 2011.

Elizabeth Lucy Chapman is an Independent Director of our Company. She holds a bachelor's degree in science from Edinburgh University, United Kingdom and is a chartered financial analyst. She has experience in the field of adoption of digital technology in financial services. She has previously worked with DBS Bank Limited, Goldman Sachs International, The Wellcome Trust Limited and Nahar Credits Private Limited. She has been a Director on the Board since January 27, 2015.

Vivek Narayan Gour is an Independent Director of our Company. He holds a bachelor's degree in commerce from University of Bombay and a master's degree in business administration from University of Delhi. He has also completed owner/president management programme from Harvard Business School. He has experience in the field of finance, consultancy and management. He has worked with First Leasing Company of India Limited, Infrastructure Leasing & Financial Services Limited, Tata Finance Limited, Genpact India and GE Capital Services India and has been the managing director of Air Works India (Engineering) Private Limited. He has been a Director on the Board since April 30, 2018.

Relationship between Directors

Apart from Dinesh Chandra Agarwal and Brijesh Kumar Agrawal who are cousins, none of the Directors are related to each other.

Terms of appointment and remuneration of Executive Directors

Dinesh Chandra Agarwal

The Board and the Shareholders, by their resolutions dated July 31, 2019 and September 25, 2019, respectively, fixed Dinesh Chandra Agarwal's remuneration for a period of five years. The Board by its resolution dated May 12, 2020 approved the deferral of revision in the remuneration payable to Dinesh Chandra Agarwal by at least six months and to continue with the same remuneration as of Fiscal 2020. In terms of such resolution, set forth below are details of remuneration payable to Dinesh Chandra Agarwal.

Dinesh Chandra Agarwal is entitled to a total compensation of ₹48.90 million per annum, which may vary by the change in performance linked variable compensation as may be decided by the Board. The total compensation comprises:

Fixed compensation	₹28.34 million per annum, which includes:
- **Basic salary**	50% of such fixed compensation
- **Allowances**	- House rent allowance at the rate of 20% of the fixed compensation; - Executive allowance at the rate of 20% of the fixed compensation; and - Travelling allowance at the rate of 10% of the fixed compensation
Performance Linked Variable Compensation (PLVC)	₹19.56 million per annum, which shall be measured and decided by the Board within the parameters and on the basis of the annual balance score card up to 150% of the PLVC
Flexible Compensation (Perquisites/ Benefits/ Facilities and Amenities)	Including furnished accommodation, gas, electricity, water and furnishings, club fees, group insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof, medical reimbursement, leave travel concession, education benefits, provident fund and gratuity, in accordance with the schemes and rules applicable and in accordance with the Company's policies, limited to ₹1.00 million per annum. In case such perquisites exceed ₹1.00 million, such excess will be reduced from the fixed compensation.

In terms of the Shareholders' resolution dated September 25, 2019, the remuneration to be paid to Dinesh Chandra Agarwal is subject to an annual increase up to a maximum limit of 20% of his last drawn remuneration. Additionally, he is entitled to receive a commission, as may be decided by the Board at the end of each Fiscal calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act.

Brijesh Kumar Agrawal

The Board and the Shareholders, by their resolutions dated July 31, 2019 and September 25, 2019, respectively, fixed Brijesh Kumar Agrawal's remuneration for a period five years. The Board by its resolution dated May 12, 2020 approved the deferral of revision in the remuneration payable to Brijesh Kumar Agrawal by at least six months and to continue with the same remuneration as of Fiscal 2020. In terms of such resolutions, set forth below are details of remuneration payable to Brijesh Kumar Agrawal.

Brijesh Kumar Agrawal is entitled to a total compensation of ₹35.72 million per annum, which may vary by the change in performance linked variable compensation as may be decided by the Board. The total compensation comprises:	
Fixed compensation	₹20.43 million per annum, which includes:
- **Basic salary**	50% of fixed compensation
- **Allowances**	- House rent allowance at the rate of 20% of the fixed compensation; - Executive allowance at the rate of 20% of the fixed compensation; and - Travelling allowance at the rate of 10% of the fixed compensation
Performance Linked Variable Compensation (PLVC)	₹14.29 million per annum, which shall be measured and decided by the Board within the parameters and on the basis of the annual balance score card up to 150% of the PLVC
Flexible Compensation (Perquisites/ Benefits/Facilities and Amenities)	Including furnished accommodation, gas, electricity, water and furnishings, club fees, group insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof, medical reimbursement, leave travel concession, education benefits, provident fund and gratuity, in accordance with the schemes and rules applicable and in accordance with the Company's policies, limited to ₹1.00 million per annum. In case such perquisites exceed ₹1.00 million, such excess will be reduced from the fixed compensation.

In terms of the Shareholders' resolution dated September 25, 2019, the remuneration to be paid to Brijesh Kumar Agrawal subject to an annual increase up to a maximum limit of 20% of his last drawn remuneration. Additionally, he is entitled to receive a commission, as may be decided by the Board at the end of each Fiscal calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act.

Remuneration of the Directors

A. Executive Directors

The following table sets forth the compensation paid and payable by our Company to the Executive Directors during Fiscals 2021, 2020, 2019 and 2018:

(in ₹ million)

Name of the Director	Total compensation			
	FY 2021*	FY 2020	FY 2019	FY 2018
Dinesh Chandra Agarwal	34.81	46.19	40.96	36.67
Brijesh Kumar Agrawal	25.26	33.47	29.76	25.12

** For the period from April 1, 2020 to December 31, 2020.*

B. Non-Executive Directors and Independent Directors

Pursuant to the resolutions passed by the Board on May 12, 2020, the non-executive Directors and Independent Directors are entitled to receive a sitting fee of ₹25,000 for attending each meeting of the Board or of the Audit Committee or the Nomination and Remuneration Committee and a sitting fee of ₹10,000 for attending each meeting of the Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, share allotment committee and the investment & finance committee.

The Board and the Shareholders, by their resolutions dated July 31, 2019 and September 25, 2019, respectively, have approved the payment of fees to Dhruv Prakash, our Non-Executive Director, over and above the remuneration and sitting fees for availing professional services from him to which he is entitled as a director of our Company. Additionally, our Non-Executive Director, Dhruv Prakash has entered into a service agreement with our Company on January 21, 2020, for providing professional services including executive coaching, assessment and development of senior management, and advise on business strategy and management. The service agreement is valid for a period of three years. In consideration of his services, Dhruv Prakash is paid ₹125,000 for each full day of coaching/ training. Further, he is entitled to be reimbursed for any travel expenses incurred in this regard. For details of amounts paid to Dhruv Prakash in the past pursuant to such service agreement, see "***Related Party Transactions***" on page 34.

The following table sets forth the compensation paid and payable by our Company to the Non-Executive Directors and Independent Directors during Fiscals 2021, 2020, 2019 and 2018:

(in ₹ million)

Name of the Director	Total compensation			
	FY 2021*	FY 2020	FY 2019	FY 2018
Dhruv Prakash**	0.71	3.77	2.83	2.69
Rajesh Sawhney	0.20	0.60	0.85	0.60
Elizabeth Lucy Chapman	0.21	0.25	0.30	0.15
Vivek Narayan Gour	0.19	0.56	0.70	NA
Mahendra Kumar Chohan ***	NA	NA	0.10	0.30
Bhavanipratapsinh B. Rana ****	NA	NA	NA	NA

** For the period from April 1, 2020 to December 31, 2020.*
*** Includes fees paid towards professional services.*
****Resigned as a director of the Company on April 30, 2018.*
***** Resigned as a director of the Company on April 27, 2018.*

Shareholding of Directors

Other than as set forth below, the Directors did not hold any Equity Shares as on the date of this Preliminary Placement Document:

Name	Number of Equity Shares	Percentage (%) of the pre-Issue issued and paid-up share capital
Dinesh Chandra Agarwal	8,630,747	29.64
Brijesh Kumar Agrawal	5,848,544	20.08
Dhruv Prakash	26,206	0.09
Rajesh Sawhney	5,918	0.02
Elizabeth Lucy Chapman	-	-
Vivek Narayan Gour	9,850	0.03

Interests of the Directors

All the Directors may be deemed to be interested to the extent of remuneration, commission, reimbursement of expenses and other benefits to which they are entitled as per their terms of appointment, including sitting fees payable to the Non-executive Directors for attending meetings of the Board or a committee thereof, see "– ***Remuneration of the Directors***" on page 145. The Directors may also be deemed to be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives, any dividend payable to them and other distributions in respect of such shareholding and any other benefit arising out of such holding and transactions with the companies with which they are associated as directors or members. For details of the Equity Shares held by the Directors, see "– ***Shareholding of Directors***" below.

For details on related party transactions, see "***Related Party Transactions***" on page 34.

Other than Dinesh Chandra Agarwal and Brijesh Kumar Agrawal, who are the Promoters, the Directors have no interest in the promotion of our Company as on the date of this Preliminary Placement Document.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. Further, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Borrowing Powers of the Board

Pursuant to the Articles of Association, subject to applicable laws, and pursuant to the special resolution dated June 11, 2018 of the Shareholders, the Board has been authorized to borrow sums in excess of the aggregate of our paid-up share capital and free reserves, not exceeding ₹300.00 million, over and above such aggregate of the paid-up share capital and free reserves.

Corporate Governance

As on the date of this Preliminary Placement Document, we have six Directors on the Board, comprising two Executive Directors, one Non-executive Director and three Independent Directors, of whom one is a women Director. Our Company is in compliance with the corporate governance requirements prescribed under the SEBI Listing Regulations and Companies Act in relation to the composition of the Board and constitution of committees thereof.

Committees of the Board of Directors

Our Company has constituted the following five committees in terms of the SEBI Listing Regulations and the Companies Act, each of which functions in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations, as applicable:

A. Audit Committee;

B. Nomination and Remuneration Committee;

C. Stakeholders' Relationship Committee;

D. Corporate Social Responsibility Committee; and

E. Risk Management Committee.

The details of these committees are as follows:

A. Audit Committee

The members of the Audit Committee are:

1. Vivek Narayan Gour, Independent Director (Chairman);
2. Rajesh Sawhney, Independent Director (Member);
3. Dhruv Prakash, Non-Executive Director (Member); and
4. Elizabeth Lucy Chapman, Independent Director (Member).

B. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Elizabeth Lucy Chapman, Independent Director (Chairperson);
2. Rajesh Sawhney, Independent Director (Member); and
3. Dhruv Prakash, Non-executive Director (Member).

C. Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Vivek Narayan Gour, Independent Director (Chairman);
2. Brijesh Kumar Agrawal, Whole Time Director (Member); and
3. Dhruv Prakash, Non-Executive Director, (Member).

D. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Vivek Narayan Gour, Independent Director (Member);
2. Brijesh Kumar Agrawal, Whole-time Director (Member); and

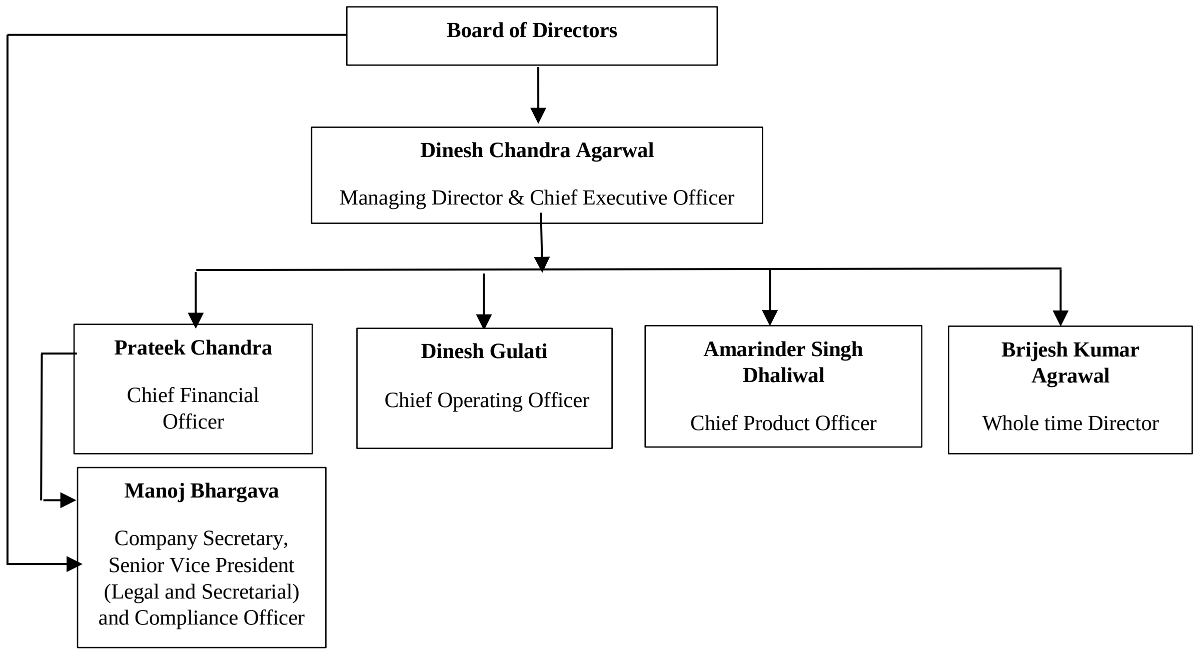
3. Elizabeth Lucy Chapman, Independent Director (Member).

E. Risk Management Committee

The members of the Risk Management Committee are:

1. Vivek Narayan Gour, Independent Director (Member);
2. Dhruv Prakash, Non-Executive Director (Member);
3. Rajesh Sawhney, Independent Director (Member); and
4. Elizabeth Lucy Chapman, Independent Director (Member).

Management Organization Structure



Key Managerial Personnel

In addition to Dinesh Chandra Agarwal, the Managing Director & Chief Executive Officer and Brijesh Kumar Agrawal, the Whole-time Director, whose details are provided in "- ***Brief Profile of the Directors***" above, the details of the other Key Managerial Personnel (as defined under the Companies Act and the SEBI ICDR Regulations), as on the date of this Preliminary Placement Document, are set forth below:

Prateek Chandra, aged 39 years is the Chief Financial Officer of our Company, and has been associated with our Company since February 16, 2015. He holds a bachelor's degree (honours) in commerce from Shriram College of Commerce, 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. He was awarded with Financial Planning & Analysis Icon at the CFO Power List Awards 2019.

Dinesh Gulati, aged 53 years, is the Chief Operating Officer of our Company, has been associated with our Company since March 12, 2012. Dinesh Gulati holds a bachelor's degree in technology (chemical engineering) from Kanpur University and a master's degree in business administration from the Faculty of Management Studies, University of Delhi. He has experience in the field of sales, strategies and operations. He has previously been associated with Jenson & Nicholson (I) Limited, Bharti Airtel Limited, Kodak India Limited, Reliance Infocomm Limited, the Indian Express Private Limited and Swan Telecom Private Limited.

Amarinder Singh Dhaliwal, aged 48 years, is the Chief Product Officer (product management) of our Company and has been associated with our Company since June 27, 2016. He holds a bachelor's degree in technology (textile technology) from the Indian Institute of Technology, Delhi and post-graduate diploma in management from the Indian Institute of Management, Ahmedabad and has experience in the field of product management. Previously, he has been associated with Micromax Informatics Limited, BCCL, SBI Capital Markets Limited, TIL and PowerGen (India) Private Limited.

Manoj Bhargava, aged 45 years, is the Company Secretary, Senior Vice President (Legal and Secretarial) and Compliance Officer of our Company and has been associated with our Company since December 28, 2017. He holds a bachelor's degree in commerce (honours) and a bachelor's degree in law from University of Delhi, and 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.

All the Key Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel

In addition to the shareholding of Dinesh Chandra Agarwal and Brijesh Kumar Agrawal as disclosed above in " ***– Shareholding of Directors***", the Key Managerial Personnel hold the following Equity Shares as on the date of this Preliminary Placement Document:

Name	Number of Equity Shares	Percentage (%) of the pre-Issue issued and paid-up share capital
Prateek Chandra	101,636	0.35
Manoj Bhargava	835	0.00
Dinesh Gulati	365,389	1.25
Amarinder Singh Dhaliwal	35,714	0.12

Interest of Key Managerial Personnel

Our Company has extended a loan for an amount of ₹7.5 million in favour of Dinesh Gulati, of which an amount of ₹1.5 million was outstanding as on January 31, 2021. Further, our Company has extended salary advances to Amarinder Singh Dhaliwal, for which an amount of ₹0.35 million was outstanding as on December 31, 2020.

Except as stated in "***– Interests of the Directors***" above and in "***Related Party Transactions***" on pages 146 and 34 respectively, and to the extent of their shareholding in our Company, remuneration or benefits to which they are entitled as per the terms of their appointment, reimbursement of expenses incurred by them in the ordinary course of business, stock options/ SAR units that have been or may be granted to them from time to time under the IndiaMART ESOS 2015 and IndiaMART ESBS 2018, and to the extent of the salary advances and loans extended to them, the Key Managerial Personnel do not have any other interest in our Company.

Our KMPs may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives.

Other confirmations

Except as otherwise stated in "***– Interests of the Directors***" and "***– Interest of Key Managerial Personnel***" above, none of the Directors, the Key Managerial Personnel or the Promoters have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

None of the Promoters or the Directors have been identified as wilful defaulters, as defined under the SEBI ICDR Regulations and none of them have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Neither our Company, nor our Directors or Promoters have been debarred from accessing capital markets under any order or direction made by SEBI.

ORGANIZATIONAL STRUCTURE

As on date of this Preliminary Placement Document, our Company has the following Subsidiaries and Associates. Our Company does not have any joint venture company.

Subsidiaries	
1.	Tolexo Online Private Limited
2.	Tradezeal Online Private Limited
3.	Hello Trade Online Private Limited
4.	Pay With Indiamart Private Limited
Associates	
1.	Simply Vyapar Apps Private Limited
2.	Ten Times Online Private Limited

Subsidiaries

1. Tolexo Online Private Limited (CIN: U72200DL2014PTC267665), having its registered office at 1st Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi-110002, was incorporated on May 28, 2014. It is primarily engaged in the business of building a cloud-based solution for SME businesses to help them manage their business with increased efficiency.

2. Tradezeal Online Private Limited (CIN: U74110DL2005PTC136907), having its registered office at 1st Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi 110002, was incorporated on May 31, 2005. It is currently not actively engaged in any business; however, it is authorized to engage in the business of investment, acquire, hold and deal in those shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or partnership firms or body corporates or any other entities whether in India or elsewhere.

3. Hello Trade Online Private Limited (CIN: U51909DL2008PTC180430), having its registered office at 1st Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi 110002, was incorporated on July 3, 2008. It is currently not actively engaged in any business; however, it is authorized to engage in conducting domestic trade and international business facilitation, including sales, marketing, operational, technological, information processing and other trade and business related services.

4. Pay With Indiamart Private Limited (CIN: U74999DL2017PTC312424), having its registered office at 1st Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi 110002, was incorporated on February 7, 2017. It is engaged in the business of electronic payment facilitation mechanisms through internet based solutions and products, financial intermediation and services in connection with electronic payments and receipts, products, technologies, markets.

Associates

1. Simply Vyapar Apps Private Limited (CIN: U72900KA2018PTC110858), having its registered office at Flat No. 223, Wings 2 DSR Eden Green Apartments, Bangalore 560035, Karnataka, was incorporated on March 8, 2018. It is engaged in the business of selling 'Vyapar', a business accounting software made for Indian small businessmen to deal with invoicing, inventory and accounting needs and to help them manage their business with increased efficiency.

2. Ten Times Online Private Limited (CIN: U72300DL2014PTC265480), having its registered office at 1st Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi 110002, was incorporated on February 26, 2014. On September 1, 2020, we disposed a 70% equity stake in Ten Times Online Private Limited, retaining a 30% equity stake, resulting in Ten Times Online Private Limited becoming our Associate. It is currently engaged in the business of operating 'www.10times.com', a platform for business events discovery and networking.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on December 31, 2020 is set forth below:

Table I: Summary statement holding of specified securities

Category	Category of Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up equity shares held	No. of Shares Underlying Depository Receipts	Total No. of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**				**(X)**	**(XI)**	**(XII)**		**(XIII)**		**(XIV)**
(A)	Promoter and Promoter Group	20	1,51,37,091	0	0	1,51,37,091	51.98	1,51,37,091	0	1,51,37,091	51.98	0	51.98	57,54,964	38.02	0	0	1,51,37,091
(B)	Public	46,356	1,39,35,035	0	0	1,39,35,035	47.85	1,39,35,035	0	1,39,35,035	47.85	0	47.85	0	0	0	0	1,39,35,035
(C)	Non Promoter-Non Public	1	49,390	0	0	49,390	0.17	49,390	0	49,390	0.17	0	0.17	0	0	0	0	49,390
(C1)	Shares underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C2)	Shares held by Employees Trusts	1	49,390	0	0	49,390	0.17	49,390	0	49,390	0.17	0	0.17	0	0	0	0	49,390
	Grand Total:	**46,377**	**2,91,21,516**	**0**	**0**	**2,91,21,516**	**100.00**	**2,91,21,516**	**0**	**2,91,21,516**	**100.00**	**2,91,21,516**	**100.00**	**57,54,964**	**19.76**	**0**	**0.00**	**2,91,21,516**

Table II: Statement showing shareholding pattern of the Promoters and Promoter Group

Category	Category & Name of the Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up equity shares held	No. of Shares Underlying Depository Receipts	Total No. of Shares Held (III+IV+V)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VI)+(IX) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(A)	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)
(1)	Indian																	
(a)	Individuals/ Hindu undivided Family	20	1,51,37,091	0	0	1,51,37,091	51.98	1,51,37,091	0	1,51,37,091	51.98	0	51.98	57,54,964	38.02	0	0.00	1,51,37,091
1.	Dinesh Chandra Agarwal	1	86,30,747	0	0	86,30,747	29.64	86,30,747	0	86,30,747	29.64	0	29.64	34,52,978	40.01	0	0.00	86,30,747
2.	Brijesh Kumar Agrawal	1	58,48,544	0	0	58,48,544	20.08	58,48,544	0	58,48,544	20.08	0	20.08	23,01,986	39.36	0	0.00	58,48,544
3.	Chetna Agarwal	1	1,55,200	0	0	1,55,200	0.53	1,55,200	0	1,55,200	0.53	0	0.53	0	0.00	0	0.00	1,55,200
4.	Pankaj Agarwal	1	1,51,000	0	0	1,51,000	0.52	1,51,000	0	1,51,000	0.52	0	0.52	0	0.00	0	0.00	1,51,000
5.	Anand Kumar Agrawal	1	70,000	0	0	70,000	0.24	70,000	0	70,000	0.24	0	0.24	0	0.00	0	0.00	70,000
6.	Meena Agrawal	1	69,800	0	0	69,800	0.24	69,800	0	69,800	0.24	0	0.24	0	0.00	0	0.00	69,800
7.	Dinesh Chandra Agarwal Huf	1	60,000	0	0	60,000	0.21	60,000	0	60,000	0.21	0	0.21	0	0.00	0	0.00	60,000
8.	Naresh Chandra Agrawal	1	40,200	0	0	40,200	0.14	40,200	0	40,200	0.14	0	0.14	0	0.00	0	0.00	40,200
9.	Prakash Chandra Agrawal	1	40,200	0	0	40,200	0.14	40,200	0	40,200	0.14	0	0.14	0	0.00	0	0.00	40,200
10.	Gunjan Agarwal	1	20,000	0	0	20,000	0.07	20,000	0	20,000	0.07	0	0.07	0	0.00	0	0.00	20,000
11.	Keshar Devi Agrawal	1	19,800	0	0	19,800	0.07	19,800	0	19,800	0.07	0	0.07	0	0.00	0	0.00	19,800
12.	Naresh Chandra Agrawal Huf	1	9,000	0	0	9,000	0.03	9,000	0	9,000	0.03	0	0.03	0	0.00	0	0.00	9,000
13.	Anand Kumar Agrawal Huf	1	6,000	0	0	6,000	0.02	6,000	0	6,000	0.02	0	0.02	0	0.00	0	0.00	6,000
14.	Prakash Chandra Agrawal Huf	1	6,000	0	0	6,000	0.02	6,000	0	6,000	0.02	0	0.02	0	0.00	0	0.00	6,000
15.	Ishwar Prasad Jalan	1	5,000	0	0	5,000	0.02	5,000	0	5,000	0.02	0	0.02	0	0.00	0	0.00	5,000
16.	Vijay Jalan	1	5,000	0	0	5,000	0.02	5,000	0	5,000	0.02	0	0.02	0	0.00	0	0.00	5,000
17.	Pankaj Agarwal (Hamirwasia Family Trust)	1	200	0	0	200	0.00	200	0	200	0.00	0	0.00	0	0.00	0	0.00	200
18.	Pankaj Agarwal (Hamirwasia Business Trust)	1	200	0	0	200	0.00	200	0	200	0.00	0	0.00	0	0.00	0	0.00	200
19.	Dinesh Chandra Agarwal (Nanpara Family Trust)	1	100	0	0	100	0.00	100	0	100	0.00	0	0.00	0	0.00	0	0.00	100
20.	Dinesh Chandra Agarwal (Nanpara Business Trust)	1	100	0	0	100	0.00	100	0	100	0.00	0	0.00	0	0.00	0	0.00	100

Category	Category & Name of the Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up equity shares held	No. of Shares Underlying Depository Receipts	Total No. of Shares Held (III+IV+V)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VI)+(IX) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(A)	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)
(b)	Central Government/ State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Financial Institutions/ Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Body Corporate	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(1)	**20**	**1,51,37,091**	**0**	**0**	**1,51,37,091**	**51.98**	**1,51,37,091**	**0**	**1,51,37,091**	**51.98**	**0**	**51.98**	**57,54,964**	**38.02**	**0**	**0.00**	**1,51,37,091**
(2)	Foreign	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**20**	**1,51,37,091**	**0**	**0**	**1,51,37,091**	**51.98**	**1,51,37,091**	**0**	**1,51,37,091**	**51.98**	**0**	**51.98**	**57,54,964**	**38.02**	**0**	**0.00**	**1,51,37,091**

Table III: Statement showing shareholding pattern of the public shareholders

Category	Category & Name of the Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up equity shares held	No. of Shares Underlying Depository Receipts	Total No. of Shares Held (III+IV+V)	Shareholding as a % of total no. of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)
(1)	Institutions																	
(a)	Mutual Funds	14	10,68,424	0	0	10,68,424	3.67	10,68,424	0	10,68,424	3.67	0	3.67	0	0.00	0	0.00	10,68,424
1.	Uti - Equity Fund	1	4,75,471	0	0	4,75,471	1.63	4,75,471	0	4,75,471	1.63	0	1.63	0	0.00	0	0.00	4,75,471
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Alternate Investment Funds	10	2,50,700	0	0	2,50,700	0.86	2,50,700	0	2,50,700	0.86	0	0.86	0	0.00	0	0.00	2,50,700
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Foreign Portfolio Investors	157	71,67,307	0	0	71,67,307	24.61	71,67,307	0	71,67,307	24.61	0	24.61	0	0.00	0	0.00	71,67,307
1.	Steadview Capital Mauritius Limited	1	8,13,806	0	0	8,13,806	2.79	8,13,806	0	8,13,806	2.79	0	2.79	0	0.00	0	0.00	8,13,806
2.	Arisaig Asia Consumer Fund Limited	1	6,20,293	0	0	6,20,293	2.13	6,20,293	0	6,20,293	2.13	0	2.13	0	0.00	0	0.00	6,20,293
3.	Artisan International Small-Mid Fund	1	4,86,186	0	0	4,86,186	1.67	4,86,186	0	4,86,186	1.67	0	1.67	0	0.00	0	0.00	4,86,186
4.	Arisaig Global Emerging Markets Consumer Fund (Singapore) Pte. Ltd.	1	4,73,322	0	0	4,73,322	1.63	4,73,322	0	4,73,322	1.63	0	1.63	0	0.00	0	0.00	4,73,322
(f)	Financial Institutions/ Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(g)	Insurance Companies	3	1,47,510	0	0	1,47,510	0.51	1,47,510	0	1,47,510	0.51	0	0.51	0	0.00	0	0.00	1,47,510
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(i)	Any Other	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub Total (B)(1)	**184**	**86,33,941**	**0**	**0**	**86,33,941**	**29.65**	**86,33,941**	**0**	**86,33,941**	**29.65**	**0**	**29.65**	**0**	**0.00**	**0**	**0.00**	**86,33,941**
(2)	Central Government/ State Government(s)/ President of India	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub Total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**
(3)	Non-Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(a)	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	43,533	18,00,983	0	0	18,00,983	6.18	18,00,983	0	18,00,983	6.18	0	6.18	0	0.00	0	0.00	18,00,983
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	19	18,81,150	0	0	18,81,150	6.46	18,81,150	0	18,81,150	6.46	0	6.46	0	0.00	0	0.00	18,81,150
1.	Dinesh Gulati	1	3,65,389	0	0	3,65,389	1.25	3,65,389	0	3,65,389	1.25	0	1.25	0	0.00	0	0.00	3,65,389

Category	Category & Name of the Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up equity shares held	No. of Shares Underlying Depository Receipts	Total No. of Shares Held (III+IV+V)	Shareholding as a % of total no. of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)
2.	Madhup Agrawal	1	5,47,484	0	0	5,47,484	1.88	5,47,484	0	5,47,484	1.88	0	1.88	0	0.00	0	0.00	5,47,484
(b)	NBFCs Registered with RBI	1	2,720	0	0	2,720	0.01	2,720	0	2,720	0.01	0	0.01	0	0.00	0	0.00	2,720
(c)	Employee Trusts	6	12,214	0	0	12,214	0.04	12,214	0	12,214	0.04	0	0.04	0	0.00	0	0.00	12,214
(d)	Overseas Depositories (Holding DRs) (Balancing figure)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other	2,613	16,04,027	0	0	16,04,027	5.51	16,04,027	0	16,04,027	5.51	0	5.51	0	0.00	0	0.00	16,04,027
(e-i)	Body Corporate	435	2,28,683	0	0	2,28,683	0.79	2,28,683	0	2,28,683	0.79	0	0.79	0	0.00	0	0.00	2,28,683
(e-ii)	Clearing Member	180	39,306	0	0	39,306	0.13	39,306	0	39,306	0.13	0	0.13	0	0.00	0	0.00	39,306
(e-iii)	Foreign Portfolio Investor (Category III)	2	2,714	0	0	2,714	0.01	2,714	0	2,714	0.01	0	0.01	0	0.00	0	0.00	2,714
(e-iv)	HUF	750	40,147	0	0	40,147	0.14	40,147	0	40,147	0.14	0	0.14	0	0.00	0	0.00	40,147
(e-v)	Non-Resident Indian (NRI)	1,242	1,55,610	0	0	1,55,610	0.53	1,55,610	0	1,55,610	0.53	0	0.53	0	0.00	0	0.00	1,55,610
(e-vi)	Trusts	3	1,370	0	0	1,370	0.00	1,370	0	1,370	0.00	0	0.00	0	0.00	0	0.00	1,370
(e-vii)	Foreign company	1	11,36,197	0	0	11,36,197	3.90	11,36,197	0	11,36,197	3.90	0	3.90	0	0.00	0	0.00	11,36,197
	Westbridge Crossover Fund, Llc	1	11,36,197	0	0	11,36,197	3.90	11,36,197	0	11,36,197	3.90	0	3.90	0	0.00	0	0.00	11,36,197
	Sub Total (B)(3)	**46,172**	**53,01,094**	**0**	**0**	**53,01,094**	**18.20**	**53,01,094**	**0**	**53,01,094**	**18.20**	**0**	**18.20**	**0**	**0.00**	**0**	**0.00**	**53,01,094**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**46,356**	**1,39,35,035**	**0**	**0**	**1,39,35,035**	**47.85**	**1,39,35,035**	**0**	**1,39,35,035**	**47.85**	**0**	**47.85**	**0**	**0.00**	**0**	**0.00**	**1,39,35,035**

Table IV: Statement showing shareholding pattern of the non-promoter non-public shareholders

Category	Category & Name of the Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up equity shares held	No. of Shares Underlying Depository Receipts	Total No. of Shares Held (IV+V+VI)	Shareholding as a % of total no. of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)
C(1)	Custodian/ DR Holder	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
C(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	1	49,390	0	0	49,390	0.17	49,390	0	49,390	0.17	0	0.17	0	0.00	0	0.00	49,390
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)	**1**	**49,390**	**0**	**0**	**49,390**	**0.17**	**49,390**	**0**	**49,390**	**0.17**	**0**	**0.17**	**0**	**0.00**	**0**	**0.00**	**49,390**

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the Bidding, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and Bidders are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Also, see "**Selling Restrictions**" and "**Transfer Restrictions**" on pages 173 and 183, respectively. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, employees, counsels, shareholders, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Our Company, the BRLMs and their respective directors, shareholders, employees, counsels, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a qualified institutions placement (as defined under the SEBI ICDR Regulations). Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares through a qualified institutions placement (as defined under the SEBI ICDR Regulations), provided that:

- the Shareholders have adopted a special resolution approving the Issue. Such special resolution must specify (a) that the Allotment of Equity Shares is proposed to be made pursuant to the Issue; and (b) the Relevant Date;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose among other things, the particulars of the Issue and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be Allotted through the Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to the Shareholders for convening the meeting to adopt the above-mentioned special resolution;

- the Issue must be made through a private placement offer letter (i.e., this Preliminary Placement Document) and an Application Form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- in accordance with the SEBI ICDR Regulations, issuance and Allotment of Equity Shares shall be made only in dematerialized form;

- the Promoters and Directors are not fugitive economic offenders;

- our Company shall have completed allotments with respect to any previous offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the Issue will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe; and

- our Company acknowledges that the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue.

At least 10% of the Equity Shares issued to Eligible QIBs shall be Allotted to Mutual Funds, provided that, if this portion or any part thereof to be Allotted to Mutual Funds remains unsubscribed, it may be Allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under the Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or any duly authorized committee thereof, decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the approval of the Shareholders on February 10, 2021, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving the Issue and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of Allotment, see "***– Pricing and Allocation – Designated Date and Allotment of Equity Shares***" below.

The Equity Shares issued pursuant to the Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document and the Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The Issue was authorized and approved by the Board of Directors on January 18, 2021 and approved by the Shareholders on February 10, 2021.

The minimum number of Allottees with respect to the Issue shall not be less than:

- two, where the issue size is less than or equal to ₹2,500 million; and
- five, where the issue size is greater than ₹2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see the section "***— Bid Process—Application Form***" below.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on a recognized stock exchange. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, and may not be offered or sold in the United States, or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the U.S. Securities Act except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Preliminary Placement Document as U.S. QIBs; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Preliminary Placement Document as QIBs) and "qualified purchasers" (as defined under the U.S. Investment Company Act and referred to in this Preliminary Placement Document as QPs) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and in reliance upon section 3(c)(7) of the U.S. Investment Company Act; or (ii) outside the United States to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on BSE or NSE). For further information, see the sections "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 173 and 183, respectively. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company is not and will not be registered under the U.S. Investment Company Act, and investors will not be entitled to the benefits afforded to investors under the U.S. Investment Company Act.

Our Company has filed a copy of this Preliminary Placement Document with each of the Stock Exchanges and will file a copy of the Placement Document with each of the Stock Exchanges. We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on BSE and NSE, each dated February 17, 2021.

Issue Procedure

1. On and from the Issue Opening Date, our Company and the Book Running Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods

as required under the Companies Act, 2013 and the PAS Rules.

2. **The list of Eligible QIBs to whom this Preliminary Placement Document cum Application Form will be delivered, shall be determined by our Company in consultation with the BRLMs, at their sole discretion. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Bid Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, phone number, permanent account number, e-mail address and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the U.S. Securities Act;

   - details of the beneficiary account maintained with a Depository Participant to which the Equity Shares should be credited pursuant to the Issue; and

   - a representation that it is either (i) outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S, or (ii) it has agreed to certain other representations set forth in the "***Representations by Investors***" on page 5 and "***Transfer Restrictions***" on page 183 and certain other representations made in the Application Form.

5. Each Bidder shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, and the filing of return of Allotment by our Company with the RoC or receipt of final listing and trading approval from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in the Escrow Account, *i.e.*, a separate bank account with a scheduled bank, and shall be utilized only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event, among others, a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or a Bidder lowers or withdraws the Bid prior to the Issue Closing Date, or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "-***Refunds***" below.

6. Once a duly completed Application Form is submitted by a Bidder, whether signed or not, and the Bid

Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorized to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Bidders acknowledge that in accordance with the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consent to such disclosure, if any Equity Shares are Allocated to it.

8. Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

9. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the Book Running Lead Managers, determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Managers, on behalf of our Company, will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate amount equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated and the Refund Amount (if any) due to the Successful Bidders. **Please note that the Allocation will be at the sole discretion of our Company, in consultation with the Book Running Lead Managers.**

10. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document (either in electronic form or through physical delivery) to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to the Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the

receipt of final trading and listing approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds, VCFs and AIFs registered with SEBI;
- pension funds with minimum corpus of ₹250 million;
- provident funds with minimum corpus of ₹250 million;
- public financial institutions;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and
- systemically important non-banking financial companies,

subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule II of the FEMA Non-Debt Rules, in the Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and conditions and restrictions which may be specified by the Government from time to time, and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. FVCIs are not permitted to participate in the Issue.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to exceed 10% of the post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI including its investor group shall be below 10% of the total paid-up Equity Share capital of our Company. In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/ NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Subject to receipt of valid Bids, a minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 173 and 183, respectively.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, the Promoters or any person related to the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company and the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, advisors, representatives, agents or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations. Eligible QIBs shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, Insider Trading Regulations and other applicable laws, rules, regulations, guidelines, notifications and circulars.

Note: Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/ or the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorized to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings and under the sections "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 1, 5, 173 and 183, respectively:

- The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in the Issue;

- The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or the members of the Promoter Group or persons related to the Promoters;

- The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India and is eligible to invest in India under applicable law, including the FEMA Non-Debt Rules, or a multilateral or bilateral development financial institution, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets, and is not an FVCI;

- The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters, members of the Promoter Group or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

- The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

- The Eligible QIB confirms that if Equity Shares are Allotted through the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

- The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Eligible QIB further confirms that its holding of the Equity Shares, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

- The Eligible QIB confirms that its Bids would not result in triggering an open offer under the SEBI Takeover Regulations;

- The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to the Issue, at its sole discretion, in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/ or Allotment of Equity Shares Bid for in full or in part;

- The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post-Issue shareholding (assuming that the Equity Shares are Allotted to them pursuant to the Issue) in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that the disclosure of such details in relation to it in the Placement Document will not guarantee Allotment to it, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

- The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, among an Eligible QIB, its subsidiary (ies) or holding company and any other QIB; and

b. "Control" shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- The Eligible QIB confirms that:

  a. If it is within the United States or is a U.S. Person, it (i) is both a U.S. QIB and a QP, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, (iii) was not formed for the purpose of investing in the Equity Shares and (iv) is acquiring such Equity Shares for its own account or for the account of one or more persons, each of which is both a U.S. QIB and a QP, with respect to which it exercises sole investment discretion; it, and each account for which it is purchasing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least US$250,000 or its equivalent in another currency; and

  b. If it is outside the United States, it, and each person, if any, for whose account or benefit it is acquiring the Equity Shares offered pursuant to the Issue, is a non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be a non-U.S. Person and located outside the United States and has not purchased such Equity Shares for the account or benefit of any U.S. Person or any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any U.S. Person or any person in the United States; and

  c. It has agreed to certain other representations set forth in the "***Representations by Investors***" and "***Transfer Restrictions***" on pages 5 and 183, respectively, and certain other representations made in the Application Form.

- The Eligible QIB acknowledges that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

- The Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

- The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

- Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Non-Debt Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, foreign direct investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route. However, multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN (IF APPLICABLE), DEPOSITORY PARTICIPANT'S NAME AND DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/ OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount was remitted for the Equity Shares applied for in the Issue, will be considered.

Once a duly completed Application Form is submitted by a Bidder, whether signed or not, the submission of such Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and shall become a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Bid Amounts will have to be deposited. The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

ICICI Securities Limited
ICICI Center, H. T. Parekh Marg,
Churchgate, Mumbai 400 020
Maharashtra, India
Contact Person: Sameer Purohit/ Nidhi Wangnoo
E-mail: indiamart.qip@icicisecurities.com
Tel. No.: +91 22 2288 2460

Edelweiss Financial Services Limited
6th Floor, Edelweiss House
Off C.S.T. Road
Kalina, Mumbai 400 098
Maharashtra, India
Contact Person: Dhawal Nigam
E-mail: indiamart.qip@edelweissfin.com
Tel. No.: +91 22 4086 3535

Jefferies India Private Limited
42/43, 2 North Avenue
Maker Maxity, Bandra Kurla Complex
Bandra (East), Mumbai 400 051,
Maharashtra, India
Contact Person: Aman Puri
E-mail: project.spring2021@jefferies.com
Tel. No.: +91 22 4356 6000

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Bidders submitting a Bid in the Issue, shall pay the entire Bid Amount along with the submission of the Application Form within the Issue Period.

Payment of Bid Amount

Our Company has opened the "INDIAMART INTERMESH LIMITED – QIP ESCROW" with ICICI Bank Limited, the Escrow Bank, in terms of the Escrow Agreement. Bidders will be required to deposit the entire Bid Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheque or demand draft or cash shall be rejected.

If the payment is not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in the Escrow Account only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "***- Refunds***" below.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income-tax Act, 1961 in the Application Form. However, this requirement may not apply to certain Bidders who are exempted from the requirement of obtaining a PAN under the Income-tax Act, 1961. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Determination and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company, in consultation with the BRLMs, may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by the Shareholders pursuant to a resolution dated February 10, 2021.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation on a discretionary basis in consultation with the Book Running Lead Managers and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company in their sole and absolute discretion, in consultation with the Book Running Lead Managers, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allotted and the Refund Amount (if any) shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Successful Bidders.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate amount equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. Subsequently, the Board or any duly authorized committee thereof, will approve the Allotment of the Equity Shares to the Allottees.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, the Eligible QIB would be deemed to have made the representations and warranties as specified in "***Notice to Investors***" on page 1 and such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by the Stock Exchanges.

Designated Date and Allotment of Equity Shares

Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of Equity Shares is completed by the Designated Date provided in the CAN.

The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares pursuant to the Issue into the QIBs' beneficiary accounts maintained with the Depository Participant, our Company will apply for final trading approval from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been Allotted more than 5% of the Equity Shares offered in the Issue, viz., the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Managers and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Successful Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Successful Bidder, or the Bid Amount paid by a Successful Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Successful Bidder and the Issue Price, or a Bidder does not receive any Allocation in the Issue, or a Bidder withdraws the Application Form prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation or at any time after that for any reason, the excess Bid Amount paid by such Successful Bidder will be refunded to the same bank account from which the Bid Amount was remitted, in the form and manner set out in the CAN issued to such Successful Bidder. The Refund Amount will be transferred to the relevant Successful Bidders within two Working Days from the date of issuance of the CAN.

In the event that a Bidder withdraws the Application Form prior to the Issue Closing Date or does not receive any Allocation in the Issue, or the Issue is cancelled prior to Allocation or at any time after that for any reason, the Application Amount paid by such Bidder (or all Bidders, if the Issue is cancelled) will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue within 60 days from the date of receipt of the Bid Amount, or the Issue is cancelled post Allocation, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges, our Company shall repay the Bid Amount within 15 days from expiry of 60 days or such other time period as applicable under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder. For details see – "***Bid Process***" and – "***Refund***" above.

Equity Shares in Dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in the Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode). Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act, and other applicable laws.

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a successful QIB will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialized form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the QIBs.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the Escrow Account to our Company until receipt of notice from the Book Running Lead Managers, the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

PLACEMENT AND LOCK-UP

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Placement Agreement

The Book Running Lead Managers and our Company have entered into the Placement Agreement, pursuant to which each Book Running Lead Manager has agreed, subject to certain conditions, to use its reasonable efforts to place the Equity Shares with Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, the Companies Act read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act and the rules made thereunder.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges.

This Preliminary Placement Document and the Placement Document have not been, and will not be, filed as a prospectus with the RoC, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs

The Placement Agreement contains customary representations and warranties, as well as indemnity from our Company and the Issue is subject to the satisfaction of certain conditions and subject to the termination of the Placement Agreement in accordance with the terms contained therein.

In connection with the Issue, the Book Running Lead Managers (or their respective affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in the Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares in the Issue, to the extent permissible under law and may issue P-Notes in respect thereof. See "***Offshore Derivative Instruments***" on page 11.

From time to time, the Book Running Lead Managers and their respective affiliates and associates may engage in transactions with and perform services for our Company, its affiliates, shareholders or their respective affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking, investment banking and other banking transactions with our Company, its affiliates, shareholders or their respective affiliates, for which they have received compensation and may in the future receive compensation.

Lock-up

The Company will not, for a period commencing from the date hereof and ending 60 days from the date of Allotment, without the prior written consent of the Book Running Lead Managers, directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, any of the economic consequences associated with the ownership of any of the Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares), regardless of whether any of such transactions are to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise; (c) deposit Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) with any depositary in connection with a depositary receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares or such other securities in any depositary receipt facility; or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above; provided that the foregoing restrictions do not apply to any sale, transfer or disposition of Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) pursuant to (A) the Issue; or (B) the issue of Equity Shares pursuant to offer made in terms of any employee stock option/ purchase scheme of the Company.

Promoters' Lock-up

Our Promoters agree that without the prior written consent of the Book Running Lead Managers, they shall not, during the period commencing on the date hereof and ending 60 days after the Closing Date, directly or indirectly: (a) offer, issue, pledge, sell, encumber, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of any lock-up Equity Shares or any other securities of the Company substantially similar to the lock-up Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive lock-up Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired; (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Equity Shares and the securities that are convertible into, exercisable or exchangeable for or any such substantially similar securities, whether now owned or hereinafter acquired; whether any such transaction described in clause (a) or (b) above is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise; (c) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility; or (d) publicly announce its intention to enter into the transactions referred to in (a) to (c) above. However, the foregoing restriction shall not be applicable with respect to (i) sale of up to 2% of the pre-Issue issued and paid-up share capital of the Company; and (ii) the inter-se transfer of any Equity Shares between Promoters/ Promoter Group subject to continuation of remaining lock-in period on the transferee.

In addition, our Promoters agree that, without the prior written consent of the Book Running Lead Managers, they shall not, during the period commencing on the date hereof and ending 60 days after the Closing Date, make any demand for or exercise any right with respect to, the registration of any Equity Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired.

The Promoters have informed the Company that they may, subject to market conditions and receipt of approvals required, including under our insider trading policy, and in compliance with applicable law, undertake a secondary sale of Equity Shares held by them, aggregating up to 2% of the pre-Issue share capital of the Company, post completion of the Issue.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document or any offering material and the offer, sale or delivery of the Equity Shares in the Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required, except in India. The Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each subscriber of the Equity Shares offered in the Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and in "***Notice to Investors***", "***Representations by Investors***", and "***Transfer Restrictions***" on pages 1, 5 and 183, respectively.

Republic of India

The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder.

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, or an advertisement and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia ("**Corporations Act**"); (b) does not purport to include the information required in a prospectus, product disclosure statement or other disclosure document prepared in accordance with the requirements of the Corporations Act; (c) has not been, nor will it be, lodged with the Australian Securities and Investments Commission ("**ASIC**"), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (d) may not be provided in Australia other than to select investors ("Exempt Investors") who are able to demonstrate that they (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Chapter 6D of the Corporations Act and/or (ii) are "wholesale clients" for the purpose of section 761G of the Corporations Act, such that disclosure to them is not required under Chapter 6D and Part 7.9 of the Corporations Act.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Equity Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Equity Shares may be distributed, received or published in Australia, except to Exempt Investors or where disclosure to investors otherwise is not required under Chapters 6D and Part 7.9 of the Corporations Act or otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, each purchaser of the Equity Shares represents and warrants to our Company, the Selling Shareholders, the Underwriters and their affiliates that such purchaser is an Exempt Investor.

As any offer of the Equity Shares under this Preliminary Placement Document, any supplement accompanying this Preliminary Placement Document or other document will be made without disclosure in Australia under Chapter 6D and Part 7.9 of the Corporations Act, the offer of those Equity Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Equity Shares each purchaser of the Equity Shares undertakes to our Company, the Selling Shareholders, the Underwriters that such purchaser will not, for a period of 12 months from the date of purchase of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares, or grant, issue or transfer interests in or options over them, to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

This document has been prepared for private information purposes of intended investors only who will be accredited investors. For this purpose, an "accredited investor" means: (i) an individual holding financial assets (either singly or jointly with a spouse) of US$1,000,000 or more; (ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than US$1,000,000; or (iii) a government, supranational organization, central bank or other national monetary authority or a state organization whose main activity is to invest in financial instruments (such as a state pension fund). This document is intended to be read by the addressee only.

No invitation has been made in or from the Kingdom of Bahrain and there will be no marketing or offering of the Equity Shares to any potential investor in Bahrain. All marketing and offering is made and will be made outside of the Kingdom of Bahrain. None of the Central Bank of Bahrain, the Bahrain Stock Exchange or any other regulatory authority in Bahrain has reviewed, nor has it approved, this document or the marketing of Equity Shares and takes no responsibility for the accuracy of the statements and information contained in this document, nor shall it have any liability to any person for any loss or damage resulting from reliance on any statements or information contained herein. This document is not subject to the regulations of the Central Bank of Bahrain that apply to public offerings of securities, and the extensive disclosure requirements and other protections that these regulations contain.

Canada

The Equity Shares may be sold only to Canadian purchasers purchasing, or deemed to be purchasing, as principal that are "accredited investors", as defined in National Instrument 45-106 Prospectus Exemptions (NI 45-106) or subsection 73.3(1) of the Securities Act (Ontario), and are "permitted clients," as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of such Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a Canadian purchaser with remedies for rescission or damages if this Preliminary Placement Document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the Canadian purchaser within the time limit prescribed by the securities legislation of the Canadian purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the Canadian purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with any offer of Equity Shares.

Upon receipt of this Preliminary Placement Document, each Canadian purchaser is hereby deemed to confirm that it has expressly requested that all documents evidencing or relating in any way to the sale of Equity Shares described herein (including, for the avoidance of doubt, any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque acheteur canadien est réputé d'avoir confirmé par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des actions participatives décrites aux présentes (incluant, pour éviter toute incertitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Cayman Islands

This document does not constitute a public offer of the Equity Shares, whether by way of sale or subscription, in the Cayman Islands. Each Book Running Lead Manager has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any Equity Shares to any member of the public in the Cayman Islands.

European Economic Area

In relation to each Member State of the EEA (each a "**Relevant Member State**"), an offer to the public of any Equity Shares may not be made in that Relevant Member State, except if the Equity Shares are offered to the public in that Relevant Member State at any time under the following exemptions under the EU Prospectus Regulation:

- to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or
- in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or any of the Book Running Lead Managers of a prospectus pursuant to Article 3 of the EU Prospectus Regulation and each person who initially acquires Equity Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Underwriters and the Company that it is a "qualified investor" within the meaning of the EU Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information of the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant Member State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Managers has been obtained to each such proposed offer or resale. The Company, the Directors, the Book Running Lead Managers and their affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Book Running Lead Managers of such fact in writing may, with the prior written consent of the Book Running Lead Managers, be permitted to subscribe for or purchase Equity Shares in the Issue.

People's Republic of China

This Preliminary Placement Document may not be circulated or distributed in the People's Republic of China (the "**PRC**") and the Equity Shares may not be offered or sold directly or indirectly to any resident of the PRC, or offered or sold to any person for reoffering or resale directly or indirectly to any resident of the PRC except pursuant to applicable laws and regulations of the PRC. Neither this offering circular nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

France

This Preliminary Placement Document and any other offering material relating to the Equity Shares described in this Preliminary Placement Document have not been prepared in the context of a public offering of Equity Shares (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Code monétaire et financier and Articles 211-1 et seq. of the General Regulations (Règlement Général) of the Autorité des Marchés Financiers (the "**AMF**").

Neither this Preliminary Placement Document nor any other offering material relating to the Equity Shares described in this Preliminary Placement Document has been submitted to the clearance procedures of the AMF or of the competent authority of another member state of the European Economic Area and notified to the AMF. The Equity Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this Preliminary Placement Document nor any other offering material relating to the Equity Shares has been or will be:

- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the Equity Shares to the public in France.

Such offers, sales and distributions will be made in France only:

- to qualified investors (investisseurs qualifiés) and/or to a restricted circle of investors (cercle restreint d'investisseurs), in each case investing for their own account, all as defined in, and in accordance with, articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, and D. 411-4, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation;
- to investment services providers authorized to engage in portfolio management on behalf of third parties, as defined in and in accordance with Articles L.411-2-II-1 and D.321-1 of the French Monetary and Financial Code and any implementing regulation; or
- in a transaction that, in accordance with article L.411-2-I of the French Monetary and Financial Code and article 211-2 of the General Regulations of the AMF, does not constitute a public offering of securities.

The Equity Shares may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Monetary and Financial Code.

Hong Kong

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the

"**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Jordan

The Equity Shares have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the Hashemite Kingdom of Jordan in a manner that would constitute a public offering. This Preliminary Placement Document has not been and will not be reviewed or approved by, or registered with, the Jordan Securities Commission in accordance with its regulations and any other regulations in the Hashemite Kingdom of Jordan. The Equity Shares are not and will not be traded on the Amman Stock Exchange.

Each Book Running Lead Manager has represented and agreed that the Equity Shares have not been and will not be offered, sold or promoted or advertised by it in Jordan other than in compliance with the Securities Law No. (76) of 2002, as amended, the Law Regulating Dealings in Foreign Exchange No. (50) of 2008, and regulations issued pursuant to them governing the issue of offering and sale of securities. Without limiting the foregoing, each Book Running Lead Manager has represented and agreed that the Equity Shares have not been and will not, in any manner, be offered, sold, promoted or advertised to more than thirty (30) persons in Jordan, without complying with the required approval and notification requirements set-out under the above-referenced laws and the regulations issued pursuant to them.

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Kuwait

This document is not for circulation in Kuwait and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in Kuwait. The Equity Shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority, the Ministry of Commerce and Industry or the Central Bank of Kuwait or any other relevant Kuwaiti government agency. The offering of the Equity Shares in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 31 of 1990 and the implementing regulations thereto (as amended), Ministerial Order No. 113 of 1992 and Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Equity Shares is being made in Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been or will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity

Shares and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The Equity Shares may not be offered, distributed or sold, directly or indirectly, in Mauritius or to any resident of Mauritius, except as permitted by applicable Mauritius law, including but not limited to the Mauritius Securities Act. No offer or distribution of securities will be made to the public in Mauritius.

New Zealand

No action has been or will be taken by the Book Running Lead Managers which would permit a public offering of any of the Equity Shares, or possession or distribution of any offering material in relation to the Equity Shares to the public in New Zealand other than pursuant to the exemptions set out below. Each Book Running Lead Manager represents and agrees, that:

(i). it has not offered, sold or delivered and will not directly or indirectly offer, sell or deliver any of the Equity Shares; and

(ii). it will not distribute any Preliminary Placement Document or advertisement in relation to any offer of the Equity Shares;

in New Zealand other than:

- to persons who are each required to pay a minimum subscription price for the Equity Shares of at least NZ$500,000 (disregarding any amount lent by the offeror, the Company or the Selling Shareholders or any associated person of the offeror or the Company or the Selling Shareholders); or
- in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand.

Each Book Running Lead Manager will be deemed to represent and agree that it has not offered or sold, and will not offer or sell, any of the Equity Shares to persons whom it believes to be persons to whom any amounts payable on the Equity Shares are or would be subject to New Zealand resident withholding tax, unless such persons certify that they hold a valid certificate of exemption for New Zealand resident withholding tax purposes and provide a New Zealand tax file number to such Lead Manager (in which event the Lead Manager shall provide details thereof to the Company).

Sultanate of Oman

This document does not constitute a public offer of securities in the Sultanate of Oman, as contemplated by the Commercial Companies Law of Oman (Royal Decree No. 4/1974) or the Capital Market Law of Oman (Royal Decree No. 80/1998) and Ministerial Decision No.1/2009 or an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman.

This document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this document is not intended to lead to the making of any contract within the territory or under the laws of the Sultanate of Oman.
The Capital Market Authority and the Central Bank of Oman take no responsibility for the accuracy of the statements and information contained in this document or for the performance of the Company or the Equity Shares nor shall they have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Qatar (excluding the Qatar Financial Centre)

This document and the offering of the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar. Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Equity Shares and distribution of this document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

This document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "**QFC**"), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. The Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

This document may not be distributed in the Kingdom of Saudi Arabia, except to such persons as are permitted under the Offers of Securities Regulations issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated 18 August 2008 (the "**Offers of Securities Regulations**").

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

The Equity Shares must not be advertised, offered or sold and no memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in the Kingdom of Saudi Arabia other than to Sophisticated Investors within the meaning of Article 10 of the Offers of Securities Regulations.

The offer of the Equity Shares in the Kingdom of Saudi Arabia shall not, therefore, constitute a "public offer" pursuant to the Offers of Securities Regulations. Prospective investors are informed that Article 17 of the Offers of Securities Regulations places restrictions on secondary market activity with respect to the Equity Shares. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the above stated restrictions shall not be recognized.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the Securities and Futures Act, (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Equity Shares are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

(i). a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
(ii). a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor:

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the Securities and Futures Act except:

- to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the Securities and Futures Act; or

as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

South Africa

This Preliminary Placement Document will not be registered as a prospectus in terms of the Companies Act 1973 in South Africa and as such, any offer of Equity Shares in South Africa may only be made if it shall not be capable of being construed as an offer to the public as envisaged by section 144 of such Act. Furthermore, any offer or sale of the Equity Shares shall be subject to compliance with South African exchange control regulations.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Manual or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or the Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Equity Shares or the Issue or us have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"), and the Issue has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Equity Shares.

The Equity Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the Equity Shares, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Equity Shares in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan ("FSC") pursuant to applicable securities laws and regulations and may not be sold, issued or offered in the Republic of China (Taiwan) through a public offering or private placement or in circumstances which constitute a public offer or private placement within the meaning of the Securities and Exchange Law, the Securities Investment Trust and Consulting Act or Regulations Governing Offshore Funds of Taiwan that requires a registration with or the approval of the FSC. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the "**UAE**") or any other authority in any of the free zones established and operating in the UAE. The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of such securities.

Dubai International Financial Centre

The Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

(i). an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**"); and

(ii). made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA rulebook.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the Financial Conduct Authority, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

(i). to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(ii). to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or

(iii). in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation.

provided that no such offer of the Equity Shares shall require the Company or any Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Each Book Running Lead Manager, severally and not jointly, has represented and warranted that:

(i). it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) in connection with the offer or sale of the Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(ii). it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

Any investment or investment activity to which this document relates is directed only at, available only to, and will be engaged in only with (i) persons who are outside the United Kingdom (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or (iii) or persons to whom it can otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this document and should not act or rely on it or any of its contents.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Please see the section entitled "***Transfer Restrictions***" on page 183.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "***Selling Restrictions***" on page 173.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Until the expiry of 40 days after the commencement of the Issue, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

Our Company is not and will not be registered under the U.S. Investment Company Act, and investors will not be entitled to the benefits afforded to investors under the U.S. Investment Company Act.

The Equity Shares are only being offered and sold:

(i) in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both U.S. QIBs and QPs, in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and in reliance on Section 3(c)(7) of the U.S. Investment Company Act; and

(ii) outside the United States to investors that are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur,

and, in each case, who are deemed to have made the representations set forth immediately below.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to the Issue within the United States, by its acceptance of this Preliminary Placement Document and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company and the Book Running Lead Managers that it has received a copy of this Preliminary Placement Document and such other information as it deems necessary to make an informed investment decision and that:

(i) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to the Issue in compliance with all applicable laws and regulations;

(ii) the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(iii) the purchaser (i) is a U.S. QIB and a QP, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, (iii) was not formed for the purpose of investing in the Equity Shares and (iv) is acquiring such Equity Shares for its own account or for the account of one or more persons, each of which is both a U.S. QIB and a QP, with respect to which it exercises sole investment discretion; the purchaser, and each account for which it is purchasing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least US$250,000 or its equivalent in another currency;

(iv) the purchaser acknowledges that the Company has not registered, and does not intend to register, as an "investment company" (as such term is defined under the U.S. Investment Company Act) and that the Company has imposed the transfer and offering restrictions with respect to persons in the United States and U.S. Persons described herein so that the Company will qualify for the exception provided under Section 3(c)(7) of the U.S. Investment Company Act and will have no obligation to register as an investment company. The purchaser, and each person for which it is acting, also understands and agrees that the Company and the Book Running Lead Managers shall have the right to request and receive such additional documents, certifications, representations and undertakings, from time to time, as they may deem necessary in order to comply with applicable legal requirements;

(v) the purchaser is not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of issuers unaffiliated with such broker-dealer;

(vi) the purchaser understands that, subject to certain exceptions, to be a QP, entities must have US$25 million in "investments" (as defined in Rule 2a51-1 of the U.S. Investment Company Act);

(vii) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(viii) the purchaser is not a participant-directed employee plan, such as 401(k) plan, or a trust holding the assets of such plan, unless the investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan;

(ix) the purchaser is not managed as a device for facilitating individual investment decisions of beneficial owners, but rather is managed as a collective investment vehicle;

(x) the purchaser, and each account for which it is purchasing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least US$250,000 or its equivalent in another currency;

(xi) it, and each person for which it is acting, was not formed, reformed or recapitalized for the purpose of investing in the Equity Shares and/or securities of the Company;

(xii) if the purchaser, or any person for which it is acting, is an investment company excepted from the U.S. Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. Persons) and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a QP in the manner required by Section 2(a)(51)(C) of the U.S. Investment Company Act and the rules promulgated thereunder;

(xiii) the purchaser, and each person for which it is acting, is not a partnership, common trust fund, or corporation, special trust, pension fund or retirement plan, or other entity in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, may designate the particular investments to be made, or the allocation thereof, unless all partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are both U.S. QIBs and QPs;

(xiv) the purchaser, and each person for which it is acting, has not invested more than 40.0% of its assets in the Equity Shares (or beneficial interests therein) and/or other securities of the Company after giving effect to the purchase of the Equity Shares (or beneficial interests therein) (unless all of the beneficial owners of such entity's securities are both U.S. QIBs and QPs);

(xv) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the Bombay Stock Exchange or the National Stock Exchange). The Purchaser agrees not to effect any sale, pledge or other transfer of any Equity Shares in a transaction unless the purchaser first executes a US Resale Letter in the form of Annexure A to this Preliminary Placement Document and delivers such letter to the Company prior to the settlement, if any, of the sale, pledge or other transfer of the Equity Shares that is not consummated on BSE or NSE. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

(xvi) it is not subscribing to, or purchasing, the Equity Shares with a view to, or for the offer or sale in connection with, any distribution thereof (within the meaning of the U.S. Securities Act) that would be in violation of the securities laws of the United States or any state thereof;

(xvii) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

(xviii) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(xix) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares or any "general solicitation" or "general advertising" (as defined in Regulation D under the U.S. Securities Act) in the United States in connection with any offer or sale of the Equity Shares;

(xx) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940 (THE "U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, AND OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT. THIS SECURITY IS NOT TRANSFERRABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER";

(xxi) the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold and agrees not to act as a swap counterparty or other type of intermediary whereby any other party will acquire an economic interest or beneficial interest in the Equity Shares acquired or reoffer, resell, pledge or otherwise transfer the Equity Shares or any beneficial interest therein, to any person except to a person that meets all of the requirements above and who agrees not to subsequently transfer the Equity Shares or any beneficial interest therein except in accordance with these transfer restrictions;

(xxii) the purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Equity Shares shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing;

(xxiii) the purchaser understands and acknowledges that our Company may be considered a "covered fund" for the purposes of the Volcker Rule. The definition of "covered fund" in the Volcker Rule includes (generally) any entity that would be an investment company under the U.S. Investment Company Act, but for the exceptions provided under Section 3(c)(1) or 3(c)(7) thereunder. Because our Company relies on Section 3(c)(7) of the U.S. Investment Company Act for its exclusion from registration thereunder, it may be considered a "covered fund". Accordingly, "banking entities" that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption. Each purchaser must make its own determination as to whether it is a banking entity subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares;

(xxiv) the purchaser is knowledgeable, sophisticated and experienced in business and financial matters, fully understands the limitations on ownership and transfer and the restrictions on sales of the Equity Shares and is aware that there are substantial risks incidental to the purchase of the Equity Shares and is able to bear the economic risk of such purchase; and

(xxv) the purchaser acknowledges that the Company, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in the Issue

Each purchaser that is a non-U.S. Person and acquiring the Equity Shares offered pursuant to the Issue outside the United States, by a declaration included in the Application Form and its acceptance of this Preliminary Placement Document and of the Equity Shares offered pursuant to the Issue, will be deemed to have acknowledged, represented to and agreed with the Company and the Book Running Lead Managers that it has received a copy of this Preliminary Placement Document and such other information as it deems necessary to make an informed investment decision and that:

(i) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to the Issue in compliance with all applicable laws and regulations;

(ii) the purchaser acknowledges that the Equity Shares offered pursuant to the Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(iii) the purchaser is purchasing the Equity Shares offered pursuant to the Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

(iv) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to the Issue is a non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be a non-U.S. Person and located outside the United States and has not purchased such Equity Shares for the account or benefit of any U.S. Person or any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any U.S. Person or any person in the United States;

(v) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(vi) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only outside the United States in an offshore transaction complying with Rule 903 or 904 of Regulation S under the U.S. Securities Act to a person not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the Bombay Stock Exchange or the National Stock Exchange). The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them, and confirms that the proposed transfer of Equity Shares is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act or the U.S. Investment Company Act;

(vii) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

(viii) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable laws, will bear a legend substantially to the following effect:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT.

THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER."

(ix) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions;

(x) the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable of any transfer restrictions that are applicable to the Equity Shares being sold;

(xi) the purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing;

(xii) the purchaser understands and acknowledges that our Company may be considered a "covered fund" for the purpose of the Volcker Rule. The definition of "covered fund" in the Volcker Rule includes (generally) any entity that would be an investment company under the U.S. Investment Company Act, but for the exceptions provided under Section 3(c)(1) or 3(c)(7) thereunder. Because our Company relies on Section 3(c)(7) of the U.S. Investment Company Act for its exclusion from registration thereunder, it may be considered to be a covered fund. Accordingly, "banking entities" that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption. Each purchaser must make its own determination as to whether it is a "banking entity" subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares; and

(xiii) the purchaser acknowledges that the Company, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company and the Book Running Lead Managers, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion describes certain U.S. federal income tax consequences to U.S. Holders (as defined below) of an investment in the Equity Shares. This summary applies only to U.S. Holders that acquire Equity Shares in exchange for cash in the Offer, hold Equity Shares as capital assets within the meaning of Section 1221 of the Code (as defined below) and have the U.S. dollar as their functional currency.

This discussion is based on the tax laws of the United States as in effect on the date of this Preliminary Placement Document, including the Internal Revenue Code of 1986, as amended (the "**Code**"), and U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this Preliminary Placement Document, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, and any such change could apply retroactively and could affect the U.S. federal income tax consequences described below. The statements in this Preliminary Placement Document are not binding on the U.S. Internal Revenue Service (the "**IRS**") or any court, and thus we can provide no assurance that the U.S. federal income tax consequences discussed below will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. Furthermore, this summary does not address any estate or gift tax consequences, any state, local or non-U.S. tax consequences or any other tax consequences other than U.S. federal income tax consequences.

The following discussion does not describe all the tax consequences that may be relevant to any particular investor or to persons in special tax situations such as:

- banks and certain other financial institutions;
- regulated investment companies;
- real estate investment trusts;
- insurance companies;
- broker-dealers;
- traders that elect to mark to market;
- tax-exempt entities;
- persons liable for alternative minimum tax or the Medicare contribution tax on net investment income;
- U.S. expatriates;
- persons holding Equity Shares as part of a straddle, hedging, constructive sale, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of the Company's stock by vote or value;
- persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States;
- persons who acquired Equity Shares pursuant to the exercise of any employee share option or otherwise as compensation; or
- persons holding Equity Shares through partnerships or other pass-through entities.

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF EQUITY SHARES.

As used herein, the term "U.S. Holder" means a beneficial owner of Equity Shares that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Equity Shares generally will depend on such partner's status and the activities of the partnership. A U.S. Holder that is a partner in such partnership should consult its tax advisor.

Dividends and Other Distributions on Equity Shares

Subject to the passive foreign investment company considerations discussed below, the gross amount of distributions made by the Company with respect to Equity Shares (including the amount of any non-U.S. taxes withheld therefrom, if any) generally will be includible as dividend income in a U.S. Holder's gross income in the year received, to the extent such distributions are paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, a U.S. Holder should expect all cash distributions will be reported as dividends for U.S. federal income tax purposes. Such dividends will not be eligible for the dividends- received deduction allowed to U.S. corporations with respect to dividends received from other U.S. corporations. Dividends received by non-corporate U.S. Holders may be "qualified dividend income," which is taxed at the lower applicable capital gains rate, provided that (1) the Company is eligible for the benefits of the tax treaty between the United States and India (the "**Treaty**"), (2) the Company is not a passive foreign investment company (as discussed below) for either the taxable year in which the dividend was paid or the preceding taxable year, (3) the U.S. Holder satisfies certain holding period requirements and (4) the U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. U.S. Holders should consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to Equity Shares.

The amount of any distribution paid in foreign currency will be equal to the U.S. dollar value of such currency, translated at the spot rate of exchange on the date such distribution is received, regardless of whether the payment is in fact converted into U.S. dollars at that time.

Dividends on the Equity Shares generally will constitute foreign source income for foreign tax credit limitation purposes. Subject to certain complex conditions and limitations, Indian taxes withheld on any distributions on the Equity Shares may be eligible for credit against a U.S. Holder's federal income tax liability. If a refund of the tax withheld is available under the laws of India or under the Treaty, the amount of tax withheld that is refundable will not be eligible for such credit against a U.S. Holder's U.S. federal income tax liability (and will not be eligible for the deduction against U.S. federal taxable income). If the dividends constitute qualified dividend income as discussed above, the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will generally be limited to the gross amount of the dividend, multiplied by the reduced rate applicable to the qualified dividend income, divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by the Company with respect to Equity Shares will generally constitute "passive category income." A U.S. Holder may not be able to claim a U.S. foreign tax credit for any dividend distribution tax payable by the Company. The rules relating to the determination of the U.S. foreign tax credit are complex, and U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit in their particular circumstances and the possibility of claiming an itemized deduction (in lieu of the foreign tax credit) for any foreign taxes paid or withheld.

Sale or Other Taxable Disposition of Equity Shares

Subject to the passive foreign investment company considerations discussed below, upon a sale or other taxable disposition of Equity Shares, a U.S. Holder will recognize capital gain or loss in an amount equal to the difference between the amount realized and the U.S. Holder's adjusted tax basis in such Equity Shares. Any such gain or loss generally will be treated as long-term capital gain or loss if the U.S. Holder's holding period in the Equity Shares exceeds one year. Non-corporate U.S. Holders (including individuals) generally will be subject to U.S. federal income tax on long-term capital gain at preferential rates. The deductibility of capital losses is subject to significant limitations.

Gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of Equity Shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes. As a result, the use of U.S. foreign tax credits relating to any Indian income tax imposed upon gains in respect of Equity Shares may be limited. U.S. Holders should consult their tax advisors regarding the tax consequences if Indian taxes are imposed on a taxable disposition of Equity Shares and their ability to credit any Indian tax against their U.S. federal income tax liability.

If the consideration received upon the sale or other disposition of Equity Shares is paid in foreign currency, the amount realized will be the U.S. dollar value of the payment received, translated at the spot rate of exchange on the date of taxable disposition. The Company expects the Equity Shares will be listed on the National Stock Exchange of India Limited and BSE Limited. If the Equity Shares are treated as traded on an established securities market for U.S. federal income tax purposes and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), such holder will determine the U.S. dollar value of the amount realized in foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. An accrual basis taxpayer that does not make the special election will recognize exchange gain or loss to the extent attributable to the difference between the exchange rates on the sale date and the settlement date, and such exchange gain or loss generally will constitute U.S.-source ordinary income or loss.

A U.S. Holder's initial tax basis in Equity Shares generally will equal the cost of such Equity Shares. If a U.S. Holder used foreign currency to purchase the Equity Shares, the cost of the Equity Shares will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, translated at the spot rate of exchange on that date. If the Equity Shares are treated as traded on an established securities market for U.S. federal income tax purposes and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, the U.S. Holder will determine the U.S. dollar value of the cost of such Equity Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Passive Foreign Investment Company Considerations

The Company will be classified as a PFIC for any taxable year if either: (a) at least 75% of its gross income is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of its assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. For this purpose, passive income includes interest, dividends and other investment income, with certain exceptions. The PFIC rules also contain a look-through rule whereby the Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

Under the PFIC rules, if the Company were considered a PFIC at any time that a U.S. Holder holds the Equity Shares, the Company would continue to be treated as a PFIC with respect to such investment unless (i) the Company ceased to be a PFIC and (ii) the U.S. Holder made a "deemed sale" election under the PFIC rules.

Based on the current and anticipated composition of the income, assets (including goodwill) and operations of the Company and the trading price of the Equity Shares, the Company does not expect to be treated as a PFIC for the current taxable year or in the foreseeable future. However, our PFIC status depends, in large part, on the expected value of our goodwill, which could fluctuate significantly. Whether the Company is treated as a PFIC is a factual determination that is made on an annual basis after the close of each taxable year. This determination will depend on, among other things, the ownership and the composition of the income and assets, as well as the value of the assets (which may fluctuate with our market capitalization), of the Company and its subsidiaries from time to time. Moreover, the application of the PFIC rules is unclear in certain respects. The IRS or a court may disagree with our determinations, including the manner in which we determine the value of our assets and the percentage of our assets that are passive assets under the PFIC rules. Therefore there can be no assurance that the Company will not be classified as a PFIC for the current taxable year or for any future taxable year.

If the Company is considered a PFIC at any time that a U.S. Holder holds Equity Shares, any gain recognized by the U.S. Holder on a sale or other disposition of the Equity Shares, as well as the amount of any "excess distribution" (defined below) received by the U.S. Holder, would be allocated ratably over the U.S. Holder's holding period for the Equity Shares. The amounts allocated to the taxable year of the sale or other disposition (or the taxable year of receipt, in the case of an excess distribution) and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed. For the purposes of these rules, an excess distribution is the amount by which any distribution received by a U.S. Holder on Equity Shares exceeds 125% of the average of the annual distributions on the Equity Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the Equity Shares if the Company is considered a PFIC.

If the Company is considered a PFIC, a U.S. Holder will also be subject to annual information reporting requirements. U.S. Holders should consult their tax advisors about the potential application of the PFIC rules to an investment in Equity Shares.

Information Reporting and Backup Withholding

Dividend payments with respect to Equity Shares and proceeds from the sale, exchange or redemption of Equity Shares may be subject to information reporting to the IRS and U.S. backup withholding. A U.S. Holder may be eligible for an exemption from backup withholding if the U.S. Holder furnishes a correct taxpayer identification number and makes any other required certification or is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status may be required to provide such certification on IRS Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability, and such U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing an appropriate claim for refund with the IRS and furnishing any required information.

Additional Information Reporting Requirements

Certain U.S. Holders who are individuals (and certain entities) that hold an interest in "specified foreign financial assets" (which may include the Equity Shares) are required to report information relating to such assets, subject to certain exceptions (including an exception for Equity Shares held in accounts maintained by certain financial institutions). Penalties can apply if U.S. Holders fail to satisfy such reporting requirements. U.S. Holders should consult their tax advisors regarding the applicability of these requirements to their acquisition and ownership of Equity Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO YOU. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN EQUITY SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("**SCR (SECC) Regulations**"), which regulate, among others, the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, FPIs, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognized as a stock exchange under the SCRA in April 1993.

Listing and Delisting of Securities

The listing of securities on a recognized Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various circulars, orders and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognized stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier. If any of these circuit breaker thresholds are reached, trading in all equity and equity derivatives markets nationwide is halted. The markets are required to re-open, after a circuit breaker threshold is hit, with a pre-open call auction session. The timing of the halt and the pre-open call auction session varies depending on the time of day and the circuit breaker breached.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Hours

Trading on both, NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognized stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with the BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/ price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. In light of the COVID-19 pandemic, SEBI amended the SEBI Takeover Regulations on June 16, 2020 to increase the threshold for creeping acquisitions from 5% to 10% for Fiscal 2021 in respect of acquisition by a promoter pursuant to preferential issue of equity shares by the target company.

Prohibition of SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015. The SEBI Insider Trading Regulations prohibit and penalize insider trading in India and impose certain restrictions on the communication of information by listed companies. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**"), subject to certain limited exceptions. Further, the SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish a code of practices and procedures for fair disclosure of UPSI and a code of conduct to regulate, monitor and report trading by designated persons and immediate relatives of designated persons. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by designated persons and immediate relatives of designated persons.

The SEBI Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company. On July 17, 2020, SEBI amended the SEBI (Prohibition of Insider Trading) Regulations, 2015 to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details persons with whom information is shared shall be maintained.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA.

Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set out below is certain information relating to the share capital of our Company, including a brief summary of certain provisions of our Company's Memorandum and Articles of Association and the Companies Act, 2013 and certain related legislations of India, all as currently in effect. Prospective investors are urged to read the Memorandum and the Articles of Association carefully, and consult with their advisers, as the Memorandum and the Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company as of the date of this Preliminary Placement Document is ₹994,425,584, divided into 99,442,460 equity shares of face value of ₹10 each and three 0.01% Cumulative Preference Shares of face value of ₹328 each. Our issued, subscribed and paid-up equity share capital as of the date of this Preliminary Placement Document is ₹291,215,160 divided into 29,121,516 Equity Shares of ₹10 each.

Dividends

Under the Companies Act, 2013, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders at the annual general meeting of the shareholders. Unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal except, among other things, out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal arrived at in terms of the provisions of the Companies Act, 2013. Further, under the Companies Act, 2013, a company is not permitted to declare any dividends unless carried over previous losses and depreciation not provided in previous year or years are set off against the profit of the company for the current year.

The Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014 provides that if the profit for a year is inadequate or nil, the dividend for that year may be declared out of the accumulated profits earned in previous years and transferred to reserves, subject to the following conditions: (i) the rate of dividend to be declared shall not exceed the average of the rates at which dividend was declared by a company in the three years immediately preceding that year; (ii) the total amount to be drawn from such accumulated profits from previous years shall not exceed one-tenth of the sum of the paid-up share capital and free reserves as appearing in the latest audited financial statements; (iii) the amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared; and (iv) the balance of reserves after withdrawal must not be below 15% of paid-up share capital as appearing in the latest audited financial statements. In accordance with the SEBI Listing Regulations, dividend declared by a company has to be on a per share basis only.

According to the Articles of Association, the Shareholders of our Company may declare dividends in a general meeting to be paid to the Shareholders, which shall not exceed the amount of the dividend recommended by the Board. Subject to the provisions of Section 123 of the Companies Act, the Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of our Company. The Board may, before recommending any dividend, set aside out of the profits of our Company, such sums as it thinks fit for reserve or reserves which shall, at the discretion of the Board be applicable for any purpose to which the profits of our Company may be properly applied, including provision for meeting contingencies or for equalizing dividends, and pending such action, such amounts may either be employed in the business of our Company or be invested in such investment (other than shares of our Company) as the Board deems fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Subject to the rights of persons, if any, who are entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited, as paid on the Equity Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Equity Shares in our Company, dividends may be declared and paid according to the amounts of the Equity Shares. No amount paid or credited as paid on an Equity Share in advance of calls shall be treated as paid on the Equity Share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited, as paid on the Equity Shares during any portion or portions of the period in respect of which the dividend is paid. But, if any Equity Share is issued on terms providing that it shall rank for dividend, as from a particular date, such Equity Share shall rank for dividend accordingly. The Board may deduct from any dividend payable to any Shareholder all sums of money, if any, presently payable by him to our Company on account of calls or otherwise in relation to the Equity Shares. No dividend shall bear interest against our Company.

Under the Companies Act, 2013, dividends must be paid within 30 days from the date of its declaration. Where our Company has declared dividend but which has not been paid or claimed within 30 days from the date of declaration, our Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of the unpaid or unclaimed dividend to the unpaid dividend account. All Equity Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by our Company in the name of Investor Education and Protection Fund, established by the Central Government. No unpaid or unclaimed dividend shall be forfeited by the Board.

Issue of Bonus Shares and Capitalization of Reserves

In addition to permitting dividends to be paid out of current or retained earnings, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account, to its shareholders, in the form of fully paid-up bonus shares, which are similar to a stock dividend. Bonus shares are distributed to shareholders in the proportion of the number of ordinary shares owned by them as recommended by the board of directors. The shareholders on record on a fixed record date are entitled to receive such bonus shares. Any issue of bonus shares is subject to regulations issued by SEBI. The relevant provisions of the SEBI ICDR Regulations prescribe that no company shall, pending conversion of outstanding convertible securities, fully or partly convertible debt instruments, issue any shares by way of bonus unless similar benefit is extended to the holders of such convertible securities, through reservation of shares in proportion to such conversion. Further, as per the Companies Act, 2013, bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/ interest payments on fixed deposits or debt securities issued by it. The bonus issue must be made out of free reserves built out of profits or share premium account collected in cash only and not from reserves created by revaluation of fixed assets. Further, bonus shares cannot be issued in lieu of dividend.

Pre-Emptive Rights and Alteration of Share Capital

Under Section 62(1)(a) of the Companies Act, 2013, the shareholders have the pre-emptive right to subscribe for new shares in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any person, and the notice shall contain a statement of this right. The board of directors is authorized to distribute any new shares not purchased by the pre-emptive rights holders in a manner which is not disadvantageous to the shareholders and the company.

Under Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the compliance with applicable provisions of chapter III of the Companies Act, 2013 and such conditions as may be prescribed, if a special resolution to that effect is passed by a company’s shareholders in a general meeting.

The Articles of Association provide that our Company may, from time to time, by ordinary resolution, subject to the Companies Act:

- consolidate and divide, all or any of its share capital into shares of larger amount than the existing shares;
- convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or

- cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of the relevant article under the Articles of Association shall not be deemed to be a reduction of share capital within the meaning of the Companies Act.

Preference Shares

Subject to Section 55 of the Companies Act, 2013, any new shares may be issued as preference shares which are liable to be redeemed within a period not exceeding 20 years from the date of their issue, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption subject to the conditions provided in the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014.

The Articles of Association, subject to the provisions of the Companies Act, provide that our Company shall have the power to issue preference shares on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution determine.

General Meetings of Shareholders

There are two types of general meetings of the Shareholders:

(i) Annual General Meeting, and
(ii) Extraordinary General Meeting.

As per the provisions of the Articles of Association, all general meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings.

In accordance with Section 96 of the Companies Act, 2013, a company must hold its annual general meeting within six months after the expiry of each fiscal provided that not more than 15 months shall elapse between the annual general meeting and the next one, unless extended by the Registrar of Companies at its request for any special reason for a period not exceeding three months. Our Company shall, in addition to any other meetings, hold a general meeting which shall be styled as an Annual General Meeting at intervals and in accordance with the following provisions: (a) our Company shall hold an Annual General Meeting within six months after the expiry of each Financial Year subject however to the power of the Registrar to extend the time within which such a meeting can be held for a period not exceeding six months and (subject thereto) not more than 15 months shall elapse from the date of one Annual General Meeting and that of the next; and (b) every Annual General Meeting shall be called for at a time during business hours on a day that is not a national holiday and shall be held either at the Registered Office of our Company or at some other place within New Delhi and the notice calling such meeting shall specify it as the Annual General Meeting.

The Board may, whenever it thinks fit, call an Extraordinary General Meeting. Further, the Board may call an Extraordinary General Meeting on requisition in compliance with the provisions of the Companies Act, 2013.

Whenever our Company proposes to undertake any action that statutorily requires the approval of the Shareholders of our Company, our Company shall call for an Extraordinary General Meeting by serving at least 21 days' written notice to all Shareholders, with an explanatory statement containing all relevant information relating to the agenda for the Extraordinary General Meeting. Unless waived in writing by all the Shareholders, any item not specifically included in the agenda of a Shareholders' meeting shall not be considered or voted upon at that meeting of the Shareholders (including at any adjournments thereof).

In accordance with Section 110 of the Companies Act, a company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot. However, such matters can also be transacted in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal ballot includes voting by electronic mode.

In view of the prevailing lock down enforced across India, due to the outbreak of COVID-19 pandemic and the restrictions imposed on gathering of people through social distancing norms, the MCA, by way of its, General Circular No. 14/ 2020 dated 8 April 2020, General Circular No. 17/2020 dated 13 April 2020 and General Circular No. 20/2020 dated 5 May 2020, Circular No. 33/2020 dated September 28, 2020 and Circular No. 39/2020 dated December 31, 2020, has permitted companies to hold annual general meetings through video conferencing or other audio visual means, until June 30, 2021.

Voting Rights

Subject to the provisions of the Companies Act, 2013 and the Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company.

On a show of hands, every member holding Equity Shares and present in person shall have one vote. On a poll, every member holding Equity Shares in our Company shall have voting rights in proportion to his share of the paid-up equity share capital. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy.

Any business other than upon which a poll has been demanded may be proceeded with, pending the taking the poll. No Shareholder shall be entitled to vote, either personally or by proxy, at any general meeting unless all calls or other sums presently payable by him in respect of the shares in the Company have been paid. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected is given or tendered, and every vote not disallowed at such meeting and whether given personally or by proxy or otherwise shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the Registered Office of our Company at least 48 hours before the time of holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than 24 hours before the time appointed for taking the poll and in default, the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by our Company at the Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Transfer and Transmission of Equity Shares

Equity shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the depository participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold).

Except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

Under Section 58 of the Companies Act, 2013, if a public company without sufficient cause refuses to register a transfer of shares within 30 days from the date on which the instrument or intimation of transfer is delivered to the company, the transferee may, within a period of 60 days of such refusal or where no intimation has been received from the company, within 90 days of the delivery of the instrument of transfer, appeal to the National Company Law Tribunal seeking to register the transfer of shares.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, our Company is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Companies Act, 2013 provides that the shares or debentures of a publicly listed company shall be freely transferable. However, our Board of Directors may, under the Articles of Association, subject to Section 58 of the Companies Act, 2013 and the SCRA, at any time in its absolute discretion decline to register transfer of shares. Notice of such refusal must be sent to the transferee within two months of the date on which the transfer was lodged with our Company.

On giving not less than seven days' previous notice in accordance with Section 91 of the Companies Act, 2013, the registration of transfers may be suspended at such times and for such periods as the board of directors may determine from time to time. Provided that such registration shall not be suspended for more than 30 days at any time or for more than 45 days in the aggregate in any year.

According to the Articles of Association, on the death of a Shareholder, the survivor or survivors where the Shareholder was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by our Company as having any title to his interest in the Equity Shares, however the above stated shall not release the estate of a deceased joint holder from any liability in respect of any Equity Share which had been jointly held by him with other persons.

Any person becoming entitled to Equity Shares in consequence of the death or insolvency of a Shareholder may, upon such evidence being produced as may from time to time properly be required by the Board, elect either: (a) to be registered himself as holder of the Equity Share(s); or (b) to make such transfer of the Equity Share(s) as the deceased or insolvent shareholder could have made. The Board shall, in either case, have the same right to decline or suspend registration as it would have had if the deceased or insolvent shareholder had transferred the Equity Share(s) before his death or insolvency. If the person so becoming entitled shall elect to be registered as holder of the Equity Shares, such person shall deliver or send to our Company a notice in writing signed by him stating that he so elects. If the person so becoming entitled shall elect to transfer the Equity Share(s), he shall testify his election by executing an instrument of transfer in accordance with the provisions of the Articles of Association relating to transfer of Equity Shares.

Any person becoming entitled to Equity Shares by reason of the death or insolvency of the Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Equity Share(s), except that he shall not, before being registered as a Shareholder in respect of the Equity Shares, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of our Company, provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Equity Shares, and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Share(s), until the requirements of the notice have been complied with.

Acquisition by our Company of its own Equity Shares

Sections 68, 69 and 70 of the Companies Act, 2013 read with Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014 relate to the power of a company to purchase its own shares or other specified securities out of its free reserves, or the securities premium account or the proceeds of the issue of any shares or other specified securities (other than from the proceeds of an earlier issue of the same kind of shares or other specified securities proposed to be bought back) subject to certain conditions, including:

- the buy-back has been authorized by the articles of association of the company;
- a special resolution has been passed in a general meeting of the company authorizing the buy-back. Under the Companies (Management and Administration) Rules, 2014, such resolution authorizing buy-back has to be passed through a postal ballot;;
- the buy-back is for less than 25% of the total paid-up capital and free reserves of the company, provided that the buy-back of equity shares in any Financial Year shall not exceed 25% of its total paid-up equity capital in that Financial Year;
- the ratio of the aggregate of secured and unsecured debts owed by the company after buy-back is not more than twice the paid-up capital and its free reserves;
- all the shares or other specified securities for buy-back are fully paid-up; and

- the buy-back is in accordance with the regulations made by SEBI in this behalf.

The requirement of special resolution mentioned above would not be applicable if the buy-back is for less than 10% of the total paid-up equity capital and free reserves of the company and provided that such buy-back has been authorized by the board of directors of the company. A company buying back its securities is required to extinguish and physically destroy the securities so bought back within seven days of the last date of completion of the buy-back. Further, a company buying back its securities is not permitted to buy back any securities for a period of one year from the buy-back or to issue the same kind of securities for six months subject to certain exceptions. Every buy-back must be completed within a period of one year from the date of passing of the special resolution or resolution of the board of directors, as the case may be. Under Section 70 of the Companies Act, 2013, a company is also prohibited from purchasing its own shares or other specified securities through any subsidiary company, including its own subsidiary companies, or through any investment company or group of investment companies or if the company is defaulting on the repayment of deposit or interest, redemption of debentures or preference shares or payment of dividend to a shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank, or in the event of non-compliance with certain other provisions of the Companies Act, 2013. Subject to certain conditions, a company is also prohibited from giving, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person for any shares in the company or its holding company.

Winding up and Liquidation Rights

The Company shall be wound up in accordance with the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
IndiaMART InterMESH Limited
6th Floor, Tower 2, Assotech Business Cresterra
Plot No.22, Sector 135
Noida – 201 305
Uttar Pradesh

Date: February 17, 2021

Subject: Statement of possible tax benefits ("the Statement") available to IndiaMART InterMESH Limited ("the Company") and its shareholders prepared in accordance with the requirement under Schedule VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("the ICDR Regulations")

This report is issued in accordance with our agreed and signed Engagement Letter.

We hereby report that the enclosed Annexure prepared by the Company, initialed by us for identification purpose, states the possible tax benefits available to the Company and its shareholders, under direct tax law presently in force in India as on the signing date as applicable to financial year 2020-21. These possible tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company and its shareholders to derive these possible tax benefits is dependent upon their fulfilling of such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover the possible general tax benefits available to the Company and its shareholders in a summarized manner. Further, the preparation of the enclosed Annexure and its contents is the responsibility of the management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed qualified institutions placement of equity shares of the Company (the "**Issue**") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

i) the Company and its shareholders will continue to obtain these possible tax benefits in future; or
ii) the conditions prescribed for availing the possible tax benefits where applicable, have been/would be met with.

The contents of the enclosed Annexure are based on the information, explanation and representations obtained from the Company and its shareholders, and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the tax laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this report and the Statement in the preliminary placement document, placement document and in any other material used in connection with the Issue, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

For M/s AARK & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 016641N/ N500046

Manish Kumar
Partner
Membership Number: 506345

Place of Signature: Gurugram
UDIN: 21506345AAAAAX7476
Date: February 17, 2021

ANNEXURE

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO IndiaMART InterMESH LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE DIRECT TAX LAW

Outlined below are the possible tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 (the "Act") read with Income Tax Rules, 1962, circulars and notifications (together referred to as "Direct Tax Law") applicable as on the signing date as applicable to financial year 2020-2021. These possible tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Direct Tax Law. Hence, the ability of the Company and its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

A. *General tax benefits available to the Company*

a) Section 115BAA of the Act provides that domestic company can opt for a rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified deductions or set–off of brought forward losses comprising of specific deductions in the past and unabsorbed additional depreciation, Provisions of Minimum Alternate Tax (MAT) would not be applicable and earlier year MAT credit will not be available for set-off. The options need to be exercised on or before the due date of filing the Income Tax Return and the same has been opted by the company. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

b) The Company is be entitled to amortize expenditure incurred for the purpose of demerger or amalgamation of an undertaking under Section 35DD of the Act, subject to the limit specified therein.

c) The Company is allowed to carry forward and set off business loss under Section 72 of Act, against the future year profits and gains on business or profession, subject to certain restrictions such as Section 79, Section 115BAA of the Act etc.

d) As per the provisions of Section 112 of the Act, other Long-Term Capital Gains (LTCG) arising to the company are subject to tax at the rate of 20% (plus applicable surcharge and cess). In case of gains arising on long term capital assets referred to in Section 112A, *i.e.*, transfer of specified assets subject to Securities Transaction Tax (STT), the gains are chargeable to tax at 10% (plus applicable surcharge and cess) on income exceeding one lakh rupees.

e) As per the provisions of Section 111A of the Act, Short-Term Capital Gains (STCG) arising to the company from transfer of specified assets subject to STT, the gains are chargeable to tax at 15% (plus applicable surcharge and cess).

f) Certain transfer of capital assets under Section 47 of the Act including transfer of capital asset to subsidiary company, transfer in the scheme of amalgamation/ demerger, etc. shall not be regarded as transfer for the purpose of computing capital gain, subject to certain conditions mentioned therein.

Deductions from Gross total income

a) Deductions **of Inter-corporate dividends:** The Dividend Distribution Tax (DDT) applicable to companies on declaration of dividend has been abolished by the Finance Act, 2020 with effect from April 1, 2020. Dividend income shall be taxable in the hands of shareholders with effect from assessment year 2021-22. However the company shall be liable to withhold taxes at the prevailing rate under Section 194 of the Act on dividend exceeding Rs. 5,000 in a financial year paid by any mode other than cash to resident shareholders, and at applicable rates for dividend paid to non-residents @ 20% plus applicable surcharge and cess. The Finance Act, 2020 has inserted Section 80M in the Act effective April 1, 2020 to eliminate the cascading tax effect in case of inter-corporate dividends by providing a deduction in respect of dividends received by a domestic company from any other domestic company or foreign company or business trust, to the extent such dividend is distributed by it on or before the due date of filing return of income.

b) **Deduction in respect of donations in certain funds, charitable institution etc.:** Donations made by the company towards certain specified funds and charitable institutions as prescribed under Section 80G of the Act shall be eligible for 100%/50% deduction subject to the condition as prescribed.

B. General tax benefits available to the Shareholders

For shareholders who are resident:

a) Under Section 54EC of the Act and subject to the conditions and to the extent specified therein, Long Term Capital Gain (LTCG) arising on the transfer of shares (held for more than 24 months) the Company would be entitled to exemption from tax on LTCG if such capital gain is invested in any of the long-term specified assets (herein the manner prescribed in the said Section) for investment made on or after April 1, 2007 or April 1, 2018 (as the case may be), the exemption would be restricted to the amount which does not exceed Rs. fifty lakhs. Presently, bonds issued by NHAI, REC, PFC and IRFC are eligible for exemption under this Section.

b) Under Section 54F of the Act and subject to the conditions and to the extent specified therein, LTCG arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gains tax subject to other conditions specified thereunder, if the net sales consideration from such shares are used for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

c) As per Section 74 of the Act, short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gain of the said year. Balance loss, if any, could be carried forward for eight years for claiming set off against subsequent year's short- term as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set off against subsequent year's long term capital gains.

d) As per the provisions of Section 112 of the Act, other LTCG arising to the shareholders are subject to tax at the rate of 20% (plus applicable surcharge and cess). In case of gains arising on long term capital assets referred to in Section 112A, *i.e.*, transfer of specified assets subject to STT, the gains are chargeable to tax at 10% (plus applicable surcharge and cess) on income exceeding Rs. one lakh.

e) As per the provisions of Section 111A of the Act, STCG arising to the shareholders from transfer of specified assets subject to STT, the gains are chargeable to tax at 15% (plus applicable surcharge and cess).

f) Transfer of shares by shareholder in the scheme of demerger/ amalgamation under Section 47(vid) and (vii) of the Act shall not be regarded as transfer for the purpose of computing capital gain, subject to certain conditions mentioned therein.

For shareholders who are Foreign Institutional Investors/Portfolio Investors (FII/FPIs):

a) Section 2(14) of the Act defining capital asset, specifically includes any securities held by a Foreign Institutional Investor (FII) which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992.

b) In accordance with and subject to the provisions of Section 115AD of the Act, LTCG on transfer of shares by FIIs/FPIs are taxable at 10% (plus applicable surcharge and cess). In case of LTCG arising on long term capital assets referred to in Section 112A of the Act, *i.e.*, transfer of listed shares subject to securities transaction tax, the gains are chargeable to tax at 10% (plus applicable surcharge and cess) on income exceeding one lakh rupees. The benefit of cost indexation and foreign currency fluctuations is not available to FIIs/FPIs.

c) In accordance with and subject to the provisions of Section 115AD of the Act, STCG on transfer of shares by FIIs/FPIs are taxable at 30% (plus applicable surcharge and cess). However, STCG arising on transfer of listed shares are chargeable to tax at the rate of 15% (plus applicable surcharge and cess) if such transaction is chargeable to STT under Section 111A of the Act.

d) Under Section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gains arising to FIIs/FPIs from the transfer of securities referred in Section 115AD of the Act.

e) The provision of the Agreement for Avoidance of Double Taxation entered by the Government of India with the country of residence of the non-resident shareholder will be applicable to the extent more beneficial to the non-resident investor. Accordingly, taxability of capital gains in India in the hands of FIIs/FPIs shall be governed by the provisions of the relevant tax treaty subject to fulfilment of the conditions provided under the Act or the applicable tax treaty. Under the Act, tax treaty benefit is available subject to conditions which, *inter alia,* include furnishing of the Tax Residency Certificate issued by the government of that country of which the non-resident shareholder may be a resident and a self-declaration in form 10F, if required to be furnished.

f) The Central Board of Direct Taxes (CBDT) has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPIs) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the Act.

For shareholders who are Mutual Funds:

Under Section 10(23D) of the Act, exemption is available in respect of income (including capital gains arising on transfer of shares of the company) of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or such other Mutual fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to the conditions as the Central Government may specify by notification.

Further, as per the provisions of Section 196 of the Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

For shareholders who are Venture Capital Companies/Funds:

In terms of Section 10(23FB) of the Act, income of:

a) Venture Capital company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992; and

b) Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, from investment in a Venture Capital Undertaking, is exempt from income tax. Exemption available under the Act is subject to investment in domestic company whose shares are not listed, and which is engaged in certain 'specified' business/ industry.

For shareholders who are Investment Funds:

a) Under Section 10(23FBA) of the Act, any income except for income under the head "Profits and Gains of Business/ Profession" of Investment Funds, registered as category-I or category-II Alternative Investment Fund under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012 is exempt from income tax, subject to conditions specified therein.

b) As per Section 115UB (1) of the Act, any income accruing/arising/received by a person from his investment in the Investment Fund is taxable in the hands of such person in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly by him.

NOTES:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above Statement covers only certain relevant benefits under Income-tax Act, 1961 read with relevant rules, circulars and notifications and does not cover any indirect tax law benefits or benefit under any other law.

3. The above Statement of tax benefits is as per the current Income-tax Act, 1961 read with relevant rules, circulars and notifications.

4. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant double tax avoidance agreements, if any, between India and the country in which such non-resident is a tax resident of.

6. Our views expressed in this Statement are based on the facts and assumptions as indicated in the Statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For **IndiaMART InterMESH Limited**

____
Chief Financial Officer

Place: Noida
Date: February 17, 2021

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,
The Board of Directors
IndiaMART InterMESH Limited
1st Floor, 29- Daryaganj,
Netaji Subhash Marg,
Delhi-110002, India

Date: February 17, 2021

Dear Sirs,

Subject: Statement of possible special tax benefits ("the Statement") available to IndiaMART InterMESH Limited ("Company") and its Shareholders in accordance with the requirement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR Regulations")

This report is issued in accordance with the Engagement Letter dated February 17, 2021.

We hereby report that the enclosed Annexure prepared by the Company, initialed by us for identification purpose, states the possible special tax benefits available to the Company and to its Shareholders under the Income-tax Act, 1961 ('the Act') read with Income Tax Rules, 1962 (together referred to as "Direct Tax Law") applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India as on the signing date. These possible special tax benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Direct Tax Law. Hence, the ability of the Company and/or its Shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its Shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover the possible special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits available to the Company. Further, the preparation of the enclosed Annexure and its contents is the responsibility of the management of the Company and is not exhaustive. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Qualified Institutions Placement ('QIP') of equity shares of the Company ('the Issue') particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on this Statement.

We have conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" ('Guidance Note') issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

a) the Company and its Shareholders will continue to obtain these possible special tax benefits in future; or

b) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of enclosed Annexure are based on the information, explanation and representations obtained from the Company and its Shareholders, and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

This report is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than the purpose stated above. We, however, hereby, consent to this report being used in the QIP and submission of this report to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are listed, in connection with the Issue, as the case may be.

***For* B S R & Co. LLP**
Chartered Accountants
ICAI firm registration number: 101248W /W-100022

Kanika Kohli
Partner
Membership No.: 511565
ICAI UDIN: 21511565AAAAAH3634
Place: Gurugram
Date: February 17, 2021

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company (on a standalone basis) and its Shareholders under the Income-tax Act, 1961 (‘the Act’) read with Income Tax Rules, 1962 (together referred to as “Direct Tax Law”) applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22. These possible special tax benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the Direct Tax Law. Hence, the ability of the Company or its Shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE TAX LAWS

A. Special tax benefits available to the Company

There are no special tax benefits available to the Company under the Direct Tax Law.

B. Special tax benefits available to Shareholders

The Shareholders of the Company are not eligible for any special tax benefits under the Direct Tax Law.

NOTES:

1) The above is as per the current Direct Tax Law as amended by the Finance Act, 2020.

2) This Statement of possible special tax benefits sets out the provisions of the Direct Tax Law in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

3) This Statement does not discuss any tax consequences in any country outside India of an investment in the shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For **IndiaMART InterMESH Limited**

Authorized Signatory

Place: Noida
Date: February 17, 2021

LEGAL PROCEEDINGS

Our Company and the Subsidiaries are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are in the nature of, among others, civil suits, criminal proceedings regulatory actions and tax proceedings.

As on the date of this Preliminary Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy in relation to disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations.

For the purpose of the Issue, our Company has disclosed: (i) all outstanding criminal proceedings involving our Company and the Subsidiaries; (ii) all outstanding actions by statutory or regulatory authorities involving our Company and the Subsidiaries; (iii) claims related to direct and indirect taxes involving our Company and the Subsidiaries, on a consolidated basis in respect of each entity; (iv) all outstanding civil proceedings involving our Company and the Subsidiaries as determined to be material by the Company; and (v) outstanding litigation (including criminal litigation) involving the Promoters and the Directors, an adverse outcome of which could materially and adversely affect the financial position, business, operations, prospects or reputation of our Company, on an individual basis, or our Company and Subsidiaries, on a consolidated basis. Further, there are no litigation proceedings involving the Directors that may affect the ability of the Directors to be on the Board of Directors.

For the purposes of disclosure, any outstanding civil proceedings involving our Company and/ or the Subsidiaries have been considered 'material' if the monetary amount of claim made by or against our Company and the Subsidiaries, in any such pending litigation is in excess of 0.25% of our consolidated total income for the last Fiscal in respect of which, financial statements have been audited, i.e., Fiscal 2020, being ₹17.68 million or any such outstanding litigation, an adverse outcome of which would have a material and adverse effect on our Company's business, prospects, operations, financial position or reputation, irrespective of the amount involved in such litigation.

Notices received by our Company and its Subsidiaries, from third parties (excluding statutory/ regulatory/ tax authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that any such persons are impleaded as defendants in litigation proceedings before any judicial forum.

*Further, as on the date of this Preliminary Placement Document, other than as disclosed in this section: (i) there is no litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against the Promoters during the last three years immediately preceding the year of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company and the Subsidiaries, and further, there were no prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document for our Company and the Subsidiaries; (iii) there are no defaults by our Company in the repayment of statutory dues, debentures and interest thereon, deposits and interests thereon or loan obtained from any bank or financial institution and interest thereon, as of the date of this Preliminary Placement Document; (iv) there are no material frauds committed against our Company in the last three years; (v) there are no defaults in the annual filings of our Company under the Companies Act and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; and (vii) there are no reservations, qualifications or adverse remarks of the Statutory Auditors or the Previous Auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Preliminary Placement Document except the matter of emphasis on audited standalone financial statements of Fiscal 2018 as mentioned in "**Risk Factors — Our Previous Auditors have included a matter of emphasis in the audited standalone financial statements for Fiscal 2018.**" on page 58.*

LITIGATION INVOLVING OUR COMPANY

Criminal proceedings against our Company

1. Ranjit Bose filed a FIR dated November 7, 2017, at the Alipore Lake Police Station, Kolkata, against our Company, Rajeev Ranjan Kumar, a supplier listed on our marketplace and Gaurav Agarwal, alleging fraud

and cheating due to non-receipt of certain products from such supplier in respect of which, Ranjit Bose had placed an order and made an advance payment of ₹0.58 million. The Office-in-Charge, Anti Cheating Section, Detective Department, Kolkata, West Bengal issued a notice dated April 3, 2018 to our Company, directing us to appear before the investigating officer on April 16, 2018 and our Company's authorised representative attended the investigation. The investigating officer submitted the chargesheet dated November 13, 2018 before the Chief Judicial Magistrate, Alipore, Kolkata, and sought for our Company to be discharged from the litigation for want of evidence.

2. Pawan Deep Singh, a partner of S.P. Foundries, filed an FIR dated August 25, 2018 at Fazalganj Police Station, Kanpur, Uttar Pradesh, against Dinesh Chandra Agarwal, our Managing Director and Promoter; Brijesh Kumar Agrawal, our Whole-time Director and Promoter, Prateek Chandra, our Chief Financial Officer, Amarinder Singh Dhaliwal and Dinesh Gulati, our KMPs and certain other senior employees of our Company, alleging that contact and certain other details of the firm, S.P. Foundries, were displayed on our marketplace without prior permission, resulting in loss to his firm. Subsequently, (i) Dinesh Chandra Agarwal and Brijesh Kumar Agrawal and (ii) the KMPs and other senior employees of our Company accused in the FIR filed separate criminal miscellaneous writ petitions (Cr. Misc.W.P. 24060/2018 and Cr. Misc. W.P. 24008/2018, respectively) before the Allahabad High Court, seeking to quash the FIR dated August 25, 2018 and for directions to the police restraining them from arresting the accused. By separate orders dated August 31, 2018, the Allahabad High Court directed that the petitioners should not be arrested until the submission of the police report, provided they co-operate with the investigation. The investigating officer submitted the final report dated November 2, 2019 before the CMM, Kanpur City Police holding that due to lack of evidence no case is made out and accordingly, all accused(s) are not chargesheeted.

3. Nirmal Industries filed a criminal application against our Company and others before the Civil Court Patna, Sadar, alleging, among others, criminal breach of trust, cheating and criminal conspiracy due to non-receipt of certain product from a supplier in respect of which Nirmal Industries had placed an order and made an advance payment of ₹7.51 million. The civil court passed a cognizance order dated October 25, 2019. The Company has filed an application for appointment of an authorised representative for the purpose of the inquiry or trial which was allowed by the Civil Court.

4. Nand Kishore Singh filed an FIR dated October 2, 2019 at the Brishtpur Police Station, East Singhbhum District, Jamshedpur, Jharkhand against Brajesh Kumar Singh, proprietor of M/s. Popular Breeder Farm and our Company, alleging criminal breach of trust and cheating due to non-receipt of certain products from M/s. Popular Breeder Farm in respect of which Nand Kishor had placed an order and made an advance payment of ₹0.06 million. Further, a criminal complaint was filed by Nand Kishore Singh before the Chief Judicial Magistrate, Jamshedpur alleging commitment of fraud by Brajesh Kumar Singh and our Company. Our Company filed a criminal petition before the Jharkhand High Court for quashing of FIR dated October 2, 2019 and granting stay on the proceedings against our Company, which was granted pursuant to order dated May 26, 2020.

5. Jitendra Kumar filed an FIR dated July 7, 2019 at the Dharuhera Police Station, Rewari, Haryana against Kisan Trading Company, our Company and one another, alleging criminal breach of trust and cheating due to non-receipt of certain product from Kisan Trading Company in respect of which Jitendra Kumar had placed an order and made an advance payment of ₹0.23 million.

6. Devendra Jagid filed an FIR dated December 13, 2020 at the Mantown Police Station, Sawai Modhopur, Rajasthan against Bharat Ahir and our Company, alleging, among others, criminal breach of trust, cheating and forgery for receiving a fake product from Bharat Ahir in respect of which Devendra Jagid had made an advance payment of ₹0.06 million.

7. Just Dial Limited filed a complaint against our Company and the Directors on December 15, 2020 at the Bangurnagar Police Station, Malad (West), Mumbai alleging data theft, data crawling, unauthorised access of computer networks, breach of cybersecurity and infringement of Just Dial Limited's intellectual property rights.

8. Ramesh Bhojwani filed a criminal petition before the Delhi High Court on February 2, 2021 for quashing and cancelling the FIR filed by our Company against him, contending that no offence is made out against him and that he had never misused emails/ correspondences as has been stated in the FIR filed against him. For further details in respect of the FIR filed by our Company against Ramesh Bhojwani, please see "- ***Criminal proceedings initiated by our Company***" below.

9. Keshav Mukhiya filed an FIR dated February 7, 2021 at the Govardhan Police Station, Mathura, Uttar Pradesh against Dinesh Chandra Agarwal and Brijesh Kumar Agrawal in their capacity as Executive Directors of our Company and a vendor, in relation to the listing for sale of sacred relics by the vendor on our Company's website and accusing them of defiling place of worship and cheating.

Criminal proceedings initiated by our Company

1. Our Company filed a criminal complaint against Anmol Baidkumar Aggarwala and Shrikant Vedprakash Aggarwala, before the Chief Metropolitan Magistrate ("**CMM**"), Tis Hazari Court, Delhi alleging that such persons had created and were hosting certain web catalogues on and misusing our marketplace for conducting fraudulent activities against our customers, including by allegedly purchasing products from suppliers registered on our marketplace, using such web catalogues, and defaulting in making payments to such suppliers. Our Company has sought to initiate appropriate legal proceedings against Anmol Baidkumar Aggarwala and Shrinkant Vedprakash Aggarwala for alleged fraud, cheating and criminal breach of trust and misappropriation of property belonging to the customers of our Company and for the entire misappropriated amount to be recovered from them, along with interest and expenses. Our Company also filed an application before the CMM, Tis Hazari Court, Delhi seeking directions to the police station at Daryaganj to register an FIR against the accused persons. The CMM, by an order dated February 26, 2018, while taking cognisance of the compliant, dismissed our interim application.

2. Our Company filed a criminal complaint against Swati Creations, through its proprietor, before the Chief Metropolitan Magistrate, Patiala House Courts, Delhi, alleging dishonour of a cheque issued by Swati Creations, through its proprietor, amounting to ₹0.14 million to our Company.

3. Our Company filed an FIR dated January 19, 2019 before the Cyber Special Cell, Mandir Marg, New Delhi, against Ramesh Bhojwani, a former employee of our Company, alleging, among others, commission of data theft, misappropriation of data and criminal breach of trust.

4. Our Company filed an FIR dated March 28, 2019 at the Surajpur police station, Greater Noida, Uttar Pradesh against Raj Singh and others alleging criminal conspiracy, cheating and digital impersonation due to non-receipt of certain products from such suppliers in respect of which, several buyers had placed orders and made advance payments amounting to ₹0.27 million, in the name of Jyoti Paper Plate Manufacturing Private Limited.

5. Our Company filed an FIR dated December 2, 2019 at Surajpur Police Station, Gautum Buddha Nagar, Uttar Pradesh alleging, among others, criminal breach of trust, cheating and dishonestly inducing delivery of products and selling goods using false trade mark against an unknown person for illegally using an email-id, unauthorized use of our Company's trade mark and impersonating as a representative of our Company.

6. Our Company filed an FIR dated December 12, 2019 at the Fatehpur Sadar Police Station, Sikar, Rajasthan against Vikash Kumar Nehra alleging, among others, cheating and dishonestly inducing delivery of products by gaining unauthorized access to the our computer systems and illegally selling Indiamart data extractor software on various social media platforms and his website. Basis the investigation by the police, a charge sheet was filed in the Judicial Magistrate Court, Fatehpur. The accused was arrested by the police. The accused's bail application was rejected by the lower court vide an order dated August 4, 2020, however the bail was granted by the Upper Sessions Court, Fatehpur Shekawati, Sikar, Rajasthan vide an order dated August 7, 2020.

7. Our Company filed an FIR dated December 11, 2019 at the Mahalakshmipuram Police Station, Malleshwaram Sub-Division, Bengaluru City, Karnataka against M. Manjunatha alleging infringement of copyrights by illegally selling Indiamart database on various social media platforms and his website, and unlawful use of our Company's trade marks.

8. Our Company filed an application seeking direction in favour of SHO, Surajpur Police Station to lodge an FIR against Leadtool Marketing before the Additional Chief Judicial Magistrate II, Gautam Buddh Nagar, Uttar Pradesh for selling goods using false trade marks and dishonestly inducing delivery of products by gaining unauthorized access to our computer systems and illegally selling Indiamart data extractor software

on various social media platforms and his website. The Additional Chief Judicial Magistrate vide its order dated December 21, 2020 ordered that the application is liable to be registered as a complaint case.

9. Our Company filed an application seeking direction in favour of SHO, Surajpur Police Station to lodge an FIR against Zulfiqar Enterprises before the Additional Chief Judicial Magistrate II, Gautam Buddh Nagar, Uttar Pradesh alleging criminal breach of trust, cheating and dishonestly inducing delivery of products. The Additional Chief Judicial Magistrate vide its order dated December 21, 2020 ordered that the application is liable to be registered as a complaint case.

10. Our Company filed an FIR dated March 20, 2020 at the Krishnanagar Police Station, Ahmedabad, Gujarat against Ankit Limbachiya alleging identity theft, cheating by impersonation by means of computer resource, violation of privacy, applying false trade marks and selling goods by applying false trade marks for illegally selling Indiamart data extractor software on various social media platforms and his website.

11. Our Company filed an FIR dated June 13, 2020 at the Knowledge Park Police Station, Gautam Buddh Nagar against Ishan Jain, Pankaj Kumar and Hari Singh alleging criminal breach of trust and cheating by the accused by targeting the customers of the Company and alluring them to transfer subscription amount into their personal bank accounts.

12. Our Company filed an FIR dated November 3, 2020 with the Special Commissioner of Police, Economic Offences Wing, Delhi Police against Akash Verma, Kavita Shukla and others, alleging cheating by personation and dishonestly inducing delivery of products. Our Company had initially filed a commercial suit dated July 10, 2020 before the Delhi High Court against Akash Verma for the illegal adoption and use of our Company's trademarks, logos/ devices for the purpose of deceiving member of the general public by portraying himself as a lawful representative of our Company. Pursuant to the directions of the Delhi High Court, by its order dated July 14, 2020, an ad-interim ex-parte injunction was granted in favour of our Company and the FIR dated November 3, 2020 was filed by our Company against Akash Verma, Kavita Shukla and other unknown persons. The police arrested one of the accused, Sheetal Sharma who was granted bail on January 14, 2021. One of the accused, Mohit Soni moved an application for anticipatory bail before the Court of the Additional Session Judge in New Delhi, which was opposed by our Company. The Court passed an order dated February 8, 2021 dismissing the bail application after taking into consideration the seriousness of the allegations and modus operandi of the alleged crime.

Actions taken against our Company by statutory/regulatory authorities

1. Just Dial Limited has filed a commercial suit against our Company, Amazon Internet Services Private Limited and Amazon Web Services before the Bombay High Court. For details, see "***- Civil and other material proceedings***" below. Just Dial Limited has filed a complaint dated January 13, 2021 against our Company, Amazon Internet Services Private Limited and Amazon Web Services before the Adjudicating Officer under the IT Act alleging data theft, data crawling and unauthorized access to computer network and computer resources and breach of cyber security praying, amongst other, to investigate into the matter, direct the Cyber Crime Police Station, Bandra, Mumbai or any other authority to investigate and seize stolen computer resources, and restrain the respondents from using or misusing the database in any manner. In connection with this matter, the Directorate of Information and Technology, Government of Maharashtra issued a notice dated January 29, 2021 to the defendants under the IT Act to a hearing before the Principal Secretary (IT) and the adjudication officer.

Civil and other material proceedings

From time to time, we are impleaded in civil proceedings, which as on the date of this Preliminary Placement Document, are primarily in the nature of proceedings initiated by third parties alleging infringement of their intellectual property by suppliers listed on our marketplace and consumer complaints filed by buyers alleging defects in products purchased from suppliers listed on our marketplace. Brief details of material civil proceedings are set forth below.

1. Shreeji Enterprises, ("**Shreeji**") filed a commercial suit against our Company and Jayesh Chandrakant Shrimankar, Prashant Gandhi and Shreeji Enterprises, suppliers listed on our website, before the Bombay High Court, seeking to obtain a perpetual injunction against (i) us and such suppliers from using the words 'Shreeji Enterprises' and the trademark 'Sayona' including as part of their business name, trade name and/or corporate name and/or trading name in relation to certain electrical goods or any other word or mark

that is identical or deceptively or confusingly similar to such marks, (ii) to restrain by a perpetual order or injunction, such suppliers from passing off their products under such trade names and (iii) restrain us from using Shreeji's product catalogue on our website which was allegedly infringing upon Shreeji's copyright in the artistic work in the product catalogue. Shreeji also sought damages amounting to ₹20.00 million along with interest at the rate of 18% p.a. from the date of filing the suit until the date of realisation of the amount. The Bombay High Court, by an order dated February 28, 2018, directed our Company to remove/delete the allegedly infringing storefront from our website within a period of 24 hours from the passing of the order. It further stated that in the event Shreeji has any grievances in the future, they could write to our Company, which will be required to remove any infringing material from our website within a period of 48 hours. Our Company has removed the listing of the said suppliers pursuant to such order.

2. Steelcase Inc, filed a commercial suit against our Company and K.J. Bhuta, a supplier listed on our website, before the Delhi High Court, alleging infringement of its trade mark "STEELCASE" and seeking, among others, (i) direction to our Company to remove the webpage and/or any other advertisement of such supplier; (ii) to restrain by a perpetual injunction against such supplier from passing off their products under such trade mark; and (iii) damages amounting to ₹20.00 million. The Delhi High Court passed an order dated October 15, 2018 ordering such supplier to refrain from any use of the trade mark and domain name during the pendency of the suit. Our Company filed a written statement dated January 15, 2019 seeking the deletion of our Company from the array of parties for being an intermediary. The Delhi High Court passed an order dated February 5, 2019 taking on record our submission to take down the infringing material from our website within five working days. Our Company removed the listing of the said supplier and informed the Delhi High Court. The Delhi High Court passed an order dated May 14, 2019 allowing, among others, the supplier to use its infringing trade mark "M/S Steel-Case" as a trade name/ trading style without using such trade name/ trading style in a prominent manner on any product or packaging during the pendency of the suit.

3. Exxon Mobil Corporation, filed three separate commercial suits against our Company, and Xcel Automotives Private Limited, Alinaki Gulamali Meghani and Vajubhai Valar, suppliers listed on our website, before the Delhi High Court, alleging, among others, infringement of its trade mark and its trade name, soliciting customers, colluding with the supplier for advertisements, and seeking to obtain, among others, i) a perpetual injunction against us and such suppliers from using their trademark and tradename and damages amounting to ₹60.00 million and ii) removal of advertisement of the supplier from our marketplace. In one of the cases, the Delhi High Court, by an order dated March 27, 2019, restrained the defendants from using the impugned trade mark in any manner and directed seizure of all goods bearing the impugned mark at the premises of the defendants and filing a report before the Delhi High Court.

4. Saregama India Limited ("**Saregama**"), filed a commercial suit against our Company, Narang Laptop Solutions and others, before the Delhi High Court, alleging infringement of the registered design and trade dress of its product 'CARVAAN' by the defendants by marketing and selling a product that is allegedly identical in design and shape as compared to its product. Saregama is seeking to obtain, among others, i) a perpetual injunction restraining the infringement and passing of its registered design; ii) a perpetual injunction restraining the passing of its trade dress; and iii) damages amounting to ₹20.00 million. The Delhi High Court passed an order dated May 28, 2019 restraining the defendants by an ex-parte injunction from selling, offering for sale or in any manner dealing with the impugned product until further orders and authorized search and seizure of all impugned products at the premises of the defendants.

5. Pfizer Inc. filed a commercial suit against Beacon Pharma and our Company before the Delhi High Court, alleging infringement of their patents rights and manufacturing of medicines without any license and that the impugned medicines were being advertised and offered for sale on our Company's website. The medicines were also reflected on our website. Pfizer Inc. Pfizer Inc. has sought removal of all advertisements from our Company's website and damages amounting to ₹20.00 million. The Delhi High Court, by its order dated October 21, 2019, directed our Company to block all advertisements in relation to the impugned products form our platform.

6. Our Company filed a civil suit before the Calcutta High Court, against 27 persons, alleging the infringement and unauthorised use of the trademark 'INDIAMART' under various classes. Our Company sought, along with interim orders, (i) an injunction, restraining such persons and any other websites/ entities which may be discovered during the course of the proceedings which are alleged to be, (a) infringing the rights of our Company or passing-off by using a mark/ domain name which is identical or deceptively similar to the registered trademark 'INDIAMART'; or (b) in any manner, providing access to and/ or

communicating to the public/ using / selling / offering for sale/ advertising, displaying, on their websites, through the internet, in any manner, any work or proprietary information of our Company; (ii) a mandatory injunction against and delivery up of all material, for destruction, of the respondents in the suit and any other persons/entities that may be discovered during the course of the proceedings, infringing the Company's copyrights; and (iii) directions to the Ministry of Electronics and Information Technology, Government of India ("**MEITY**") to locate the web portals/sites mentioned in the suit and take appropriate measures to make such web portals/sites defunct and to take them down from the world wide web. Pursuant to an order dated May 16, 2018, the Calcutta High Court restrained the respondents in the suit from using any mark or domain name which is identical or deceptively similar to the mark 'INDIAMART' and directed the Ministry of Electronics and Information Technology MEITY to locate the allegedly infringing web portals/ sites and take appropriate measures to make such web portals/ sites defunct and take them down. Further, pursuant to the order dated March 18, 2019, the Calcutta High Court directed the MEITY to take appropriate measures to make defunct and take down the links provided by our Company to the MEITY and the domain names, which are deceptively similar to the trademark of our Company as identified by our Company. Our Company has filed an application dated January 9, 2021 with the Calcutta High Court seeking an order of injunction restraining YouTube and other websites/ entities from infringing our Company's copyright and registered trademarks.

7. Just Dial Limited has filed a commercial suit against our Company, Amazon Internet Services Private Limited and Amazon Web Services before the Bombay High Court seeking, amongst other, (i) an injunction against the said defendants from using/ misusing Just Dial's database, products, catalogues, trade name, domain name, etc.; (ii) decree for a sum of ₹10 million as damages and loss of business; (iii) decree and order of mandatory injunction directing our Company to remove from our website all data and information which forms part of Just Dial Limited's products, trade name, domain name, etc.; (iv) restraint on defendants by perpetual order and injunction from use of, in relation to goods or services, Just Dial Limited's registered trademarks or any other deceptively similar mark, alleging that the database was acquired on account of the defendants having committed data theft, data crawling, unauthorized access to the computer network and resources, and breach of cyber security. In respect of the matter, our Company has filed a limited reply in affidavit and the Bombay High Court, in its order dated February 2, 2021, has declined to grant ad-interim reliefs to Just Dial Limited. Also, see "- ***Actions taken against our Company by statutory/ regulatory authorities***" above.

8. Our Company has filed a commercial suit before the Delhi High Court against Just Dial Limited seeking a permanent injunction restraining Just Dial Limited from engaging in infringement of copyright and visual presentation of our website by Just Dial Limited in setting up its new B2B online marketplace services on its website www.justdial.com, mobile site and mobile application 'JD Mart', unfair trade practices and unfair competition, delivery up of all the database and material that has been copied from our Company's website, rendition of accounts of profit illegally earned by Just Dial Limited on account of the use of impugned intellectual properties and decree be passed against Just Dial Limited to the amount so determined, and pass an order and decree for damages to the tune of ₹20 million. The Delhi High Court, by its order dated November 11, 2020, has granted an ex-parte ad-interim injunction in favour of our Company and appointed commissioners for conducting search and seizure, at three different offices of Just Dial Limited, for collecting evidence of infringing and illegal activities committed by Just Dial Limited.

9. Our Company has filed a commercial suit dated July 10, 2020 before the Delhi High Court against Akash Verma and others seeking a permanent injunction restraining the infringement of trademarks and copyright of our Company, delivery up of all impugned products for destruction, rendition of accounts and damages to the tune of ₹20 million in respect of the illegal adoption and use of our Company's trademarks, logos/ devices for the purpose of deceiving member of the general public by portraying himself as a lawful representative of our Company.

LITIGATION INVOLVING THE SUBSIDIARIES

Pay With Indiamart Private Limited ("PWIM")

Criminal proceedings initiated by PWIM

1. Our Subsidiary, Pay With Indiamart Private Limited filed an FIR dated November 19, 2020 at the Darya Ganj Police Station, New Delhi against Dream Works Global Solutions for allegedly committing fraud by using PWIM's payment services and credit cards/ debit cards details of different holders pursuant to which

PWIM was receiving chargeback requests amounting to ₹0.18 million from the payment gateway service provider with respect to transactions initiated by the accused.

Tolexo Online Private Limited ("TOPL")

Criminal proceedings against TOPL

1. Kundan Trading Company through Arvind Singh filed an FIR dated January 4, 2019 at the Kamla Market police station, Central Delhi under Sections 103 and 104 of the Trade Marks Act, 1999 alleging illegal and unlawful use of its registered trademark by certain companies including TOPL, by displaying infringing products on their marketplace. TOPL submitted a response dated April 9, 2019 to the investigating officer submitting that TOPL acted as an intermediary and has removed products with the impugned mark from its marketplace. The investigating officer has issued notices dated March 11, 2020 and August 17, 2020 seeking responses on certain queries which were duly responded to by TOPL vide their replies dated June 6, 2020 and September 3, 2020.

Criminal proceedings initiated by TOPL

1. TOPL filed an FIR dated September 10, 2016 at the police station, Gautam Budh Nagar, Noida Sector 58, Uttar Pradesh, against IndySoft eCommerce Private Limited and Rahul Verma, Pawan Kumar Sah, Ajay Bali, Rohit Raghuvanshi and Avinash Kashyap, alleging that such persons had illegally obtained customer related data from TOPL and were misusing such data to undertake fraudulent transactions involving TOPL's customers. The matter is now pending for trial before the Chief Judicial Magistrate, Surajpur, Noida.

TAX PROCEEDINGS AGAINST OUR COMPANY AND THE SUBSIDIARIES

Set forth below are the details of direct tax claims against our Company and the Subsidiaries as on the date of this Preliminary Placement Document.

Nature of tax	Number of Cases	Amount in dispute/ demanded *(in ₹ million)**
Our Company		
Direct Tax	4	5.65
Indirect Tax	3	23.46
Total	**7**	**29.11**
TOPL		
Direct Tax	2	302.68
Indirect Tax	-	-
Total	**2**	**302.68**

** to the extent ascertainable*

Material Tax Proceedings

2. The Office of the Assistant Commissioner of Income Tax, Circle 25(2), New Delhi has issued a notice of demand for a sum of ₹242.99 million along with an assessment order, both dated December 30, 2019 against one of our subsidiaries, Tolexo Online Private Limited for the assessment year 2017-18. An appeal has been filed by Tolexo Online Private Limited on January 27, 2020 against the said assessment order before the Commissioner of Income Tax (Appeals), Delhi.

3. The Office of the Assistant Commissioner of Income Tax, Circle 25(2), New Delhi has passed an assessment order dated December 30, 2018 against one of our subsidiaries, Tolexo Online Private Limited for the assessment year 2016-17 under Section 143(3) of the Income-tax Act, 1961 pursuant to which loss of ₹237.15 million has been disallowed. An appeal has been filed on January 21, 2019 by Tolexo Online Private Limited against the said assessment order before the Commissioner of Income Tax (Appeals), Delhi. The tax impact in respect of the matter is ₹59.69 million.

Litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against the Promoters during the last three years

There are no litigation or legal actions pending or taken by any ministry or department of the Government or any statutory authority against the Promoters and there are no directions issued by such ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action against the Promoters during the last three years immediately preceding the year of this Preliminary Placement Document.

Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years involving our Company or the Subsidiaries

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Preliminary Placement Document involving our Company or the Subsidiaries, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or the Subsidiaries.

Details of default in repayment of statutory dues, debentures and interests thereon, deposits and interest thereon and loan from any bank or financial institution and interest thereon

Our Company has no outstanding defaults in repayment of statutory dues, debentures and interests thereon, deposits and interest thereon and loan from any bank or financial institution and interest thereon

Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

There have been no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

As on the date of this Preliminary Placement Document, our Company has not made any default in annual filings of our Company under the Companies Act, 2013 and the rules made thereunder.

Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this Preliminary Placement Document and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks

There are no reservations, qualifications or adverse remarks of the Statutory Auditors or the Previous Auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Preliminary Placement Document *except the matter of emphasis on audited standalone financial statements of Fiscal 2018 as mentioned in "**Risk Factors — Our Previous Auditors have included a matter of emphasis in the audited standalone financial statements for Fiscal 2018.**" on page 58*.

INDEPENDENT STATUTORY AUDITORS

The consolidated financial statements of IndiaMART InterMESH Limited as of March 31, 2020 and for the year then ended, included in this preliminary placement document, and the adequacy and operating effectiveness of the internal financial controls with reference to the audited consolidated financial statements of IndiaMART InterMESH Limited and its subsidiary companies incorporated in India as of March 31, 2020, have been audited by B S R & Co. LLP, independent auditors, as stated in their report appearing herein.

The condensed consolidated interim financial statements of IndiaMART InterMESH Limited as of December 31, 2020, and for the three and nine month periods then ended, included in this preliminary placement document, have been audited by B S R & Co. LLP, independent auditors, as stated in their report appearing herein.

The consolidated financial statements of IndiaMART InterMESH Limited as of March 31, 2019 and March 31, 2018, and for each of the years in the two year period ended March 31, 2019, included in this preliminary placement document, have been audited by S.R. Batliboi & Associates LLP, previous independent auditors, as stated in their reports appearing herein.

FINANCIAL INFORMATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of IndiaMART InterMESH Limited

Opinion

We have audited the condensed consolidated interim financial statements of IndiaMART InterMESH Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the condensed consolidated interim balance sheet as at 31 December 2020, and the condensed consolidated interim statement of profit and loss (including other comprehensive income (loss)) for the quarter and year-to-date period then ended, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the year-to-date period then ended, and notes to the condensed consolidated interim financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the condensed consolidated interim financial statements") as required by Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" and other accounting principles generally accepted in India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed consolidated interim financial statements give a true and fair view in conformity with Ind AS 34 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 December 2020, of consolidated profit and other comprehensive income (loss) for the quarter and year-to-date period then ended, consolidated changes in equity and its consolidated cash flows for the year-to-date period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Condensed Consolidated Interim Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Condensed Consolidated Interim Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these condensed consolidated interim financial statements that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income (loss), consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with Ind AS 34 prescribed under section 133 of the Act and other accounting principles generally accepted in India. The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the condensed consolidated interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the condensed consolidated interim financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the condensed consolidated interim financial statements, the respective management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 Management and 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 associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Condensed Consolidated Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the condensed consolidated interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these condensed consolidated interim financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the condensed consolidated interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of Management's 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 ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed consolidated interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the condensed consolidated interim financial statements, including the disclosures, and whether the condensed consolidated interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates to express an opinion on the condensed consolidated interim financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the condensed consolidated interim financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para 1(a) of the section titled ‘Other Matters’ in this audit report.

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.

Other Matters

1. (a) We did not audit the financial statements of four subsidiaries, whose condensed interim financial statements, net of consolidation adjustments, reflect total assets of INR 71.56 Million as at 31 December 2020, total revenues of INR 8.15 Million for the quarter and INR 22.17 Million for the year-to-date period ended 31 December 2020 and net cash flows amounting to INR (18.40) Million for the year-to-date period ended on that date, as considered in the condensed consolidated interim financial statements. These condensed interim financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the condensed consolidated interim financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of the other auditors.

   (b) The financial information of one subsidiary (till 01 September 2020) whose condensed interim financial information reflects total assets of INR Nil as at 1 September 2020, total revenues of INR 20.49 Million for the period 1 April 2020 to 1 September 2020 and net cash flows amounting to INR 27.97 Million for the period 1 April 2020 to 1 September 2020, as considered in the condensed interim consolidated financial statements, have not been audited either by us or by other auditors. The condensed consolidated interim financial statements also include the Group’s share of net loss (and other comprehensive income (loss)) of INR 4.67 Million for the quarter and INR 10.81 Million for the year-to-date period ended 31 December 2020, as considered in the condensed consolidated interim financial statements, in respect of associates including a subsidiary which became an associate effective 1 September 2020, whose condensed interim financial information have not been audited by us or by other auditors. These unaudited condensed interim financial information have been furnished to us by the Management and our opinion on the condensed consolidated interim financial statements, in so far as it relates to the amounts and disclosures included in respect of a subsidiary (till 1 September 2020) and associates, is based solely on such unaudited condensed interim financial information. In our opinion and according to the information and explanations given to us by the Management, these condensed interim financial information are not material to the Group.

Our opinion on the condensed consolidated interim financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the condensed interim financial information certified by the Management.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No: 101248W/W-100022

KANIKA KOHLI
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Date: 2021.01.18 14:35:43 +05'30'

Kanika Kohli
Partner
Membership No: 511565
ICAI UDIN: 21511565AAAAAB3096

Place: Gurugram
Date: 18 January 2021

IndiaMART InterMESH Limited
Condensed Consolidated Interim Balance Sheet as at 31 December 2020
(Amounts in INR million, unless otherwise stated)

	Notes	As at 31 December 2020	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	5A	28.78	51.76
Capital work in progress	5A	1.77	1.77
Right-of-use asset	5B	659.17	799.71
Intangible assets	6	3.22	4.83
Investment in associates	7	285.74	295.61
Financial assets			
(i) Investments	8	99.99	-
(ii) Loans	8	2.40	0.73
(iii) Others financial assets	8	40.47	400.83
Deferred tax assets (net)	26	-	245.70
Non-current tax assets (net)	18	213.87	211.60
Other non-current assets	9	17.20	17.22
Total Non-current assets		**1,352.61**	**2,029.76**
Current assets			
Financial assets			
(i) Investments	8	10,921.73	8,718.78
(ii) Trade receivables	10	16.19	16.82
(iii) Cash and cash equivalents	11	135.94	169.38
(iv) Bank balances other than (iii) above	11	370.24	69.26
(v) Loans	8	8.33	12.99
(vi) Others financial assets	8	52.55	79.83
Current tax assets (net)	18	78.76	79.34
Other current assets	9	45.24	53.13
Total current assets		**11,628.98**	**9,199.53**
Total assets		**12,981.59**	**11,229.29**
Equity and Liabilities			
Equity			
Share capital	12	290.72	288.77
Other equity	13	4,738.27	2,461.80
Equity attributable to equity holders of the parent		**5,028.99**	**2,750.57**
Non-controlling interests		-	-
Total Equity		**5,028.99**	**2,750.57**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	15 (a)	545.24	612.49
Provisions	16	316.91	265.40
Deferred tax liabilities (net)	26	117.32	-
Contract liabilities	17	2,179.13	2,697.21
Total Non-current liabilities		**3,158.60**	**3,575.10**
Current liabilities			
Financial liabilities			
(i) Trade payables	14		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		153.07	179.42
(ii) Lease liabilities	15 (a)	116.02	152.61
(iii) Other financial liabilities	15 (b)	198.76	259.97
Provisions	16	45.01	40.47
Contract liabilities	17	4,155.47	4,155.58
Other current liabilities	17	125.67	115.57
Total Current liabilities		**4,794.00**	**4,903.62**
Total Liabilities		**7,952.60**	**8,478.72**
Total Equity and Liabilities		**12,981.59**	**11,229.29**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the condensed consolidated interim financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

KANIKA KOHLI Digitally signed by KANIKA KOHLI Date: 2021.01.18 14:36:07 +05'30'

Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram
Date: 18 January 2021

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

Dinesh Chandra Agarwal
(Managing Director and CEO)
DIN:00191800

Brijesh Kumar Agrawal
(Whole-time director)
DIN:00191760

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 18 January 2021

IndiaMART InterMESH Limited

Condensed Consolidated Interim Statement of Profit and Loss for the period ended 31 December 2020

(Amounts in INR million, unless otherwise stated)

	Notes	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019
Income:					
Revenue from operations	19	1,735.40	1,648.70	4,898.96	4,687.80
Other income	20	246.17	166.06	761.91	513.60
Total income		**1,981.57**	**1,814.76**	**5,660.87**	**5,201.40**
Expenses:					
Employee benefits expense	21	516.80	707.75	1,481.15	2,002.77
Finance costs	22	16.28	5.61	51.85	16.35
Depreciation and amortisation expense	23	38.06	57.86	125.63	152.31
Other expenses	24	341.04	505.63	989.98	1,519.34
Total expenses		**912.18**	**1,276.85**	**2,648.61**	**3,690.77**
Net profit before share of profit/(loss) in associates and tax		**1,069.39**	**537.91**	**3,012.26**	**1,510.63**
Share in net profit/ (loss) of associates		(4.67)	(6.75)	(10.81)	(8.87)
Profit before tax		**1,064.72**	**531.16**	**3,001.45**	**1,501.76**
Income tax expense					
Current tax	26	218.58	2.37	393.43	0.50
Deferred tax	26	44.61	(91.55)	366.83	156.53
Tax Impact related to change in tax rate and law	26	-	-	-	314.08
Total tax expense		263.19	(89.18)	760.26	471.11
Net profit for the period		**801.53**	**620.34**	**2,241.19**	**1,030.65**
Attributable to:					
Equity holders of the parent		801.53	620.34	2,241.19	1,030.65
Non-controlling interests		-	-	-	-
Other comprehensive income/(loss) (OCI)					
Items that will not be reclassified to profit or loss and its related income tax effects					
Re-measurement gain/(losses) on defined benefit plans		(8.88)	(3.48)	(25.34)	(51.30)
Income tax effect		2.24	0.92	6.38	12.94
		(6.64)	(2.56)	(18.96)	(38.36)
Other comprehensive income/(loss) for the period, net of tax		**(6.64)**	**(2.56)**	**(18.96)**	**(38.36)**
Total comprehensive income for the period		**794.89**	**617.78**	**2,222.23**	**992.29**
Attributable to:					
Equity holders of the parent		794.89	617.78	2,222.23	992.29
Non-controlling interests		-	-	-	-
Earnings per equity share:	25				
Basic earnings per equity share (INR) - face value of INR 10 each		27.61	21.45	77.46	35.80
Diluted earnings per equity share (INR) - face value of INR 10 each		27.19	21.12	76.15	35.21
Summary of significant accounting policies	2				

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

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

KANIKA KOHLI Digitally signed by KANIKA KOHLI Date: 2021.01.18 14:36:22 +05'30'

Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram
Date: 18 January 2021

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

Dinesh Chandra Agarwal
(Managing Director and CEO)
DIN:00191800

Brijesh Kumar Agrawal
(Whole time director)
DIN:00191760

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 18 January 2021

(Amounts in INR million, unless otherwise stated)

(a) Equity share capital (Refer Note 12)

Equity shares of INR 10 each issued, subscribed and fully paid up	Amount
As at 1 April 2019	285.92
Equity share capital issued on exercise of ESOP during the period	1.83
Equity share capital issued during the period	1.45
Equity share capital issued during the period and held by Indiamart Employee Benefit Trust as at period end	(0.43)
As at 31 December 2019	288.77
As at 1 April 2020	288.77
Equity share capital issued on exercise of ESOP during the period	0.67
Equity share capital issued during the period to Indiamart Employee Benefit Trust (refer note 12(a))	1.35
Equity share capital issued during the period and held by Indiamart Employee Benefit Trust as at period end (refer note 12(a))	(0.07)
As at 31 December 2020	290.72

(b) Other equity (Refer Note 13)

Particulars	Attributable to the equity holders of parent					Total other equity
	Reserves and surplus					
	Securities premium	General reserve	Employee share based payment reserve	Capital reserve	Retained earnings	
Balance as at 1 April 2019	4,686.54	8.45	88.48	(2.04)	(3,468.47)	1,312.96
Impact of adoption of Ind AS 116 (net of taxes)	-	-	-	-	(16.33)	(16.33)
Profit for the period	-	-	-	-	1,030.65	1,030.65
Other comprehensive income (loss) for the period	-	-	-	-	(38.36)	(38.36)
Total comprehensive income	-	-	-	-	975.96	975.96
Issue of equity shares on exercise of ESOP during the period	67.36	-	(50.91)	-	-	16.45
Employee share based payment expense (refer note 21)	-	-	70.20	-	-	70.20
Balance as at 31 December 2019	4,753.90	8.45	107.77	(2.04)	(2,492.51)	2,375.57
Balance as at 1 April 2020	4,753.90	8.45	116.16	(2.04)	(2,414.67)	2,461.80
Profit for the period	-	-	-	-	2,241.19	2,241.19
Other comprehensive income (loss) for the period	-	-	-	-	(18.96)	(18.96)
Total comprehensive income/(loss)	-	-	-	-	2,222.23	2,222.23
Issue of equity shares on exercise of ESOP during the period	57.30	-	(51.30)	-	-	6.00
Employee share based payment expense	-	-	48.72	-	-	48.72
ESOP surrendered of subsidiary company	-	-	(25.83)	-	25.83	-
Adjustment for loss of control in Subsidiary (Refer Note 32)			(0.48)	2.04	(2.04)	(0.48)
Balance as at 31 December 2020	4,811.20	8.45	87.27	-	(168.65)	4,738.27

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

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

KANIKA KOHLI Digitally signed by KANIKA KOHLI Date: 2021.01.18 14:36:40 +05'30'

Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram
Date: 18 January 2021

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

Dinesh Chandra Agarwal
(Managing Director and CEO)
DIN:00191800

Brijesh Kumar Agrawal
(Whole-time director)
DIN:00191760

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 18 January 2021

IndiaMART InterMESH Limited
Condensed Consolidated Interim Statement of Cash Flows for the period ended 31 December 2020
(Amounts in INR million, unless otherwise stated)

Particulars	Notes	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019
Profit before tax		3,001.45	1,501.76
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	23	125.63	152.31
Interest and other income	20	(35.14)	(37.31)
Provisions and liabilities no longer required written back		(22.65)	-
Fair value gain on measurement and income from sale of financial assets - Investment in Mutual Funds measured at FVTPL	20	(702.55)	(475.61)
Gain on disposal of property, plant and equipment	20	(1.57)	(0.67)
Finance costs	22	51.85	16.35
Allowances for doubtful debts	24	(1.56)	0.33
Share-based payment expense	21	48.72	70.20
Share of net loss of associates		10.81	8.87
Loss on change of control of a subsidiary converted into an associate (Refer Note 32)		2.04	-
		2,477.03	**1,236.23**
Change in:			
Trade receivables		0.47	(14.39)
Other financial assets		18.35	(19.22)
Other assets		5.26	11.35
Other financial liabilities		(44.92)	(49.88)
Trade payables		(21.87)	21.87
Contract and other liabilities		(499.83)	589.65
Provisions		36.05	59.51
Cash generated from operations		**1,970.54**	**1,835.12**
Income tax paid (net)		(392.00)	(165.33)
Net cash generated from operating activities		**1,578.54**	**1,669.79**
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		3.21	0.97
Purchase of property, plant and equipment and other intangible assets		(0.34)	(39.61)
Purchase of current investments		(2,490.42)	(3,453.20)
Proceeds from sale of current investments		974.72	1,992.68
Interest received		22.93	26.60
Advances received from/(paid for) selling shareholders (net)		-	80.21
Advance paid for leases		-	(18.04)
Refund/(payment) of refundable security deposits for listing on stock exchange.		23.78	(23.78)
Investment in bank deposits (includes earmarked balances with bank) (having original maturity of more than three months)		(6.27)	(370.56)
Redemption of bank deposits		54.59	349.73
Investment in associates and other entities		(99.99)	(312.01)
Proceeds from sale of dilution of Stake, net of cash paid (refer note 32)		0.90	-
Net cash used in investing activities		**(1,516.89)**	**(1,767.01)**
Cash flow from financing activities			
Repayment of lease liabilities		(36.40)	(120.74)
Interest paid on lease liabilities		(51.85)	(16.35)
Dividend paid		(14.79)	-
Proceeds from issue of equity shares on exercise of share based awards		7.95	19.31
Net cash used in financing activities		**(95.09)**	**(117.78)**
Net decrease in cash and cash equivalents		**(33.44)**	**(215.00)**
Cash and cash equivalents at the beginning of the period	11	**169.38**	**401.96**
Cash and cash equivalents at the end of the period	11	**135.94**	**186.96**

Summary of significant accounting policies 2

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

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

KANIKA KOHLI Digitally signed by KANIKA KOHLI Date: 2021.01.18 14:37:01 +05'30'

Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram
Date: 18 January 2021

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

Dinesh Chandra Agarwal
(Managing Director and CEO)
DIN:00191800

Brijesh Kumar Agrawal
(Whole-time director)
DIN:00191760

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 18 January 2021

1. Corporate Information

The condensed consolidated interim financial statements comprise the condensed interim financial statements of IndiaMART Intermesh Limited ("the Company"), its subsidiaries and associates (collectively referred to as "the Group").

The Company is a public company domiciled in India and was incorporated on 13 September 1999 under the provisions of the Companies Act applicable in India. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India. The Company is engaged in e-marketplace for business needs, which acts as an interactive hub for domestic and international buyers and suppliers. The registered office of the Company is located at 1st Floor, 29-Daryagang, Netaji Subash Marg New Delhi-110002, India.

The condensed consolidated interim financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on 18 January 2021.

2. Summary of Significant Accounting Policies

(a) Statement of compliance

The condensed consolidated interim financial statements for the period ended 31 December 2020 have been prepared in accordance with Indian Accounting Standard (referred to as "Ind AS") 34, Interim Financial Reporting and other Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act, 2013 ("the Act") (as amended from time to time). These condensed consolidated interim financial statements must be read in conjunction with the consolidated financial statements for the year ended 31 March 2020. They do not include all the information required for a complete set of Ind AS financial statements. However, selected explanatory notes are included to explain events and transactions that management believes are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

All amounts disclosed in the condensed consolidated interim financial statements have been rounded off to the nearest INR million as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

(b) Basis of Preparation

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities measured at fair value or amortised cost at the end of each reporting period.

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under the indirect method. The preparation of these condensed consolidated interim financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the condensed consolidated interim financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

(c) Basis of consolidation

The Company consolidates all entities which are controlled by it. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.
All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

3. Significant accounting estimates and assumptions

The preparation of condensed consolidated interim financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The significant judgements made by management in applying the Group's accounting policies and key sources of estimation and uncertainty were the same as those described in the last annual consolidated financial statements for the year ended 31 March 2020.

In view of the COVID-19 pandemic, 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 associates & other entities, and other financial assets, for possible impact on the condensed consolidated interim financial statements. However, the actual impact of COVID-19 on the Group's condensed consolidated interim financial statements may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.

4. Measurement of fair values

The Group records certain financial assets and liabilities at fair value on a recurring basis. The Group determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability.

The Group's management determines the policies and procedures for recurring fair value measurement, such as investment in debt instruments, equity instruments and preference instruments measured at fair value.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the condensed consolidated interim financial statements are categorised within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
(ii) Level 2 — inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
(iii) Level 3 — Unobservable inputs for the asset or liability reflecting Group's assumptions about pricing by market participants

For assets and liabilities that are recognised in the condensed consolidated interim financial statements on fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(Amounts in INR million, unless otherwise stated)

5A Property, plant and equipment

	Leasehold land (Refer Note 5B)	Computers	Office equipment	Furniture and fixtures	Motor vehicles	Total Property, plant and equipment	Capital work in progress (Refer Note below)
Gross carrying amount							
As at 1 April 2019	37.12	102.59	38.39	6.01	3.80	187.91	1.77
Transition impact of Ind AS 116	(37.12)	-	-	-	-	(37.12)	-
Additions for the year	-	27.82	15.95	0.77	-	44.54	-
Disposals for the year	-	(2.54)	(1.71)	(1.03)	-	(5.28)	-
As at 31 March 2020	-	127.87	52.63	5.75	3.80	190.05	1.77
Additions for the period	-	0.11	0.23	-	-	0.34	-
Adjustment for loss of control in Subsidiary (Refer Note 32)		(3.81)	(0.24)	(0.03)	-	(4.08)	-
Disposals for the period	-	(9.80)	(2.64)	(1.63)	-	(14.07)	-
As at 31 December 2020	-	114.37	49.98	4.09	3.80	172.24	1.77
Accumulated depreciation							
As at 1 April 2019	1.38	73.11	24.46	3.14	1.02	103.11	-
Transition impact of Ind AS 116	(1.38)	-	-	-	-	(1.38)	-
Charge for the year	-	30.38	8.79	0.86	1.01	41.04	-
Disposals during the year	-	(2.42)	(1.51)	(0.55)	-	(4.48)	-
As at 31 March 2020	-	101.07	31.74	3.45	2.03	138.29	-
Charge for the period	-	12.37	7.09	0.42	0.42	20.30	-
Adjustment for loss of control in Subsidiary (Refer Note 32)	-	(2.53)	(0.16)	(0.01)	-	(2.70)	-
Disposals during the period	-	(9.66)	(1.81)	(0.96)	-	(12.43)	-
As at 31 December 2020	-	101.25	36.86	2.90	2.45	143.46	-
Net book value							
As at 1 April 2019	35.74	29.48	13.93	2.87	2.78	84.80	1.77
As at 31 March 2020	-	26.80	20.89	2.30	1.77	51.76	1.77
As at 31 December 2020	-	13.12	13.12	1.19	1.35	28.78	1.77

Note:

1. Capital work in progress represents the amount incurred on construction of boundary wall for leasehold land (refer note 5B for details related to leasehold land).

(Amounts in INR million, unless otherwise stated)

5B Right-of-use asset

	Leasehold land (Refer Note 1 below)	Buildings (Refer Note 2 below)	Total
Gross carrying amount			
As at 1 April 2019	-	-	-
Transition impact of Ind AS 116	37.12	204.39	241.51
Additions for the year	-	736.52	736.52
Disposals for the year	-	(11.08)	(11.08)
As at 31 March 2020	**37.12**	**929.83**	**966.95**
Additions for the period	-	17.78	17.78
Disposals for the period		(100.52)	(100.52)
As at 31 December 2020	**37.12**	**847.09**	**884.21**
Accumulated depreciation			
As at 1 April 2019	-	-	-
Transition impact of Ind AS 116	1.38	-	1.38
Depreciation for the year	0.46	167.09	167.55
Disposals for the year	-	(1.69)	(1.69)
As at 31 March 2020	**1.84**	**165.40**	**167.24**
Depreciation for the period	0.35	103.43	103.78
Disposals for the period	-	(45.98)	(45.98)
As at 31 December 2020	**2.19**	**222.85**	**225.04**
Net book value			
As at 31 March 2020	**35.28**	**764.43**	**799.71**
As at 31 December 2020	**34.93**	**624.24**	**659.17**

1. As per the terms of the lease arrangement, the Company was required to complete the construction of building within 5 years from the date of handing over the possession. The Company had obtained extension for construction of building on the leasehold land till 5 October 2019 and is in the process of obtaining further extension.

2.The Group had adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases using modified retrospective approach with the cumulative effect of initially applying the Standard (1 April 2019) resulting in recognition of right-of-use asset of INR 204.39 Million and a corresponding lease liability of INR 224.00 Million by adjusting retained earnings net of taxes by INR 16.33 Million [the impact of deferred tax created INR 8.77 Million] as at 1 April 2019.

(Amounts in INR million, unless otherwise stated)

6 Intangible assets

	Software	Unique telephone numbers	Total
Gross carrying amount			
As at 1 April 2019	13.26	4.70	17.96
Additions for the year	1.88	-	1.88
As at 31 March 2020	15.14	4.70	19.84
Adjustment for loss of control in Subsidiary (Refer Note 32)	(0.09)	-	(0.09)
As at 31 December 2020	15.05	4.70	19.75
Accumulated depreciation			
As at 1 April 2019	8.46	3.69	12.15
Amortisation for the year	2.45	0.41	2.86
As at 31 March 2020	10.91	4.10	15.01
Amortisation for the period	1.37	0.18	1.55
Adjustment for loss of control in Subsidiary (Refer Note 32)	(0.03)	-	(0.03)
As at 31 December 2020	12.25	4.28	16.53
As at 1 April 2019	4.80	1.01	5.81
As at 31 March 2020	4.23	0.60	4.83
As at 31 December 2020	2.80	0.42	3.22

(Amounts in INR million, unless otherwise stated)

7 Investment in associates- Unquoted

(Accounted under equity method)	As at 31 December 2020 No. of units	Amount	As at 31 March 2020 No. of units	Amount
Fully paid up - at cost (Refer note 32)				
Compulsory convertible preference shares of INR 100 each (at premium of INR 52,217.90 each) in Simply Vyapar Apps Private Limited	5,954	311.50	5,954	311.50
Equity shares of INR 10 each (at premium of INR 52,307.90 each) in Simply Vyapar Apps Private Limited	10	0.52	10	0.52
Add: Share of profit (loss) of associate		(27.33)		(16.41)
Equity shares of INR 10 each in Ten Times Online Private Limited (Refer note 32)		0.93		-
Add: Share of profit (loss) of associate		0.12		-
		285.74		**295.61**

Note:

The Group performed an evaluation to test whether there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition considering the likely impact of COVID-19 on future cash flows and growth rates and believes that the carrying value of the investment in associate is recoverable.

8 Financial assets

	As at 31 December 2020 No. of units	Amount	As at 31 March 2020 No. of units	Amount
a) Non-current investments				
Investment in others				
Investment in debt instruments - Unquoted (measured at FVTPL)				
Instant Procurement Services Private Limited				
Equity shares held in of INR 10 each in Instant Procurement Services Private Limited *	5,500	-	-	-
0.001% Optionally convertible redeemable preference share of INR 10 each	12,446	-	12,446	-
0.001% Compulsorily convertible preference share of INR 10 each	3,764	-	3,764	-
Mobisy Technologies Private Limited (refer note 2 below)				
Compulsory convertible preference shares of INR 1 each (at premium of INR 776 each)	128,593	99.92	-	-
Equity shares of INR 1 each (at premium of INR 776 each)	100	0.07	-	-
Total		**99.99**		-

Notes:

1. The Group has invested in convertible preference shares of companies. Based on the terms, these have been classified as financial instrument in the nature of financial assets to be measured at fair value through profit-and-loss.

2. During the period ended 31 December 2020, the Company has acquired 8.98% interest on fully converted and diluted basis in Mobisy Technologies Private Limited at the aggregate consideration of INR 99.99 Million. This investment has been classified as "Investment at FVTPL" as per Ind-AS 109.

*During the period ended 31 December 2020, the loan given to Instant Procurement Services Private Limited was converted into equity shares of the Company.

b) Current investments

Investment in mutual funds - Quoted (measured at FVTPL)	As at 31 December 2020 No. of units	Amount	As at 31 March 2020 No. of units	Amount
Aditya Birla Sunlife Short-Term Fund-Growth Regular Plan	2,599,874	94.86	2,599,874	86.25
Aditya Birla Sunlife Corporate Bond Fund - Growth-Regular Plan	6,508,526	557.65	6,682,469	522.93
Aditya Birla Sun Life Corporate Bond Fund-Growth-Direct Plan	4,570,414	395.22	2,013,531	158.84
Bharat Bond ETF April-2023	400,000	444.36	400,000	408.08
Bharat Bond ETF April-2025	149,992	153.58	-	-
IDFC Low Duration Fund-Growth- Direct Plan	19,954,012	606.89	-	-
IDFC Bond Fund - Short-Term Plan- DGP	8,167,105	381.51	1,259,265	54.61
HDFC Short Term Debt Fund-Direct Growth Plan	19,720,994	490.88	19,720,994	451.38
ICICI Prudential Savings Fund -Growth	-	-	109,221	42.31
Aditya Birla Sunlife Short-Term Fund-Growth-Direct Plan	21,181,794	811.43	21,181,794	733.87
IDFC Low Duration Fund-Growth (Regular Plan)	9,777,893	293.53	16,451,049	469.96
HDFC Short Term Debt Fund - Regular Plan	8,380,984	205.70	8,380,984	189.74
IDFC Bond Fund-STP-Regular Fund	5,644,274	251.61	408,840	16.98
IDFC Banking & PSU Debt Fund - Direct - Growth	34,010,628	661.97	-	-
IDFC Corporate Bond Fund - Direct - Growth Plan	3,273,823	49.97	-	-
ICICI Prudential Savings Fund- Direct Plan-Growth	2,583,184	1,079.54	3,049,171	1,194.92
ICICI Prudential Short-Term Fund - Growth Option	3,606,276	164.83	3,606,276	152.07
ICICI Prudential Short-Term Fund - Direct	20,802,151	1,006.01	20,802,151	922.91
HDFC Low Duration Fund -Regular Plan-Growth	3,797,410	169.92	3,797,410	159.78
HDFC Low Duration Fund - Direct Plan-Growth	12,035,204	568.39	17,380,457	768.36
HDFC Credit Risk Debt Fund - Regular Plan - Growth	-	-	7,019,394	116.85
L&T Short term bond fund-DGP	37,122,589	803.35	37,122,589	747.51
Kotak Corporate Bond Fund - DGP	328,929	979.25	328,929	907.95
Kotak Liquid Fund - Direct Growth	37,217	153.59	24,984	100.31
Kotak Liquid Fund - Regular Growth	43,602	179.19	25,068	100.28
HDFC Equity saving fund-regular-growth	-	-	167,302	5.52
HDFC Short-Term Debt Fund	-	-	514,032	11.64
L&T Short-Term Bond Fund - Regular Growth	20,066,239	418.50	20,066,239	390.87
HDFC Hybrid Equity Fund-Regular-Growth	-	-	114,426	4.86
Total current investments		**10,921.73**		**8,718.78**

	31 December 2020	31 March 2020
Aggregate book value of quoted investments	**10,921.73**	**8,718.78**
Aggregate market value of quoted investments	**10,921.73**	**8,718.78**
Aggregate carrying value of unquoted investments	**99.99**	-

(Amounts in INR million, unless otherwise stated)

c) Loans (measured at amortised cost)

	As at 31 December 2020	As at 31 March 2020
(i) Loans to employees		
Non-current (unsecured, considered good unless stated otherwise)		
Loans to employees	2.40	0.73
	2.40	**0.73**
Current (unsecured, considered good unless stated otherwise)		
Loans to employees	8.33	12.99
	8.33	**12.99**

Notes:
The above loans represent interest free loans to employees, which are recoverable in maximum 24 monthly instalments.

(ii) Inter corporate loan		
Non-current (unsecured)		
Loans credit-impaired*	-	5.00
Less: Loss allowance	-	(5.00)
	-	-
Total loans	**10.73**	**13.72**

*During the period ended 31 December 2020, The loan given to Instant Procurement Services Private Limited was converted into equity shares of the Company.

	As at 31 December 2020	As at 31 March 2020
d) Others (measured at amortised cost)		
Non-current (unsecured, considered good unless stated otherwise)		
Security deposits	40.47	51.11
Bank deposits with remaining maturity for more than twelve months (Refer Note 11)	-	349.72
Total	**40.47**	**400.83**
Current (unsecured, considered good unless stated otherwise)		
Security deposits	5.98	52.86
Amount recoverable from payment gateway	46.36	26.97
Other recoverables	0.21	-
Total	**52.55**	**79.83**
Total other financial assets	**93.02**	**480.66**

Notes:
Security deposits are non-interest bearing and are generally on term of 3 to 9 years.

9 Other assets

	As at 31 December 2020	As at 31 March 2020
Non-current (unsecured, considered good unless stated otherwise)		
Prepaid expenses	0.38	0.44
Indirect taxes recoverable	16.82	16.78
Total	**17.20**	**17.22**
Current (Unsecured, considered good unless stated otherwise)		
Advances recoverable	22.10	16.66
Indirect taxes recoverable	9.06	10.57
Prepaid expenses	14.08	25.90
Total	**45.24**	**53.13**

10 Trade receivables

	As at 31 December 2020	As at 31 March 2020
Unsecured, considered good unless stated otherwise		
Considered good		
Trade receivables	16.19	16.82
Considered doubtful		
Trade Receivables credit- impaired	0.03	1.68
Less: Loss allowance	(0.03)	(1.68)
Total	**16.19**	**16.82**

Notes:
a) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
b) Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

(Amounts in INR million, unless otherwise stated)

11 Cash and bank balances

a) Cash and cash equivalents	As at 31 December 2020	As at 31 March 2020
Cash on hand	-	0.17
Cheques on hand	32.08	39.42
Balance with bank		
- On current accounts	103.86	129.79
Total Cash and cash equivalents	**135.94**	**169.38**

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

b) Bank balances other than cash and cash equivalents		
(i) Deposits with Banks		
- remaining maturity upto twelve months*	368.77	52.91
- remaining maturity for more than twelve months*	-	349.72
	368.77	**402.63**
Less: Amount disclosed under Others financial assets non-current	-	349.72
	368.77	**52.91**
(ii) Earmarked balances with banks**	1.47	16.35
	370.24	**69.26**

*Includes Nil (31 March 2020: INR 23.78) pledged with bank against guarantee given to stock exchange.
** Earmarked balances includes unclaimed/unpaid dividends of INR 0.17 (31 March 2020: INR 14.97) and bank balance with Indiamart Employee Benefit Trust of INR 1.30 (31 March 2020: INR 1.37).

(Amounts in INR million, unless otherwise stated)

12 Share capital

Authorised equity share capital (INR 10 per share)

	Number of shares	Amount
As at 1 April 2019	30,000,000	300.00
As at 31 March 2020	30,000,000	300.00
As at 31 December 2020	30,000,000	300.00

Authorised 0.01% cumulative preference share capital (INR 328 per share)

	Number of shares	Amount
As at 1 April 2019	1,493,903	490.00
As at 31 March 2020	1,493,903	490.00
As at 31 December 2020	1,493,903	490.00

Authorised 0.01% compulsorily convertible cumulative preference share capital (INR 100 per share)

	Number of shares	Amount
As at 1 April 2019	1,894,254	189.43
As at 31 March 2020	1,894,254	189.43
As at 31 December 2020	1,894,254	189.43

Issued equity share capital (subscribed and fully paid up) (INR 10 per share)

	Number of shares	Amount
As at 1 April 2019	**28,592,006**	**285.92**
Equity share capital issued on exercise of ESOP during the period	182,814	1.83
Equity share capital issued to Indiamart Employee Benefit Trust during the period (refer note (a) below)	145,000	1.45
Equity share capital issued during the period and held by Indiamart Employee Benefit Trust as at period end (refer note (a) below)	(42,573)	(0.43)
As at 31 March 2020	**28,877,247**	**288.77**
Equity share capital issued on exercise of ESOP during the period	66,696	0.67
Equity share capital issued to Indiamart Employee Benefit Trust during the period (refer note (a) below)	135,000	1.35
Equity share capital issued during the period and held by Indiamart Employee Benefit Trust as at period end (refer note (a) below)	(6,817)	(0.07)
As at 31 December 2020	**29,072,126**	**290.72**

a) Shares held by Indiamart Employee Benefit Trust against employees share based payment plans (face value: INR 10 each)

	As at 31 December 2020		As at 31 March 2020	
	Number	Amount	Number	Amount
Opening balance	42,573	0.43	-	-
Purchased during the year/period	135,000	1.35	145,000	1.45
Transfer to employees pursuant to SAR exercised	(128,183)	(1.28)	(102,427)	(1.02)
Closing balance	**49,390**	**0.50**	**42,573**	**0.43**

13 Other equity

	As at 31 December 2020	As at 31 March 2020
Securities premium	4,811.20	4,753.90
General reserve	8.45	8.45
Employee share based payment reserve	87.27	116.16
Capital reserve	-	(2.04)
Retained earnings	(168.65)	(2,414.67)
Total other equity	**4,738.27**	**2,461.80**

Nature and purpose of reserves and surplus:

a) **Securities premium:** The Securities premium account is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act 2013.

b) **General reserve:** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes, as the same is created by transfer from one component of equity to another.

c) **Employee share based payment reserve:** The Employee share based payment reserve is used to recognise the compensation related to share based awards issued to employees under Company's Share based payment scheme.

d) **Capital reserve:** The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve. The capital reserve pertains to acquisition of non-controlling interest by the parent company.

e) **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Group, and re-measurement gains/losses on defined benefit plans.

(Amounts in INR million, unless otherwise stated)

14 Trade payables

	As at 31 December 2020	As at 31 March 2020
Payable to micro, small and medium enterprises	-	-
Other trade payables*	153.07	179.42
Total	**153.07**	**179.42**

*Other trade payables are non-interest bearing and are normally settled on 30-day terms.

15 Lease and other financial liabilities

	As at 31 December 2020	As at 31 March 2020
(a) Lease liabilities		
Current	116.02	152.61
Non-current	545.24	612.49
	661.26	**765.10**
(b) Other financial liabilities		
Current		
Payable to employees	195.02	244.55
Security deposits	0.14	0.14
Unpaid / Unclaimed dividend*	0.17	14.97
Other advances	3.43	0.31
Total	**198.76**	**259.97**

* Unclaimed/Unpaid dividend represents the interim dividend amount declared during the previous year ended 31 March 2020 and remaining to be paid to shareholders.

16 Provisions

	As at 31 December 2020	As at 31 March 2020
Non-current		
Provision for employee benefits*		
Provision for gratuity	251.24	199.61
Provision for leave encashment	65.67	65.79
Total	**316.91**	**265.40**
Current		
Provision for employee benefits*		
Provision for gratuity	17.45	10.76
Provision for leave encashment	12.18	14.33
Provision-others**	15.38	15.38
Total	**45.01**	**40.47**

* Refer Note 27

** Contingency provision towards indirect taxes.There is no movement in this provision in the period ended 31 December 2020

17 Contract and other liabilities

	As at 31 December 2020	As at 31 March 2020
Contract liabilities*		
Non-current		
Deferred revenue	2,179.13	2,697.21
	2,179.13	**2,697.21**
Current		
Deferred revenue	3,948.24	4,013.44
Advances from customers	207.23	142.14
	4,155.47	**4,155.58**
Total	**6,334.60**	**6,852.79**
Other liabilities- current		
Statutory dues		
Tax deducted at source payable	18.02	27.79
Indirect tax payable	102.57	82.78
Others	5.08	5.00
Total	**125.67**	**115.57**

*Contract liabilities includes consideration received in advance to render web services in future periods.

18 Income tax assets and liabilities

	As at 31 December 2020	As at 31 March 2020
Income tax assets (net of provisions)		
Non current		
Income tax assets	603.46	211.60
Less: Provision for income tax	(389.59)	-
	213.87	**211.60**
Current		
Income tax assets	78.76	79.34
	78.76	**79.34**
Total	**292.63**	**290.94**

(Amounts in INR million, unless otherwise stated)

19 Revenue from operations

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019
Sale of services				
Income from web services	1,702.67	1,628.74	4,828.70	4,639.94
Advertisement and marketing services	32.73	19.96	70.26	47.86
Total	1,735.40	1,648.70	4,898.96	4,687.80

Significant changes in the contract liability balances during the period are as follows:

	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019
Opening balance at the beginning of the period	6,277.95	6,305.46	6,852.79	5,859.82
Less: Revenue recognised from contract liability balance at the beginning of the period	(1,299.11)	(1,150.05)	(3,234.00)	(3,387.85)
Add: Amount received from customers during the period	1,792.05	1,835.53	4,388.83	5,320.27
Less: Revenue recognised from amounts received during the period	(436.29)	(498.65)	(1,664.97)	(1,299.95)
Adjustment for dilution of stake in subsidiary (Refer note 32)	-	-	(8.05)	-
Closing balance at the end of the period	6,334.60	6,492.29	6,334.60	6,492.29

We earn revenue in the Group majorly through sale of subscription packages (available on a monthly, annual and multi-year basis) to suppliers. We foresee that our revenue and deferred revenue would be impacted due to COVID-19 as the customers may not opt for renewals or for more premium packages in short term due to COVID-19, particularly in case of monthly packages. As of 31 December 2020, the Company has not changed the terms/period over which services are to be provided to its customers for the contracted business.

The impact assessment of COVID-19 is an ongoing process due to the high degree of uncertainty associated and our assertions might change in future due to this.

20 Other income

	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019
Fair value gain on measurement and income from sale of financial assets				
- Investment in Mutual Funds measured at FVTPL	229.20	158.00	702.55	475.61
Interest income from financial assets measured at amortised cost				
- on bank deposits	7.31	6.81	22.83	22.46
- on security deposits	1.45	0.72	3.92	9.44
Other interest income	-	0.01	0.09	4.14
Gain on de-recognition of Right-of-use assets	4.20	0.50	8.30	1.28
Provisions and liabilities no longer required written back	3.67	-	22.65	-
Net gain on disposal of property, plant and equipment	0.34	0.02	1.57	0.67
Total	246.17	166.06	761.91	513.60

21 Employee benefits expense

	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019
Salaries, allowance and bonus	482.21	648.97	1,379.07	1,789.61
Gratuity expense	14.50	10.36	36.75	24.31
Leave encashment expense	3.08	11.50	3.43	40.07
Contribution to provident and other funds	4.21	3.90	12.36	10.49
Employee share based payment expense	12.59	18.03	48.72	70.20
Staff welfare expenses	0.21	14.99	0.82	68.09
Total	516.80	707.75	1,481.15	2,002.77

22 Finance costs

	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019
Interest cost of lease liabilities	16.28	5.61	51.85	16.35
Total	16.28	5.61	51.85	16.35

23 Depreciation and amortization expense

	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019
Depreciation of property, plant and equipment (Refer Note 5A)	6.48	11.19	20.30	28.55
Depreciation of Right-of-use assets (Refer Note 5B)	31.04	45.91	103.78	121.66
Amortisation of intangible assets (Refer Note 6)	0.54	0.76	1.55	2.10
Total	38.06	57.86	125.63	152.31

(Amounts in INR million, unless otherwise stated)

24 Other expenses

	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019
Content development expenses	34.37	54.93	69.96	181.91
Buyer engagement expenses	43.45	42.51	132.48	133.53
Customer support expenses	40.96	56.84	111.66	176.34
Outsourced sales cost	122.94	195.19	372.56	527.28
Internet and other online expenses	51.04	55.64	139.92	173.27
Rent	2.11	7.34	13.51	18.06
Rates and taxes	0.43	0.95	3.97	19.07
Communication costs	0.04	2.39	1.67	6.96
Outsourced support cost	2.55	5.86	9.06	16.76
Advertisement expenses	1.99	5.19	5.65	17.12
Power and fuel	1.19	6.48	5.01	22.80
Printing and stationery	0.20	1.85	0.28	6.48
Repair and maintenance:				
- Plant and machinery	0.34	2.94	1.61	10.28
- Others	4.38	18.75	26.14	56.04
Travelling and conveyance	0.67	12.07	1.21	42.81
Recruitment and training expenses	1.23	7.12	4.77	24.06
Legal and professional fees	12.49	9.68	24.85	31.51
Directors' sitting fees	0.31	0.40	0.88	1.57
Insurance expenses	7.01	7.96	23.48	21.80
Foreign exchange fluctuation (net)	0.37	0.67	0.90	0.67
Loss on change of control of a subsidiary converted into an associate (Refer Note 32)	-	-	2.04	-
Collection charges	10.84	10.92	31.55	30.02
Corporate social responsibility activities expenses	2.08	-	8.26	-
Allowances for doubtful debts (including Bad debts)	0.04	(0.31)	(1.56)	0.33
Miscellaneous expenses	0.01	0.26	0.12	0.67
Total	341.04	505.63	989.98	1,519.34

25 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the earning/(loss) for the period attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the period.
Diluted EPS are calculated by dividing the earnings/(loss) for the period attributable to the equity holders of the parent company by weighted average number of Equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The following reflects the income and share data used in the basic and diluted EPS computations:

Basic	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019
Net profit for the period	801.53	620.34	2,241.19	1,030.65
Weighted average number of equity shares used in calculating basic EPS	29,027,333	28,919,820	28,934,897	28,786,628
Basic earnings per equity share	27.61	21.45	77.46	35.80
Diluted				
Weighted average number of equity shares used in calculating basic EPS	29,027,333	28,919,820	28,934,897	28,786,628
Potential equity shares	452,243	451,055	497,554	488,844
Total no. of shares outstanding (including dilution)	29,479,576	29,370,875	29,432,451	29,275,472
Diluted earnings per equity share	27.19	21.12	76.15	35.21

There are potential equity shares for the period ended 31 December 2020 and 31 December 2019 in the form of share based awards granted to employees which have been considered in the calculation of diluted earnings per share.

(Amounts in INR million, unless otherwise stated)

26 Income tax

The major components of income tax expense are:

a) Income tax expense/(income) recognised in Statement of profit and loss

Particulars	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019
Current tax expense/ (income)				
Current tax for the period	218.58	2.37	393.43	3.89
Adjustments in respect of previous year	-	-	-	(3.39)
	218.58	**2.37**	**393.43**	**0.50**
Deferred tax expense/(income)				
Relating to origination and reversal of temporary differences	44.61	137.06	366.83	381.83
Relating to minimum alternate tax	-	-	-	3.31
Relating to earlier years	-	(228.61)	-	(228.61)
	44.61	**(91.55)**	**366.83**	**156.53**
Tax expense /(income) related to change in tax rate/laws *				
- Deferred tax	-	-	-	314.08
	-	-	-	314.08
Total income tax expense	**263.19**	**(89.18)**	**760.26**	**471.10**

* Tax impact for the nine months ended 31 December 2019 includes the impact of adoption of Taxation Laws Amendment Ordinance 2019 as applicable to the Company. The deferred tax charge due to change in applicable tax rate is INR 277.90 Millions and due to reversal of MAT credit entitlement is INR 36.18 Millions.

b) Income tax recognised in other comprehensive income (OCI)
Deferred tax related to items recognised in OCI during the period

Particulars	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019
Net loss on remeasurements of defined benefit plans	(2.24)	(6.83)	(6.38)	(12.01)

c) Reconciliation of Deferred tax asset/(liabilities) (Net):

Particulars	As at 31 December 2020	As at 31 March 2020
Opening balance as of 1 April	245.70	858.08
Tax (expense)/income during the period recognised in Statement of profit and loss	(366.83)	(325.62)
Tax expense related to change in tax rate/law	-	(314.08)
Tax impact during the period recognised in OCI	6.38	18.55
Deferred tax on Ind AS 116 impact on retained earning	-	8.77
Adjustment for loss of control in Subsidiary (Refer Note 32)	(2.57)	-
Closing balance at the end of the period	**(117.32)**	**245.70**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(Amounts in INR million, unless otherwise stated)

27 Defined benefit plan and other long term employee benefit plan

The Group has a defined benefit gratuity plan. Every employee who has completed statutory defined period of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with insurance company in form of qualifying insurance policy. This defined benefit plans exposes the Group to actuarial risks, such as longevity risk, interest rate risk and salary risk.

The amount included in the balance sheet arising from the Group's obligation in respect of its gratuity plan and leave encashment is as follows:

Gratuity - Defined benefit

	As at 31 December 2020	As at 31 March 2020
Present value of defined benefit obligation	278.83	223.31
Fair value of plan assets	(10.15)	(12.94)
Net liability arising from defined benefit	**268.68**	**210.37**

Leave encashment - other long term employee benefit plan

	As at 31 December 2020	As at 31 March 2020
Present value of other long term empoyee benefit	77.85	80.12
Net liability arising from other long term employee benefit	**77.85**	**80.12**

(Amounts in INR million, unless otherwise stated)

28 **Fair value measurements**

a) **Category wise details as to carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:**

	Level	As at 31 December 2020	As at 31 March 2020
Financial assets			
a) Measured at fair value through profit or loss (FVTPL)			
- Investment in mutual funds (Refer Note b(iii) below)	Level 1	10,921.73	8,718.78
- Investment in equity/preference instruments of other entities (Refer Note b(iv) below)	Level 3	99.99	-
		11,021.72	8,718.78
b) Measured at amortised cost (refer note (b)(i) and (ii) below)			
- Trade receivables		16.19	16.82
- Cash and cash equivalents		135.94	169.38
- Loans		10.73	13.72
- Security deposits		46.45	103.97
- Bank deposits		370.24	418.97
- Other financial assets		46.57	26.98
		626.12	749.84
Total financial assets (a+b)		**11,647.84**	**9,468.62**
Financial liabilities			
a) Measured at amortised cost (refer note (b)(i) and (ii))			
- Trade payables		153.07	179.42
- Security deposits		0.14	0.14
- Other financial liabilities		198.62	259.83
- Lease liabilities		661.26	765.10
Total financial liabilities		**1,013.09**	**1,204.49**

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

i) The carrying value of bank deposits, trade receivables, cash and cash equivalents, trade payables, security deposits, lease liabilities and other financial assets and other financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments. These have been assessed basis counterparty credit risk.

ii) The fair value of non-current financial assets and financial liabilities measured are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used does not reflect significant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.

iii) Fair value of quoted mutual funds is based on quoted market prices at the reporting date, which factors the impact of COVID-19. We do not expect material volatility in these financial assets.

iv) Fair value of equity/preference instruments of other entities is estimated based on discounted cash flows valuation technique using the cash flow projections, discount rate and credit risk, considering the impact of COVID-19.

c) **Following table describes the valuation techniques used and key inputs thereto for the level 3 financial assets / liabilities as of 31 December 2020 and 31 March 2020:**

Financial assets	**Valuation technique(s)**	**Key input(s)**	**Sensitivity**
Investment in equity/preference instruments of other entities			
Mobisy Technologies Private Limited	Refer Note below*	i) Discount rate ii) Growth rate for long term cash flow projections. iii) Future cash flow projections based on budgets approved by the management.	Refer Note below**

* The fair values of financial assets included in level 3 have been determined in accordance with generally accepted valuation models based on a discounted cashflow analysis, with one of the most significant inputs being the discount rate that reflects the credit risk of counter parties.

** Sensitivity to changes in unobservable inputs: The fair value of the financial assets is directly proportional to the estimated future cash flow projections based on the budgets approved by the management. Change in significant unobservable input of discount rate by 100 bps and growth rate by 100 bps in the valuation does not have a significant impact on the carrying value of the assets in the financial statements.

d) **Reconciliation of level 3 fair value measurements**

	Investment in equity/preference instruments of other entities			
	For the quarter ended 31 December 2020	**For the quarter ended 31 December 2019**	**For the nine months ended 31 December 2020**	**For the nine months ended 31 December 2019**
Opening balance	99.99	-	-	-
Additions	-	-	99.99	-
Closing balance	**99.99**	-	**99.99**	-

e) During the period ended 31 December 2020 and 31 December 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

(Amounts in INR million, unless otherwise stated)

29 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group has only one business segment which is business-to-business e-marketplace, which acts as an interactive hub for domestic and international buyers and suppliers and operates in a single business segment based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. Hence the Group falls within a single operating segment "Business to business e-marketplace".

Information about geographical areas:

The Group's revenue from continuing operations from external customers by location of operations and information of its non-current assets by location of assets are detailed below:

	Revenue from external customers				Non-current assets*	
	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019	As at 31 December 2020	As at 31 March 2020
India	1,709.28	1,581.86	4,824.47	4,591.63	710.14	875.29
Others	26.12	66.84	74.49	96.17	-	-
	1,735.40	**1,648.70**	**4,898.96**	**4,687.80**	**710.14**	**875.29**

* Non-current assets exclude financial assets, investment in associates, deferred tax assets, tax assets and post-employment benefit assets.

30 Related party transactions

i) Names of related parties and related party relationship:

a) Individuals owning directly or indirectly, an interest in the voting power of the Group that gives them Significant Influence over the Group and Key Management Personnel (KMP)

Name	Designation
Dinesh Chandra Agarwal	Managing director and CEO
Brijesh Kumar Agrawal	Whole time director
Prateek Chandra	Chief financial officer
Manoj Bhargava	Company Secretary
Dhruv Prakash	Non-executive director
Rajesh Sawhney	Independent director
Elizabeth Lucy Chapman	Independent director
Vivek Narayan Gour	Independent director

b) Entities where Individuals and Key Management Personnel (KMP) as defined above exercise significant influence.

Mansa Enterprises Private Limited

c) Other related parties

Indiamart Employee Benefit Trust (separately administered Trust to manage employees share based payment plans of the company)
Indiamart Intermesh Employees Group Gratuity Assurance Scheme (separately administered Trust to manage post-employment defined benefits of employees of the company)
Simply Vyapar Apps Private Limited (Associate)
Ten Times Online Private Limited (Associate) (with effect from 1 September 2020. Also refer to Note 32)

ii) Key management personnel compensation

	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019
Short-term employee benefits	28.57	28.57	82.35	85.11
Post-employment benefits	-	0.25	0.28	1.23
Other long-term employee benefits	-	1.38	-	6.14
Employee share based payment	1.03	1.27	3.55	5.20
	29.60	**31.47**	**86.18**	**97.68**

(Amounts in INR million, unless otherwise stated)

30 Related party transactions (Cont'd)

The following table provides the total amount of transactions that have been entered into with the related parties for the relevant period:

Particulars	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019	For the nine months ended 31 December 2020	For the nine months ended 31 December 2019
Entities where KMP and Individuals exercise Significant influence				
Expenses for rent				
Mansa Enterprises Private Limited	0.40	0.79	1.20	2.28
Key management personnel				
Recruitment and training expenses				
Dhruv Prakash	-	0.85	0.44	2.15
Director's sitting fees	0.31	0.40	0.88	1.57
Associates				
Investment in associates				
Simply Vyapar Apps Private Limited	-	-	-	312.02
Web services provided to				
Simply Vyapar Apps Private Limited	0.01	-	0.03	-
Internet and online services availed				
Ten Times Online Pvt. Ltd	-	-	0.03	-
Indiamart Employee Benefit Trust				
Interest free Loan given	-	-	1.20	1.50
Repayment of loan given	-	-	1.20	-
Share capital issued	-	-	1.35	1.45

Terms and conditions of transactions with related parties

The transactions with related parties are entered on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period/year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

During previous period, the above transactions do not include IPO related expenses, incurred, in trust on behalf of related parties (Managing Director and Whole time Director) as selling shareholders in Offer for Sale.

The following table discloses amounts due to or due from related parties at the relevant period end:

Balance Outstanding at the period end	As at 31 December 2020	As at 31 March 2020
Key management personnel		
Recruitment and training expenses payable		
Dhruv Prakash	-	0.13
Investment in associates		
Simply Vyapar Apps Private Limited	312.02	312.02
Ten Times Online Pvt. Ltd	0.93	-
Deferred Revenue		
Simply Vyapar Apps Private Limited	-	0.02
Loan given		
Indiamart Employee Benefit Trust	1.50	1.50

(Amounts in INR million, unless otherwise stated)

31 Contingent liabilities and commitments

a) Contingent liabilities

	As at 31 December 2020	As at 31 March 2020
(i) Income-tax demand (refer notes (a) and (b) below)	302.68	302.68

(a) In respect of Assessment year 2016-17, a demand was raised on Tolexo Online Private limited due to addition of income relating to receipts of securities premium against share allotment made to IndiaMART InterMESH Limited and accordingly the losses to be carried forward by the Company have been reduced from INR 719.22 million to INR 482.07 million (Tax impact @25.17%- INR 59.69 Million) . The matter is pending with CIT(Appeals). The Company is contesting the demand and the management believe that its position is possible to be upheld in the appellate process. No tax expense has been accrued in the financial statements for tax demand raised.

(b) In respect of Assessment year 2017-18, a demand of INR 242.99 million was raised on Tolexo Online Private limited due to addition of income relating to receipts of securities premium against share allotment made to IndiaMART InterMESH Limited. The Company is contesting the demand and the management believe that its position is possible to be upheld in the appellate process. No tax expense has been accrued in the financial statements for tax demand raised.

(ii) On February 28, 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers altered historical understandings of such obligations, extending them to cover additional portions of the employee's income. However, the judgment is not explicit if such interpretation may have retrospective application resulting in increased contribution for past and future years for certain employees of the Group. The Group, based on an internal assessment, evaluated that there are numerous interpretative challenges on the retrospective application of the judgment which results in impracticability in estimation of and timing of payment and amount involved. As a result of lack of implementation guidance and interpretative challenges involved, the Group is unable to reliably estimate the amount involved. Accordingly, the Group shall evaluate the amount of provision, if any, on there being further clarity on the matter.

(iii) The Group is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business, the outcome of which is inherently uncertain. Some of these matters include speculative and frivolous claims for substantial or indeterminate amounts of damages. The Group records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Management reviews these provisions and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Management believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results or cash flows of the Group, with respect to loss contingencies for legal and other contingencies as at 31 December 2020.

(iv) The Indian Parliament has approved the Code on Social Security, 2020 (the 'Code') which would primarily impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules for quantifying the financial impact are yet to be framed. The management will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.

b) Capital and other commitments

- As at 31 December 2020, the Group has estimated amount of contracts remaining to be executed on capital account not provided for, net of advance amounting to Nil (31 March 2020: Nil).

32 The Company diluted its stake in Ten Times Online Private Limited which was a wholly owned subsidiary on September 1, 2020, by selling its equity stake to the tune of 70% for a consideration of INR 2.12 millions. Post this transaction, the Company still holds 30% stake in Ten Times Online Private Limited and the fair value the remaining stake amounted to INR 0.93 millions and the same was classified as 'Investment in Associate' in these condensed consolidated interim financial statements. The book value of assets and liabilities sold is as follows:

Particulars	**Amount**
Net Working Capital (including cash of INR 1.63 millions)	7.14
Deferred and current tax	(0.57)
Property, plant and equipment	1.38
Intangible assets	0.06
Other non-current liabilities	(2.92)
Total Net Assets (A)	5.09
Consideration received for 70% Stake (B)	2.12
Fair Value of remaining 30% Stake (C)	0.93
Loss on change of control of a subsidiary converted into an associate (A-B-C)	(2.04)

33 Investment in associates

The group has no material associate as on 31 December 2020. The aggregate summarised financial information in respect of the Group's immaterial associates accounted for using the equity method is as below:

	31 December 2020	31 March 2020
Carrying value of the Group's interest in associates	285.74	295.61
The Group's share in profit/(loss) for the period in associates	(10.81)	(16.41)

34 Events after the reporting period

The Group has evaluated all the subsequent events through 18 January 2021, which is the date on which these condensed consolidated interim financial statements were issued, and no events have occurred from the balance sheet date through that date except for matters that have already been considered in the condensed consolidated interim financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

KANIKA KOHLI Digitally signed by KANIKA KOHLI Date: 2021.01.18 14:38:04 +05'30'

Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram
Date: 18 January 2021

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

Dinesh Chandra Agarwal
(Managing Director and CEO)
DIN:00191800

Brijesh Kumar Agrawal
(Whole-time director)
DIN:00191760

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 18 January 2021

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF IndiaMART InterMESH Limited

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Statement of Consolidated Financial Results of IndiaMART InterMESH Limited ("Holding company") and its subsidiaries (holding company and its subsidiaries together referred to as "the Group"), and its associates for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020 ("the Statement or consolidated financial results"), being submitted by the Holding company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements of four subsidiaries, and financial information of a subsidiary and associates, the Statement:

a. includes the results of the following entities:

   Subsidiaries:
   1. Tradezeal International Private Limited
   2. Tolexo Online Private Limited
   3. Pay with Indiamart Private Limited
   4. Hello Trade Online Private Limited

   Associates:
   5. Simply Vyapar Apps Private Limited
   6. Ten Times Online Private Limited (Subsidiary of the Holding Company till 1 September 2020)

b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and

c. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income (comprising of net profit and other comprehensive income (loss)) and other financial information of the Group for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 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 Financial Results* section of our report. We are independent of the Group and its associates 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 financial results.

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

These quarterly consolidated financial results as well as the year to date consolidated financial results have been prepared on the basis of the condensed consolidated interim financial statements.

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

In preparing the consolidated financial results, the respective Management and Board of Directors of the companies included in the Group and of its associates 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 associates is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of 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 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 associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated 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 associates to express an opinion on the consolidated financial results, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding company 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 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

(a) The consolidated financial results include the audited financial results of four subsidiaries, whose interim financial statements, net of consolidation adjustments, reflect Group's share of total assets of INR 71.56 Million as at 31 December 2020, Group's share of total revenue of INR 8.15 Million and INR 22.17 Million and Group's share of total net loss after tax of INR 8.28 Million and INR 25.56 Million for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020 respectively, as considered in the consolidated financial results, which have been audited by their respective independent auditors. The independent auditors' reports on interim financial statements of these entities have been furnished to us and our opinion on the consolidated 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.

(b) The consolidated financial results include the unaudited financial results of a subsidiary (till 1 September 2020) and associates, whose interim financial information reflect Group's share of total assets of INR Nil as at 1 September 2020, Group's share of total revenue of INR 20.49 Million for the period 1 April 2020 to 1 September 2020 and Group's share of total net loss after tax (and other comprehensive income (loss)) of INR 4.67 Million and INR 22.73 Million for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020 respectively, as considered in the consolidated financial results.

These unaudited interim financial information have been furnished to us by the Board of Directors and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of a subsidiary (till 1 September 2020) and associates is based solely on such unaudited interim financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these interim financial information are not material to the Group.

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

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No: 101248W/W-100022

KANIKA KOHLI

Digitally signed by KANIKA KOHLI
Date: 2021.01.18 14:39:47 +05'30'

Kanika Kohli
Partner
Membership No: 511565
ICAI UDIN: 21511565AAAAAD6445

Place: Gurugram
Date: 18 January 2021

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IndiaMART InterMESH Limited
CIN: L74899DL1999PLC101534
Regd.office :- 1st Floor, 29-Daryaganj,Netaji Subhash Marg, Delhi-110002,India
Statement of Audited Consolidated Financials Results for the quarter and nine months ended December 31, 2020

I. Audited Consolidated Financials Results

(Amounts in INR million, except per share data)

S.No.	Particulars	Quarter ended			Nine Months ended		Year ended
		December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
		Audited	Audited	Audited	Audited	Audited	Audited
1	**Income:**						
	a) Revenue from operations	1,736	1,632	1,649	4,899	4,688	6,389
	b) Other income	246	179	166	762	514	686
	Total income	**1,982**	**1,811**	**1,815**	**5,661**	**5,202**	**7,075**
2	**Expenses:**						
	a) Employee benefits expense	517	489	708	1,481	2,003	2,667
	b) Depreciation and amortisation	38	44	58	126	152	211
	c) Finance costs	16	18	5	52	16	33
	d) Other expenses	341	326	505	990	1,519	2,033
	Total expenses	**912**	**877**	**1,276**	**2,649**	**3,690**	**4,944**
3	**Profit before exceptional items, share of net losses of investment accounted using equity method and tax (1-2)**	**1,070**	**934**	**539**	**3,012**	**1,512**	**2,131**
4	Share in net profit/ (loss) of associates using equity method	(5)	(2)	(7)	(11)	(9)	(16)
5	**Profit before exceptional items and tax (3+4)**	**1,065**	**932**	**532**	**3,001**	**1,503**	**2,115**
6	Exceptional items	-	-	-	-	-	-
7	**Profit before tax (5+6)**	**1,065**	**932**	**532**	**3,001**	**1,503**	**2,115**
8	**Tax expense/(credit)**						
	a) Current tax	218	171	3	393	1	1
	b) Deferred tax	45	63	(91)	367	157	326
	c) Tax impact related to change in tax rate and law	-	-	-	-	314	314
	Total tax expense	**263**	**234**	**(88)**	**760**	**472**	**641**
9	**Net Profit for the period [7-8]**	**802**	**698**	**620**	**2,241**	**1,031**	**1,474**
	Attributable to:						
	- Equity holders of the parent	802	698	620	2,241	1,031	1,474
	-Non-controlling interests	-	-	-	-	-	-
10	**Other comprehensive income/(loss) (net of tax)**						
	-Items that will not be reclassified to profit or loss	(7)	2	(2)	(19)	(38)	(55)
11	**Total comprehensive income for the period [9+10]**	**795**	**700**	**618**	**2,222**	**993**	**1,419**
12	**Total comprehensive income for the period attributable to :**						
	- Equity holders of the parent	795	700	618	2,222	993	1,419
	-Non-controlling interests	-	-	-	-	-	-
13	Paid up equity share capital (face value : INR 10/- each)	291	289	289	291	289	289
14	Other equity for the year						2,462
15	**Earnings per equity share:**						
	Basic earnings per equity share (INR 10 per share)	27.61 (Not annualised)	24.18 (Not annualised)	21.45 (Not annualised)	77.46 (Not annualised)	35.80 (Not annualised)	51.14
	Diluted earnings per equity share (INR 10 per share)	27.19 (Not annualised)	23.75 (Not annualised)	21.12 (Not annualised)	76.15 (Not annualised)	35.21 (Not annualised)	50.24

Notes to the Statement of Audited Consolidated Financial Results for the Quarter and Nine months ended December 31,2020:

1 The above consolidated financial results for the quarter and nine months ended December 31,2020 were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on January 18,2021. 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 The results for the quarter and nine months ended December 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.

4 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".

5 In view of the COVID -19 pandemic, 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 associates & other entities, and other financial assets, for possible impact on the Consolidated quarterly Financial Results. However, the actual impact of COVID-19 on the Group's consolidated interim financial results may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.

6 The Indian Parliament has approved the Code on Social Security, 2020 (the 'Code') which would primarily impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules for quantifying the financial impact are yet to be framed. The management will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.

7 The CEO and CFO have certified these results under Regulation 33(2) of SEBI (LODR) Regulations, 2015.

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

Dinesh Chandra Agarwal
(Managing Director and Chief Executive Officer)

Place: Noida
Date : January 18,2021

INDEPENDENT AUDITORS' REPORT

To
the Members of
IndiaMART InterMESH Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associate as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2020, of its consolidated profit and other comprehensive income (loss), consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

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

DESCRIPTION OF KEY AUDIT MATTER

Revenue Recognition (See note 2.3(d) and 20 to the Consolidated financial statements)

The key audit matter	How the matter was addressed in our audit
The Group generates revenue primarily from web services and follows a prepaid model for its business. Revenue from web services is recognised over the period of the contract as and when the Group satisfies performance obligations by actually rendering the promised services to its customers. These services are delivered using IT systems which manage very high volume on daily basis and generate reports from which the Group recognises revenue, and hence there is inherent risk around the existence and accuracy of revenue recognition. We have identified revenue recognition from web services as a key audit matter because of the significance of web service revenue to the financial statements and its recognition based on high volume of data generated by internal IT systems.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the appropriateness of the revenue recognition accounting policy and its compliance with applicable accounting standards. • We evaluated the design and implementation of key internal controls and operating effectiveness of the relevant key controls with respect to existence and accuracy of revenue recognition on selected transactions. • We, with the involvement of IT specialists, evaluated the design, implementation and operating effectiveness of management's general IT controls and key application controls over the Group's IT systems which govern revenue recognition, including access controls, controls over program changes and interfaces between different systems. • We selected a sample of transactions using statistical sampling and performed tests of details including reading the contract, identifying performance obligation and its link with actual rendition to assess whether the criteria for revenue recognition are met. • We tested completeness and accuracy of web services revenue and collection from underlying relevant source documents generated by IT systems with accounting system. • We assessed the adequacy of disclosures in the consolidated statements.

OTHER INFORMATION

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income (loss), consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain t appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

(a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 151.56 million as at 31 March 2020, total revenues of ₹ 157.34 million and net cash flows amounting to ₹ 68.03 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income (loss)) of ₹ 16.41 million for the year ended 31 March 2020, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

(b) Attention is drawn to the fact that the corresponding figures for the year ended 31 March 2019 are based on the previously issued consolidated financial statements of the Group that were audited by the predecessor auditor who expressed an unmodified opinion on those consolidated financial statements on 11 May 2019.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associate as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Further, the associate company incorporated in India has been exempted from the requirement of its auditor reporting on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associate, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group and its associate. Refer Note 37 to the consolidated financial statements.

ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate company incorporated in India during the year ended 31 March 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The associate company is a private limited company and accordingly the requirements as stipulated by the provisions of section 197 (16) are not applicable to the associate company. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration No: 101248W/W-100022

Kanika Kohli
Partner
Membership No: 511565
ICAI UDIN: 20511565AAAAAI9282

Place: Gurugram
Date: 12 May 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of IndiaMART InterMESH Limited for the year ended 31 March 2020

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of IndiaMART InterMESH Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to five subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration No: 101248W/W-100022

Kanika Kohli
Partner
Membership No: 511565
ICAI UDIN: 20511565AAAAAI9282

Place: Gurugram
Date: 12 May 2020

CONSOLIDATED BALANCE SHEET

as at 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	5A	**51.76**	84.80
Capital work in progress	5A	**1.77**	1.77
Right-of-use asset	5B	**799.71**	-
Intangible assets	6	**4.83**	5.81
Investment in associates	7	**295.61**	-
Financial assets			
(i) Investments	8	**-**	-
(ii) Loans	8	**0.73**	1.22
(iii) Others financial assets	8	**400.83**	35.60
Deferred tax assets (net)	27	**245.70**	858.08
Non-current tax assets (net)	19	**211.60**	-
Other non-current assets	9	**17.22**	7.34
Total Non-current assets		**2,029.76**	**994.62**
Current assets			
Financial assets			
(i) Investments	8	**8,718.78**	6,074.45
(ii) Trade receivables	10	**16.82**	5.71
(iii) Cash and cash equivalents	11	**169.38**	401.96
(iv) Bank balances other than (iii) above	11	**69.26**	375.48
(v) Loans	8	**12.99**	16.77
(vi) Others financial assets	8	**79.83**	157.80
Current tax assets (net)	19	**79.34**	105.54
Other current assets	9	**53.13**	75.22
Total current assets		**9,199.53**	**7,212.93**
Total assets		**11,229.29**	**8,207.55**
Equity and Liabilities			
Equity			
Share capital	12	**288.77**	285.92
Other equity	13	**2,461.80**	1,312.96
Equity attributable to equity holders of the parent		**2,750.57**	**1,598.88**
Non-controlling interests		**-**	-
Total Equity		**2,750.57**	**1,598.88**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Share buyback obligation	14	**-**	-
(ii) Lease liabilities	16 (a)	**612.49**	-
(iii) Other financial liabilities	16 (b)	**-**	2.84
Provisions	17	**265.40**	**96.00**
Contract liabilities	18	**2,697.21**	**2,297.91**
Total Non-current liabilities		**3,575.10**	**2,396.75**
Current liabilities			
Financial liabilities			
(i) Trade payables	15		
(a) total outstanding dues of micro enterprises and small enterprises		**-**	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		**179.42**	129.32
(ii) Lease liabilities	16 (a)	**152.61**	-
(iii) Other financial liabilities	16 (b)	**259.97**	308.84
Provisions	17	**40.47**	68.66
Contract liabilities	18	**4,155.58**	3,561.91
Other current liabilities	18	**115.57**	143.19
Total Current liabilities		**4,903.62**	**4,211.92**
Total Liabilities		**8,478.72**	**6,608.67**
Total Equity and Liabilities		**11,229.29**	**8,207.55**
Summary of significant accounting policies	2		

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/ W-100022

Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram
Date: 12 May 2020

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

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

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

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 12 May 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Income:			
Revenue from operations	20	**6,388.54**	5,074.17
Other income	21	**685.91**	409.72
Total income		**7,074.45**	**5,483.89**
Expenses:			
Employee benefits expense	22	**2,666.69**	2,299.83
Finance costs	23	**32.83**	-
Depreciation and amortisation expense	24	**211.45**	41.27
Net loss on financial liability designated at FVTPL	14	**-**	652.63
Other expenses	25	**2,032.88**	1,950.93
Total expenses		**4,943.85**	**4,944.66**
Net profit before share of profit/(loss) in associates and tax		**2,130.60**	**539.23**
Share in net profit/ (loss) of associates		**(16.41)**	-
Profit before tax		**2,114.19**	**539.23**
Income tax expense			
Current tax {related to earlier years (3.31) (P.Y-Nil)}	27	**0.67**	37.50
Deferred tax	27	**325.62**	301.29
Tax expense related to change in tax rate and law	27	**314.08**	-
Total tax expense		**640.37**	**338.79**
Net profit for the period		**1,473.82**	**200.44**
Attributable to:			
Equity holders of the parent		**1,473.82**	200.44
Non-controlling interests		**-**	-
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss and its related income tax effects			
Re-measurement losses on defined benefit plans		**(74.03)**	(11.17)
Income tax effect		**18.56**	3.81
		(55.47)	**(7.36)**
Other comprehensive income(loss) for the period, net of tax		**(55.47)**	**(7.36)**
Total comprehensive income for the period		**1,418.35**	**193.08**
Attributable to:			
Equity holders of the parent		**1,418.35**	193.08
Non-controlling interests		**-**	-
Earnings per equity share:	26		
Basic earnings(loss) per equity share (₹) - face value of ₹ 10 each		**51.14**	7.75
Diluted earnings(loss) per equity share (₹) - face value of ₹ 10 each		**50.24**	7.61
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/ W-100022

Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram
Date: 12 May 2020

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

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

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

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 12 May 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

(A) EQUITY SHARE CAPITAL (REFER NOTE 12)

(Amount in ₹ million, unlesss otherwise stated)

Equity shares of ₹ 10 each issued, subscribed and fully paid up	Amount
As at 1 April 2018	**99.77**
Bonus issue during the year*	99.77
Equity share capital issued on exercise of ESOP during the year	15.66
Equity share capital issued on conversion of convertible preference shares	70.72
As at 31 March 2019	**285.92**
Equity share capital issued on exercise of ESOP during the year	1.83
Equity share capital issued during the year to Indiamart Employee Benefit Trust	1.45
Equity share capital held by Indiamart Employee Benefit Trust	(0.43)
As at 31 March 2020	**288.77**

(B) OTHER EQUITY (REFER NOTE 13)

Particulars	Attributable to the equity holders of parent						Non-controlling interests	Total other equity
	Reserves and surplus							
	Securities premium	General reserve	Employee share based payment reserve	Capital reserve	Retained earnings	Total reserve and surplus		
Balance as at 1 April 2018	**279.49**	**8.45**	**61.15**	**-**	**(3,661.55)**	**(3,312.46)**	**0.46**	**(3,312.00)**
Profit for the year	-	-	-	-	200.44	200.44	-	200.44
Other comprehensive loss for the year	-	-	-	-	(7.36)	(7.36)	-	(7.36)
Total comprehensive loss	**-**	**-**	**-**	**-**	**193.08**	**193.08**	**-**	**193.08**
Transactions with owners in their capacity as owners:								
Bonus issue*	(99.77)	-	-	-	-	(99.77)	-	(99.77)
Issue of equity shares on exercise of ESOP during the period	195.61	-	(67.29)	-	-	128.32	-	128.32
Issue of equity shares on conversion of convertible preference shares (Refer Note 14)	4,311.21	-	-	-	-	4,311.21	-	4,311.21
Acquisition of non-controlling interests (Refer Note 39)	-	-	-	(2.04)	-	(2.04)	(0.46)	(2.50)
Employee share based payment expense	-	-	94.62	-	-	94.62	-	94.62
Balance as at 31 March 2019	**4,686.54**	**8.45**	**88.48**	**(2.04)**	**(3,468.47)**	**1,312.96**	**-**	**1,312.96**
Impact of adoption of Ind AS 116 (net of taxes) (Refer Note 5B)	-	-	-	-	(16.33)	(16.33)		(16.33)
Profit for the year	-	-	-	-	1,473.82	1,473.82	-	1,473.82
Other comprehensive loss for the year	-	-	-	-	(55.47)	(55.47)	-	(55.47)
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**1,402.02**	**1,402.02**	**-**	**1,402.02**
Issue of equity shares on exercise of ESOP during the year	67.36	-	(50.91)	-	-	16.45	-	16.45
Employee share based payment expense (Refer Note 22)	-	-	78.59	-	-	78.59	-	78.59
Dividend paid F.Y 2019-20 (includes Dividend Distribution Tax of ₹ 59.45 millions)					(348.22)	(348.22)		(348.22)
Balance as at 31 March 2020	**4,753.90**	**8.45**	**116.16**	**(2.04)**	**(2,414.67)**	**2,461.80**	**-**	**2,461.80**

*The Company has allotted bonus shares on 9 May 2018 in the ratio of 1:1 to the equity shareholders existing on record date of 8 May 2018. The shareholders approved the allotment at general meeting held on 7 May 2018.

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/ W-100022

Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram
Date: 12 May 2020

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

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

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

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 12 May 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit/ (Loss) before tax		**2,114.19**	539.23
Adjustments to reconcile profit/(loss) before tax to net cash flows:			
Depreciation and amortization	24	**211.45**	41.27
Interest and other income	21	**(45.69)**	(29.65)
Gain from business transfer arrangement	21	**-**	(6.80)
Fair value change on financial assets at FVTPL	21	**(639.77)**	(373.20)
Fair value change in share buyback obligations	28	**-**	652.63
Gain on disposal of property, plant and equipment	21	**(0.46)**	(0.08)
Finance costs	23	**32.83**	-
Allowances for doubtful debts	25	**1.86**	0.81
Share-based payment expense	22	**78.59**	94.62
Share of net loss of associates		**16.41**	-
Operating profit before working capital changes		**1,769.41**	**918.83**
Movement in working capital			
(Increase)/decrease in trade receivables		**(12.98)**	0.27
Decrease in other financial assets		**13.10**	2.14
Decrease/(Increase) in other assets		**1.86**	(12.18)
(Decrease)/increase in other financial liabilities		**(61.86)**	68.56
Increase/(decrease) in trade payables		**50.10**	(49.28)
Increase in other liabilities		**965.35**	1,628.74
Increase in provisions		**67.18**	46.23
Cash generated from operations		**2,792.16**	**2,603.31**
Income tax paid (net)		**(186.05)**	(51.90)
Net cash generated from operating activities		**2,606.11**	**2,551.41**
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		**1.26**	0.53
Purchase of property, plant and equipment and other intangible assets		**(46.39)**	(51.70)
Purchase of current investments		**(4,578.18)**	(5,199.11)
Proceeds from sale of current investments		**2,573.63**	2,608.56
Interest received		**34.13**	26.16
Advances received from/(paid for) selling shareholders (net)		**69.20**	(69.20)
Payment of refundable security deposits for listing on stock exchange		**(23.78)**	-
Investments in bank deposits (includes earmarked balances with bank)		**(43.50)**	(73.28)
Investment in associates		**(312.02)**	-
Net cash used in investing activities		**(2,325.65)**	**(2,758.04)**
Cash flow from financing activities			
Repayment of lease liabilities		**(166.27)**	-
Interest paid on lease liabilities		**(32.83)**	-
Dividend paid (including Dividend Distribution Tax)		**(333.25)**	-
Acquisition of non-controlling interest		**-**	(2.50)
Proceeds from issues of equity shares on exercise of ESOP		**19.31**	143.98
Net cash generated from (used in) financing activities		**(513.04)**	**141.48**
Net decrease in cash and cash equivalents		**(232.58)**	**(65.15)**
Cash and cash equivalents at the beginning of the period	11	**401.96**	467.11
Cash and cash equivalents at the end of the period	11	**169.38**	**401.96**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/ W-100022

Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram
Date: 12 May 2020

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

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

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

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 12 May 2020

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

1. CORPORATE INFORMATION

IndiaMART Intermesh Limited ("the Company" or "the Parent Company") is a public company domiciled in India and was incorporated on September 13, 1999 under the provisions of the Companies Act applicable in India. The company and its consolidated subsidiaries (hereinafter collectively referred to as "the Group") is engaged in e-marketplace for business needs, which acts as an interactive hub for domestic and international buyers and suppliers. The registered office of the Company is located at 1st Floor, 29-Daryagang, Netaji Subash Marg New Delhi-110002, India.

The consolidated financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on 12 May 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis as explained in the accounting policies below, except for the following:

- certain assets and liabilities measured at fair value where Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments);
- share-based payments

The preparation of these consolidated financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the consolidated financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and associates as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group had the following subsidiaries and associates (The Parent Company together with its subsidiaries and associates are hereinafter collectively referred as the 'Group'):

S. No.	Name of subsidiaries and date of shareholding	Proportion of ownership interest as at 31 March, 2020	Proportion of ownership interest as at 31 March 2019
1	Tradezeal International Private Limited (from May 31,2005)	100.00%	100.00%
2	Hello Trade Online Private Limited (from July 03,2008)	100.00%	100.00%
3	Ten Times Online Private Limited (from February 26, 2014 and additional 3.74% interest acquired on 9 May 2018)	100.00%	100.00%
4	Tolexo Online Private Limited (from May 28, 2014)	100.00%	100.00%
5	Pay With IndiaMART Private Limited (from February 7, 2017)	100.00%	100.00%
6	Simply Vyapar Apps Private Limited (from September 3, 2019)	26.00% (on Fully diluted basis)	-

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year/quarter are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 20 since the Group's subsidiaries and associate have the same reporting period end.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill, if any) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation erences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or in pr or loss
- R the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Summary of significant accounting policies

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by all the group entities, to all the periods presented in these consolidated financial statements except for the adoption of the new standard Ind AS 116 Leases, effective as of 1 April 2019. As required by Ind AS 116, the nature and effect of these changes are disclosed in note 4.

a) Statement of Compliance

The consolidated financial statements for the period ended 31 March 2020 have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act 2013 ("the Act") (as amended from time to time).

All amounts disclosed in the financial statements and notes have been rounded off to the nearest ₹ million as per the requirement of Schedule III, unless otherwise stated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

b) Current versus non-current classification

The Group presents assets and liabilities in balance sheet based on current/non-current classification. An asset is classified as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) A cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing/servicing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c) Fair value measurement

The Group measures financial instruments, such as Investment in optionally convertible preference shares (OCRPS), investment in mutual funds and share buyback obligation, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 — inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 — Unobservable inputs for the asset or liability reflecting Group's assumptions about pricing by market participants

For assets and liabilities that are recognised in the consolidated financial statements on fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for recurring fair value measurement, such as investment in debt instruments and convertible preference shares issued with share buyback obligation measured at fair value.

External valuers are involved for valuation of significant assets, such as unquoted investments

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

in debt instruments, and significant liabilities, such as convertible preference shares. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for sig t estimates and assumptions (Note 3)
- Disclosures for valuation methods and quantitative disclosure of fair value measurement hierarchy (Note 30)

d) Revenue from contracts with customers and other income

Revenue from contracts with customers

The Group is primarily engaged in providing web services. Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services and excluding taxes or duties collected on behalf of the government.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

The specific recognition criteria described below must also be met before revenue is recognised.

Rendering of services

Revenue from web services is recognised based on output method i.e. pro-rata over the period of the contract as and when the Group satisfies performance obligations by transferring the promised services to its customers. Revenues from lead based services is recognised based on output method i.e. as and when leads are consumed by the customer or on the expiry of contract whichever is earlier. Activation revenue is amortised over the estimated customer relationship period.

Advertising revenue is derived from displaying web based banner ads and sale of online advertisements

Revenue from banner advertisement is recognised pro rata over the period of display of advertisement as per contract. Revenue from sale of online advertisements is recognised based on output method and the Group applies the practical expedient to recognize advertising revenue in the amount to which the Group has a right to invoice.

The Group also provides services of online marketing of exhibitions, trade shows and concerts for the clients. Revenue is recognized as and when the Group satisfies performance obligations by transferring the promised services to its customers.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section m) Financial instruments.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). The Group recognises contract liability for consideration received in respect of unsatisfied performance obligations and reports these amounts as deferred revenue and advances from customers in the balance sheet. The unaccrued amounts are not recognised as revenue till all related performance obligation are fulfilled. The group generally receives transaction price in advance for contracts with customers that run up for more than one year. The transaction price received in advance does not have any significant financing component as the difference between the promised consideration and

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the cash selling price of the service arises for reasons other than the provision of finance.

Other income

Interest income

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

e) Property, plant and equipment

Capital work in progress and property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Capital work in progress includes cost of property, plant and equipment under development as at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

The Group has adopted component accounting as required under Schedule II to the Companies Act, 2013. The Group identifies the components separately, if it has useful life different from the respective property, plant and equipment.

Based on the analysis, Group believes that it does not have any asset having useful life of its major components different from the property, plant and equipment, hence Group believes that there is no material impact on the financial statement of the Group due to component accounting.

Depreciation is calculated on a written down value basis using the rates arrived at based on the useful lives prescribed under Schedule II to Companies Act, 2013. The Group has used the following rates to provide depreciation on its Property, plant and equipment:

Asset	Annual rates
Computers	63.16%
Furniture and fittings	26.89%
Office equipment	45.07%
Vehicles	31.23%

Leasehold improvements are depreciated on a straight-line basis over the lease period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses (if any). Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and

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the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Unique telephone numbers are amortised on a written down value basis at 40% annually.

Intangibles being Softwares acquired by the Group are amortised on a written down value basis at 40% annually.

Advances paid towards the acquisition of intangible assets outstanding at each balance sheet date are classified as capital advances and cost of assets not ready for use at the balance sheet date, are disclosed under capital work- in-progress.

g) Leases (as lessee)

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contact involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset. At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset

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basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were recognised in finance costs in the statement of profit or loss.

A leased asset was depreciated over the useful life of the asset. However, if there was no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land classified as finance lease was amortised over the period of lease to maximum of 90 years.

h) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or, a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105.

Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of theassociate. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

i) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable

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amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses are recognised in the statement of profit and loss.

For properties previously revalued the impairment is recognised in OCI up to the amount of any previous revaluation surplus recognised through OCI.. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

j) Taxes

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (loss) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary erences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred

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tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary erences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (loss) or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Sales/ value added taxes/ Service tax/ Goods and service tax (GST) paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes/ GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

k) Provisions and contingent liabilities

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of

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one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

l) Retirement and other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under other current financial liabilities in the balance sheet.

Post-employment obligations

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan for its employees i.e. gratuity. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Other long-term employee benefit obligations

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting period-end. Actuarial gain/loss are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

m) Share-based payments

Employees of the Group also receive remuneration in the form of stock options (ESOP) and stock appreciation rights (SAR) as a share based payment transactions under the Group's Employee stock option plan and Employee stock benefit scheme. Both of these are equity settled share based payment transactions.

The cost of equity settled transactions is determined based on fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity settled transaction at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

n) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The

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losses arising from impairment are recognised in the profit or loss. This category generally applies to loans to employees, trade and other receivables. For more information on receivables, refer to Note 30.

Debt instruments at FVTOCI

A 'debt instrument' is classified as at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance

b. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has

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not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash ws from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include, share buyback obligation, trade payables, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Profit or Loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has designated convertible preference shares issued with share buyback obligation, to be measured at fair value through profit or loss.

On conversion of the optionally convertible preference shares ("OCRPS") into equity shares,

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the Group derecognise the financial liability and recognise the same to equity.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o) Foreign currency transactions

The Group's financial statements are presented in ₹ which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

r) Segment reporting

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's

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for the year ended 31 March 2020

activities of providing e-marketplace services for businesses is considered to be a single business segment. The analysis of geographical segments is based on the areas in which customers are based.

Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

s) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates. The new significant judgements related to lease accounting under Ind AS 116 are as described in Note 4.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of assets and liabilities. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, the Group, as at the date of approval of the financial statements has used internal and external sources of information. The impact of COVID-19 on the Group's financial statements may differ from the estimated as at the date of approval of these consolidated financial statements.

a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Group considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has recognised deferred tax assets on the unused tax losses and other deductible temporary differences since the management is of the view that it is probable the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

b) Share based payment

The Group initially measures the cost of equity-settled transactions with employees using a Black–Scholes–Merton option pricing model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 29.

c) Revenue from contracts with customers

The Group recognise the activation fee received in advance over the estimated customer churn period

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of twenty seven months. The estimate is based on the historical trend analysis of the time period over which the customer is expected to be associated with the Group. The Group reviews its estimate at each reporting date.

d) Impairment of Non- financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model or other fair value valuation models. In DCF model, the cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

e) Defined benefit plans (gratuity benefit)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Further details about gratuity obligations are given in Note 28.

f) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 30 and 32 for further disclosures.

g) Useful life of assets considered for depreciation of Property, Plant and Equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed at each financial year end.

4. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

Ind AS 116 Leases

Leases (as lessee)

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. Refer Note 5B for further details.

The Group's lease asset classes primarily consist of leases for buildings and leasehold land. The Group, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

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This policy has been applied to contracts existing and entered on or after 1 April 2019.

The Group recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, leases under which the Group assumes substantially all the risks and rewards of ownership were classified as finance leases. When acquired, such assets were capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever was lower. Lease payments and receipts under operating leases were recognised as an expense and income respectively, on a straight-line basis in the statement of profit and loss over the lease term except where the lease payments were structured to increase in line with expected general inflation.

Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were recognised in finance costs in the statement of profit or loss.

An asset on finance lease was depreciated over the useful life of the asset. However, if there was no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land classified as finance lease was amortised over the period of lease to maximum of 90 years.

Judgement & Estimates

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5A PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹ million, unlesss otherwise stated)

	Leasehold land (Refer Note 5B)	Computers	Office equipment	Furniture and fixtures	Motor vehicles	Total Property, plant and equipment	Capital work in progress (Refer note below)
Gross carrying amount							
As at 1 April 2018	**37.12**	**64.41**	**28.60**	**4.92**	**3.80**	**138.85**	**1.77**
Additions	-	38.89	10.04	1.09	-	50.02	-
Disposals	-	(0.71)	(0.25)	-	-	(0.96)	-
As at 31 March 2019	**37.12**	**102.59**	**38.39**	**6.01**	**3.80**	**187.91**	**1.77**
Transition impact of Ind AS 116	(37.12)	-	-	-	-	(37.12)	-
Additions	-	27.82	15.95	0.77	-	44.54	-
Disposals	-	(2.54)	(1.71)	(1.03)	-	(5.28)	-
As at 31 March 2020	**-**	**127.87**	**52.63**	**5.75**	**3.80**	**190.05**	**1.77**
Accumulated depreciation							
As at 1 April 2018	**0.92**	**47.13**	**15.70**	**2.20**	**0.04**	**65.99**	**-**
Charge for the year	0.46	26.37	8.92	0.94	0.98	37.67	-
Disposals during the year	-	(0.39)	(0.16)	-	-	(0.55)	-
As at 31 March 2019	**1.38**	**73.11**	**24.46**	**3.14**	**1.02**	**103.11**	**-**
Transition impact of Ind AS 116	(1.38)	-	-	-	-	(1.38)	-
Charge for the year	-	30.38	8.79	0.86	1.01	41.04	-
Disposals during the year	-	(2.42)	(1.51)	(0.55)	-	(4.48)	-
As at 31 March 2020	**-**	**101.07**	**31.74**	**3.45**	**2.03**	**138.29**	**-**
Net book value							
As at 1 April 2018	**36.20**	**17.28**	**12.90**	**2.72**	**3.76**	**72.86**	**1.77**
As at 31 March 2019	**35.74**	**29.48**	**13.93**	**2.87**	**2.78**	**84.80**	**1.77**
As at 31 March 2020	**-**	**26.80**	**20.89**	**2.30**	**1.77**	**51.76**	**1.77**

Note:

Capital work in progress represents the amount incurred on construction of boundary wall for leasehold land. (refer note 5B for details related to Leashold land)

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(Amount in ₹ million, unlesss otherwise stated)

5B RIGHT-OF-USE ASSETS

	Leasehold land (Refer Note 1 below)	Buildings	Total
Gross carrying amount			
As at 1 April 2019	**-**	**-**	**-**
Transition impact of Ind AS 116	37.12	204.39	241.51
Additions	-	736.52	736.52
Disposals	-	(11.08)	(11.08)
As at 31 March 2020	**37.12**	**929.83**	**966.95**
Accumulated depreciation			
As at 1 April 2019	**-**	**-**	**-**
Transition impact of Ind AS 116	1.38	-	1.38
Amortisation for the period	0.46	167.09	167.55
Disposals for the period	-	(1.69)	(1.69)
As at 31 March 2020	**1.84**	**165.40**	**167.24**
Net book value			
As at 31 March 2020	**35.28**	**764.43**	**799.71**

1. As per the terms of the lease arrangement, the Company is required to complete the construction of building within 5 years from the date of handing over the possession. The Company had obtained extension for construction of building on the leasehold land till 5 October 2019 and is in the process of obtaining further extension.

2. The Group has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases using modified retrospective approach, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has resulted in recognising a right-of-use asset of ₹ 204 Million and a corresponding lease liability of ₹ 224 Million by adjusting retained earnings net of taxes of ₹ 16 Million [the impact of deferred tax created ₹ 9 Million] as at 1 April 2019. The Group has also reclassified its leasehold land amounting to ₹ 36 Million as right-of-use asset. In the statement of profit and loss for the year ended 31 March 2020, the nature of expenses in respect of operating leases has changed from lease rent (in other expenses) into depreciation cost against the right-of-use asset and finance cost against interest accrued on lease liability.

   The impact on the statement of Profit and Loss for the year ended 31 March 2020 is as below:

Particulars	For the year ended 31 March 2020
Rent, rates & taxes expenses are lower by	**184.87**
Depreciation is higher by	**(167.09)**
Finance Cost is higher by	**(32.83)**
Other Income higher by	**1.34**
Profit Before tax is higher/ (Lower) by	**(13.71)**
The total cash outflow for leases during the year	**(199.10)**

The Group has discounted lease payments using the applicable incremental borrowing rate as at 1 April 2019, which is 9.75% for measuring the lease liability.

The Group has used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at 31 March 2019 compared to the lease liability as accounted as at 1 April 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases and reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116.

Variable lease payments and taxes includes the rent related to the arrangements which are based on number of seats occupied and the amount paid for short term extensions.

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for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

Details of Rent expenses during the year ended 31 March 2020

Particulars	For the year ended 31 March 2020
Expense relating to low value and short term leases	2.86
Expense relating to variable lease payments & taxes	20.04
Total Rent	**22.90**

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 March 2020:

Particulars	As at 31 March 2020
Within one year	160.47
Within one - two years	160.33
Within two - three years	140.11
Within three - five years	256.70
Above five years	347.10
Total lease payments	**1,064.71**

The reconciliation of lease liabilities is as follows:

Particulars	As at 31 March 2020
Balance as at 1 April 2020	-
Transition impact of Ind AS 116	224.00
Additions	718.10
Amounts recognized in statement of profit and loss as interest expense	32.83
Payment of lease liabilities	(199.10)
Derecognition	(10.73)
Balance as at 31 March 2020 (Refer Note 16)	765.10

Most of the leases entered by the Group are long term in nature and the underlying leased properties are being used as offices The Group doesn't foresee any major changes in lease terms or the leases in the foreseeable future as per current business projections after considering the impact of COVID - 19.

6 INTANGIBLE ASSETS

Intangible assets	Software	Unique telephone numbers	Total
Gross carrying amount			
As at 1 April 2018	**11.68**	**4.70**	**16.38**
Additions	1.66	-	1.66
Disposals	(0.08)	-	(0.08)
As at 31 March 2019	**13.26**	**4.70**	**17.96**
Additions	1.88	-	1.88
As at 31 March 2020	**15.14**	**4.70**	**19.84**
As at 1 April 2018	**5.57**	**3.01**	**8.58**
Amortisation for the period	2.92	0.68	3.60
Disposals during the period	(0.03)	-	(0.03)
As at 31 March 2019	**8.46**	**3.69**	**12.15**
Amortisation for the period	2.45	0.41	2.86
As at 31 March 2020	**10.91**	**4.10**	**15.01**
As at 1 April 2018	**6.11**	**1.69**	**7.80**
As at 31 March 2019	**4.80**	**1.01**	**5.81**
As at 31 March 2020	**4.23**	**0.60**	**4.83**

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(Amount in ₹ million, unlesss otherwise stated)

7 INVESTMENT IN ASSOCIATES -UNQUOTED

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
(Accounted under equity method)				
Fully paid up - at cost				
Compulsory convertible preference shares of ₹ 100 each(at premium of ₹ 52,217.90 each) in Simply Vyapar Apps Private Limited	**5,954**	**311.50**	-	-
Equity shares of ₹ 10 each(at premium of ₹ 52,307.90 each) in Simply Vyapar Apps Private Limited	**10**	**0.52**	-	-
Add: Share of loss of associate		**(16.41)**	-	-
		295.61		-

Note:

The Group performed an evaluation to test whether there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition considering the likely impact of COVID-19 on future cash flows and growth rates and believes that the the carrying value of the investment in associate is recoverable.

8 FINANCIAL ASSETS

a) Non-current investments

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Investment in others				
Investment in debt instruments - Unquoted (measured at FVTPL)				
0.001% Optionally convertible redeemable preference share of Rs. 10 each in Instant Procurement Services Private Limited	**12,446**	**-**	12,446	-
0.001% Compulsorily convertible preference share of Rs. 10 each in Instant Procurement Services Private Limited.	**3,764**	**-**	3,764	-
Total		**-**		-

Note:

The Group has invested in convertible preference shares of companies. Based on the terms, these have been classified as financial instrument in the nature of financial assets to be measured at fair value.

b) Current investments

	As at 31 March 2020		As at 31 March 2019	
	No. of units	Amount	No. of units	Amount
Investment in mutual funds - Quoted (measured at FVTPL)				
HDFC Liquid fund - Growth	**-**	**-**	2,329	8.52
Aditya Birla Sunlife Short Term Fund-Growth Regular Plan	**2,599,874**	**86.25**	2,599,874	80.37
Aditya Birla Sunlife Corporate Bond Fund - Growth-Regular Plan	**6,682,469**	**522.93**	5,394,585	386.68
Aditya Birla Sun Life Corporate Bond Fund-Growth-Direct Plan	**2,013,531**	**158.84**	629,851	45.45
Bharat Bond ETF	**400,000**	**408.08**	-	-
Aditya Birla Sun Life Banking & PSU Debt Fund-Growth-Direct Plan	**-**	**-**	886,783	214.61
IDFC Bond Fund - Short Term Plan- DGP	**1,259,265**	**54.61**	5,468,770	216.27
HDFC Short Term Debt Fund-Direct Growth Plan	**19,720,994**	**451.38**	26,794,545	558.15
ICICI Prudential Savings Fund -Growth	**109,221**	**42.31**	81,581	29.27

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(Amount in ₹ million, unlesss otherwise stated)

	As at 31 March 2020		As at 31 March 2019	
	No. of units	Amount	No. of units	Amount
Aditya Birla Sunlife short term fund-Growth-Direct Plan	21,181,794	733.87	21,181,794	679.17
IDFC Low Duration Fund-Growth (Regular Plan)	16,451,049	469.96	16,451,049	435.91
HDFC Short Term Debt Fund - Regular Plan	8,380,984	189.74	8,380,984	172.98
IDFC Bond Fund-STP-Regular Fund	408,840	16.98	408,840	15.57
ICICI Prudential Savings Fund- Direct Plan-Growth	3,049,171	1,194.92	597,544	215.81
ICICI Prudential Short Term Fund - Growth Option	3,606,276	152.07	3,606,276	139.33
ICICI Prudential Short Term Fund - Direct	20,802,151	922.91	15,854,692	639.65
HDFC Low Duration Fund -Regular Plan-Growth	3,797,410	159.78	3,797,410	148.58
HDFC Low Duration Fund - Direct Plan-Growth	17,380,457	768.36	2,128,314	86.97
HDFC Credit Risk Debt Fund - Regular Plan - Growth	7,019,394	116.85	7,019,394	107.08
L&T Short term bond fund-DGP	37,122,589	747.51	37,122,589	681.67
Kotak Corporate Bond Fund - DGP	328,929	907.95	328,929	831.30
Kotak Liquid Fund - Direct Growth	24,984	100.31	-	-
Kotak Liquid Fund - Regular Growth	25,068	100.28	-	-
HDFC Equity saving fund-regular-growth	167,302	5.52	140,386	5.17
HDFC Cash management-retail-regular-growth	-	-	196,990	7.71
HDFC Short Term Debt Fund	514,032	11.64	378,460	7.81
L&T Short Term Bond Fund - Regular Growth	20,066,239	390.87	20,066,239	358.17
HDFC Hybrid Equity Fund-Regular-Growth	114,426	4.86	41,348	2.25
Total current investments		**8,718.78**		**6,074.45**
Aggregate book value of quoted investments		**8,718.78**		**6,074.45**
Aggregate market value of quoted investments		**8,718.78**		**6,074.45**

c) Loans (measured at amortised cost)

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Loans to employees		
Non-current (unsecured, considered good unless stated otherwise)		
Loans to employees	0.73	1.22
	0.73	1.22
Current (unsecured, considered good unless stated otherwise)		
Loans to employees	12.99	16.77
	12.99	16.77
(ii) Inter corporate loan		
Non-current (unsecured)		
Loans credit-impaired	5.00	5.00
Less: Loss allowance	(5.00)	(5.00)
	-	-
Total loans	**13.72**	**17.99**

Note:

The above loans to employees represents interest free loans to employees, which are recoverable in maximum 24 monthly instalments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Amount in ₹ million, unlesss otherwise stated)

d) Others (measured at amortised cost)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current (unsecured, considered good unless stated otherwise)		
Security deposits	51.11	35.60
Bank deposits with remaining maturity for more than twelve months (Refer Note 11)	349.72	-
Total	400.83	35.60
Current (unsecured, considered good unless stated otherwise)		
Security deposits	52.86	26.01
Amount recoverable from payment gateway	26.97	62.59
Other recoverables*	-	69.20
Total	79.83	157.80
Total other financial assets	480.66	193.40

Notes:

Security deposits are non-interest bearing and are generally on term of 3 to 9 years.

*Represents amount recoverable for IPO expenses incurred in trust on behalf of selling shareholders in Offer for Sale (including the related parties as referred in Note 34)

9 OTHER ASSETS

	As at 31 March 2020	As at 31 March 2019
Non-current (unsecured, considered good unless stated otherwise)		
Capital advance	-	0.03
Prepaid expenses	0.44	0.14
Indirect taxes recoverable	16.78	-
Deferred rent expense (Refer Note 5B)	-	7.17
Total	17.22	7.34

	As at 31 March 2020	As at 31 March 2019
Current (Unsecured, considered good unless stated otherwise)		
Advances recoverable	16.66	14.38
Indirect taxes recoverable	10.57	38.03
Prepaid expenses	25.90	19.66
Deferred rent expense (Refer Note 5B)	-	3.15
Total	53.13	75.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

10 TRADE RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good unless stated otherwise		
Considered good		
Trade receivables	**16.82**	5.71
Considered doubtful		
Trade Receivables credit- impaired	**1.68**	0.81
Less: Loss allowance	**(1.68)**	(0.81)
Total	**16.82**	**5.71**

Notes:

a) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.

b) Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

11 CASH AND BANK BALANCES

a) Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Cash on hand	**0.17**	0.19
Cheques on hand	**39.42**	145.42
Balance with bank		
- On current accounts	**129.79**	256.35
Total Cash and cash equivalents	**169.38**	**401.96**

Note:

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

b) Bank balances other than cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
(i) Deposits with Banks		
- remaining maturity upto twelve months	**52.91**	375.48
- remaining maturity for more than twelve months*	**349.72**	-
	402.63	**375.48**
Less: Amount disclosed under Others financial assets- non current	**349.72**	-
	52.91	375.48
'ii) Earmarked balances with banks**	**16.35**	-
Amount disclosed under current bank deposits	**69.26**	**375.48**

*Includes ₹ 23.78 (P.Y-Nil) pledged with bank against guarantee given to stock exchange.

** Earmarked balances includes unpaid dividends of ₹ 14.97 millions and bank balance with Indiamart Employee Benefit Trust of ₹ 1.37 millions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

12 SHARE CAPITAL

Authorised equity share capital (₹ 10 per share)	Number of shares	Amount
As at 1 April 2018	**18,277,930**	**182.78**
Increase during the year	11,722,070	117.22
As at 31 March 2019	**30,000,000**	**300.00**
As at 31 March 2020	**30,000,000**	**300.00**

Issued equity share capital (subscribed and fully paid up) (₹ 10 per share)	Number of shares	Amount
As at 1 April 2018	**9,976,805**	**99.77**
Bonus issue during the period[1]	9,976,805	99.77
Equity share capital issued on exercise of ESOP during the period (Refer Note 29)	1,566,630	15.66
Equity share capital issued on conversion of convertible preference shares[2]	7,071,766	70.72
As at 31 March 2019	**28,592,006**	**285.92**
Equity share capital issued on exercise of ESOP during the period	182,814	1.83
Equity share capital issued during the period	145,000	1.45
Equity share capital held by Indiamart Employee Benefit Trust (refer note (d))	(42,573)	(0.43)
As at 31 March 2020	**28,877,247**	**288.77**

Notes:

1 **Bonus issue**

The shareholders of the Company at its general meeting held on 7 May 2018, approved the allotment of bonus share in the ratio of 1:1 as on the record date of 8 May 2018 to each of the equity shareholders of the Company. Subsequently, 9,976,805 Bonus Shares of ₹ 10 each amounting to ₹ 99.77 million, were alloted on 9 May 2018 in the ratio of 1:1 to the eligible equity shareholders.

2 **Conversion of convertible preference shares**

During the year ended 31 March 2019, Company converted 1,493,903 Series A 0.01% Cumulative compulsory preference shares of ₹ 328 into 3,334,922 equity shares of ₹ 10 each, 1,722,047 0.01% Series B Cumulative compulsory preference shares of ₹ 100 into 3,444,094 equity shares of ₹ 10 each, 146,375 0.01% Series B1 Cumulative compulsory preference shares of ₹ 100 into 292,750 equity shares of ₹ 10 each.

a) Terms/ rights attached to equity shares:

1) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity is entitled to one vote per share.

2) In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March 2020		As at 31 March 2019	
	Number	% Holding	Number	% Holding
Equity shares of Rs. 10 each fully paid				
Dinesh Agarwal	**8,630,747**	**29.84%**	9,483,200	33.17%
Brijesh Agrawal	**5,848,544**	**20.22%**	6,426,200	22.48%
Westbridge Crossover Fund, LLC	**1,544,154**	**5.34%**	1,544,154	5.40%
Intel Capital (Mauritius) Limited	**NA**	**NA**	3,851,746	13.47%

* Intel Capital (Mauritius) Limited ceased to be a shareholder of more than 5% during the year ended 31 March 2020

c) Shares reserved for issue under options

Information relating to the Company's share based payment plans, including details of options and SAR units issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 29.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

d) Shares held by Indiamart Employee Benefit Trust against employees share based payment plans (face value: ₹ 10 each)

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Opening balance	-	-	-	-
Purchased during the year	145,000	1.45	-	-
Transfer to employees pursuant to SAR exercised	102,427	1.02	-	-
Total	**42,573**	**0.43**	-	-

13 OTHER EQUITY

	As at 31 March 2020	As at 31 March 2019
Securities premium	4,753.90	4,686.54
General reserve	8.45	8.45
Employee share based payment reserve	116.16	88.48
Capital reserve	(2.04)	(2.04)
Retained earnings	(2,414.67)	(3,468.47)
Total other equity	**2,461.80**	**1,312.96**

Nature and purpose of reserves and surplus:

a) **Securities premium:** The Securities premium account is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act 2013.

b) **General reserve:** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes, as the same is created by transfer from one component of equity to another.

c) **Employee share based payment reserve:** The Employee share based payment reserve is used to recognise the compensation related to share based awards issued to employees under Company's Share based payment scheme.

d) **Capital reserve:** The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve. The capital reserve pertains to acquisition of non controlling interest by the parent company.

e) **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Group, and re-measurement gains/losses on defined benefit plans.

14 SHARE BUYBACK OBLIGATION

Measured at fair value through profit or loss (FVTPL)

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Share buyback obligation of preference shares				
Non-current				
0.01% Series A cumulative convertible preference shares (CCPS) of ₹ 328 each	-	-	-	-
0.01% Series B compulsory convertible preference shares (CCPS) of ₹ 100 each	-	-	-	-
0.01% Series B1 compulsory convertible preference shares (CCPS) of ₹ 100 each		-	-	-
Total		-		-

Notes:

The company had issued 1,493,903 0.01% Series A cumulative convertible preference shares (CCPS) at price of ₹ 328 per share amounting to ₹ 490 million. The Company has further issued 1,722,047 and 146,375 0.01% Series B compulsory convertible preference shares (CCPS)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

and 0.01% Series B1 compulsory convertible preference shares (CCPS) at price of ₹ 770 per share amounting to ₹ 1,325.98 million and ₹ 112.71 million respectively. As per the terms and conditions of issue of CCPS, Company has given right to the holders of CCPS to require the Company to buyback CCPS held by investors at reasonable approximation of fair market value in the event initial public offering (IPO) do not occur for specified period.

Based on these terms, CCPS has been classified as financial instrument in the nature of financial liability designated to be measured at fair value. Fair value of the instruments has been determined based on discounted cash flow valuation technique using cash flow projections and financial projections/budgets approved by the management. Gain/loss on subsequent re-measurement was recognised through Statement of Profit and Loss and disclosed under "Net loss on financial liability designated at FVTPL".

Carrying amount of financial liability and gain/loss on subsequent re-measurement is set out below:

	As at 31 March 2020	As at 31 March 2019
At the beginning of the period/year	-	**3,729.30**
Preference share capital issued during the period/year	-	-
Security premium received on issue of preference shares	-	-
Loss on re-measurement for the period/year (recognised through Statement of Profit and Loss)	-	652.63
Conversion of preference shares into equity shares during the period (Refer Note 12(2))	-	(4,381.93)
At the end of the period/year	-	-

Authorised preference share capital

	Series A		Series B		Series B1	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
As at 1 April 2018	**1,493,903**	**490.00**	**1,722,047**	**172**	**172,207**	**17.22**
As at 31 March 2019	**1,493,903**	**490.00**	**1,722,047**	**172**	**172,207**	**17.22**
As at 31 March 2020	**1,493,903**	**490.00**	**1,722,047**	**172**	**172,207**	**17.22**

Issued preference share capital (subscribed and fully paid up)

	Series A		Series B		Series B1	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
As at 1 April 2018	**1,493,903**	**490.00**	**1,722,047**	**172**	**0.15**	**14.64**
Shares converted to equity shares	(1,493,903)	(490.00)	(1,722,047)	(172)	(0.15)	(14.64)
As at 31 March 2019	-	-	-	-	-	-
As at 31 March 2020	-	-	-	-	-	-

15 TRADE PAYABLES

	As at 31 March 2020	As at 31 March 2019
Payable to micro, small and medium enterprises	-	-
Other trade payables*	**179.42**	129.32
Total	**179.42**	**129.32**

*Trade payables are non-interest bearing and are normally settled on 30-day terms.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

16 LEASE AND OTHER FINANCIAL LIABILITIES

	As at 31 March 2020	As at 31 March 2019
(a) Lease liabilities (Refer Note 5B)		
Current	**152.61**	-
Non current	**612.49**	-
Total	**765.10**	**-**
(b) Other financial liabilities		
Non-current		
Lease rent equalisation	-	2.84
Total	**-**	**2.84**
Current		
Payable to employees	**244.55**	305.67
Security deposits	**0.14**	0.14
Unpaid dividend*	**14.97**	-
Other advances	**0.31**	3.03
Total	**259.97**	**308.84**

* Unpaid dividend represent the interim dividend amount declared during the current year and remaining to be paid to shareholders.

17 PROVISIONS

	As at 31 March 2020	As at 31 March 2019
Non-current		
Provision for employee benefits*		
Provision for gratuity	**199.61**	96.00
Provision for Leave encashment	**65.79**	-
Total	**265.40**	96.00
Current		
Provision for employee benefits*		
Provision for gratuity	**10.76**	8.88
Provision for leave encashment	**14.33**	44.40
Provision-others**	**15.38**	15.38
Total	**40.47**	**68.66**

*Refer Note 28

** Contingency provision towards indirect taxes. There is no movement on this provision in the year ended 31 March 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

18 CONTRACT AND OTHER LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Contract liabilities*		
Non-current		
Deferred revenue	2,697.21	2,297.91
	2,697.21	2,297.91
Current		
Deferred revenue	4,013.44	3,245.58
Advances from customers	142.14	316.33
	4,155.58	3,561.91
Total	6,852.79	5,859.82
Other liabilities-Current		
Statutory dues		
Tax deducted at source payable	27.79	5.61
Contribution to provident fund payable	4.41	2.54
Contribution to ESI payable	0.10	0.11
Indirect tax payable	82.78	134.65
Professional tax payable	0.25	0.18
Payable for labour welfare fund	0.05	0.03
Others	0.19	0.07
Total	115.57	143.19

*Contract liabilities includes consideration received in advance to render web services in future periods.

19 INCOME TAX ASSETS AND LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Income tax assets (net of provisions)		
Current	79.34	105.54
Non current	211.60	-
	290.94	105.54

20 REVENUE FROM OPERATIONS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of services		
Income from web services	6,321.22	5,019.25
Advertisement and marketing services	67.32	54.92
Total	6,388.54	5,074.17

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:

	As at 31 March 2020		As at 31 March 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Web services	4,150.29	2,697.21	3,557.74	2,296.25
Advertisement and marketing services	5.29	-	4.17	1.66
	4,155.58	2,697.21	3,561.91	2,297.91

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2020 and 31 March 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

Contract liabilities

	As at 31 March 2020	As at 31 March 2019
Web services	**6,847.50**	5,853.99
Advertisement and marketing services	**5.29**	5.83
	6,852.79	**5,859.82**
Non-current	**2,697.21**	2,297.91
Current	**4,155.58**	3,561.91
	6,852.79	**5,859.82**

Significant changes in the contract liability balances during the period are as follows:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance at the beginning of the period	**5,859.82**	4,240.68
Less: Revenue recognised from contract liability balance at the beginning of the period	**(3,071.15)**	(2,754.14)
Add: Amount received from customers during the period	**7,381.51**	6,714.12
Less: Transfer of contract liability pertaining to Hello travel business	**-**	(20.81)
Less: Revenue recognised from amounts received during the period	**(3,317.39)**	(2,320.03)
Closing balance at the end of the period	**6,852.79**	**5,859.82**

We earn revenue on Group majorly through sale of subscription packages (available on a monthly, annual and multi-year basis) to suppliers. We foresee that our revenue and deferred revenue would be impacted, as the customers may not opt for renewals or for more premium packages in short term due to current nation- wide lockdown & COVID -19, particularly in case of monthly Packages. However, in long-term, we believe that our business model remains robust and sustainable and is likely to gain from the ongoing global shift towards online.

The impact assessment of COVID-19 is an ongoing process due to the high degree of uncertainty associated and our assertions might change in future due to this.

21 OTHER INCOME

	For the year ended 31 March 2020	For the year ended 31 March 2019
Fair value gain on financial assets measured at FVTPL		
- Investment in mutual funds	**639.77**	373.20
Interest income from financial assets measured at amortised cost		
- on bank deposits	**29.98**	26.00
- on security deposits	**10.22**	3.48
Other interest income	**4.14**	0.16
Gain from business transfer arrangement	**-**	6.80
Gain on de-recognition of Right-of-use assets	**1.34**	-
Net gain on disposal of property, plant and equipment	**0.46**	0.08
Total	**685.91**	**409.72**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

22 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, allowance and bonus	2,409.20	2,065.56
Gratuity expense	31.78	26.13
Leave encashment expense	47.93	15.52
Contribution to provident and other funds	15.38	12.18
Employee share based payment expense	78.59	94.62
Staff welfare expenses	83.81	85.82
Total	**2,666.69**	**2,299.83**

23 FINANCE COSTS

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest cost of lease liabilities	32.83	-
Total	**32.83**	**-**

24 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (Refer Note 5A)	41.04	37.67
Depreciation of Right-of-use assets (Refer Note 5B)	167.55	-
Amortisation of intangible assets (Refer Note 6)	2.86	3.60
Total	**211.45**	**41.27**

25 OTHER EXPENSES

	For the year ended 31 March 2020	For the year ended 31 March 2019
Content development expenses	235.23	235.48
Buyer engagement expenses	171.78	185.99
Customer support expenses	230.99	245.89
Outsourced sales cost	724.48	575.58
Internet and other online expenses	232.29	177.11
Rent	22.90	154.03
Rates and taxes	31.19	19.63
Communication costs	9.03	6.31
Outsourced support cost	22.97	18.06
Advertisement expenses	21.64	20.99
Power and fuel	28.78	29.23
Printing and stationery	8.45	8.44
Repair and maintenance:		
- Plant and machinery	13.28	13.59
- Others	74.92	72.77
Travelling and conveyance	52.82	45.42
Recruitment and training expenses	29.86	28.00
Legal and professional fees	42.03	42.34
Directors' sitting fees	2.09	2.95
Insurance expenses	30.19	23.73
Foreign exchange fluctuation (net)	0.88	-
Collection charges	43.46	41.43
Corporate social responsibility activities expenses	1.05	-
Allowances for doubtful debts (including Bad debts)	1.86	0.81
Miscellaneous expenses	0.71	3.15
Total	**2,032.88**	**1,950.93**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

26 (A) EARNINGS PER SHARE (EPS)

"Basic EPS amounts are calculated by dividing the earning/(loss) for the period attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the period.

Diluted EPS are calculated by dividing the earnings/(loss) for the period attributable to the equity holders of the parent company by weighted average number of Equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Basic		
Earnings for the period	**1,473.82**	200.44
Weighted average number of equity shares used in calculating basic EPS	**28,819,744**	25,868,950
Basic earnings per equity share	**51.14**	7.75
Diluted		
Earnings for the period	**1,473.82**	200.44
Adjustment on account of fair valuation of compulsory convertible preference shares	**-**	-
Adjusted earnings for the period	**1,473.82**	200.44
Weighted average number of equity shares used in calculating basic EPS	**28,819,744**	25,868,950
Potential equity shares	**516,744**	456,999
Total no. of shares outstanding (including dilution)	**29,336,488**	26,325,949
Diluted earnings per equity share	**50.24**	7.61

There are potential equity shares for the year 31 March 2020 and 31 March 2019 in the form of stock options granted to employees which have been considered in the calculation of diluted earning per share.

(b) Dividends

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interim dividend for the year ended 31 March 2020 (31 March 2019-Nil) of ₹ 10 per fully paid equity share (excluding the Dividend distribution tax of ₹ 59.45 millions)	**289.19**	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

27 INCOME TAX

The major components of income tax expense are:

a) Income tax expense/(income) recognised in Statement of profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax expense/ (income)		
Current tax for the period (Refer Note 41 (d))	**4.06**	37.50
Adjustments in respect of previous year	**(3.39)**	-
	0.67	**37.50**
Deferred tax expense		
Relating to origination and reversal of temporary differences	**550.92**	337.47
Relating to minimum alternate tax	**3.31**	(36.18)
Relating to earlier years	**(228.61)**	-
	325.62	**301.29**
Tax expense /(income) related to change in tax rate/laws *		
- Deferred tax	**314.08**	-
	314.08	-
Total income tax expense/(credit)	**640.37**	**338.79**

* Tax impact for year ended 31 March 2020 includes the impact of adoption of Taxation Laws Amendment Ordinance 2019 as applicable to the Group. The deferred tax charge due to change in applicable tax rate is ₹ 277.90 Millions and due to reversal of MAT credit entitlement is ₹ 36.18 Millions.

b) Income tax recognised in other comprehensive income (OCI)

Deferred tax related to items recognised in OCI during the period

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net loss on remeasurements of defined benefit plans	**(18.56)**	(3.81)

c) Reconciliation of tax expense and the accounting profit/(loss) multiplied by statutory income tax rate.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	**2,114.19**	539.23
Accounting profit before income tax	**2,114.19**	539.23
Tax expense at the statutory income tax rate	**532.14**	168.24
Adjustments in respect of unrecognised deferred tax assets of previous years	**(228.61)**	-
Adjustments in respect of differences in current tax rates and deferred tax rates	**-**	39.05
Adjustments in respect of differences taxed at lower tax rates	**-**	(34.74)
Adjustments in respect of differences in deferred tax for prior years	**-**	-
Adjustment in respect of change in carrying amount of investment in subsidiaries	**37.02**	-
Utilisation of previously unrecognised tax losses	**(10.90)**	(9.81)
Tax expense /(income) related to change in tax rate/laws	**314.08**	-
Non-deductible expenses for tax purposes:		
Loss on fair valuation of Share buyback obligation	**-**	203.62
Income non-taxable for tax purposes	**(19.51)**	(42.44)
Other non-deductible expenses and non-taxable income	**(2.35)**	(2.22)
Others	**(0.28)**	-
Temporary differences for which no deferred tax was recognised	**18.78**	17.09
Tax expense/(income) at the effective income tax rate of 25.17% (31 March 2019: 31.20%)	**640.37**	**338.79**

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d) Breakup of deferred tax recognised in the Balance sheet

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset		
Property, plant and equipment and other intangible assets	7.46	8.42
Provision for gratuity	52.54	36.36
Provision for compensated absences	19.92	15.24
Provision for dimmunition of investments in subsidiaries	-	31.49
Investment in subsidiaries measured at fair value	40.01	34.35
Deferred revenue	0.56	11.30
Tax losses	164.19	707.60
Unabsorbed depreciation	27.20	39.08
Goodwill Imapairment	109.21	-
Provision of expenses, allowable in subsequent year	45.13	-
Ind AS 116 impact	0.17	-
Minimum alternate tax (Refer Note 41 (d))	-	36.18
Allowances for doubtful debts	0.42	0.21
Others	0.27	7.65
Total deferred tax assets recognised (A)	**467.08**	**927.88**
Deferred tax liabilities		
Re-measurement of investment in mutual funds to fair value	(214.75)	(67.32)
Accelerated deduction for tax purposes	(1.78)	(2.50)
Accelerated depreciation for tax purposes	0.11	-
Others	(4.96)	0.02
Total deferred tax liabilities (B)	**(221.38)**	**(69.80)**
Net deferred tax assets (C) = (A) + (B)	**245.70**	**858.08**

e) Breakup of deferred tax expense/(income) recognised in Statement of profit and loss and OCI

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Deferred tax expense/(income) relates to the following:		
Provision for gratuity	(16.18)	(9.87)
Provision for compensated absences	(4.68)	(0.94)
Provision for dimmunition of investments in subsidiaries	31.49	(24.50)
Investment in subsidiaries measured at fair value	(5.66)	(9.48)
Deferred revenue	10.74	33.62
Tax losses	543.41	292.96
Unabsorbed depreciation	11.88	20.98
Goodwill Imapairment	(109.21)	-
Provision for expenses, allowable in subsequent year	(45.13)	
Investment in mutual funds measured at fair value	147.43	37.57
Accelerated deduction for tax purposes	(0.72)	0.26
Property, plant and equipment and other intangible assets	0.96	(0.73)
Minimum Alternative Tax (Refer Note 41 (d))	36.18	(36.18)
Leases	8.60	-
Others	12.25	(5.99)
Allowances for doubtful debts	(0.21)	(0.21)
Deferred tax expense/(income)	**621.14**	**297.49**

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f) Reconciliation of Deferred tax asset (Net):

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance as of 1 April	**858.08**	1,155.57
Tax (expense)/income during the period recognised in Statement of profit and loss	**(325.62)**	(337.47)
Tax expense related to change in tax rate/laws	**(314.08)**	-
Tax income during the period recognised in OCI	**18.55**	3.81
Deferred tax on Ind AS 116 impact on retained earning	**8.77**	-
MAT credit entitlement	**-**	36.17
Closing balance at the end of the year	**245.70**	**858.08**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

g) Detail of deductible temporary differences and unused tax losses for which no deferred tax asset is recognised in the balance sheet:

Particulars	As at 31 March 2020	As at 31 March 2019
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:		
- tax business losses	**325.05**	275.22
- unabsorbed depreciation	**8.03**	6.99
- tax capital losses*	**-**	43.32
- other deductible temporary differences	**2.23**	2.54
	335.31	**328.07**

* The unused tax capital losses will expire upto FY 2019-20.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Management has performed an assessment of COVID-19 pandemic's impact to evaluate recoverability of its net deferred tax assets within the available time period as per tax laws and based on current expectation and projections, believes that there is no impact on recoverability of deferred tax assets as of 31 March 2020.

28 DEFINED BENEFIT PLAN AND OTHER LONG TERM EMPLOYEE BENEFIT PLAN

The Group has a defined benefit gratuity plan. Every employee who has completed statutory defined period of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with insurance company in form of qualifying insurance policy. This defined benefit plans exposes the Group to actuarial risks, such as longevity risk, interest rate risk and salary risk.

The amount included in the balance sheet arising from the Group's obligation in respect of its gratuity plan and leave encashment is as follows:

Gratuity - Defined benefit

	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation	**223.31**	126.34
Fair value of plan assets	**(12.94)**	(21.46)
Net liability arising from defined benefit obligation	**210.37**	**104.88**

Leave encashment - other long term employee benefit plan

	As at 31 March 2020	As at 31 March 2019
Present value of other long term empoyee benefit plan	**80.12**	44.40
Net liability arising from other long term employee benefit plan	**80.12**	44.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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a) Reconciliation of the net defined benefit (asset) liability and other long term employee benefit plan

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and other other long term employee benefit plan and its components.

Reconciliation of present value of defined benefit obligation for Gratuity and Leave encashment

Particulars	Gratuity	
	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	126.34	93.15
Benefits paid	(9.72)	(5.19)
Employee benefit obligation pursuant to the disposal group held for sale	-	(0.99)
Current service cost	23.74	20.78
Interest cost	9.70	7.27
Actuarial (gains)/losses		
- changes in demographic assumptions	27.77	14.61
- changes in financial assumptions	29.00	(6.62)
- experience adjustments	16.48	3.33
Balance at the end of the year	**223.31**	**126.34**

Particulars	Leave encashment	
	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the period/year	44.40	38.67
Benefits paid	(12.21)	(9.53)
Employee benefit obligation pursuant to the disposal group held for sale	-	(0.27)
Current service cost	25.00	12.58
Interest cost	3.40	3.02
Actuarial (gains)/losses		
- changes in demographic assumptions	8.13	7.19
- changes in financial assumptions	4.74	(5.60)
- experience adjustments	6.66	(1.66)
Balance at the end of the year	**80.12**	**44.40**

Movement in fair value of plan assets

Particulars	Gratuity	
	As at 31 March 2020	As at 31 March 2019
Opening fair value of plan assets	21.46	24.56
Interest income	1.65	1.93
Actuarial (gains)/losses	(0.78)	0.15
Benefits paid	(9.39)	(5.18)
Closing fair value of plan assets	**12.94**	**21.46**

Each year the management of the Company reviews the level of funding requried as per its risk management strategy. The Company expects to contribute to gratuity ₹ 37.22 millions in FY 2020-21(31 March 2019: ₹ 30.88 million).

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Funds managed by insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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b) Expense recognised in profit or loss

	Gratuity	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	23.74	20.78
Net interest expense	8.05	5.35
Components of defined benefit costs recognised in profit or loss	**31.79**	**26.13**
Remeasurement of the net defined benefit liability:		
Actuarial (gain)/loss on plan assets	0.78	(0.15)
Actuarial (gain)/loss on defined benefit obligation	73.25	11.32
Components of defined benefit costs recognised in other comprehensive income	**74.03**	**11.17**

	Leave encashment	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	25.00	12.57
Net interest expense	3.40	3.02
Actuarial (gain)/loss on other long term employee benefit plan	19.53	(0.07)
Components of other long term employee benefit costs recognised in profit or loss	**47.93**	**15.52**

c) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.26%	7.66%
Expected rate of return on assets	6.25%	7.66%

Attrition rate:

	As at 31 March 2020		As at 31 March 2019	
	Upto 4 years of service	Above 4 years of service	Upto 4 years of service	Above 4 years of service
Ages				
Upto 30 years	18.05%	11.45%	34.32%	12.83%
From 31 to 44 years	0.00%	8.00%	30.77%	11.20%
Above 44 years	8.25%	2.98%	1.05%	0.00%
Future salary growth				
Year 1	4.10%	5.99%	7.18%	12.00%
Year 2	11.74%	17.90%	7.18%	12.00%
Year 3 and onwards	8.00%	12.00%	7.18%	12.00%
Mortality table	India Assured Life Moratility (2012-14)		India Assured Life Moratility (2006-08)	

The Group regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2020

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d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Gratuity

For the year ended 31 March 2020	Increase	Decrease
Impact of change in discount rate by 0.50%	**(12.62)**	**17.39**
Impact of change in salary by 0.50%	**9.84**	**(6.85)**

For the year ended 31 March 2019	Increase	Decrease
Impact of change in discount rate by 0.50%	(6.50)	7.17
Impact of change in salary by 0.50%	3.62	(3.85)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

e) The table below summarises the maturity profile and duration of the gratuity liability:

Particulars	As at 31 March 2020	As at 31 March 2019
Within one year	**10.76**	8.88
Within one - three years	**21.75**	21.09
Within three - five years	**22.20**	17.53
Above five years	**168.60**	78.84
Total	**223.31**	**126.34**

29 SHARE BASED PAYMENT PLANS

a) Employee Stock Option Plan (ESOP)

The Company has provided various share-based payment schemes to its employees in the preceding financial years. During the year ended 31 March 2020, the following schemes were in operation:

	ESOP 2010	ESOP 2012	ESOP 2015	ESOP 2016	ESOP 2017
Date of grant	January 1, 2010	March 15, 2012	June 08, 2015	July 28, 2016	June 02, 2017
Date of Board Approval	November 24, 2009	January 25, 2012	June 08, 2015	July 28, 2016	May 04, 2017
Date Of Shareholder's approval	November 10, 2008	November 10, 2008	September 23, 2015	September 23, 2015	September 23, 2015
Number of options approved	453,420	645,560	539,000	276,980	200,730
Method of Settlement	Equity	Equity	Equity	Equity	Equity
Vesting period (in months)	0 to 48 Months	0 to 48 Months	0 to 48 Months	0 to 48 Months	0 to 48 Months

The details of activity have been summarized below:

ESOP 2010

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	**Nil**	**100**	63,286	100
Granted during the period	**Nil**	**100**	Nil	100
Forfeited during the period	**Nil**	**100**	9,210	100
Exercised during the period	**Nil**	**100**	54,076	100
Expired during the period	**Nil**	**100**	Nil	100
Outstanding at the end of the period	**Nil**	**100**	Nil	100
Exercisable at the end of the period	**Nil**	**100**	Nil	100

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

ESOP 2012

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	**Nil**	**150**	150,136	150
Granted during the period	**Nil**	**150**	Nil	150
Forfeited/ expired during the period	**Nil**	**150**	4,603	150
Exercised during the period	**Nil**	**150**	145,533	150
Outstanding at the end of the period	**Nil**	**150**	Nil	150
Exercisable at the end of the period	**Nil**	**150**	Nil	150

ESOP 2015

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	**62,100**	**200**	354,100	200
Granted during the period	**Nil**	**200**	Nil	200
Forfeited/ expired during the period	**Nil**	**200**	3,600	200
Exercised during the period	**62,100**	**200**	288,400	200
Outstanding at the end of the period	**Nil**	**200**	62,100	200
Exercisable at the end of the period	**Nil**	**200**	Nil	200

ESOP 2016

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	**41,850**	**200**	194,268	200
Granted during the period	**Nil**	**200**	Nil	200
Forfeited/ expired during the period	**2,400**	**200**	16,200	200
Exercised during the period	**20,025**	**200**	136,218	200
Outstanding at the end of the period	**19,425**	**200**	41,850	200
Exercisable at the end of the period	**Nil**	**200**	Nil	200

ESOP 2017

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	**37,888**	**200**	197,800	200
Granted during the period	**Nil**	**200**	Nil	200
Forfeited/ expired during the period	**760**	**200**	824	200
Exercised during the period	**9,282**	**200**	159,088	200
Outstanding at the end of the period	**27,846**	**200**	37,888	200
Exercisable at the end of the period	**Nil**	**200**	Nil	200

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Figures for current period ended 31 March 2020 and previous year are as follows:

	As at 31 March 2020				
	ESOP 2010	**ESOP 2012**	**ESOP 2015**	**ESOP 2016**	**ESOP 2017**
Range of exercise prices	**100**	**150**	**200**	**200**	**200**
Number of options outstanding	**-**	**-**	**-**	**19,425**	**27,846**
Weighted average remaining contractual life of options (in years)	**NA**	**NA**	**-**	**0.25**	**0.80**
Weighted average exercise price	**100**	**150**	**200**	**200**	**200**
Weighted average share price for the options exercised during the period	**NA**	**NA**	**300**	**300**	**300**

	As at 31 March 2019				
	ESOP 2010	**ESOP 2012**	**ESOP 2015**	**ESOP 2016**	**ESOP 2017**
Range of exercise prices	100	150	200	200	200
Number of options outstanding	Nil	-	62,100	41,850	37,888
Weighted average remaining contractual life of options (in years)	NA	NA	0.25	1.25	1.80
Weighted average exercise price	100	150	200	200	200
Weighted average share price for the options exercised during the period	300	300	300	300	300

Stock Options granted

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans are given in the table below:

	As at 31 March 2020				
	ESOP 2010	**ESOP 2012**	**ESOP 2015**	**ESOP 2016**	**ESOP 2017**
Weighted average share price	**NA**	**NA**	**200**	**275.93**	**280.50**
Exercise Price	**NA**	**NA**	**200**	**200**	**200**
Expected Volatility	**NA**	**NA**	**0.00%**	**0.00%**	**0.00%**
Historical Volatility	**NA**	**NA**	**0.10%**	**0.10%**	**0.10%**
Life of the options granted (Vesting and exercise year) in years	**NA**	**NA**	**7.70**	**7.70**	**7.70**
Expected dividends	**NA**	**NA**	**Nil**	**Nil**	**Nil**
Average risk-free interest rate	**NA**	**NA**	**7.77%**	**7.20%**	**7.20%**

	As at 31 March 2019				
	ESOP 2010	**ESOP 2012**	**ESOP 2015**	**ESOP 2016**	**ESOP 2017**
Weighted average share price	148.39	150	200	275.93	280.50
Exercise Price	100	150	200	200	200
Expected Volatility	0.00%	0.00%	0.00%	0.00%	0.00%
Historical Volatility	0.00%	0.00%	0.10%	0.10%	0.10%
Life of the options granted (Vesting and exercise year) in years	7.50	8.00	7.70	7.70	7.70
Expected dividends	Nil	Nil	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	7.77%	7.20%	7.20%

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Stock appreciation rights (SAR)

The Company has granted stock appreciation rights to its employees during the previous financial year. Details are as follows

	SAR 2018
Date of grant	October 01, 2018
Date of Board Approval	September 22, 2018
Date Of Shareholder's approval	May 07, 2018
Number of units approved	800,740
Method of Settlement	Equity
Vesting period (in months)	0 to 48 Months

The details of activity have been summarized below:

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of SAR units	Weighted Average Exercise Price (₹)	Number of SAR units	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	**779,740**	**500**	NA	NA
Granted during the period	**Nil**	**Nil**	800,740	500
Lapsed during the period	**45,332**	**500**	21,000	500
Exercised during the period	**149,816**	**Nil**	Nil	Nil
Expired during the period	**Nil**	**Nil**	Nil	Nil
Outstanding at the end of the period	**584,592**	**500**	779,740	500
Exercisable at the end of the period	**Nil**	**Nil**	Nil	Nil

Figures for period ended 31 Marh 2020 are as follows:

	SAR 2018
Range of exercise prices	500
Number of units outstanding	584,592
Weighted average remaining contractual life of units (in years)	2.50
Weighted average exercise price	500

SAR units granted

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans are given in the table below:

	SAR 2018
Weighted average share price	597
Exercise Price	500
Expected Volatility	41.00%
Historical Volatility	41.00%
Life of the options granted (Vesting and exercise year) in years	4.00
Expected dividends	Nil
Average risk-free interest rate	7.80%

Effect of the employee share-based payment plans on the statement of profit & loss:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Total Employee Compensation Cost pertaining to share-based payment plans	**78.59**	94.62
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	**78.59**	94.62

Effect of the employee share-based payment plans on its financial position:

	As at 31 March 2020	As at 31 March 2019
Total Liability for employee stock options outstanding as at period/year end	**116.16**	88.48

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30 FAIR VALUE MEASUREMENTS

a) Category wise details as to carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

	Level	As at 31 March 2020	As at 31 March 2019
Financial assets			
a) Measured at fair value through profit or loss (FVTPL)			
- Investment in mutual funds	Level 1	**8,718.78**	6,074.45
		8,718.78	**6,074.45**
b) Measured at amortised cost (Refer Note b(i) and (ii) below)			
- Trade receivables		**16.82**	5.71
- Cash and cash equivalents		**169.38**	401.96
- Loans		**13.72**	17.99
- Security deposits		**103.97**	61.61
- Bank deposits		**69.26**	375.48
- Other financial assets		**376.69**	131.79
		749.84	**994.54**
Total financial assets		**9,468.62**	**7,068.99**
Financial liabilities			
a) Measured at amortised cost (Refer Note b(i) and (ii) below)			
- Trade payables		**179.42**	129.32
- Security deposits		**0.14**	0.14
- Other financial liabilities		**259.83**	311.54
- Lease liabilities		**765.10**	-
		1,204.49	**441.00**
Total financial liabilities		**1,204.49**	**441.00**

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

i) The carrying value of bank deposits, trade receivables, cash and cash equivalents, trade payables, security deposits, lease liabilities and other financial assets and other financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments. These have been assessed basis counterparty credit risk.

ii) The fair value of non-current financial assets and financial liabilities measured are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used does not reflect signifcant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.

iii) Fair value of quoted mutual funds is based on quoted market prices at the reporting date, which factors the impact of COVID-19. We do not expect material volatility in these financial assets.

c) Reconciliation of level 3 fair value measurements

	Share buy back obligation	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance	-	3,729.30
Gains or loss recognised in profit or loss	-	652.63
Conversion of preference shares into equity shares during the period	-	(4,381.93)
Closing balance	-	-

d) During the period ended 31 March 2020 and 31 March 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

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31 CAPITAL MANAGEMENT

The Group manages its capital to ensure it will be able to continue as a going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of no debts and only equity of the compnay.

The Group is not subject to any externally imposed capital requirements.

The Group reviews the capital structure on a regular basis. As part of this review, the Group considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

Gearing ratio

The Group monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total equity (as shown in the balance sheet). As at 31 March 2020 and 31 March 2019, the oustanding debt was ₹ Nil.

32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to market risk, credit risk and liquidity risk. The Group's board of directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's board oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i) Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and bank balances, trade receivables, investments in mutual fund, loans and security deposits.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Trade receivables

The Group majorly collects consideration in advance for the services to be provided to the customer. As a result, the Group is not exposed to any significant credit risk on trade receivables.

Cash and cash equivalents, bank deposits and investments in mutual funds

The Group maintains its cash and cash equivalents, bank deposits and investment in mutual funds with reputed banks and financial institutions. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Security deposits and loans

The Group monitors the credit rating of the counterparties on regular basis. These instruments carry very minimal credit risk based on the financial position of parties and Group's historical experience of dealing with the parties.

ii) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups's reputation.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, and continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Contractual maturities of financial liabilities

As at 31 March 2020	Within 1 year	Between 1 and 5 years and thereafter	Total
Trade payables	**179.42**	**-**	**179.42**
Lease and other financial liabilities	**412.58**	**612.49**	**1,025.07**
	592.00	**612.49**	**1,204.49**

As at 31 March 2019	Within 1 year	Between 1 and 5 years and thereafter	Total
Trade payables	129.32	-	129.32
Lease and other financial liabilities	308.84	2.84	311.68
	438.16	2.84	441.00

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include foreign currency reeivables, deposits, investments in mutual funds.

a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). The Group's exposure to unhedged foreign currency risk as at 31 March 2020 and 31 March 2019 has been disclosed in note below. Currency risks related to the principal amounts of the Group's US dollar trade receivables.

Unhedged foreign currency exposure

	As at 31 March 2020	As at 31 March 2019
Trade receivable	**USD 0.07 (₹ 5.14)**	USD 0.04 (₹ 2.50)

Sensitivity	Impact on profit/loss before tax	
	For the year ended 31 March 2020	For the year ended 31 March 2019
USD sensitivity		
₹/USD - increase by 2%	**0.10**	0.05
₹/USD - decrease by 2%	**(0.10)**	(0.05)

b) Interest rate risk

Investment of short-term surplus funds of the Group in liquid schemes of mutual funds provides high level of liquidity from a portfolio of money market securities and high quality debt and categorized as 'low risk' product from liquidity and interest rate risk perspectives.

Sensitivity	Impact on profit/loss before tax	
	For the year ended 31 March 2020	For the year ended 31 March 2019
+ 5% change in NAV of mutual funds	**435.94**	303.72
- 5% change in NAV of mutual funds	**(435.94)**	(303.72)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

33 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group has only one business segment which is business-to-business e-marketplace, which acts as an interactive hub for domestic and international buyers and suppliers and operates in a single business segment based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. Hence the Group falls within a single operating segment "Business to business e-marketplace".

Information about geographical areas:

The Group's revenue from continuing operations from external customers by location of operations and information of its non-current assets by location of assets are detailed below:

	Revenue from external customers		Non-current assets*	
	For the year ended 31 March 2020	For the year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
India	**6,251.58**	4,978.78	**875.29**	99.72
Others	**136.96**	95.39	**-**	-
	6,388.54	**5,074.17**	**875.29**	**99.72**

* Non-current assets exclude financial assets, investment in associates, deferred tax assets, tax assets and post-employement benefit assets.

34 RELATED PARTY TRANSACTIONS

i) Names of related parties and related party relationship:

a) Individuals owning directly or indirectly, an interest in the voting power of the Group that gives them Significant Influence over the Group and Key Management Personnel (KMP)

Name	Designation
Dinesh Chandra Agarwal	Managing director and CEO
Brijesh Kumar Agrawal	Whole time director
Prateek Chandra	Chief financial officer
Anil Dwivedi	Company Secretary (resigned w.e.f 30 April 2018)
Manoj Bhargava	Company Secretary (appointed w.e.f 4 June 2018)
Dhruv Prakash	Non executive director
Mahendra Kumar Chouhan	Independent director (resigned w.e.f 30 April 2018)
Rajesh Sawhney	Independent director
Elizabeth Lucy Chapman	Independent director
Vivek Narayan Gour	Independent director

b) Entities where Individuals and Key Management Personnel (KMP) as defined in note above exercise significant influence.

Mansa Enterprises Private Limited

c) Other related parties

Indiamart Employee Benefit Trust (seperately administered Trust to manage employees share based payment plans of the company)

Indiamart Intermesh Employees Group Gratuity Assurance Scheme (seperately administered Trust to manage post employment defined benefits of employees of the company)

Simply Vyapar Apps Private Limited (Associate) (with effect from 3 September 2019)

ii) Key management personnel compensation

	For the year ended 31 March 2020	For the year ended 31 March 2019
Short-term employee benefits	**119.15**	102.79
Post-employment benefits	**1.11**	(0.57)
Other long-term employee benefits	**3.67**	0.47
Employee share based payment expense	**32.39**	4.85
	156.32	107.54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹ million, unlesss otherwise stated)

The following table provides the total amount of transactions that have been entered into with the related parties for the relevant period:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Entities where KMP and Individuals exercise Significant influence		
Expenses for rent		
Mansa Enterprises Private Limited	**3.07**	4.18
Key management personnel		
Recruitment and training expenses		
Dhruv Prakash	**3.09**	1.85
Director's sitting fees	**2.09**	2.93
Dividend paid		
Dinesh Chandra Agarwal	**86.31**	-
Brijesh Kumar Agrawal	**58.49**	-
Prateek Chandra	**1.01**	-
Manoj Bhargava	**0.01**	-
Rajesh Sawhney	**0.25**	-
Dhruv Prakash	**0.40**	-
Vivek Narayan Gour	**0.09**	-
Web services provided to		
Simply Vyapar Apps Private Limited	**0.01**	-
Associates		
Investment in associates		
Simply Vyapar Apps Private Limited	**312.02**	-
Indiamart Employee Benefit Trust		
Interest free Loan given	**1.50**	-
Share capital issued	**(1.45)**	-
Dividend paid	**0.43**	-

Terms and conditions of transactions with related parties

The transactions with related parties are entered on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period/year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The above transactions does not includes IPO related expenses, incurred in trust on behalf of related parties (Managing Director and Whole time Director) as selling shareholders in Offer for Sale.

The following table discloses amounts due to or due from related parties at the relevant year/period end:

	As at 31 March 2020	As at 31 March 2019
Balance Outstanding at the year end		
Amount Payable		
Dhruv Prakash	**0.13**	-
Investment in associates		
Simply Vyapar Apps Private Limited	**312.02**	-
Deferred Revenue		
Simply Vyapar Apps Private Limited	**0.02**	-
Loan given		
Indiamart Employee Benefit Trust	**1.50**	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

35 GROUP INFORMATION

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries and associate listed in the table below:

Name	Principal activities	Country of incorporation	% equity interest	
			As at 31 March 2020	As at 31 March 2019
Hello Trade Online Private Limited	Business facilitation services	India	**100**	100
Tradezeal International Private Limited	Business facilitation services	India	**100**	100
Ten Times Online Private Limited	Business facilitation services	India	**100**	100
Tolexo Online Private Ltd	Cloud based solution for SMEs	India	**100**	100
Pay With Indiamart Private Limited	Payment facilitation	India	**100**	100
Information about associate				
Simply Vyapar Apps Private Limited	Software and apps service providing company	India	**26**	-

36 ADDITIONAL INFORMATION

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ million	As % of consolidated profit and loss	₹ million	As % of consolidated other comprehensive income	₹ million	As % of total comprehensive income	₹ million
Parent								
Indiamart Intermesh Limited								
Balance as at 31 March 2020	94.63%	2,744.94						
Balance as at 31 March 2019	104.76%	1,606.82						
For the year ended 31 March 2020			105.96%	1,462.08	97.67%	(54.17)	106.31%	1,407.91
For the year ended 31 March 2019			185.45%	125.93	92.48%	(6.81)	196.76%	119.12
Subsidiaries								
Tolexo Online Private Limited								
Balance as at 31 March 2020	-5.78%	(167.80)						
Balance as at 31 March 2019	-5.93%	(90.94)						
For the year ended 31 March 2020			-4.98%	(68.76)	0.54%	(0.30)	-5.21%	(69.06)
For the year ended 31 March 2019			-66.30%	(45.02)	1.75%	(0.13)	-74.58%	(45.15)
Ten Times Online Private Limited								
Balance as at 31 March 2020	1.52%	44.01						
Balance as at 31 March 2019	2.16%	33.06						
For the year ended 31 March 2020			0.64%	8.81	1.80%	(1.00)	0.59%	7.81
For the year ended 31 March 2019			6.27%	4.26	5.77%	(0.43)	6.33%	3.83
Hello Trade Online Pvt Ltd								
Balance as at 31 March 2020	0.00%	0.06						
Balance as at 31 March 2019	0.01%	0.11						
For the year ended 31 March 2020			0.00%	(0.04)	0.00%	-	0.00%	(0.04)
For the year ended 31 March 2019			-0.04%	(0.03)	0.00%	-	-0.04%	(0.03)
Tradezeal International Pvt Ltd								
Balance as at 31 March 2020	-0.79%	(22.89)						
Balance as at 31 March 2019	-1.28%	(19.63)						
For the year ended 31 March 2020			-0.24%	(3.25)	0.00%	-	-0.25%	(3.25)
For the year ended 31 March 2019			-1.05%	(0.72)	0.00%	-	-1.18%	(0.72)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ million	As % of consolidated profit and loss	₹ million	As % of consolidated other comprehensive income	₹ million	As % of total comprehensive income	₹ million
Pay with Indiamart Private Limited								
Balance as at 31 March 2020	0.23%	6.81						
Balance as at 31 March 2019	0.28%	4.33						
For the year ended 31 March 2020			-0.19%	(2.56)	0.00%	-	-0.19%	(2.56)
For the year ended 31 March 2019			-24.32%	(16.52)	0.00%	-	-27.28%	(16.52)
Associate (accounting as per equity method)								
Simply Vyapar Apps Private Limited								
Balance as at 31 March 2020	10.19%	295.61						
Balance as at 31 March 2019								
For the year ended 31 March 2020			-1.19%	(16.41)	0.00%	-	-1.24%	(16.41)
For the year ended 31 March 2019			0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March 2020	100.00%	2,900.74						
Balance as at 31 March 2019	100.00%	1,533.74						
For the year ended 31 March 2020			100.00%	1,379.87	100.00%	(55.47)	100.00%	1,324.40
For the year ended 31 March 2019			100.00%	67.90	100.00%	(7.36)	100.00%	60.54
Adjustment arising out of consolidation								
Balance as at 31 March 2020		(150.17)						
Balance as at 31 March 2019		65.13						
For the year ended 31 March 2020				93.95		-		93.95
For the year ended 31 March 2019				132.54		-		132.54
Total								
Balance as at 31 March 2020		2,750.57						
Balance as at 31 March 2019		1,598.88						
For the year ended 31 March 2020				1,473.82		(55.47)		1,418.35
For the year ended 31 March 2019				200.44		(7.36)		193.08

37 CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent liabilities

	As at 31 March 2019	As at 31 March 2019
(i) Income-tax demand (refer note (a) and (b) below)	**303**	62

(a) In respect of Assessment year 2016-17, demand was raised on Tolexo Online Private limited due to addition of income relating to receipts of securities premium against share allotment made to IndiaMART InterMESH Limited and accordingly the losses to be carried forward by the Company have been reduced from Rs. 719.22 million to Rs. 482.07 million (Tax impact @25.17%- ₹ 59.69 Million) . The matter is pending with CIT(Appeals). The Company is contesting the demand and the management believe that its position is possible to be upheld in the appellate process. No tax expense has been accrued in the financial statements for tax demand raised.

(b) In respect of Assessment year 2017-18, demand of Rs 242.99 million was raised on Tolexo Online Private limited due to addition of income relating to receipts of securities premium against share allotment made to IndiaMART InterMESH Limited . The Company is contesting the demand and the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

management believe that its position is possible to be upheld in the appellate process. No tax expense has been accrued in the financial statements for tax demand raised.

(ii) On February 28, 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers altered historical understandings of such obligations, extending them to cover additional portions of the employee's income. However, the judgment isn't explicit if such interpretation may have retrospective application resulting in increased contribution for past and future years for certain employees of the Group. The Group, based on an internal assesssment, evaluated that there are numerous interpretative challenges on the retrospective application of the judgment which results in impracticability in estimation of and timing of payment and amount involved. As a result of lack of implementation guidance and interpretative challenges involved, the Group is unable to reliably estimate the amount involved. Accordingly, the Group shall evaluate the amount of provision, if any, on obtaining further clarity on the matter.

(iii) The Group is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business, the outcome of which is inherently uncertain. Some of these matters include speculative and frivolous claims for substantial or indeterminate amounts of damages. The Group records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Management reviews these provisions and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Management believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Group, or cash flows with respect to loss contingencies for legal and other contingencies as at 31 March 2020.

b) Capital and other commitments

- As at 31 March 2020, the company has estimated amount of contracts remaining to be executed on capital account not provided for, net of advance is Nil (31 March 2019: Nil).

c) Operating lease commitments

Office premises are obtained on operating lease. There are no contingent rents in the lease agreements. The lease term varies from 11 months to 9 years generally and are usually renewable by mutual consent .There are no restrictions imposed by lease agreements. There are no subleases.

Lease payments (for non cancellable lease) for year ended 31 March 2019 are ₹ 74.71 million

Future minimum rentals payable under non-cancellable operating leases are as follows:

	As at 31 March 2019
Within one year	69.64
After one year but not more than five years	103.74
More than five years	0.81
	174.19

38 CSR EXPENDITURE

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended 31 March 2020 is 1.05 millions (31 March 2019: Nil), computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company incurred an amount of 1.05 millions during the year ended 31 March 2020 (31 March 2019: nil), towards CSR expenditure.

39 ACQUISITION OF NON-CONTROLLING INTERESTS

Acquisition of additional interest in Ten Times Online Private Limited

On 9 May 2018, the Group acquired an additional 3.75% interest in the voting shares of Ten Times Online Private Limited, increasing its ownership interest to 100%. Cash consideration of ₹ 2.50 million was paid to the non-controlling shareholders. The carrying value of the additional interest acquired at the date of acquisition was ₹ 0.46 million. Following is a schedule of additional interest acquired in Ten Times Online Private Limited:

	Amount
Cash consideration paid to non-controlling shareholders	2.50
Carrying value of the additional interest in Ten Times Online Private Limited	(0.46)
Difference recognised in capital reserve within equity	**2.04**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unlesss otherwise stated)

40 INVESTMENT IN ASSOCIATE

The group has no material associate as on 31 March 2020, The aggregate summarised financial information in respect of the Group's immaterial associate accounted for using the equity method is as below:

	As at 31 March 2019	As at 31 March 2019
Carrying value of the Group's interest in associates	295.61	-
Group's share in profit/(loss) for the year in associate	(16.41)	-

41 a) During the year ended 31 March 2020, the Group modified the classification of amount payable to employees from 'Trade payables' to 'Payable to employees' classified in 'other financial liabilities' to reflect more appropriately the nature of such amounts payable. Comparative amounts in the notes to the consolidated financial statements were reclassified for consistency. As a result, ₹ 305.34 as at 31 March 2019 was reclassified from 'Trade payables' to 'Payable to employees'.

b) During the year ended 31 March 2020, the Group modified the classification of provision for service tax from 'Trade payables' to 'Provision-others' classified in 'Provisions' to reflect more appropriately the nature of such amounts provided in the books of account. Comparative amounts in the notes to the consolidated financial statements were reclassified for consistency. As a result ₹ 15.38 as at 31 March 2019 was reclassified from 'Trade payables' to 'Provision-others'.

c) During the year ended 31 March 2020, the Company modified the classification of 'Net gain on disposal of current investments, and Fair value gain/(loss) on financial assets measured at FVTPL' from 'Net gain/(loss) on financial assets measured at FVTPL' to 'Other income' to reflect more appropriately the nature of such amounts. Comparative amounts in the notes to the consolidated financial statements were reclassified for consistency. As a result, ₹ 233.82 for the year ended 31 March 2019 were reclassified from 'Net gain/(loss) on financial assets measured at FVTPL' to 'Other income'.

d) Minimum alternative tax (MAT) for the year ended 31 March 2019 of ₹ 36.18 has been reclassified from "Deferred tax' expense to "Current Tax" expense under 'Income tax' expense note in Statement of Profit and Loss to reflect more appropriately the nature of such amounts provided in the books of account. Accordingly Note 27(e) has been modified to show deferred tax assets on MAT as at 31 March 2019.

42 The consolidated financial statements of the company for the year ended 31 March 2019 were audited by another firm of Chartered Accountants, who have expressed unmodified audit opinion on these financial statements.

43 EVENTS AFTER THE REPORTING PERIOD

The Group has evaluated all the subsequent events through 12 May 2020, which is the date on which these consolidated financial statements were issued, and no events have occurred from the balance sheet date through that date except for matters that have already been considered in the consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/ W-100022

Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram
Date: 12 May 2020

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

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

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

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 12 May 2020

Notes to Financial Statements

for the year ended March 31, 2019

(Amounts in ₹ million, unlesss otherwise stated)

employees involved in marketing activities are also included in the marketing expenses.

Other Operating Expenses

Other operating expenses primarily includes employee benefits expense for our support function employees; expenses such as rent, power and fuel, repair & maintenance, travelling & conveyance allocated basis employee count; browsing & connectivity-branch & employees (included in "Internet and other online expenses" in Note 25); telephone expenses-branch & employee (included in "Communication Costs" in Note 25); recruitment and training expenses; legal and professional fees and other miscellaneous operating expenses.

36 SALE OF DISPOSAL GROUP

The Company has transferred its travel marketplace related business, 'Hello Travel' to Hellotravel Online Private Limited ('HOPL'), as a going concern through a slump sale, through a business purchase agreement dated June 21, 2018 ('BPA'), and such business transfer was effective from the transfer date, i.e. 1 July 2018.

The consideration for the transfer of Hello Travel is ₹6.80 million, which has been recognized through Statement of profit and loss and disclosed under ""Gain from business transfer arrangement"". Management does not believe that the transfer will have a significant impact on it's business or results of operations.

The major classes of assets and liabilities of Hello travel as on the transfer date (i.e 1 July 2018) are as follows:

Assets	Amount
Property, plant and equipment (including software)	0.29
	0.29
Liabilities	
Trade payables	3.70
Provision for gratuity	1.01
Provision for leave encashment	0.27
Deferred revenue	14.64
	19.62
Net liability payable	**(19.33)**

37 CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Dividend on 0.01% Series A CCPS	-	0.46
Dividend on 0.01% Series B & B1 CCPS	-	0.04

- There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject."

b) Capital and other commitments

- As at March 31, 2019, the company has estimated amount of contract remaining to be executed on capital account not provided for, net of advance is Nil (31 March 2018: Nil).

- The company will provide financial support to wholly owned subsidiaries, so as to meet its liabilities as and when the same is required.

c) Operating lease commitments

Office premises are obtained on operating lease. There are no contingent rents in the lease agreements. The lease term varies from 11 months to 9 years generally and are usually renewable by mutual consent .There are no restrictions imposed by lease agreements. There are no subleases.

Lease payments (for non cancellable lease) for year ended March 31, 2019 are ₹74.71 million (31 March 2018 are ₹77.54 million).

Notes to Financial Statements

for the year ended March 31, 2019

(Amounts in ₹ million, unlesss otherwise stated)

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Within one year	69.64	52.83
After one year but not more than five years	103.74	54.02
More than five years	0.81	-
	174.19	106.85

38 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT 2006:

Particulars	As at 31 March 2019	As at 31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	-	11.31
- Interest due on above	-	-
	-	11.31
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-
	-	-

39 EVENTS AFTER THE REPORTING PERIOD

There have occurred no events or transactions since balance sheet date or are pending, that would have a material effect or require adjustment to the accounting estimates and disclosures included in the financials statements as at or for the year ended 31 March 2019.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date : May 11, 2019

For and on behalf of the Board of Directors of
Indiamart Intermesh Limited

Dinesh Chandra Agarwal
(Managing Director)
DIN:00191800

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

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date : May 11, 2019

Independent Auditor's Report

To
The Members of
IndiaMART InterMESH Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated Ind AS financial statements of IndiaMART InterMESH Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") , comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including the Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit/loss including other comprehensive income, their consolidated cash flows and their consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group 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 consolidated 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 audit opinion on the consolidated Ind AS financial statements.

OTHER INFORMATION

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report (with annexures – Annual Return extracts, Secretarial audit report, etc.), but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system 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 made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

We did not audit the financial statements and other financial information, in respect of 5 subsidiaries, whose financial statements include total assets of ₹115.76 as at March 31, 2019, and total revenues of ₹104.51 and net cash outflows/(inflows) of ₹28.18 for the year ended on that date. These financial statements of the said subsidiaries and other financial information of the said subsidiaries have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) The other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries incorporated in India, to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 34 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2019.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/ E300004

per Yogesh Midha
Partner
Membership Number: 94951
Place of Signature: New Delhi
Date: May 11, 2019

Annexure to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Indiamart Intermesh Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of IndiaMART InterMESH Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of IndiaMART InterMESH Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these 5 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/ E300004

per Yogesh Midha
Partner
Membership Number: 94951
Place of Signature: New Delhi
Date: May 11, 2019

Consolidated Balance Sheet

as at 31 March 2019

(Amounts in ₹ million, unlesss otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	84.80	72.86
Capital work in progress	5	1.77	1.77
Intangible assets	6	5.81	7.80
Financial assets			
(i) Loans	7	1.22	0.92
(ii) Bank deposits	10	-	302.20
(iii) Others financial assets	7	35.60	35.27
Deferred tax assets (net)	26	858.08	1,155.57
Other non-current assets	8	7.34	6.78
Total Non-current assets		**994.62**	**1,583.17**
Current assets			
Financial assets			
(i) Investments	7	6,074.45	3,110.70
(ii) Trade receivables	9	5.71	6.79
(iii) Cash and cash equivalents	10	401.96	467.11
(iv) Bank balances other than (iii) above	10	375.48	-
(v) Loans	7	16.77	63.20
(vi) Others financial assets	7	157.80	41.44
Current tax assets (net)	18	105.54	91.15
Other current assets	8	75.22	63.57
Total current assets		**7,212.93**	**3,843.96**
Total assets		**8,207.55**	**5,427.13**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	285.92	99.77
Other equity	12	1,312.96	(3,312.46)
Equity attributable to equity holders of the parent		**1,598.88**	**(3,212.69)**
Non-controlling interests		-	0.46
Total Equity		**1,598.88**	**(3,212.23)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Share buyback obligation	13	-	3,729.30
(ii) Other financial liabilities	15	2.84	2.62
Provisions	16	96.00	59.31
Contract liabilities (Previous year: Deferred revenue)	17	2,297.91	1,660.91
Total Non-current liabilities		**2,396.75**	**5,452.14**
Current liabilities			
Financial liabilities			
(i) Trade payables	14		
(a) total outstanding dues of micro enterprises and small enterprises		-	11.31
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		450.03	407.61
(ii) Other financial liabilities	15	0.48	0.18
Provisions	16	53.28	47.94
Contract liabilities (Previous year: Deferred revenue)	17	3,561.91	2,259.23
Other current liabilities	17	146.22	460.95
Total Current liabilities		**4,211.92**	**3,187.22**
Total Liabilities		**6,608.67**	**8,639.36**
Total Equity and Liabilities		**8,207.55**	**5,427.13**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date : May 11, 2019

For and on behalf of the Board of Directors of
Indiamart Intermesh Limited

Dinesh Chandra Agarwal
(Managing Director)
DIN:00191800

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

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date : May 11, 2019

Consolidated Statement of Profit and Loss

for the year ended 31 March 2019

(Amounts in ₹ million, unlesss otherwise stated)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
INCOME:			
Revenue from operations	19	5,074.17	4,105.08
Net gain on financial assets measured at FVTPL	20	373.20	161.63
Other income	21	36.52	28.55
Total income		**5,483.89**	**4,295.26**
EXPENSES:			
Employee benefits expense	22	2,299.83	1,948.57
Depreciation and amortisation expense	23	41.27	28.85
Net loss on financial liability designated at FVTPL	13 & 29	652.63	1,228.62
Other expenses	24	1,950.93	1,690.19
Total expenses		**4,944.66**	**4,896.23**
Profit/(Loss) before tax		**539.23**	**(600.97)**
Income tax expense	26		
Current tax		1.32	1.81
Deferred tax		337.47	(1,150.37)
Total tax expense/(income)		338.79	(1,148.56)
Profit/(Loss) for the period		**200.44**	**547.59**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement losses on defined benefit plans	27	(11.17)	(14.36)
Income tax effect	26	3.81	5.20
		(7.36)	(9.16)
Other comprehensive income/(loss) for the period, net of tax		**(7.36)**	**(9.16)**
Total comprehensive income/(loss) for the period		**193.08**	**538.43**
Attributable to:			
Equity holders of the parent		193.08	538.24
Non-controlling interests		-	0.19
Earnings per equity share:	25		
Basic earnings per equity share (₹) - face value of ₹10 each		7.75	28.60
Diluted earnings per equity share (₹) - face value of ₹10 each		7.61	20.22
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date : May 11, 2019

For and on behalf of the Board of Directors of
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Dinesh Chandra Agarwal
(Managing Director)
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Brijesh Kumar Agrawal
(Whole-time Director)
DIN:00191760

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date : May 11, 2019

Consolidated Statement of changes in equity

for the year ended 31 March 2019

(Amounts in ₹ million, unlesss otherwise stated)

(A) EQUITY SHARE CAPITAL (REFER NOTE 11)

Equity shares of ₹10 each issued, subscribed and fully paid up	Amount
As at 1 April 2017	**91.69**
Changes during the period	8.08
As at 31 March 2018	**99.77**
Bonus issue during the period*	99.77
Equity share capital issued on exercise of ESOP during the period	15.66
Equity share capital issued on conversion of convertible preference shares (Refer Note 28)	70.72
As at 31 March 2019	**285.92**

(B) OTHER EQUITY (REFER NOTE 12)

Particulars	Attributable to the equity holders of parent							
	Reserves and surplus							
	Securities premium	General reserve	Employee share based payment reserve (Refer Note 28)	Capital reserve	Retained earnings	Total reserve and surplus	Non-controlling interests	Total other equity
Balance as at 1 April 2017	**153.05**	**8.45**	**46.14**	**-**	**(4,199.79)**	**(3,992.15)**	**0.27**	**(3,991.88)**
Loss for the period	-	-	-	-	547.40	547.40	0.19	547.59
Other comprehensive loss for the period	-	-	-	-	(9.16)	(9.16)	-	(9.16)
Total comprehensive loss	**-**	**-**	**-**	**-**	**538.24**	**538.24**	**0.19**	**538.43**
Transactions with owners in their capacity as owners:								
Issue of equity shares on exercise of ESOP during the period	126.44	-	(21.81)	-	-	104.63	-	104.63
Employee share based payment expense	-	-	36.82	-	-	36.82	-	36.82
Balance as at 31 March 2018	**279.49**	**8.45**	**61.15**	**-**	**(3,661.55)**	**(3,312.46)**	**0.46**	**(3,312.00)**
Loss for the period	-	-	-	-	200.44	200.44	-	200.44
Other comprehensive loss for the period	-	-	-	-	(7.36)	(7.36)	-	(7.36)
Total comprehensive loss	**-**	**-**	**-**	**-**	**193.08**	**193.08**	**-**	**193.08**
Transactions with owners in their capacity as owners:								
Bonus issue*	(99.77)	-	-	-	-	(99.77)	-	(99.77)
Issue of equity shares on exercise of ESOP during the period	195.61	-	(67.29)	-	-	128.32	-	128.32
Issue of equity shares on conversion of convertible preference shares (Refer Note 13)	4,311.21	-	-	-	-	4,311.21	-	4,311.21
Acquisition of non-controlling interests (Refer Note 38)	-	-	-	(2.04)	-	(2.04)	(0.46)	(2.50)
Employee share based payment expense	-	-	94.62	-	-	94.62	-	94.62
Balance as at 31 March 2019	**4,686.54**	**8.45**	**88.48**	**(2.04)**	**(3,468.47)**	**1,312.96**	**-**	**1,312.96**

*The Company has allotted bonus shares on 9 May 2018 in the ratio of 1:1 to the equity shareholders existing on record date of 8 May 2018. The shareholders approved the allotment at general meeting held on 7 May 2018.

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date : May 11, 2019

For and on behalf of the Board of Directors of
Indiamart Intermesh Limited

Dinesh Chandra Agarwal
(Managing Director)
DIN:00191800

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

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date : May 11, 2019

Consolidated Statement of Cash Flows

for the year ended 31 March 2019

(Amounts in ₹ million, unlesss otherwise stated)

Particulars	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/ (Loss) before tax		539.23	(600.97)
Adjustments to reconcile profit/(loss) before tax to net cash flows:			
Depreciation of property, plant and equipment	23	37.67	23.91
Amortisation of Intangible assets	23	3.60	4.94
Interest income	21	(29.65)	(28.02)
Gain from business transfer arrangement (Refer Note 36)	21	(6.80)	-
Fair value change in investment in mutual funds	20	(321.86)	(89.09)
Fair value change in share buyback obligations	13	652.63	1,228.62
Gain on disposal of property, plant and equipment	21	(0.08)	(0.53)
Allowances for doubtful debts	24	0.81	-
Share-based payment expense	22	94.62	36.82
Gain on disposal of mutual fund investments	20	(51.34)	(72.54)
Operating profit before working capital changes		**918.83**	**503.14**
Movement in working capital			
(Increase)/decrease in trade receivables		0.27	(1.48)
(Increase)/decrease in other financial assets		2.14	(48.38)
(Increase)/decrease in other assets		(12.18)	99.83
Increase/(decrease) in other financial liabilities		0.53	(2.73)
Increase/(decrease) in trade payables		31.12	116.52
Increase/(decrease) in other liabilities		1,631.75	1,097.54
Increase/(decrease) in provisions		30.85	36.02
Cash generated from operations		**2,603.31**	**1,800.46**
Income tax paid (net)		(51.90)	(9.90)
Net cash generated in operating activities		**2,551.41**	**1,790.56**
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		0.53	1.06
Purchase of property, plant and equipment and other intangible assets		(51.70)	(22.92)
Purchase of mutual fund investments		(5,199.11)	(3,241.70)
Proceeds from sale of mutual fund investments		2,608.56	1,655.25
Interest received		26.16	28.02
Advances recoverable from shareholders		(69.20)	-
Investments in bank deposits (having original maturity of more than three months)		(73.28)	(72.24)
Net cash used in investing activities		**(2,758.04)**	**(1,652.53)**
Cash flow from financing activities			
Proceeds from issue of preference shares under share buyback obligation		-	39.78
Acquisition of non-controlling interest		(2.50)	-
Proceeds from issues of equity shares on exercise of ESOP		143.98	112.71
Net cash generated from financing activities		**141.48**	**152.49**
Net decrease in cash and cash equivalents		**(65.15)**	**290.52**
Cash and cash equivalents at the beginning of the period	10	**467.11**	**176.59**
Cash and cash equivalents at the end of the period	10	**401.96**	**467.11**
Non-cash financing activities			
Fair value change in share buyback obligations	13	**652.63**	**1,228.62**
Conversion of preference shares into equity shares	13	**4,381.93**	
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date : May 11, 2019

For and on behalf of the Board of Directors of
Indiamart Intermesh Limited

Dinesh Chandra Agarwal
(Managing Director)
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Brijesh Kumar Agrawal
(Whole-time Director)
DIN:00191760

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: May 11, 2019

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

1. CORPORATE INFORMATION

IndiaMART Intermesh Limited ("the Company" or "the Parent Company") is a public company domiciled in India and was incorporated on September 13, 1999 under the provisions of the Companies Act applicable in India. The company and its consolidated subsidiaries (hereinafter collectively referred to as "the Group") is engaged in e-marketplace for business needs, which acts as an interactive hub for domestic and international buyers and suppliers. The registered office of the Company is located at 1st Floor, 29-Daryagang, Netaji Subash Marg New Delhi-110002, India.

The consolidated financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on May 11, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements for the period ended March 31, 2019 have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act 2013 ("the Act") (as amended from time to time).

The consolidated financial statements for the year ended March 31, 2018 were the first the Group has prepared in accordance with Ind AS. The transition to Ind AS had been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('IGAAP'), which is considered as the previous GAAP, for purposes of Ind AS 101.

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest ₹ million as per the requirement of Schedule III, unless otherwise stated.

The consolidated financial statements have been prepared on the historical cost basis as explained in the accounting policies below, except for the following:

- certain financial assets and liabilities measured at fair value where the Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments);
- share-based payments

The preparation of these consolidated financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the consolidated financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group had the following subsidiaries (The Parent Company together with its subsidiaries are hereinafter collectively referred as the 'Group'):

S. No.	Name of subsidiaries and date of shareholding	Proportion of ownership interest as at March 31, 2019	Proportion of ownership interest as at March 31, 2018
1	Tradezeal International Private Limited (from May 31,2005)	100.00%	100.00%
2	Hello Trade Online Private Limited (from July 3,2008)	100.00%	100.00%
3	Ten Times Online Private Limited (from February 26, 2014 and additional 3.74% interest acquired on May 9, 2018)	100.00%	96.26%
4	Tolexo Online Private Limited (from May 28, 2014)	100.00%	100.00%
5	Pay With IndiaMART Private Limited (from February 7, 2017)	100.00%	100.00%

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The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., period ended on 31 March since the Group's subsidiaries have the same reporting period end.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill, if any) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Summary of significant accounting policies

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by all the group entities, to all the periods presented in these consolidated financial statements.

The Group applies, for the first time, Ind AS 115 Revenue from Contracts with Customers. As required by the Ind AS 115; the nature and effect of these changes are disclosed in note 4 below.

a) Current versus non-current classification

The Group presents assets and liabilities in balance sheet based on current/non-current classification. An asset is classified as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b) Fair value measurement

The Group measures financial instruments, such as Investment in optionally convertible preference shares (OCRPS), Investment in mutual funds and share buyback obligation, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 — inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 — Unobservable inputs for the asset or liability reflecting Group's assumptions about pricing by market participants

For assets and liabilities that are recognised in the consolidated financial statements on fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for recurring fair value measurement, such as investment in debt instruments and convertible preference shares issued with share buyback obligation measured at fair value.

External valuers are involved for valuation of significant assets, such as unquoted investments in debt instruments, and significant liabilities, such as convertible preference shares. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for significant estimates and assumptions (Note 3)
- Disclosures for valuation methods and quantitative disclosure of fair value measurement hierarchy (Note 29)

c) Revenue from contracts with customers and other income

Revenue from contracts with customers

The Group is primarily engaged in providing web services. Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be

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entitled in exchange for those services and excluding taxes or duties collected on behalf of government.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

The specific recognition criteria described below must also be met before revenue is recognised.

Rendering of services

Revenue from web services are recognised based on output method i.e. pro-rata over the period of the contract as and when the Group satisfies performance obligations by transferring the promised services to its customers. Revenues from lead based services are recognised based on output method i.e. as and when leads are consumed by the customer or on the expiry of contract whichever is earlier. Activation revenue are amortised over the estimated customer relationship period.

Advertising revenue is derived from displaying web based banner ads and sale of online advertisements

Revenue from banner advertisement is recognised pro rata over the period of display of advertisement as per contract. Revenue from sale of online advertisements is recognised based on output method and the Group apply the practical expedient to recognize advertising revenue in the amount to which the Group has a right to invoice.

The Group also provides services of online marketing of exhibitions, trade shows and concerts for the clients. Revenue is recognized as and when the Group satisfies performance obligations by transferring the promised services to its customers.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section m) Financial instruments.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). The Group recognises contract liability for consideration received in respect of unsatisfied performance obligations and reports these amounts as deferred revenue and advances from customers in the balance sheet. The unaccrued amounts are not recognised as revenue till all related performance obligation are fulfilled. The group generally receives transaction price in advance for contracts with customers that run up for more than one year. The transaction price received in advance do not have any significant financing component as the difference between the promised consideration and the cash selling price of the service arises for reasons other than the provision of finance.

Other income

Interest income

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

d) Property, plant and equipment

Capital work in progress and property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates then separately based on their specific useful lives.

Capital work in progress includes cost of property, plant and equipment under development as at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

The Group has adopted component accounting as required under Schedule II to the Companies Act, 2013. The Group identifies the components separately, if it has useful life different from the respective property, plant and equipment.

Based on the analysis, Group believes that it does not have any asset having useful life of its major components different from the property, plant and equipment, hence Group believes that there is no material impact on the financial statement of the Group due to component accounting.

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Depreciation is calculated on a written down value basis using the rates arrived at based on the useful lives prescribed under Schedule II to Companies Act, 2013. The Group has used the following rates to provide depreciation on its Property, plant and equipment:

Asset	Annual rates
Computers	63.16%
Furniture and fittings	26.89%
Office equipment	45.07%
Vehicles	25.89%

Leasehold improvements are depreciated on a straight-line basis over the lease period or assessed useful life of three years, whichever is lower.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses (if any). Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Unique telephone numbers are amortised on a written down value at 40% annually.

Intangibles being Softwares acquired by the Group are amortised on a written down value at 40% annually.

f) Leases (as lessee)

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land classified as finance lease is amortised over the period of lease to maximum of 90 years.

Operating lease payments are recognised as an expense in the statement of profit or loss on a straight-line basis over the lease term.

g) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment

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testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses are recognised in the statement of profit and loss. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

h) Taxes

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Sales/ value added taxes/ Service tax/ Goods and service tax (GST) paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes/ GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

i) Provisions and contingent liabilities

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

j) Retirement and other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under other current financial liabilities in the balance sheet.

Post-employment obligations

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the

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scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan for its employees i.e. gratuity. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Other long-term employee benefit obligations

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting period-end. Actuarial gain/loss are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

k) Share-based payments

Employees of the Group also receive remuneration in the form of stock options (ESOP) and stock appreciation rights (SAR) as a share based payment transactions under Group's Employee stock option plan and Employee stock benefit scheme. Both of these are equity settled share based payment transactions.

The cost of equity settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity settled transaction at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element

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of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

l) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans to employees, trade and other receivables. For more information on receivables, refer to Note 29.

Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred

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asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance

b. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include, share buyback obligation, trade payables, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Profit or Loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial

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liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has designated convertible preference shares issued with share buyback obligation, to be measured at fair value through profit or loss.

On conversion of the optionally convertible preference shares ("OCRPS") into equity shares, the Group derecognise the financial liability and recognise the same to equity.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) Foreign currency transactions

The Group's financial statements are presented in INR which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

p) Segment reporting

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group activities of providing e-marketplace for business goods is considered to be a single business segment. The analysis of geographical segments is based on the areas in which customers are based.

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Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

q) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Group considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has recognised deferred tax assets on the unused tax losses and other deductible temporary differences since the management is of the view that it is probable the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

The Group has tax business and capital losses carried forward amounting to ₹328.04 million (March 31, 2018: ₹318.72 million). The Group does not expect sufficient future taxable profit against which such tax losses can be utilised. On this basis, the Group has not recognised deferred tax assets on these carried forward tax losses. Refer Note 26 for further details.

b) Share based payment

The Group initially measures the cost of equity-settled transactions with employees using a Black–Scholes–Merton option pricing model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 28.

c) Revenue from contracts with customers

The Group recognise the activation fee received in advance over the estimated customer churn period of twenty seven months. The estimate is based on the historical trend analysis of the time period over which the customer is expected to be associated with the Group. The Group reviews its estimate at each reporting date.

d) Defined benefit plans (gratuity benefit)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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Further details about gratuity obligations are given in Note 27.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 29 and 31 for further disclosures.

f) Useful life of assets considered for depreciation of Property, Plant and Equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed at each financial year end.

4. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standard

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of the new accounting standard is described below.

Several other amendments and interpretations apply for the first time which are effective as of April 1, 2018, but do not have an impact on the consolidated financial statements of the Group. The Group had not early adopted any standards, interpretations or amendments that had been issued but are not yet effective on that date.

Ind AS 115 Revenue from Contacts with customers

Ind AS 115 supersedes Ind AS 11 Construction contracts, Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring good or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 using the modified retrospective method with the date of initial application as of April 1, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. Further, cumulative effect of applying the new standard is recognised at the date of initial application with no restatement of the comparative periods presented. Therefore, the comparative information had not been restated and continues to be reported under Ind AS 18. The Group elected to apply the standard to the contracts that are not completed as at April 1, 2018.

Apart from providing more extensive disclosures on the Group's revenue transactions, the application of Ind AS 115 has not had a material impact on the financial position and/or financial performance of the Group.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

These amendments are effective for annual periods beginning on or after April 1, 2018. These amendments are not expected to have any impact on the Group.

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. These amendments are effective for annual periods beginning on or after April 1, 2018.

Since, the Group has not classified its interest in subsidiaries as held for sale therefore, the amendment is not applicable to the Group.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments are effective for annual periods beginning on or after April 1, 2018 on a prospective basis.

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The Group does not have any investment property. Therefore, the amendment is not applicable to the Group.

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments are effective from April 1, 2018 and should be applied retrospectively. Since the Group does not have any investment in associates and joint ventures therefore, these amendments are not applicable to the Group.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

The Appendix is effective for annual periods beginning on or after April 1, 2018. However, since the Group's current practice is in line with the Interpretation, these do not have any effect on Group's financial statements.

Recently issued accounting pronouncements

IND AS 116 Leases

The Ministry of Corporate Affairs on March 30, 2019 notified the new leasing standard, viz., Ind AS 116 Leases. Ind AS 116 is applicable for the financial year beginning on or after April 1, 2019 for companies preparing there financial statements in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015.

The new standard will require lessees to recognize most leases on their balance sheets. Lessees will use a single accounting model for all leases, with limited exemptions.

An entity has an option to adopt Ind AS 116 using either the full retrospective method or the modified retrospective method. An entity that elects the modified retrospective method would apply Ind AS 116 retrospectively to only the current period by recognising the cumulative effect of initially applying Ind AS 116 as an adjustment to the opening balance of retained earnings (or other components of equity) at the date of initial application. Under the modified retrospective method, Ind AS 116 would be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. An entity would need to disclose how it applied the modified retrospective method.

The Group is under process to evaluate the impacts of the new standard on financial statements.

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(Amounts in ₹ million, unlesss otherwise stated)

5 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land (Refer Note 2 below)	Computers	Office equipment	Furniture and fixtures	Motor vehicles	Total Property, plant and equipment	Capital work in progress (Refer Note 1 below)
Gross carrying amount							
As at 1 April 2017	**37.13**	**54.43**	**20.71**	**4.17**	**1.00**	**117.44**	**1.77**
Additions	-	10.11	7.89	0.75	3.75	22.50	-
Disposals	-	(0.14)	-	-	(0.95)	(1.09)	-
As at 31 March 2018	**37.13**	**64.40**	**28.60**	**4.92**	**3.80**	**138.85**	**1.77**
Additions	-	38.89	10.04	1.09	-	50.02	-
Disposals	-	(0.71)	(0.25)	-	-	(0.96)	-
As at 31 March 2019	**37.13**	**102.58**	**38.39**	**6.01**	**3.80**	**187.91**	**1.77**
Accumulated depreciation							
As at 1 April 2017	**0.46**	**31.95**	**8.71**	**1.23**	**0.29**	**42.64**	**-**
Charge for the period	0.46	15.28	6.99	0.97	0.21	23.91	-
Disposals during the period	-	(0.10)	-	-	(0.46)	(0.56)	-
As at 31 March 2018	**0.92**	**47.13**	**15.70**	**2.20**	**0.04**	**65.99**	**-**
Charge for the period	0.46	26.37	8.92	0.94	0.98	37.67	-
Disposals during the period	-	(0.39)	(0.16)	-	-	(0.55)	-
As at 31 March 2019	**1.38**	**73.11**	**24.46**	**3.14**	**1.02**	**103.11**	**-**
Net book value							
As at 31 March 2018	**36.21**	**17.27**	**12.90**	**2.72**	**3.76**	**72.86**	**1.77**
As at 31 March 2019	**35.75**	**29.47**	**13.93**	**2.87**	**2.78**	**84.80**	**1.77**

Notes:

1. Capital work in progress represent the amount incurred on construction of boundary wall for leasehold land.
2. The Group has taken land under finance lease for the purpose of construction and setting up a software IT unit for a period of 90 years. As per the terms of the lease arrangement, the Group is required to complete the construction of building within 5 years from the date of handing over the possession. The Group has obtained extension for construction of building on the leasehold land till 5 October 2019.

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6 INTANGIBLE ASSETS

	Software	Unique telephone numbers	Total
Gross carrying amount			
As at 1 April 2017	**11.27**	**4.70**	**15.97**
Additions	0.41	-	0.41
Disposals	-	-	-
As at 31 March 2018	**11.68**	**4.70**	**16.38**
Additions	1.66	-	1.66
Disposals	(0.08)	-	(0.08)
As at 31 March 2019	**13.26**	**4.70**	**17.96**
Accumulated amortisation			
As at 1 April 2017	1.76	1.88	3.64
Amortisation for the period	3.81	1.13	4.94
Disposals during the period	-	-	-
As at 31 March 2018	**5.57**	**3.01**	**8.58**
Amortisation for the period	2.92	0.68	3.60
Disposals during the period	(0.03)	-	(0.03)
As at 31 March 2019	**8.46**	**3.69**	**12.15**
As at 31 March 2018	**6.11**	**1.69**	**7.80**
As at 31 March 2019	**4.80**	**1.01**	**5.81**

7 FINANCIAL ASSETS

a) Non-current investments

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Investment in others				
Investment in debt instruments - Unquoted (measured at FVTPL)				
0.001% Optionally convertible redeemable preference share of ₹10 each in Instant Procurement Services Private Limited	12,446	-	12,446	-
0.001% Compulsorily convertible preference share of ₹10 each in Instant Procurement Services Private Limited.	3,764	-	3,764	-
Total		**-**		**-**

Notes:

The Group has invested in convertible preference shares of companies. Based on the terms, these have been classified as financial instrument in the nature of financial assets to be measured at fair value. Fair value of the instruments have been determined based on discounted cash flow valuation technique using cash flow projections, discount rate and the credit risk. Gain/loss on subsequent re-measurement has been recognised through Statement of Profit and Loss and is disclosed under "Net gain/ (loss) on financial assets measured at FVTPL".

b) Current investments

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Investment in mutual funds - Quoted (measured at FVTPL)				
HDFC Prudence Fund - Growth	-	-	47,993	23.28
HDFC Top 200 Fund - Growth	-	-	30,646	13.15
HDFC Liquid fund - Growth	2,329	8.52	3,208	10.94
IDFC Premier Equity Fund -Growth	-	-	13,400	1.21
Aditya Birla Sunlife Frontline Equity Fund-Growth Regular Plan	-	-	75,282	15.75
Aditya Birla Sunlife Short Term Plan-Growth Regular Plan	2,599,874	80.37	3,360,316	96.96
Aditya Birla Sunlife Corporate Bond Fund - Regular	5,394,585	386.68	-	-
Aditya Birla Sun Life corporate Bond Fund-Growth-Direct	629,851	45.45	-	-
HDFC Short Term Plan- Growth	-	-	3,315,675	114.17
HDFC Floating Rate Income Fund	-	-	7,229,251	218.64
Aditya Birla Sun Life Banking & PSU Debt Fund-Grow-Direct Plan	886,783	214.61	1,074,783	241.31
IDFC ultra short term fund	-	-	18,214,024	451.65
IDFC Bond Fund - Short Term Plan- DGP	5,468,770	216.27	5,468,770	199.92
HDFC Short Term Debt Fund-Direct Growth Plan	26,794,545	558.15	10,359,979	200.19
ICICI Prudential Balanced Advantage Fund	-	-	258,974	8.57

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(Amounts in ₹ million, unlesss otherwise stated)

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
ICICI Prudential Savings Fund -Growth	81,581	29.27	373,280	124.35
HDFC Liquid Fund-Direct Plan Growth Option	-	-	69,517	238.02
ICICI Prudential Value Discovery Fund-Growth	-	-	163,952	22.79
Aditya Birla Sun Life Cash Plus-Growth-Direct Plan	-	-	882,080	246.38
Aditya Birla Sunlife short term opportunities fund-Direct	21,181,794	679.17	-	-
IDFC Low Duration Fund-Growth (Regular Plan)	16,451,049	435.91	16,451,049	405.11
HDFC Short Term Debt Fund - Regular Plan	8,380,984	172.98	1,560,259	29.92
IDFC Bond Fund-STP-Regular Fund	408,840	15.57	372,699	13.18
ICICI Prudential Savings Fund- Direct Plan-Growth	597,544	215.81	-	-
ICICI Prudential Short Term Fund - Growth Option	3,606,276	139.33	-	-
ICICI Prudential Short Term Fund - Direct	15,854,692	639.65	1,263,533	423.15
HDFC Low Duration Fund Growth - Regular	3,797,410	148.58	-	-
HDFC Low Duration Fund Growth - Direct	2,128,314	86.97	-	-
HDFC Credit Risk Debt Fund - Regular Plan - Growth	7,019,394	107.08	-	-
L&T Short term bond fund-DGP	37,122,589	681.67	-	-
Kotak Corporate Bond Fund - DGP	328,929	831.30	-	-
HDFC Equity saving fund-regular-growth	140,386	5.17	140,386	4.85
HDFC Cash management-retail-regular-growth	196,990	7.71	196,990	7.21
HDFC Short Term Debt Fund	378,460	7.81	-	-
L&T Short Term Bond Fund - Regular Growth	20,066,239	358.17	-	-
HDFC Hybrid Equity Fund-Regular-Growth	41,348	2.25	-	-
Total current investments		**6,074.45**		**3,110.70**

c) Loans (measured at amortised cost)

	As at 31 March 2019	As at 31 March 2018
Non-current (unsecured, considered good unless stated otherwise)		
Loan to employees	1.22	0.92
	1.22	**0.92**
Current (unsecured, considered good unless stated otherwise)		
Loan to employees	16.77	63.20
	16.77	63.20
Total loans	**17.99**	**64.12**

Notes:

The above loans represents interest free loans to employees, which are recoverable in maximum 24 monthly instalments.

d Others (measured at amortised cost)

	As at 31 March 2019	As at 31 March 2018
Non-current (unsecured, considered good unless stated otherwise)		
Security deposits	35.60	35.27
	35.60	**35.27**
Current (unsecured, considered good unless stated otherwise)		
Security deposits	26.01	1.62
Amount recoverable from payment gateway	62.59	39.82
Other recoverables	69.20	-
	157.80	**41.44**
Unsecured and considered doubtful		
Security deposits	-	-
Less: Allowance for doubtful security deposits	-	-
	-	**-**
Total	**157.80**	**41.44**
Total other financial assets	**193.40**	**76.71**

Notes:

Security deposits are non-interest bearing and are generally on term of 3 to 9 years. For credit risk management, Refer Note 31.

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for the year ended March 31, 2019

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8 OTHER ASSETS

	As at 31 March 2019	As at 31 March 2018
Non-current (unsecured, considered good unless stated otherwise)		
Capital advance	0.03	-
Prepaid expenses	0.14	0.09
Deferred rent expense	7.17	6.69
Total	**7.34**	**6.78**

	As at 31 March 2019	As at 31 March 2018
Current (Unsecured, considered good unless stated otherwise)		
Advances recoverable	14.38	13.16
Indirect taxes recoverable	38.03	32.46
Prepaid expenses	19.66	15.59
Deferred rent expense	3.15	2.36
Total	**75.22**	**63.57**

9 TRADE RECEIVABLES

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good unless stated otherwise		
Trade receivables	6.52	6.79
	6.52	6.79
Less: Allowances for doubtful debts	(0.81)	-
Total	**5.71**	**6.79**

Notes:

a) No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.

b) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

c) For terms and conditions relating to related party receivables, Refer Note 33.

10 CASH AND CASH EQUIVALENTS

	As at 31 March 2019	As at 31 March 2018
Cash on hand	0.19	1.03
Cheques on hand	145.42	121.42
Balance with bank		
- On current accounts	256.35	344.66
Total Cash and cash equivalents	**401.96**	**467.11**

Note:

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

	As at 31 March 2019	As at 31 March 2018
Bank balances other than cash and cash equivalents		
Deposits with		
- remaining maturity upto twelve months	375.48	-
- remaining maturity for more than twelve months	-	302.20
	375.48	**302.20**
Less: amount disclosed under current bank deposits	(375.48)	-
Less: amount disclosed under non-current bank deposits	-	(302.20)
Total	**-**	**-**

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for the year ended March 31, 2019

(Amounts in ₹ million, unlesss otherwise stated)

11 SHARE CAPITAL

Authorised equity share capital	Number of shares	Amount
As at 1 April 2017	18,277,930	182.78
Increase/(decrease) during the year	-	-
As at 31 March 2018	18,277,930	182.78
Increase/(decrease) during the period	11,722,070	117.22
As at 31 March 2019	**30,000,000**	**300.00**

Issued equity share capital (subscribed and fully paid up)	Number of shares	Amount
As at 1 April 2017	**9,168,989**	**91.69**
Equity share capital issued on exercise of ESOP during the year	807,816	8.08
As at 31 March 2018	**9,976,805**	**99.77**
Bonus issue during the period[1]	9,976,805	99.77
Equity share capital issued on exercise of ESOP during the period (Refer Note 28)	1,566,630	15.66
Equity share capital issued on conversion of convertible preference shares2	7,071,766	70.72
As at 31 March 2019	**28,592,006**	**285.92**

Notes:

1 **Bonus issue**

The shareholders of the Company at its general meeting held on 7 May 2018, approved the allotment of bonus share in the ratio of 1:1 as on the record date of 8 May 2018 to each of the equity shareholders of the Company. Subsequently, 9,976,805 Bonus Shares of ₹10 each amounting to ₹99.77 million, were alloted on 9 May 2018 in the ratio of 1:1 to the eligible equity shareholders.

2 **Conversion of convertible preference shares**

During the year ended 31 March 2019, company converted 1,493,903 Series A 0.01% Cumulative compulsory preference shares of ₹328 into 3,334,922 equity shares of ₹10 each, 1,722,047 0.01% Series B Cumulative compulsory preference shares of ₹100 into 3,444,094 equity shares of ₹10 each, 146,375 0.01% Series B1 Cumulative compulsory preference shares of ₹100 into 292,750 equity shares of ₹10 each.

a) Terms/ rights attached to equity shares:

1) The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity is entitled to one vote per share.

2) In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March 2019		As at 31 March 2018	
	Number	% Holding	Number	% Holding
Equity shares of ₹10 each fully paid				
Dinesh Agarwal	9,483,200	33%	4,741,600	48%
Brijesh Agrawal	6,426,200	22%	3,213,100	32%
Intel Capital (Mauritius) Limited	3,851,746	13%	100	0%
Westbridge Crossover Fund, LLC	1,544,154	5%	298,517	3%

c) Shares reserved for issue under options

Information relating to the Company's share based payment plans, including details of options and SAR units issued, exercised or lapsed during the financial period and outstanding at the end of the reporting period, is set out in Note 28.

12 OTHER EQUITY

	As at 31 March 2019	As at 31 March 2018
Securities premium	4,686.54	279.49
General reserve	8.45	8.45
Employee share based payment reserve (Refer Note 28)	88.48	61.15
Capital reserve	(2.04)	-
Retained earnings	(3,468.47)	(3,661.55)
Total other equity	**1,312.96**	**(3,312.46)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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Nature and purpose of reserves and surplus:

a) **Share premium:** The Securities premium account is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act 2013.

b) **General reserve:** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes, as the same is created by transfer from one component of equity to another.

c) **Employee share based payment reserve:** The Employee share based payment reserve is used to recognise the grant date fair value of options issued to employees under Group's employee option plan (ESOP). Refer Note 28 for further details.

d) **Capital reserve:** The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve. The capital reserve pertains to acquisition of non controlling interest by the parent company. For further details Refer Note 38.

e) **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Group, and re-measurement gains/ losses on defined benefit plans.

13 SHARE BUYBACK OBLIGATION

Measured at fair value through profit or loss (FVTPL)	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Share buyback obligation of preference shares				
Non-current				
0.01% Series A cumulative convertible preference shares (CCPS) of ₹328 each	-	-	1,493,903	1,630.00
0.01% Series B compulsory convertible preference shares (CCPS) of ₹100 each	-	-	1,722,047	1,971.30
0.01% Series B1 compulsory convertible preference shares (CCPS) of ₹100 each	-	-	146,375	128.00
Total		**-**		**3,729.30**

Notes:

The Company has issued 1,493,903 Series A CCPS at price of ₹328 per share amounting to ₹490 million. Company has further issued 1,722,047 and 146,375 Series B and Series B1 preference shares at price of ₹770 per share amounting to ₹1,325.98 million and ₹112.71 million respectively. As per the terms and conditions of issue of CCPS, Company has given right to the holders of CCPS to require the Company to buyback CCPS held by investors at reasonable approximation of fair market value in the event initial public offering (IPO) do not occur for specified period.

Based on these terms, CCPS has been classified as financial instrument in the nature of financial liability designated to be measured at fair value. Fair value of the instruments has been determined based on discounted cash flow valuation technique using cash flow projections and financial projections/budgets approved by the management. Gain/ loss on subsequent re-measurement has been recognised through Statement of Profit and Loss and is disclosed under "Net loss on financial liability designated at FVTPL"."

Carrying amount of financial liability and gain/loss on subsequent re-measurement is set out below:

	As at 31 March 2019	As at 31 March 2018
At the beginning of the period/year	**3,729.30**	**2,460.90**
Preference share capital issued during the period/year	-	5.17
Security premium received on issue of preference shares	-	34.61
Loss on re-measurement for the period/year (recognised through Statement of Profit and Loss)	652.63	1,228.62
Conversion of preference shares into equity shares during the period (Refer Note 11(2))	(4,381.93)	-
At the end of the period/year	**-**	**3,729.30**

Authorised preference share capital

	Series A (Face value ₹328 per share)		Series B (Face value ₹100 per share)		Series B1 (Face value ₹100 per share)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
As at 1 April 2017	1,493,903	490.00	1,722,047	172.20	172,207	17.22
Increase/(decrease) during the year	-	-	-	-	-	-
As at 31 March 2018	**1,493,903**	**490.00**	**1,722,047**	**172.20**	**172,207**	**17.22**
Increase/(decrease) during the period	-	-	-	-	-	-
As at 31 March 2019	**1,493,903**	**490.00**	**1,722,047**	**172.20**	**172,207**	**17.22**

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for the year ended March 31, 2019

(Amounts in ₹ million, unlesss otherwise stated)

Issued preference share capital (subscribed and fully paid up)

	Series A (Face value ₹328 per share)		Series B (Face value ₹100 per share)		Series B1 (Face value ₹100 per share)	
As at 1 April 2017	1,493,903	490.00	1,722,047	172.20	94,713	9.47
Shares issued during the year	-	-	-	-	51,662	5.17
As at 31 March 2018	**1,493,903**	**490.00**	**1,722,047**	**172.20**	**146,375**	**14.64**
Shares converted to equity shares	(1,493,903)	(490.00)	(1,722,047)	(172.20)	(146,375)	(14.64)
As at 31 March 2019	**-**	**-**	**-**	**-**	**-**	**0.00**

Details of shareholders holding more than 5% preference shares in the Company

	31 March 2019		31 March 2018	
	Number	% Holding	Number	% Holding
CCPS of ₹328 each fully paid (Series A)				
Intel Capital (Mauritius) Limited	-	-	1,493,903	100.00%
CCPS of ₹100 each fully paid (Series B)				
Amadeus IV DPF Limited	-	-	516,613	30.00%
Westbridge Crossover Fund LLC	-	-	430,509	25.00%
Accion Frontier Inclusion Mauritius	-	-	516,613	30.00%
Intel Capital (Mauritius) Limited	-	-	258,312	15.00%
CCPS of ₹100 each fully paid (Series B1)				
Amadeus IV DPF Limited	-	-	51,662	35.29%
Westbridge Crossover Fund LLC	-	-	43,051	29.41%
Accion Frontier Inclusion Mauritius	-	-	51,662	35.29%

d) Terms/rights attached to Compulsorily Convertible Preference Shares (CCPS)

Terms of conversion/ redemption of Series A -CCPS

1) Each Series A CCPS holder is entitled to participate pari-passu in any dividends paid to the holders of the shares of any other class (including Equity Shares) or series on a pro-rata, as if converted basis.

2) Each Series A CCPS may be converted into equity shares at any time at the option of the holder of the Series A preference share.

3) Subject to compliance with applicable laws, each Series A Preference share shall automatically be converted at the Series A Conversion Price (₹293.86 subject to prescribed adjustments) into equity shares upon the earlier of (i) December 31, 2027; or (ii) immediately prior to the IPO for the purpose of enabling the listing of the shares in accordance with the requirement under the applicable law.

4) In the event of liquidation, each holder of Series A Preference Shares shall be entitled to receive an amount, per Series A Preference Share equal to the Original Series A Share Issue Price plus any arrears of declared and accrued but unpaid dividends calculated to the date of such payment (the "Series A Preference Amount"), which shall rank pari passu with the Series B Preference Amount and upon receipt of such Series A Preference Amount by the holders of the SeriesA Preference Shares and upon receipt of the Series B Preference Amount by the holders of the Series B Preference Shares, any assets or funds remaining and distributable to the shareholders of the Company shall be distributed pari passu among the holders of the outstanding Series A Preference Shares, Series B Preference Shares, and Equity Shares on a pro-rata, as if converted basis.

5) Subject to Applicable Laws, the holders of the Series A Preference Shares shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the shareholders of the Company (including the holders of Equity Shares).

6) In the event, the Company make or issue bonus shares or other non-cash dividends/distribution of equity shares to the holders of equity shares, the number of equity shares to be issued on any subsequent conversion of Series A preference shares shall be increased proportionately.

Terms of conversion/ redemption of Series B -CCPS

1) Each Series B CCPS holder is entitled to participate pari-passu in any dividends paid to the holders of the shares of any other class (including Equity Shares) or series on a pro-rata, as if converted basis.

2) Each Series B CCPS may be converted into equity shares at any time at the option of the holder of the Series B preference share. Series B Conversion Price initially shall be equal to the Original Series B Share Issue Price (the "Initial Series B Conversion Price"), and shall be subject to adjustment from time to time on account of any anti-dilution shares issued, stock dividends, splits, combinations and similar events.

3) Subject to compliance with applicable laws, each Series B Preference share shall automatically be converted at a conversion price (then in effect) subject to prescribed adjustment, into Equity Shares upon the earlier of (i) 20 (twenty) years from the date of their issuance, or (ii) immediately prior to the IPO for the purpose of

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enabling the listing of the shares in accordance with the requirement under the applicable law.

4) In the event of liquidation, each holder of Series B Preference Shares shall be entitled to receive an amount per Series B Preference Share equal to the Original Series B Share Issue Price plus any arrears of accumulated but unpaid dividends calculated to the date of such payment (the "Series B Preference Amount"), which shall rank pari passu with the Series A Preference Amount and upon receipt of such Series B Preference Amount by the holders of the Series B Preference Shares and upon receipt of the Series A Preference Amount by the holders of the Series A Preference Shares, any assets or funds remaining and distributable to the shareholders of the Company shall be distributed pari passu among the holders of the outstanding Series A Preference Shares, Series B Preference Shares, Equity Shares on a pro-rata, as if converted basis. However the amount so payable shall not exceed an amount that is higher of 3 (Three) times the Original Series B Share Issue Price plus any arrears of declared & accrued but unpaid dividend calculated to the date of such payment or the percentage of the proceeds from such deemed liquidation that is equal to the percentage of the share capital of the company on a fully diluted basis represented by each Series B Preference Share plus any arrears of declared & accrued but unpaid dividend calculated to the date of such payment.

5) Subject to Applicable Laws, the holders of the Series B Preference Shares shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the shareholders of the Company (including the holders of Equity Shares).

6) In the event, the Company make or issue bonus shares or other non-cash dividends/distribution of equity shares to the holders of equity shares, the number of equity shares to be issued on any subsequent conversion of Series B preference shares shall be increased proportionately.

Terms of conversion/ redemption of Series B1 -CCPS

1) Each Series B1 CCPS holder is entitled to participate pari-passu in any dividends paid to the holders of the shares of any other class (including Equity Shares) or series on a pro-rata, as if converted basis.

2) Each Series B1 CCPS may be converted into equity shares at any time at the option of the holder of the Series B1 preference share. Series B1 Conversion Price initially shall be equal to the Original Series B Share Issue Price (the "Initial Series B Conversion Price"), and shall be subject to adjustment from time to time on account of any anti-dilution shares issued, stock dividends, splits, combinations and similar events.

3) Subject to compliance with applicable laws, each Series B1 Preference share shall automatically be converted at a conversion price (then in effect) subject to prescribed adjustment, into Equity Shares upon the earlier of (i) 20 (twenty) years from the date of their issuance, or (ii) immediately prior to the IPO for the purpose of enabling the listing of the shares in accordance with the requirement under the applicable law.

4) In the event of liquidation and upon receipt of Series B Preference Amount by the holders of the Series B Preference Shares and upon receipt of the Series A Preference Amount by the holders of the Series A Preference Shares, any assets or funds remaining and distributable to the shareholders of the Company shall be distributed pari passu among the holders of the outstanding Series A Preference Shares, Series B Preference Shares, Series B1 Preference Shares and Equity Shares on a pro-rata, as if converted basis.

5) Subject to Applicable Laws, the holders of the Series B1 Preference Shares shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the shareholders of the Company (including the holders of Equity Shares).

6) In the event, the Company make or issue bonus shares or other non-cash dividends/distribution of equity shares to the holders of equity shares, the number of equity shares to be issued on any subsequent conversion of Series B1 preference shares shall be increased proportionately.

The above convertible preference shares contains the feature for the conversion ratio to be adjusted to the lower price of any later issue in the underlying shares

14 TRADE PAYABLES

	As at 31 March 2019	As at 31 March 2018
Current		
Payable to micro, small and medium enterprises	-	11.31
Other trade payables*	450.03	407.61
Total	**450.03**	**418.92**

Trade payables are non-interest bearing and are normally settled on 30-day terms.

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15 OTHER FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Non-current		
Lease rent equalisation	2.84	2.62
Total	**2.84**	**2.62**
Current		
Payable to employees	0.34	0.04
Security deposits	0.14	0.14
Total	**0.48**	**0.18**
Total	**3.32**	**2.80**

16 PROVISIONS

	As at 31 March 2019	As at 31 March 2018
Non-current		
Provision for employee benefits*		
Provision for gratuity	96.00	59.31
Total	**96.00**	**59.31**
Current		
Provision for employee benefits*		
Provision for gratuity	8.88	9.27
Provision for leave encashment	44.40	38.67
Total	**53.28**	**47.94**

*For details of movement in provision for gratuity and leave encashment, Refer note 27.

17 CONTRACT AND OTHER LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Contract liabilities*		
Non-current		
Deferred revenue	2,297.91	1,660.91
Total	**2,297.91**	**1,660.91**
Current		
Deferred revenue	3,245.58	2,259.23
Advances from customers	316.33	-
Total	**3,561.91**	**2,259.23**
Total	**5,859.82**	**3,920.14**
Other liabilities		
Advances from customers	-	324.30
Tax deducted at source payable	5.61	64.99
Contribution to provident fund payable	2.54	2.36
Contribution to ESI payable	0.11	0.23
Indirect tax payable	134.65	68.88
Professional tax payable	0.18	0.11
Payable for labour welfare fund	0.03	0.01
Others	3.10	0.07
Total	**146.22**	**460.95**

*Contract liabilities includes consideration received in advance to render web services in future periods.

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18 CURRENT TAX ASSETS AND LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Current tax assets (net of provisions)		
Advance income tax	108.73	94.98
Less: Provision for income tax	3.19	3.83
Total	**105.54**	**91.15**

19 REVENUE FROM OPERATIONS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of services		
Income from web services	5,019.25	4,076.94
Advertisement and marketing services	54.92	28.14
Total	**5,074.17**	**4,105.08**

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligation that are unsatisfied (or partially unsatisfied) at the reporting date:

	31 March 2019	
	Less than 12 months	More than 12 months
Web services	3,557.74	2,296.25
Advertisement and marketing services	4.17	1.66
	3,561.91	**2,297.91**

No consideration from contracts with customers is excluded from the amounts presented above.

Contract liabilities

	As at 31 March 2019
Web services	5,853.99
Advertisement and marketing services	5.83
	5,859.82
Non-current	2,297.91
Current	3,561.91
	5,859.82

Significant changes in the contract liability balances during the year are as follows:

	For the year ended 31 March 2019
Opening balance at the beginning of the year	4,240.68
Less: Revenue recognised from contract liability balance at the beginning of the year	(2,754.14)
Add: Amount received from customers during the year	6,714.12
Less: Transfer of contract liability pertaining to Hello travel business	(20.81)
Less: Revenue recognised from amount received during the year	(2,320.03)
Closing balance at the end of the year	**5,859.82**

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20 NET GAIN ON FINANCIAL ASSETS MEASURED AT FVTPL

	For the year ended 31 March 2019	For the year ended 31 March 2018
Net gain on disposal of current investments	51.34	72.54
Fair value gain on financial assets measured at FVTPL		
- Investment in mutual funds	321.86	89.09
- Investment in debt instruments	-	-
Total	**373.20**	**161.63**

21 OTHER INCOME

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income from financial assets measured at amortised cost		
- on bank deposits	26.00	16.50
- on security deposits	3.48	6.50
Other interest income	0.16	5.02
Gain from business transfer arrangement (Refer Note 36)	6.80	-
Net gain on disposal of property, plant and equipment	0.08	0.53
Total	**36.52**	**28.55**

22 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, allowance and bonus	2,065.56	1,783.72
Gratuity expense (Refer Note 27)	26.13	25.62
Leave Encashment Expense (Refer Note 27)	15.52	21.82
Contribution to provident and other funds	12.18	13.50
Employee share based payment expense (Refer Note 28)	94.62	36.82
Staff welfare expenses	85.82	67.09
Total	**2,299.83**	**1,948.57**

23 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment (Refer Note 5)	37.67	23.91
Amortisation of intangible assets (Refer Note 6)	3.60	4.94
Total	**41.27**	**28.85**

24 OTHER EXPENSES

	For the year ended 31 March 2019	For the year ended 31 March 2018
Content development expenses	235.48	233.23
Buyer Engagement Expenses	185.99	147.06
Customer Support Expenses	245.89	240.14
Outsourced sales cost	575.58	441.55
Internet and other online expenses	177.11	119.56
Rent	154.03	210.71
Rates and taxes	19.63	2.36
Communication costs	6.31	9.33
Outsourced support cost	18.06	27.16
Advertisement expenses	20.99	31.09
Power and fuel	29.23	28.63
Printing and stationery	8.44	8.92

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for the year ended March 31, 2019

(Amounts in ₹ million, unlesss otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Repair and maintenance:		
- Plant and machinery	13.59	11.89
- Others	72.77	65.04
Travelling and conveyance	45.42	32.61
Recruitment and training expenses	28.00	16.76
Legal and professional fees	42.34	21.61
Directors' sitting fees	2.95	1.79
Insurance expenses	23.73	22.74
Collection charges	41.43	16.84
Allowances for doubtful debts	0.81	-
Packaging charges	-	0.00
Freight, cartage and payment collection charges	-	0.37
Miscellaneous expenses	3.15	0.80
Total	**1,950.93**	**1,690.19**

25 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the earning/(loss) for the period attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the period.

Diluted EPS are calculated by dividing the earnings/(loss) for the period attributable to the equity holders of the parent company by weighted average number of Equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Basic		
Earnings/(loss) for the period	200.44	547.59
Weighted average number of equity shares in calculating basic EPS	25,868,950	19,148,007
Basic earnings/(loss) per equity share	7.75	28.60
Diluted		
Earnings/(loss) for the period	200.44	547.59
Weighted average number of equity shares in calculating basic EPS	25,868,950	19,148,007
Potential equity shares in the form of CCPS and stock options granted to employees	456,999	7,935,167
Total no. of shares outstanding (including dilution)	26,325,949	27,083,174
Diluted earnings/(loss) per equity share	7.61	20.22

26 INCOME TAX

The major components of income tax expense are:

a) Income tax expense/(income) recognised in Statement of profit and loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current income tax		
Current income tax for the period	1.32	1.81
	1.32	**1.81**
Deferred tax		
Relating to origination and reversal of temporary differences	337.47	(1,150.37)
	337.47	**(1,150.37)**
Total income tax expense/(credit)	**338.79**	**(1,148.56)**

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(Amounts in ₹ million, unlesss otherwise stated)

b) Income tax recognised in other comprehensive income (OCI)

Deferred tax related to items recognised in OCI during the period

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net loss on remeasurements of defined benefit plans	(3.81)	(5.20)

c) Reconciliation of tax expense and the accounting profit/(loss) multiplied by statutory income tax rate.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/(loss) before tax	539.23	(600.97)
Accounting profit/(loss) before income tax	539.23	(600.97)
Tax expense at the statutory income tax rate of 31.20% (31 March 2018: 30.90%)	168.24	(185.70)
Adjustments in respect of unrecognised deferred tax assets of previous years		
- tax business losses	-	(1,072.95)
- unabsorbed depreciation	-	(76.52)
- other deductible temporary differences	-	(167.24)
Adjustments in respect of differences in current tax rates and deferred tax rates	39.05	10.95
Adjustments in respect of differences taxed at lower tax rates	(34.74)	(33.74)
Utilisation of previously recognised tax losses	(9.81)	10.20
Non-deductible expenses for tax purposes:		
Loss on fair valuation of Share buyback obligation	203.62	379.64
Income non-taxable for tax purposes	(42.44)	(23.15)
Other non-deductible expenses	(2.22)	(0.23)
Temporary differences for which no deferred tax was recognised	17.09	10.18
Tax expense/(income) at the effective income tax rate of 31.20% (31 March 2018: 34.94%)	**338.79**	**(1,148.56)**

(d) Breakup of deferred tax recognised in the Balance sheet

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax asset		
Property, plant and equipment and other intangible assets	8.42	7.50
Provision for gratuity	36.36	36.36
Provision for compensated absences	15.24	24.36
Provision for dimmunition of investments in subsidiaries	31.49	6.99
Re-measurement of investment in debt instruments of subsidiaries to fair value	34.35	24.88
Deferred revenue	11.30	44.91
Tax losses	776.56	1,074.00
Unabsorbed depreciation	39.08	60.34
Allowances for doubtful debts	0.21	-
Others	7.65	2.94
Total deferred tax assets	**960.66**	**1,282.28**
Total deferred tax assets recognised (A)	**891.70**	**1,206.90**
Deferred tax liabilities		
Re-measurement of investment in mutual funds to fair value	(67.32)	(29.77)
Accelerated deduction for tax purposes	(2.50)	(21.56)
Accelerated depreciation for tax purposes	0.02	(0.00)
Total deferred tax liabilities (B)	**(69.80)**	**(51.33)**
Net deferred tax assets (C) = (A) - (B)	**821.90**	**1,155.57**
MAT credit entitlement (D)	**36.18**	
Total deferred tax Asset (C) + (D)	**858.08**	**1,155.57**

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(Amounts in ₹ million, unlesss otherwise stated)

e) Breakup of deferred tax expense/(income) recognised in Statement of profit and loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred tax expense/(income) relates to the following:		
Provision for gratuity	(9.87)	(35.89)
Provision for compensated absences	(0.94)	(22.61)
Provision for dimmunition of investments in subsidiaries	(24.50)	-
Re-measurement of investment in debt instruments of subsidiary to fair value	(9.48)	(24.88)
Deferred revenue	33.62	(44.91)
Tax losses	292.96	(1,003.01)
Unabsorbed depreciation	20.98	(58.24)
Re-measurement of investment in mutual funds to fair value	37.57	29.77
Accelerated deduction for tax purposes	0.26	21.56
Property, plant and equipment and other intangible assets	(0.73)	(7.43)
Others	(5.99)	(9.93)
Allowances for doubtful debts	(0.21)	-
Deferred tax expense/(income)	**333.67**	**(1,155.57)**

f) Reconciliation of Deferred tax asset (Net):

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance as of 1 April	1,155.57	-
Tax (expense)/income during the period recognised in Statement of profit and loss	(337.47)	1,150.37
Tax income during the period recognised in OCI	3.81	5.20
MAT credit entitlement	36.17	-
Closing balance at the end of the period/year	**858.08**	**1,155.57**

g) Detail of deductible temporary differences and unused tax losses for which no deferred tax asset is recognised in the balance sheet:

Particulars	As at 31 March 2019	As at 31 March 2018
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:		
- tax business losses	275.22	229.73
- unabsorbed depreciation	6.99	6.80
- tax capital losses*	43.32	74.77
- other deductible temporary differences	2.54	7.42
	328.07	**318.72**

* The unused tax capital losses will expire upto FY 2019-20.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

27 DEFINED BENEFIT PLAN AND OTHER LONG TERM EMPLOYEE BENEFIT PLAN

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with insurance company in form of qualifying insurance policy. This defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and salary risk.

The amount included in the balance sheet arising from the Group's obligation in respect of its gratuity plan and leave encashment is as follows:

Gratuity - Defined benefit

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of funded defined benefit obligation	126.34	93.14
Fair value of plan assets	(21.46)	(24.56)
Net liability arising from defined benefit obligation	**104.88**	**68.58**

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(Amounts in ₹ million, unlesss otherwise stated)

Leave encashment - other long term employee benefit plan

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of other long term empoyee benefit plan	44.40	38.67
Net liability arising from other long term employee benefit plan	**44.40**	**38.67**

a) Reconciliation of the net defined benefit (asset) liability and other long term employee benefit plan

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and other other long term employee benefit plan and its components.

Reconciliation of present value of defined benefit obligation for Gratuity and Leave encashment

Particulars	Gratuity	
	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the period/year	93.15	57.89
Benefits paid	(5.19)	(6.72)
Employee benefit obligation pursuant to the sale of disposal group (refer note 36)	(0.99)	-
Current service cost	20.78	14.16
Interest cost	7.27	4.25
Past service cost	-	9.36
Actuarial (gains)/losses		
- changes in demographic assumptions	14.61	2.24
- changes in financial assumptions	(6.62)	12.58
- experience adjustments	3.33	(0.62)
Balance at the end of the period/year	**126.34**	**93.14**

Particulars	Leave encashment	
	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the period/year	38.67	28.28
Benefits paid	(9.53)	(11.43)
Employee benefit obligation pursuant to the sale of disposal group (Refer Note 36)	0.04	-
Current service cost	12.27	12.18
Interest cost	3.02	2.08
Actuarial (gains)/losses		
- changes in demographic assumptions	7.19	1.47
- changes in financial assumptions	(5.60)	4.42
- experience adjustments	(1.66)	1.67
Balance at the end of the period/year	**44.40**	**38.67**

Movement in fair value of plan assets

Particulars	Gratuity	
	As at 31 March 2019	As at 31 March 2018
Opening fair value of plan assets	24.56	29.29
Interest income	1.93	2.15
Actuarial (gains)/losses	0.15	(0.16)
Benefits paid	(5.18)	(6.72)
Closing fair value of plan assets	**21.46**	**24.56**

Each year the management of the Group reviews the level of funding required as per its risk management strategy. The Group expects to contribute ₹25.80 million to gratuity in FY 2018-19 (31 March, 2018: ₹19.45 million).

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Funds managed by insurer	100%	100%

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The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

b) Expense recognised in profit or loss

Particulars	Gratuity	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	20.78	14.16
Past service cost	-	9.36
Net interest expense	5.35	2.10
Components of defined benefit costs recognised in profit or loss	**26.13**	**25.62**
Remeasurement of the net defined benefit liability:		
Actuarial (gain)/loss on plan assets	(0.15)	0.16
Actuarial (gain)/loss on defined benefit obligation	11.32	14.20
Components of defined benefit costs recognised in other comprehensive income	**11.17**	**14.36**

Particulars	Leave encashment	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	12.57	12.18
Net interest expense	3.02	2.08
Actuarial (gain)/loss on other long term employee benefit plan	(0.07)	7.56
Components of other long term employee benefit costs recognised in profit or loss	**15.52**	**21.82**

c) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.66%	7.70%
Expected rate of return on assets	7.45%	7.70%

Attrition rate:

Ages	Related to 2019		Related to 2018	
	Upto 4 years of service	Above 4 years of service	Upto 4 years of service	Above 4 years of service
Upto 30 years	34.32%	12.83%	56.75%	22.00%
From 31 to 44 years	30.77%	11.20%	43.25%	14.00%
Above 44 years	1.05%	0.00%	1.76%	8.00%
Future salary growth	7.18%	12.00%	12.81%	13.00%
Mortality table	India Assured Life Moratility (2006-08)		India Assured Life Moratility (2006-08)	

The Group regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Gratuity

For the year ended 31 March 2019	Increase	Decrease
Impact of change in discount rate by 0.50%	(6.50)	7.17
Impact of change in salary by 0.50%	3.62	(3.85)

For the year ended 31 March 2018	Increase	Decrease
Impact of change in discount rate by 0.50%	(3.32)	3.57
Impact of change in salary by 0.50%	2.36	(2.36)

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Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

e) The table below summarises the maturity profile and duration of the gratuity liability:

Particulars	As at 31 March 2019	As at 31 March 2018
Within one year	8.88	9.27
Within one - three years	21.09	20.86
Within three - five years	17.53	15.46
Above five years	78.84	47.55
Total	**126.34**	**93.14**

28 SHARE BASED PAYMENT PLANS

a) Employee Stock Option Plan (ESOP)

The Company has provided various share-based payment schemes to its employees in the preceding financial years. During the period ended 31 March 2019, the following schemes were in operation:

	ESOP 2010	ESOP 2012	ESOP 2013	ESOP 2015	ESOP 2016	ESOP 2017
Date of grant	January 1, 2010	March 15, 2012	June 30, 2013	June 08, 2015	July 28, 2016	June 02, 2017
Date of Board Approval	November 24, 2009	January 25, 2012	October 28, 2013	June 08, 2015	July 28, 2016	May 04, 2017
Date Of Shareholder's approval	November 10, 2008	November 10, 2008	October 27, 2012	September 23, 2015	September 23, 2015	September 23, 2015
Number of options approved	453,420	645,560	24,000	539,000	276,980	200,730
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (in months)	0 to 48 Months	0 to 48 Months	0 to 48 Months	0 to 48 Months	0 to 48 Months	0 to 48 Months

The details of activity have been summarized below:

ESOP 2010

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	63,286	100	364,967	100
Granted during the period	Nil	Nil	Nil	Nil
Forfeited during the period	9,210	100	Nil	Nil
Exercised during the period	54,076	100	301,681	100
Expired during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	Nil	Nil	63,286	100
Exercisable at the end of the period	Nil	Nil	63,286	100

ESOP 2012

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	150,136	150	499,859	150
Granted during the period	Nil	Nil	Nil	Nil
Forfeited/ expired during the period	4,603	150	Nil	Nil
Exercised during the period	145,533	150	349,723	150
Outstanding at the end of the period	Nil	Nil	150,136	150
Exercisable at the end of the period	Nil	Nil	150,136	150

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ESOP 2013

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	Nil	Nil	24,000	150
Granted during the period	Nil	Nil	Nil	Nil
Forfeited/ expired during the period	Nil	Nil	Nil	Nil
Exercised during the period	Nil	Nil	24,000	150
Outstanding at the end of the period	Nil	Nil	Nil	Nil
Exercisable at the end of the period	Nil	Nil	Nil	Nil

ESOP 2015

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	354,100	200	472,000	200
Granted during the period	Nil	Nil	Nil	Nil
Forfeited/ expired during the period	3,600	200	12,000	200
Exercised during the period*	288,400	200	105,900	200
Outstanding at the end of the period	62,100	200	354,100	200
Exercisable at the end of the period	Nil	Nil	83,500	200

*includes accelerated vesting of 69,600 options

ESOP 2016

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	194,268	200	253,980	200
Granted during the period	Nil	Nil	Nil	Nil
Forfeited/ expired during the period	16,200	200	33,200	200
Exercised during the period*	136,218	200	26,512	200
Outstanding at the end of the period	41,850	200	194,268	200
Exercisable at the end of the period	Nil	Nil	22,284	200

*includes accelerated vesting of 70,938 options

ESOP 2017

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	197,800	200	Nil	Nil
Granted during the period	Nil	Nil	200,730	200
Forfeited/ expired during the period	824	200	2,930	200
Exercised during the period	159,088	200	Nil	Nil
Outstanding at the end of the period	37,888	200	197,800	200
Exercisable at the end of the period	Nil	Nil	Nil	Nil

*includes accelerated vesting of 119,528 options

Figures for year ended 31 March 2019 and previous year are as follows:

	As at 31 March 2019					
	ESOP 2010	ESOP 2012	ESOP 2013	ESOP 2015	ESOP 2016	ESOP 2017
Range of exercise prices	100	150	150	200	200	200
Number of options outstanding	Nil	Nil	Nil	62,100	41,850	37,888
Weighted average remaining contractual life of options (in years)	NA	NA	NA	0.25	1.25	1.80
Weighted average exercise price	100	150	150	200	200	200
Weighted average share price for the options exercised during the period	300	300	NA	300	300	300

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	As at 31 March 2018					
	ESOP 2010	ESOP 2012	ESOP 2013	ESOP 2015	ESOP 2016	ESOP 2017
Range of exercise prices	100	150	150	200	200	200
Number of options outstanding	63,286	150,136	Nil	354,100	194,268	197,800
Weighted average remaining contractual life of options (in years)	1.00	1.00	NA	1.25	2.25	2.80
Weighted average exercise price	100	150	150	200	200	200
Weighted average share price for the options exercised during the period	300	300	300	300	300	NA

Stock Options granted

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans are given in the table below:

	As at 31 March 2019					
	ESOP 2010	ESOP 2012	ESOP 2013	ESOP 2015	ESOP 2016	ESOP 2017
Weighted average share price	148.39	150	150	200	275.93	280.50
Exercise Price	100	150	150	200	200	200
Expected Volatility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Historical Volatility	0.00%	0.00%	0.10%	0.00%	0.10%	0.10%
Life of the options granted (Vesting and exercise year) in years	7.50	8.00	8.00	7.70	7.70	7.70
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	8.39%	7.77%	7.20%	7.20%

	As at 31 March 2018					
	ESOP 2010	ESOP 2012	ESOP 2013	ESOP 2015	ESOP 2016	ESOP 2017
Weighted average share price	148.39	150	150	200	275.93	280.50
Exercise Price	100	150	150	200	200	200
Expected Volatility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Historical Volatility	0.00%	0.10%	0.10%	0.10%	0.10%	0.10%
Life of the options granted (Vesting and exercise year) in years	7.50	8.00	8.00	7.70	7.70	7.70
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	8.39%	7.77%	7.20%	7.20%

b) Stock appreciation rights (SAR)

The Company has granted stock appreciation rights to its employees during the current financial year. Details are as follows

	SAR 2018
Date of grant	October 01, 2018
Date of Board Approval	September 22, 2018
Date Of Shareholder's approval	May 07, 2018
Number of units approved	800,740
Method of Settlement	Equity
Vesting period (in months)	0 to 48 Months

The details of activity have been summarized below:

	31 March 2019		31 March 2018	
	Number of SAR units	Weighted Average Exercise Price (₹)	Number of SAR units	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	-	-	NA	NA
Granted during the period	800,740	500	NA	NA
Forfeited during the period	21,000	500	NA	NA
Exercised during the period	Nil	Nil	NA	NA
Expired during the period	Nil	Nil	NA	NA
Outstanding at the end of the period	779,740	500	NA	NA
Exercisable at the end of the period	Nil	Nil	NA	NA

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Figures for year ended 31 March 2019 are as follows:

	SAR 2018
Range of exercise prices	500
Number of options outstanding	779,740
Weighted average remaining contractual life of units (in years)	3.50
Weighted average exercise price	500

SAR units granted

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans are given in the table below:

	SAR 2018
Weighted average share price	597
Exercise Price	500
Expected Volatility	41.00%
Historical Volatility	41.00%
Life of the options granted (Vesting and exercise year) in years	4.00
Expected dividends	Nil
Average risk-free interest rate	7.80%

Effect of the employee share-based payment plans on the statement of profit & loss:

Particulars	31 March 2019	31 March 2018
Total Employee Compensation Cost pertaining to share-based payment plans	94.62	36.82
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	94.62	36.82

Effect of the employee share-based payment plans on its financial position:

Particulars	As at 31 March 2019	As at 31 March 2018
Total Liability for employee stock options outstanding as at period/year end	88.48	61.15

29 FAIR VALUE MEASUREMENTS

a) Category wise details as to carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

	Level	As at 31 March 2019	As at 31 March 2018
Financial assets			
a) Measured at fair value through profit or loss (FVTPL)			
- Investment in mutual funds	Level 1	6,074.45	3,110.70
		6,074.45	3,110.70
b) Measured at amortised cost			
- Trade receivables	Level 2	5.71	6.79
- Cash and cash equivalents	Level 1	401.96	467.11
- Loans	Level 2	17.99	64.12
- Security deposits	Level 2	61.61	36.89
- Bank deposits	Level 2	375.48	302.20
- Other financial assets	Level 2	131.79	39.82
		994.54	916.93
Total financial assets		**7,068.99**	**4,027.63**
Financial liabilities			
a) Measured at fair value through profit or loss (FVTPL)			
- Share buy back obligation (Refer Note 13)	Level 3	-	3,729.30
		-	3,729.30
b) Measured at amortised cost			
- Trade payables	Level 2	450.03	418.92
- Security deposits	Level 2	0.14	0.14
- Other financial liabilities	Level 2	3.18	2.66
		453.35	421.72
Total financial liabilities		**453.35**	**4,151.02**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(Amounts in ₹ million, unlesss otherwise stated)

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

i) The carrying value of bank deposits, trade receivables, cash and cash equivalents, trade payables, security deposits, bank deposits and other current financial assets and other current financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments.

ii) The fair value of non-current financial assets and financial liabilities measured are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used does not reflect signifcant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.

iii) Fair value of quoted mutual funds is based on quoted market prices at the reporting date.

iv) Fair value of debt instruments is estimated based on discounted cash flows valuation technique using the cash flow projections, discount rate and credit risk.

v) Fair value of the share buy back obligation is estimated based on discounted cash flow valuation technique using cash flow projections and financial projections/ budgets approved by the management.

c) Following table describes the valuation techniques used and key inputs thereto for the level 3 financial liabilities as of 31 March 2019 and 31 March 2018:

	Valuation technique(s)	Key input(s)	Sensitivity
Financial liabilities	Refer Note below*	i) Discount rate	Refer Note below**
-Share buy back obligation		ii) Growth rate for long term cash flow projections.	
		iii) Future cash flow projections based on budgets approved by the management.	

* The fair values of financial liabilities included in level 3 have been determined in accrodance with generally accepted pricing models based on a discounted cashflow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counter parties.

** Sensitivity to changes in unobservable inputs: The fair value of these financial liabilities is directly proportional to the estimated future cash flow projections based on the budgets approved by the management. If the cash flow projections were to increase / decrease by 1% with all the other variables held constant, the fair value of these financial liabilities would increase / decrease by 1%.

d) Reconciliation of level 3 fair value measurements

	Share buy back obligation	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	3,729.30	2,460.90
Gains or loss recognised in profit or loss	652.63	1,228.62
Additions	-	39.78
Conversion of preference shares into equity shares during the period	(4,381.93)	-
Closing balance	**-**	**3,729.30**

e) During the period ended 31 March 2019 and 31 March 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

30 CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (Refer Note 13) offset by cash and bank balance (Refer Note 10) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

The Group reviews the capital structure on a regular basis. As part of this review, the Group considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

Gearing ratio

The Group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total equity (as shown in the balance sheet).

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(Amounts in ₹ million, unlesss otherwise stated)

The gearing ratio at end of the reporting period was as follows.

	As at 31 March 2019	As at 31 March 2018
Share buyback obligation	-	3,729.30
Cash and cash equivalents	(401.96)	(467.11)
Net debt	**(401.96)**	**3,262.19**
Total equity	**1,598.88**	**(3,212.69)**
Net debt to equity ratio	0%	-102%

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to market risk, credit risk and liquidity risk. The Group's board of directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's board oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i) Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and bank balances, trade receivables and security deposits.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available)

Trade receivables

The Group collects consideration in advance for the services to be provided to the customer. As a result, the Group is not exposed to significant credit risk on trade receivables.

Cash and cash equivalents, bank deposits and investments in mutual funds

The Group maintains its cash and cash equivalents, bank deposits and investment in mutual funds with reputed banks and financial institutions. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Security deposits

The Group monitors the credit rating of the counterparties on regular basis. These instruments carry very minimal credit risk based on the financial position of parties and Group's historical experience of dealing with the parties.

ii) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups's reputation.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Contractual maturities of financial liabilities

31 March 2019	Within 1 year	Between 1 and 5 years	Total
Share buyback obligation (Refer Note 13)	-	-	-
Trade payables	-	-	-
Other financial liabilities	0.48	2.84	3.32
	0.48	**2.84**	**3.32**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(Amounts in ₹ million, unlesss otherwise stated)

31 March 2018	Within 1 year	Between 1 and 5 years	Total
Share buyback obligation (Refer Note 13)	-	3,729.30	3,729.30
Trade payables	-	-	-
Other financial liabilities	0.18	2.62	2.80
	0.18	**3,731.92**	**3,732.10**

iii) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include foreign currency reeivables, deposits, investments in mutual funds.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). The Group's exposure to unhedged foreign currency risk as at 31 March 2019 and 31 March 2018 has been disclosed in note below. Currency risks related to the principal amounts of the Group's US dollar trade receivables.

Unhedged foreign currency exposure

	As at 31 March 2019	As at 31 March 2018
Trade receivable	USD 0.04 (₹2.50)	USD 0.04 (₹2.51)

Sensitivity	Impact on profit/(loss) before tax	
	For the year ended 31 March 2019	For the year ended 31 March 2018
USD sensitivity		
INR/USD - increase by 2%	0.05	0.05
INR/USD - decrease by 2%	(0.05)	(0.05)

Interest rate risk

Investment of short-term surplus funds of the Group in liquid schemes of mutual funds provides high level of liquidity from a portfolio of money market securities and high quality debt and categorized as 'low risk' product from liquidity and interest rate risk perspectives.

Sensitivity	Impact on profit/(loss) before tax	
	For the year ended 31 March 2019	For the year ended 31 March 2018
+ 5% change in NAV of mutual funds	303.72	155.54
- 5% change in NAV of mutual funds	(303.72)	(155.54)

32 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group has only one business segment which is business-to-business e-marketplace, which acts as an interactive hub for domestic and international buyers and suppliers and operates in a single business segment based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. Hence the Group falls within a single operating segment "Business to business e-marketplace".

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(Amounts in ₹ million, unlesss otherwise stated)

Information about geographical areas:

The Group's revenue from continuing operations from external customers by location of operations and information of its non-current assets by location of assets are detailed below:

	Revenue from external customers		Non-current assets*	
	For the year ended 31 March 2019	For the year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
India	4,978.78	4,043.05	99.72	89.21
Others	95.39	62.03	-	-
	5,074.17	**4,105.08**	**99.72**	**89.21**

* Non-current assets exclude financial instruments, deferred tax assets and post-employement benefit assets.

33 RELATED PARTY TRANSACTIONS

i) Names of related parties and related party relationship:

Note 34 provides the information about the Group's structure including the details of the subsidiaries and the holding company.

a) Individuals owning directly or indirectly, an interest in the voting power of the Group that gives them Significant Influence over the Group and Key Management Personnel (KMP)

Name	Designation
Dinesh Agarwal	Managing director
Brijesh Agrawal	Whole time director
Prateek Chandra	Chief financial officer
Anil Dwivedi	Company Secretary (resigned w.e.f 30 April 2018)
Manoj Bhargava	Company Secretary (appointed w.e.f 04 June 2018)
Dhruv Prakash	Non executive director
Mahendra Kumar Chouhan	Independent director (resigned w.e.f 30 April 2018)
Rajesh Sawhney	Independent director
Elizabeth Lucy Chapman	Independent director
Vivek Narayan Gour	Independent director (appointed w.e.f 30 April 2018)

b) Entities where Individuals and Key Management Personnel (KMP) as defined in note above exercise significant influence.

Mansa Enterprises Private Limited

c) Other related parties

Indiamart Intermesh Employees Group Gratuity Assurance Scheme - post employee defined benefit plan

Refer Note 27 for information and transactions in post employment defined benefit plan

ii) Key management personnel compensation

	For the year ended 31 March 2019	For the year ended 31 March 2018
Short-term employee benefits	102.79	83.24
Post-employment benefits	(0.57)	0.51
Long-term employee benefits	0.47	0.08
Employee share based payment expense	4.85	1.14
	107.54	**84.97**

The following table provides the total amount of transactions that have been entered into with the related parties for the relevant period:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Entities where KMP and Individuals exercise Significant influence		
Expenses for rent		
Mansa Enterprises Private Limited	4.18	5.52
Key management personnel		
Recruitment and training expenses		
Dhruv Prakash	1.85	2.07
Director's sitting fees	2.93	1.67

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(Amounts in ₹ million, unlesss otherwise stated)

Terms and conditions of transactions with related parties

The transactions with related parties are entered on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period/year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

34 GROUP INFORMATION

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal activities	Country of incorporation	% equity interest	
			As at 31 March 2019	As at 31 March 2018
Hello Trade Online Private Limited	Business facilitation services	India	100.00	100.00
Tradezeal International Private Limited	Business facilitation services	India	100.00	100.00
Ten Times Online Private Limited	Business facilitation services	India	100.00	96.25
Tolexo Online Private Ltd	Ecommerce services	India	100.00	100.00
Pay With Indiamart Private Limited	Payment facilitation and consultancy services	India	100.00	100.00

35 ADDITIONAL INFORMATION

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ million	As % of consolidated profit and loss	₹ million	As % of consolidated other comprehensive income	₹ million	As % of total comprehensive income	₹ million
Parent								
Indiamart Intermesh Limited								
Balance as at 31 March 2019	104.76%	1,606.82						
Balance as at 31 March 2018	95.52%	(3,122.74)						
For the year ended 31 March 2019			185.46%	125.93	92.49%	(6.81)	196.76%	119.12
For the year ended 31 March 2018			98.79%	(724.41)	105.09%	(9.63)	98.87%	(734.04)
Subsidiaries								
Tolexo Online Private Limited								
Balance as at 31 March 2019	-5.93%	(90.94)						
Balance as at 31 March 2018	4.49%	(146.65)						
For the year ended 31 March 2019			-66.31%	(45.02)	1.75%	(0.13)	-74.59%	(45.15)
For the year ended 31 March 2018			1.41%	(10.33)	-5.67%	0.52	1.32%	(9.81)
Ten Times Online Private Limited								
Balance as at 31 March 2019	2.16%	33.06						
Balance as at 31 March 2018	-0.59%	19.14						
For the year ended 31 March 2019			6.27%	4.26	5.76%	(0.42)	6.33%	3.83
For the year ended 31 March 2018			-0.70%	5.12	0.58%	(0.05)	-0.68%	5.07
Hello Trade Online Pvt Ltd								
Balance as at 31 March 2019	0.01%	0.11						
Balance as at 31 March 2018	0.00%	0.03						
For the year ended 31 March 2019			-0.04%	(0.03)	0.00%	-	-0.04%	(0.03)
For the year ended 31 March 2018			0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Tradezeal International Pvt Ltd								
Balance as at 31 March 2019	-1.28%	(19.63)						
Balance as at 31 March 2018	0.52%	(16.89)						
For the year ended 31 March 2019			-1.05%	(0.72)	0.00%	-	-1.18%	(0.72)
For the year ended 31 March 2018			0.06%	(0.43)	0.00%	-	0.06%	(0.43)
Pay with Indiamart Private Limited								
Balance as at 31 March 2019	0.28%	4.33						
Balance as at 31 March 2018	0.06%	(2.22)						
For the year ended 31 March 2019			-24.33%	(16.52)	0.00%	-	-27.28%	(16.51)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(Amounts in ₹ million, unlesss otherwise stated)

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ million	As % of consolidated profit and loss	₹ million	As % of consolidated other comprehensive income	₹ million	As % of total comprehensive income	₹ million
For the year ended 31 March 2018			0.44%	(3.19)	0.00%	-	0.43%	(3.19)
Sub-Total								
Balance as at 31 March 2019	100.00%	1,533.75						
Balance as at 31 March 2018	100.00%	(3,269.33)						
For the year ended 31 March 2019			100.00%	67.90	100.00%	(7.36)	100.00%	60.54
For the year ended 31 March 2018			100.00%	(733.26)	100.00%	(9.16)	100.00%	(742.42)
Adjustment arising out of consolidation								
Balance as at 31 March 2019		65.13						
Balance as at 31 March 2018		57.10						
For the year ended 31 March 2019				132.54		0.00		132.54
For the year ended 31 March 2018				1,280.85		0.00		1,280.85
Total								
Balance as at 31 March 2019		1,598.88						
Balance as at 31 March 2018		(3,212.23)						
For the year ended 31 March 2019				200.44		(7.36)		193.08
For the year ended 31 March 2018				547.59		(9.16)		538.43

36 SALE OF DISPOSAL GROUP

The Group has transferred its travel marketplace related business, 'Hello Travel' to Hellotravel Online Private Limited ('HOPL'), as a going concern through a slump sale, through a business purchase agreement dated June 21, 2018 ('BPA'), and such business transfer was effective from the transfer date, i.e. 1 July 2018.

The consideration for the transfer of Hello Travel is ₹6.80 million, which has been recognized through Statement of profit and loss and disclosed under "Gain from business transfer arrangement". Management does not believe that the transfer will have a significant impact on it's business or results of operations."

The major classes of assets and liabilities of Hello travels as on the transfer date (i.e 1 July 2018) are as follows:

Assets	Amount
Property, plant and equipment (including software)	0.29
	0.29
Liabilities	
Trade payables	3.70
Provision for gratuity	1.01
Provision for leave encashment	0.27
Contract liabilities	14.64
	19.62
Net liability payable	**(19.33)**

37 CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Dividend on 0.01% Series A CCPS	-	0.46
Dividend on 0.01% Series B & B1 CCPS	-	0.04
Income-tax demand*	73.28	-

*In respect of Assessment year 2016-17, demand was raised on Tolexo Online Private limited due to addition of income relating to receipts of securities premium against share allotment made to IndiaMART InterMESH Limited and accordingly the losses to be carried forward by the Company have been reduced from ₹719.22 mn to ₹482.07 mn. The matter is pending with CIT(Appeals). The Company is contesting the demand and the management believe that its position is possible to be upheld in the appellate process. No tax expense has been accrued in the financial statements for tax demand raised

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(Amounts in ₹ million, unlesss otherwise stated)

The company has received a show cause notice from Service tax department in the course of service tax audit for the period from F.Y 2013-14 till 30th June 2018 showing tax liability of 15.38 millions, the same has been provided for in the books by the company

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject."

b) Capital and other commitments

- As at 31 March 2019, the Group has estimated amount of contract remaining to be executed on capital account not provided for, net of advance is Nil (31 March 2018: Nil).

c) Operating lease commitments

Office premises are obtained on operating lease. There are no contingent rents in the lease agreements. The lease term varies from 11 months to 9 years generally and are usually renewable by mutual consent .There are no restrictions imposed by lease agreements. There are no subleases.

Lease payments (for non cancellable lease) for year ended 31 March 2019 are ₹74.71 million (31 March 2018 are ₹77.54 million).

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Within one year	69.64	52.83
After one year but not more than five years	103.74	54.02
	173.38	**106.85**

38 ACQUISITION OF NON-CONTROLLING INTERESTS

Acquisition of additional interest in Ten Times Online Private Limited

On 9 May 2018, the Group acquired an additional 3.75% interest in the voting shares of Ten Times Online Private Limited, increasing its ownership interest to 100%. Cash consideration of ₹2.50 million was paid to the non-controlling shareholders. The carrying value of the additional interest acquired at the date of acquisition was ₹0.46 million. Following is a schedule of additional interest acquired in Ten Times Online Private Limited:

	Amount
Cash consideration paid to non-controlling shareholders	2.50
Carrying value of the additional interest in Ten Times Online Private Limited	(0.46)
Difference recognised in capital reserve within equity	**2.04**

39 EVENTS AFTER THE REPORTING PERIOD

There have occured no events or transactions since balance sheet date or are pending, that would have a material effect or require adjustment to the accounting estimates and disclosures included in the financials statements as at or for the period ended 31 March 2019.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date : May 11, 2019

For and on behalf of the Board of Directors of
Indiamart Intermesh Limited

Dinesh Chandra Agarwal
(Managing Director)
DIN:00191800

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

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date : May 11, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of IndiaMART InterMESH Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of IndiaMART InterMESH Limited (hereinafter referred to as "the Holding Company") and its subsidiaries together referred to as "the Group", comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 5 subsidiaries, ,whose Ind AS financial statements include total assets of Rs 69.23 million and net assets of Rs (146.51) million as at March 31, 2018, and total revenues of Rs 70 million and net cash inflows of Rs 11.77 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs.8.76 million for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of 5 subsidiaries, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies, its associates and jointly controlled companies /joint ventures incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 35 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2018.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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per Yogesh Midha
Partner
Membership Number: 94941
Place of Signature: New Delhi
Date: June 22, 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIAMART INTERMESH LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of IndiaMART InterMESH Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of IndiaMART InterMESH Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these 5 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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per Yogesh Midha
Partner
Membership Number: 94941
Place of Signature: New Delhi
Date: June 22, 2018

Indiamart Intermesh Limited
Consolidated Balance Sheet as at 31 March 2018
(Amounts in INR million, unless otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	5	72.86	74.80	98.23
Capital work in progress	5	1.77	1.77	1.77
Intangible assets	6	7.80	12.33	8.26
Financial assets				
(i) Investment	7	-	-	-
(ii) Loans	7	0.92	1.76	0.33
(iii) Bank deposits	10	302.20	-	113.52
(iv) Others financial assets	7	35.27	39.74	34.28
Deferred tax assets (net)	26	1,155.57	-	-
Other non-current assets	8	6.78	11.79	12.66
Total non-current assets		**1,583.17**	**142.19**	**269.05**
Current assets				
Financial assets				
(i) Investments	7	3,110.70	1,362.62	1,286.30
(ii) Trade receivables	9	6.79	5.31	2.41
(iii) Cash and cash equivalents	10	467.11	176.59	187.47
(iv) Bank deposits	10	-	229.96	-
(v) Loans	7	63.20	14.50	9.62
(vi) Others financial assets	7	41.44	36.47	18.09
Current tax assets (net)	18	91.15	83.07	73.17
Other current assets	8	63.57	158.35	100.35
Total current assets		**3,843.96**	**2,066.87**	**1,677.41**
Total assets		**5,427.13**	**2,209.06**	**1,946.46**
Equity and liabilities				
Equity				
Share capital	11	99.77	91.69	91.69
Other equity		(3,312.46)	(3,992.15)	(3,362.42)
Equity attributable to equity holders of the parent		(3,212.69)	(3,900.46)	(3,270.73)
Non-controlling interests		0.46	0.27	0.09
Total equity		**(3,212.23)**	**(3,900.19)**	**(3,270.64)**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Share buyback obligation	13	3,729.30	2,460.90	2,195.18
(ii) Other financial liabilities	15	2.62	5.36	6.66
Provisions	16	59.31	17.31	4.88
Deferred revenue	17	1,660.91	1,213.32	921.96
Total non-current liabilities		**5,452.14**	**3,696.89**	**3,128.68**
Current liabilities				
Financial liabilities				
(i) Trade payables	14	418.92	302.40	376.35
(ii) Other financial liabilities	15	0.18	0.17	0.17
Provisions	16	47.94	39.57	34.90
Current tax liabilities (net)	18	-	-	0.10
Deferred revenue	17	2,259.23	1,718.45	1,438.74
Other current liabilities	17	460.95	351.77	238.16
Total current liabilities		**3,187.22**	**2,412.36**	**2,088.42**
Total liabilities		**8,639.36**	**6,109.25**	**5,217.10**
Total equity and liabilities		**5,427.13**	**2,209.06**	**1,946.46**
Summary of significant accounting policies	2			

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: Noida
Date : 22 June 2018

S.R. Batliboi & Associates LLP

For and on behalf of the Board of Directors of Indiamart Intermesh Limited

Dinesh Agarwal
Managing Director
DIN:00191800

Brijesh Agrawal
Director
DIN:00191760

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

Indiamart Intermesh Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2018
(Amounts in INR million, unless otherwise stated)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Income:			
Revenue from operations	19	4,105.08	3,177.63
Net gain on financial assets measured at FVTPL	20	161.63	119.14
Other income	21	28.55	22.59
Total income		**4,295.26**	**3,319.36**
Expenses:			
Employee benefits expense	22	1,948.57	2,096.74
Depreciation and amortisation expense	23	28.85	46.32
Net loss on financial liability designated at FVTPL	13	1,228.62	192.79
Other expenses	24	1,690.19	1,624.95
Total expenses		**4,896.23**	**3,960.80**
Loss before tax		**(600.97)**	**(641.44)**
Income tax expense	26		
Current tax		1.81	2.02
Deferred tax		(1,150.37)	-
Total tax expense		(1,148.56)	2.02
Profit/(loss) for the year		**547.59**	**(643.46)**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement gains/(losses) on defined benefit plans	27	(14.36)	(5.60)
Income tax effect		5.20	-
		(9.16)	(5.60)
Other comprehensive loss for the year, net of tax		**(9.16)**	**(5.60)**
Total comprehensive income/(loss) for the year		**538.43**	**(649.06)**
Attributable to:			
Equity holders of the parent		538.24	(649.24)
Non-controlling interests		0.19	0.18
Earnings per equity share:	25		
Basic earnings per equity share (INR) - face value of Rs. 10 each		28.60	(35.09)
Diluted earnings per equity share (INR) - face value of Rs. 10 each		20.22	(35.09)
Summary of significant accounting policies	2		

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

---------SD---------

per **Yogesh Midha**
Partner
Membership No.: 94941
Place: Noida
Date : 22 June 2018

For and on behalf of the Board of Directors of
Indiamart Intermesh Limited

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Dinesh Agarwal
Managing Director
DIN:00191800

---------SD---------

Brijesh Agrawal
Director
DIN:00191760

---------SD---------

Prateek Chandra
Chief Financial Officer

---------SD---------

Manoj Bhargava
Company Secretary

Indiamart Intermesh Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2018
(Amounts in INR million, unless otherwise stated)

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
Loss before tax		(600.97)	(641.44)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	23	23.91	42.68
Amortisation of Intangible assets	23	4.94	3.64
Other income	21	(28.02)	(22.59)
Fair value change in investment in mutual funds	20	(89.09)	(100.11)
Fair value change in share buyback obligations	13	1,228.62	192.79
(Gain)/loss on disposal of property, plant and equipment	21 & 24	(0.53)	0.03
Share-based payemnt expense	22	36.83	19.51
(Gain)/loss on disposal of mutual fund investments	20	(72.54)	(19.03)
Allowances for doubtful debts and advances	24	-	5.00
Operating profit/(loss) before working capital changes		**503.15**	**(519.52)**
Movement in working capital			
(Increase)/decrease in trade receivables		(1.48)	(2.89)
(Increase)/decrease in other financial assets		(48.38)	(35.13)
(Increase)/decrease in other assets		99.83	(57.19)
Increase/(decrease) in other financial liabilities		(2.73)	(1.30)
Increase/(decrease) in trade payables		116.52	(73.96)
(Increase)/decrease in other liabilities		1,097.54	684.68
Increase/(decrease) in provisions		36.01	11.50
Cash generated from operations		**1,800.46**	**6.19**
Income tax paid (net)		(9.90)	(12.01)
Net cash generated/used in operating activities		**1,790.56**	**(5.82)**
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		1.06	0.02
Purchase of property, plant and equipment and other intangible assets		(22.92)	(27.01)
Purchase of mutual fund investments		(3,241.70)	(1,599.56)
Proceeds from sale of mutual fund investments		1,655.25	1,642.41
Interest received		28.02	22.59
Investments in bank deposits (having original maturity of more than three months)		(72.24)	(116.44)
Net cash used in investing activities		**(1,652.53)**	**(77.99)**
Cash flow from financing activities			
Proceeds from issues of preference shares	**13**	39.78	72.93
Proceeds from issues of equity shares on exercise of ESOP		112.71	-
Net cash generated from financing activities		**152.49**	**72.93**
Net (decrease) / increase in cash and cash equivalents		**290.52**	**(10.88)**
Cash and cash equivalents at the beginning of the year	**10**	176.59	187.47
Cash and cash equivalents at the end of the year	**10**	467.11	176.59
Non-cash financing activities			
Fair value change in share buyback obligations (Refer note 13)		**1,228.62**	**192.79**

Summary of significant accounting policies 2

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

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

---------SD---------

per **Yogesh Midha**
Partner
Membership No.: 94941
Place: Noida
Date : 22 June 2018

For and on behalf of the Board of Directors of Indiamart Intermesh Limited

---------SD---------

Dinesh Agarwal
Managing Director
DIN:00191800

---------SD---------

Brijesh Agrawal
Director
DIN:00191760

---------SD---------

Prateek Chandra
Chief Financial Officer

---------SD---------

Manoj Bhargava
Company Secretary

Indiamart Intermesh Limited
Consolidated Statement of changes in equity for the year ended 31 March 2018
(Amounts in INR million, unless otherwise stated)

(a) Equity share capital (refer note 11)

Equity shares of INR 10 each issued, subscribed and fully paid up	Amount
As at 1 April 2016	**91.69**
Changes in equity share capital during the year	-
As at 31 March 2017	**91.69**
Equity share capital issued on exercise of ESOP during the year	8.08
As at 31 March 2018	**99.77**

(b) Other equity (refer note 12)

Particulars	Attributable to the equity holders of parent					Non-controlling interests	Total other equity
	Reserve and surplus						
	Share premium	General reserve	Employee share based payment reserve	Retained earnings	Total reserve and surplus		
Balance as at 1 April 2016	**153.05**	**8.45**	**26.63**	**(3,550.55)**	**(3,362.42)**	**0.09**	**(3,362.33)**
Loss for the year	-	-	-	(643.64)	(643.64)	0.18	(643.46)
Other comprehensive loss for the year	-	-	-	(5.60)	(5.60)	-	(5.60)
Total comprehensive loss	**-**	**-**	**-**	**(649.24)**	**(649.24)**	**0.18**	**(649.06)**
	-	**-**	**-**	**-**			
Employee share based payment expense	-	-	19.51	-	19.51	-	19.51
	-	-	19.51	-	19.51	-	19.51
Balance as at 31 March 2017	**153.05**	**8.45**	**46.14**	**(4,199.79)**	**(3,992.15)**	**0.27**	**(3,991.88)**
Profit for the year	-	-	-	547.40	547.40	0.19	547.59
Other comprehensive loss for the year	-	-	-	(9.16)	(9.16)	-	**(9.16)**
Total comprehensive income	**-**	**-**	**-**	**538.24**	**538.24**	**0.19**	**538.43**
Transactions with owners in their capacity as owners:	**-**	**-**	**-**				
Issue of equity shares on exercise of ESOP during the year	126.44	-	(21.81)	-	104.63	-	**104.63**
Employee share based payment expense	-	-	36.82	-	36.82	-	**36.82**
	126.44	-	15.01	-	141.45	-	141.45
Balance as at 31 March 2018	**279.49**	**8.45**	**61.15**	**(3,661.55)**	**(3,312.46)**	**0.46**	**(3,312.00)**

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

---------SD---------

per **Yogesh Midha**
Partner
Membership No.: 94941
Place: Noida
Date : 22 June 2018

For and on behalf of the Board of Directors of Indiamart Intermesh Limited

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Dinesh Agarwal
(Managing Director)
DIN:00191800

---------SD---------

Brijesh Agrawal
(Director)
DIN:00191760

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Prateek Chandra
(Chief Financial Officer)

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Manoj Bhargava
(Company Secretary)

1. Corporate Information

IndiaMART Intermesh Limited ("the Company" or "the Parent Company") is a public company domiciled in India and was incorporated on September 13, 1999 under the provisions of the Companies Act applicable in India. The company and its consolidated subsidiaries (hereinafter collectively referred to as "the Group") is engaged in e-marketplace for business needs, which acts as an interactive hub for domestic and international buyers and suppliers. The registered office of the Company is located at 1st Floor, 29-Daryagang, Netaji Subash Marg New Delhi-110002, India.

The consolidated financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on 22nd June 2018.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standard ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These consolidated financial statements for the year ended March 31, 2018 are the first the Group has prepared in accordance with Ind AS. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('IGAAP'), which is considered as the previous GAAP, for purposes of Ind AS 101. Refer to Note 38 for detailed information on how the Group transitioned to Ind AS.

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest INR million as per the requirement of Schedule III, unless otherwise stated.

The consolidated financial statements have been prepared on the historical cost basis as explained in the accounting policies below, except for the following:

- certain financial assets and liabilities measured at fair value where the Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments);
- share-based payments

The preparation of these consolidated financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the consolidated financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

Further, though the Group has negative net worth of INR 3,212.69 mn (Previous Year: INR 3,900.46 mn) but in view of the substantially improved operational performance and cash generated from operations, the management considers it appropriate to prepare these accounts on a going concern basis. To quantify, the revenue from operations has increased from INR 3,177.63 mn in 2016-17 to INR 4,105.08 mn in 2017-18 and cash generated from operations have increased from negative INR 5.82 mn in 2016-1 7 to INR 1,790.56 mn in 2017-18.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(Amounts in INR millions, unless otherwise stated)

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group had the following subsidiaries (The Parent Company together with its subsidiaries are hereinafter collectively referred as the 'Group'):

S. No.	Name of subsidiaries and date of shareholding	Proportion of ownership interest as at 31 March 2018	Proportion of ownership interest as at 31 March 2017
1	Tradezeal International Private Limited (from May 31,2005)	100.00%	100.00%
2	Hello Trade Online Private Limited (from July 03,2008)	100.00%	100.00%
3	Ten Times Online Private Limited (from February 26, 2014)	96.26%	96.26%
4	Tolexo Online Private Limited (from May 28, 2014)	100.00%	100.00%
5	Pay WithIndiaMART Private Limited (from February 7, 2017)	100.00%	100.00%

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March since the Group's subsidiaries have the same reporting period end.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill, if any) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Summary of significant accounting policies

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by all the group entities, to all the periods presented in these consolidated financial statements.

a) Current versus non-current classification

The Group presents assets and liabilities in balance sheet based on current/non-current classification. An asset is classified as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle
(ii) Held primarily for the purpose of trading
(iii) Expected to be realised within twelve months after the reporting period, or
(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(i) It is expected to be settled in normal operating cycle
(ii) It is held primarily for the purpose of trading
(iii) It is due to be settled within twelve months after the reporting period, or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b) Fair value measurement

The Group measures financial instruments, such as Investment in optionally convertible preference shares (OCRPS), Investment in mutual funds and share buyback obligation, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
(ii) Level 2 — inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
(iii) Level 3 — Unobservable inputs for the asset or liability reflecting Group's assumptions about pricing by market participants

For assets and liabilities that are recognised in the consolidated financial statements on fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for recurring fair value measurement, such as investment in debt instruments and convertible preference shares issued with share buyback obligation measured at fair value.

External valuers are involved for valuation of significant assets, such as unquoted investments in debt instruments, and significant liabilities, such as convertible preference shares. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for significant estimates and assumptions (Note 3)
- Disclosures for valuation methods and quantitative disclosure of fair value measurement hierarchy (Note 29)

c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of government.

The specific recognition criteria described below must also be met before revenue is recognised.

<u>Rendering of services</u>

Revenue from development, hosting and promotion of web catalogues are recognised pro-rata over the period of the contract as and when services are rendered. Revenues from lead-based services are recognised as and when leads are consumed by the customer or on the expiry of contract whichever is earlier.

Activation revenue are amortised over the estimated customer relationship period. However, any excess of activation costs over activation revenue are expensed as incurred.

Revenue from marketing fees & service fee is recognized as and when the services are rendered.

The Group provides services of marketing exhibitions, trade shows and concerts for the clients. Revenue is recognized as and when the services are rendered.

The Group collects GST on behalf of Government and therefore it is not an economic benefit. Hence, it is excluded from revenue.

The unaccrued amounts are not recognised as revenue till all related performance obligation are fulfilled and are reflected in balance sheet as deferred revenue (income received in advance).

<u>Interest income</u>

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

<u>Dividends</u>

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

d) Property, plant and equipment

Capital work in progress and property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates then separately based on their specific useful lives.

Capital work in progress includes cost of property, plant and equipment under development as at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

The Group has adopted component accounting as required under Schedule II to the Companies Act, 2013. The Group identifies the components separately, if it has useful life different from the respective property, plant and equipment.

Based on the analysis, Group believes that it does not have any asset having useful life of its major components different from the property, plant and equipment, hence Group believes that there is no material impact on the financial statement of the Group due to component accounting.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment (including capital work in progress) recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation is calculated on a written down value basis using the rates arrived at based on the useful lives prescribed under Schedule II to Companies Act, 2013. The Group has used the following rates to provide depreciation on its Property, plant and equipment:

Asset	**Annual rates**
Computers	63.16%
Furniture and fittings	26.89%
Office equipment	45.07%
Vehicles	25.89%

Leasehold improvements are depreciated on a straight line basis over the lease period or assessed useful life of three years, whichever is lower.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses (if any). Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Unique telephone numbers are amortised on a written down value at 40% annually.

Intangibles being Softwares acquired by the Group are amortised on a written down value at 40% annually.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

f) Leases (as lessee)

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 01, 2016, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land classified as finance lease is amortised over the period of lease to maximum of 90 years.

Operating lease payments are recognised as an expense in the statement of profit or loss on a straight-line basis over the lease term.

g) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

h) Taxes

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/ value added taxes/ Service tax/ Goods and service tax (GST) paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes/ GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

i) Provisions and contingent liabilities

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

j) Retirement and other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under other current financial liabilities in the balance sheet.

Post-employment obligations

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan for its employees i.e. gratuity. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Other long-term employee benefit obligations

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gain/loss are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

k) Share-based payments

Employees of the Group also receive remuneration in the form of share based payment transactions under Group's Employee stock option plan (ESOP).

Equity settled transaction

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

l) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans to employees, trade and other receivables. For more information on receivables, refer to Note 29.

Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or
b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
b. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include, share buyback obligation, trade payables, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Profit or Loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has designated convertible preference shares issued with share buyback obligation, to be measured at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) Foreign currency transactions

The Group's financial statements are presented in INR which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

p) Segment reporting

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group activities of providing e-marketplace for business goods is considered to be a single business segment. The analysis of geographical segments is based on the areas in which customers are based.

Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

q) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. Significant accounting estimates and assumptions

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Group considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has recognised deferred tax assets on the unused tax losses and other deductible temporary differences since the management is of the view that it is probable the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

The Group has tax business and capital losses carried forward amounting to INR 318.73 million (31 March 2017: INR 4055.10 million; 1 April 2016: 3,550.62). The Group does not expect sufficient future taxable profit against which such tax losses can be utilised. On this basis, the Group has not recognised deferred tax assets on these carried forward tax losses. Refer Note 26 for further details.

b) Share based payment

The Group initially measures the cost of equity-settled transactions with employees using a Black–Scholes–Merton option pricing model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 28.

c) Deferred revenue

The Group recognise the activation fee received in advance over the estimated customer churn period of two years. The estimate is based on the historical trend analysis of the time period over which the customer is expected to be associated with the Group. The Group reviews its estimate at each reporting date.

d) Defined benefit plans (gratuity benefit)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Further details about gratuity obligations are given in Note 27.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 29 and 31 for further disclosures.

f) Useful life of assets considered for depreciation of Property, Plant and Equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed at each financial year end.

4. **Standards issued but not yet effective**
The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 *Revenue from Contracts with Customers*

On March 28, 2018, Ministry of Company Affairs ('MCA') has notified that Ind AS 115 will be effective for accounting periods beginning on or after April 1, 2018. Group's first quarter 2018-19 interim financial statements will be first financial statements issued in accordance with Ind AS 115. Ind AS 115 supersedes current accounting standards for revenue, including Ind AS 18, Revenue and Ind AS 11, Construction Contracts.

Ind AS 115 introduces a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other Ind ASs. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps:

(i) Identify the contract with a customer;
(ii) Identify the performance obligations in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations in the contract; and
(v) Recognize revenue when (or as) the entity satisfies a performance obligation.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The new standard also provides guidance relating to principal versus agent relationships, licences of intellectual property, contract costs and the measurement and recognition of gains and losses on the sale of certain non-financial assets such as property, plant and equipment. Additional disclosures will also be required under the new standard.

The Group has performed preliminary impact analysis of the application of the new standard. The Group do not expect the application of Ind AS 115 to affect the cash flows from operations or the methods and underlying economics through which the Group transact with the customers.

Significant judgment is needed to define the enforceable rights and obligations of a contract and to determine when the customer obtains control of the distinct good or service.

Under Ind AS 115, certain practical expedients are permitted both on transition and on an ongoing basis:

- On transition, completed contracts that begin and end within the same annual reporting period and those completed before April 1, 2018 are not restated.
- When the Group's right to consideration from a customer corresponds directly with the value to the customer of the products and services transferred to date, the Group will recognize revenue in the amount to which the Group have a right to invoice.

- Costs of obtaining a contract that would be amortized within one year or less will be immediately expensed.

The Group continue to make progress towards adoption of Ind AS 115 according to the detailed implementation plan. Changes and enhancements to the existing information technology (IT) systems, business processes, and systems of internal control are being completed. A dedicated project team that leverages key resources throughout the Group is in place to effect the necessary changes.

Under Ind AS 115, the Group can elect to use either the full retrospective method or the modified retrospective method. Under the full retrospective method, the Group need to recognize the cumulative effect of applying the new standard at the start of the earliest period presented whereas under modified retrospective method, the Group need to recognize the cumulative effect of applying the new standard at the date of initial application, with no restatement of the comparative periods presented, therefore the impact on financial statements is not ascertainable.

Amendments to Ind AS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Group.

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity’s interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

Since, the Group has not classified its interest in subsidiaries as held for sale therefore, the amendment is not applicable to the Group.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management’s intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight. The amendments are effective for annual periods beginning on or after 1 April 2018.

The Group does not have any investment property and also not intends to undergo any transfer of its property into investment property. Therefore, the amendment is not applicable to the Group.

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. Since the Group does not have any investment in associates and joint ventures therefore, these amendments are not applicable to the Group.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or
(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its consolidated financial statements.

(Amounts in INR million, unless otherwise stated)

5 Property, plant and equipment

	Leasehold land (refer note 3 below)	Computers	Office equipment	Furniture and fixtures	Motor vehicles	Total Property, plant and equipment	Capital work in progress (refer note 1 below)
Gross carrying amount							
Deemed cost as at 1 April 2016	37.13	41.76	14.63	3.71	1.00	98.23	1.77
Additions	-	12.76	6.08	0.46	-	19.30	-
Disposals	-	(0.09)	-	-	-	(0.09)	-
As at 31 March 2017	**37.13**	**54.43**	**20.71**	**4.17**	**1.00**	**117.44**	**1.77**
Additions	-	10.11	7.89	0.75	3.75	22.50	-
Disposals	-	(0.14)	-	-	(0.95)	(1.09)	-
As at 31 March 2018	**37.13**	**64.40**	**28.60**	**4.92**	**3.80**	**138.85**	**1.77**
Accumulated depreciation							
As at 1 April 2016	-	-	-	-	-	-	-
Charge for the year	0.46	31.99	8.71	1.23	0.29	42.68	-
Disposals during the year	-	(0.04)	-	-	-	(0.04)	-
As at 31 March 2017	**0.46**	**31.95**	**8.71**	**1.23**	**0.29**	**42.64**	**-**
Charge for the year	0.46	15.28	6.99	0.97	0.21	23.91	-
Disposals during the year	-	(0.10)	-	-	(0.46)	(0.56)	-
As at 31 March 2018	**0.92**	**47.13**	**15.70**	**2.20**	**0.04**	**65.99**	**-**
Net book value							
As at 1 April 2016	**37.13**	**41.76**	**14.63**	**3.71**	**1.00**	**98.23**	**1.77**
As at 31 March 2017	**36.67**	**22.48**	**12.00**	**2.94**	**0.71**	**74.80**	**1.77**
As at 31 March 2018	**36.21**	**17.27**	**12.90**	**2.72**	**3.76**	**72.86**	**1.77**

Notes:

1. Capital work in progress as at March 31 represent the amount incurred on construction of boundary wall for leasehold land.
2. The Group has elected to avail Ind AS 101 exemption to continue with the carrying value under Previous GAAP for all of its property, plant and equipment and capital work in progress as its deemed cost on the date of transition to Ind AS.
3. The Group has taken land under finance lease for the purpose of construction and setting up a software IT unit for a period of 90 years. As per the terms of the lease arrangement, the Group is required to complete the construction of building within 5 years from the date of handing over the possession. The Group has obtained extension for construction of building on the leasehold land till 5 October 2018.

(Amounts in INR million, unless otherwise stated)

6 Intangible assets

	Software	Unique telephone numbers	Total
Gross carrying amount			
Deemed cost as at 1 April 2016	3.56	4.70	8.26
Additions	7.71	-	7.71
As at 31 March 2017	**11.27**	**4.70**	**15.97**
Additions	0.41		0.41
As at 31 March 2018	**11.68**	**4.70**	**16.38**
Accumulated amortisation			
As at 1 April 2016	-	-	**-**
Amortisation for the year	1.76	1.88	3.64
As at 31 March 2017	**1.76**	**1.88**	**3.64**
Amortisation for the year	3.81	1.13	4.94
As at 31 March 2018	**5.57**	**3.01**	**8.58**
Net book value			
As at 1 April 2016	**3.56**	**4.70**	**8.26**
As at 31 March 2017	**9.51**	**2.82**	**12.33**
As at 31 March 2018	**6.11**	**1.69**	**7.80**

Notes:

1. The Group has elected to avail Ind AS 101 exemption to continue with the carrying value under Previous GAAP for all of its intangible assets as its deemed cost on the date of transition to Ind AS.

(Amounts in INR million, unless otherwise stated)

7 Financial assets

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
a) Non-current investments						
Investment in others	**No. of units**	**Amount**	**No. of units**	**Amount**	**No. of units**	**Amount**
Investment in debt instruments - Unquoted (measured at FVTPL)						
0.001% Optionally convertible redeemable preference share of Rs. 10 each in Instant Procurement Services Private Limited	12,446	-	12,446	-	NA	NA
0.001% Compulsorily convertible preference share of Rs. 10 each in Instant Procurement Services Private Limited.	3,764	-	3,764	-	NA	NA
Total		-		-		-

The Group has invested in convertible preference shares of companies. Based on the terms, these has been classified as financial instrument in the nature of financial assets to be measured at fair value. Fair value of the instruments has been determined based on discounted cash flow valuation technique using cash flow projections, discount rate and the credit risk. Gain/loss on subsequent re-measurement has been recognised through Statement of Profit and Loss and is disclosed under "Net (loss)/gain on financial assets measured at FVTPL".

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
a) Current investments						
Investment in mutual funds - Quoted (measured at FVTPL)	**No. of units**	**Amount**	**No. of units**	**Amount**	**No. of units**	**Amount**
HDFC Prudence Fund - Growth	47,993	23.28	82,414	37.72	56,749	20.05
HDFC Top 200 Fund - Growth	30,646	13.15	1,40,545	56.48	67,033	20.72
HDFC Liquid Fund-Growth	-	-	90,917	290.90	18,085	53.98
HDFC Liquid fund - Growth	3,208	10.94	3,208	10.26	-	-
IDFC Premier Equity Fund -Growth	13,400	1.21	8,99,898	73.72	6,95,136	47.38
Birla Sun Life Cash Plus-Growth-Regular Plan	-	-	2,081	0.54	14,882	3.61
Birla Sunlife Frontline Equity Fund-Growth Regular Plan	75,282	15.75	4,82,849	93.24	3,20,768	49.86
Birla Sunlife Short Term Plan-Growth Regular Plan	33,60,316	96.96	30,08,967	81.64	30,08,967	74.61
HDFC Short Term Plan- Growth	33,15,675	114.17	3,91,447	12.69	3,91,447	11.58
IDFC Money Manager – Treasury Plan	-	-	-	-	1,23,203	2.92
HDFC Floating Rate Income Fund	72,29,251	218.64	-	-	86,78,191	226.50
Birla Sun Life Treasury Plan-Grow-Direct Plan	10,74,783	241.31	10,74,783	226.07	10,74,783	204.22
IDFC ultra short term fund	1,82,14,024	451.65	42,72,145	98.91	42,72,145	91.07
IDFC Super Saver Income Fund - Short Term Plan	54,68,770	199.92	54,68,770	187.68	54,68,770	172.46
HDFC Short Term Opportunities Fund-Direct Growth Plan	1,03,59,979	200.19	1,03,59,979	187.52	1,03,59,979	171.96
Birla Sun Life Treasury Cash Plus-Grow-Direct Plan	-	-	-	-	1,83,633	44.68
Birla Sun Life Floating Rate Fund Short Term Plan Growth	-	-	-	-	4,49,425	90.70
ICICI Prudential Balanced Advantage Fund	2,58,974	8.57	1,30,026	3.93	-	-
ICICI Prudential Flexible Income Plan	3,73,280	124.35	4,227	1.32	-	-
HDFC Liquid Fund-Direct Plan Growth Option	69,517	238.02	-	-	-	-
ICICI Prudential Value Discovery Fund-Growth	1,63,952	22.79	-	-	-	-
Birla Sun Life Cash Plus-Growth-Direct Plan	8,82,080	246.38	-	-	-	-
IDFC Ultra Short Term Fund-Growth (Regular Plan)	1,64,51,049	405.11	-	-	-	-
HDFC Short Term Opportunities Fund - Regular Plan	15,60,259	29.92	-	-	-	-
IDFC Super Saver Income Fund-STP-Regular Fund	3,72,699	13.18	-	-	-	-
ICICI Prudential Short Term Fund - Direct	12,63,533	423.15	-	-	-	-
HDFC Equity saving fund-regular-growth	1,40,386	4.85	-	-	-	-
HDFC Cash management-retail-regular-growth	1,96,990	7.21	-	-	-	-
Total current investments		**3,110.70**		**1,362.62**		**1,286.30**

b) Loans (measured at amortised cost)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current (unsecured, considered good unless stated otherwise)			
Loan to employees	0.92	1.76	0.33
	0.92	**1.76**	**0.33**
Current (unsecured, considered good unless otherwise stated)			
Loan to employees	63.20	14.50	9.62
	63.20	**14.50**	**9.62**
Total loans	**64.12**	**16.26**	**9.95**

Notes:
The above loans represents interest free loans to employees, which are recoverable in maximum 24 monthly instalments.

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
c) Others (measured at amortised cost)			
Non-current (unsecured, considered good unless stated otherwise)			
Security deposits	35.27	39.74	34.28
Total	**35.27**	**39.74**	**34.28**
Current (unsecured, considered good unless otherwise stated)			
Security deposits	1.62	1.45	1.76
Amount recoverable from payment gateway	39.82	34.56	16.12
Interest accrued on deposits	-	0.46	0.21
Total	**41.44**	**36.47**	**18.09**
Total other financial assets	**76.71**	**76.21**	**52.37**

Notes:
Security deposits are non-interest bearing and are generally on term of 3 to 9 years. For credit risk management, refer note 31.

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(Amounts in INR million, unless otherwise stated)

8 Other assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current (unsecured, considered good unless otherwise stated)			
Capital advance	-	-	2.32
Prepaid expenses	0.09	0.08	0.13
Deferred rent expense	6.69	11.71	10.21
Total	**6.78**	**11.79**	**12.66**
Current (Unsecured, considered good unless otherwise stated)			
Advances recoverable	13.16	19.24	15.41
Indirect taxes recoverable	32.46	118.20	67.99
Prepaid expenses	15.59	17.73	14.38
Deferred rent expense	2.36	3.18	2.57
Total	**63.57**	**158.35**	**100.35**

9 Trade receivables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good unless otherwise stated			
Trade receivables	6.79	5.31	2.41
Total	**6.79**	**5.31**	**2.41**

Notes:
a) No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.
b) Trade receivables are non-interest bearing and are generally on terms of not more than 30 days.
c) For terms and conditions relating to related party receivables, refer Note 33.

10 Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash on hand	1.03	0.20	0.12
Cheques on hand	121.42	82.36	94.45
Balance with bank			
- On current accounts	344.66	90.28	90.58
- On nodal accounts	-	3.75	2.32
Total Cash and cash equivalents	**467.11**	**176.59**	**187.47**

Notes:
(i) Short-term deposits are made for varying periods ranging between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.
(ii) Cash and cash equivalents for the purpose of cash flow statement comprise cash and cash equivalents as shown above.

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank balances other than cash and cash equivalents			
Deposits with			
- Remaining maturity for less than twelve months	-	229.96	-
- Remaining maturity for more than twelve months	302.20	-	113.52
	302.20	**229.96**	**113.52**
Less: amount disclosed under non-current bank deposits	(302.20)	-	(113.52)
Total	**-**	**229.96**	**-**

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(Amounts in INR million, unless otherwise stated)

11 Share capital

Authorised equity share capital

	Number of shares	Amount
As at 1 April 2016	20,000,000	200.00
Decrease during the year	(1,722,070)	(17.22)
As at 31 March 2017	18,277,930	182.78
Increase/decrease during the year	-	-
As at 31 March 2018	**18,277,930**	**182.78**

Authorised preference share capital

	Series A (Face value INR 328 per share)		Series B (Face value INR 100 per share)		Series B1 (Face value INR 100 per share)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
As at 1 April 2016	1,493,903	490.00	1,722,047	172.20	-	-
Increase during the year	-	-	-	-	172,207	17.22
As at 31 March 2017	**1,493,903**	**490.00**	**1,722,047**	**172.20**	**172,207**	**17.22**
Increase/decrease during the year	-	-	-	-	-	-
As at 31 March 2018	**1,493,903**	**490.00**	**1,722,047**	**172.20**	**172,207**	**17.22**

Issued equity share capital (subscribed and fully paid up)

	Number of shares	Amount
As at 1 April 2016	9,168,989	91.69
Shares issued during the year	-	-
As at 31 March 2017	9,168,989	91.69
Shares issued during the year	807,816	8.08
As at 31 March 2018	**9,976,805**	**99.77**

Issued preference share capital (subscribed and fully paid up)

	Series A (Face value INR 328 per share)		Series B (Face value INR 100 per share)		Series B1 (Face value INR 100 per share)	
As at 1 April 2016	1,493,903	490.00	1,722,047	172.20	-	-
Shares issued during the year	-	-	-	-	94,713	9.47
As at 31 March 2017	**1,493,903**	**490.00**	**1,722,047**	**172.20**	**94,713**	**9.47**
Shares issued during the year	-	-	-	-	51,662	5.17
As at 31 March 2018	**1,493,903**	**490.00**	**1,722,047**	**172.20**	**146,375**	**14.64**

a) Terms/ rights attached to equity shares:

1) The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity is entitled to one vote per share.

2) In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2018		31 March 2017		1 April 2016	
	Number	% Holding	Number	% Holding	Number	% Holding
Equity shares of Rs. 10 each fully paid						
Dinesh Agarwal	4,741,600	47.53%	4,741,600	51.71%	4,741,600	51.71%
Brijesh Agrawal	3,213,100	32.21%	3,213,100	35.04%	3,213,100	35.04%

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

	31 March 2018		31 March 2017		1 April 2016	
	Number	% Holding	Number	% Holding	Number	% Holding
CCPS of Rs. 328 each fully paid (Series A)						
Intel Capital (Mauritius) Limited	1,493,903	100.00%	1,493,903	100.00%	1,493,903	100.00%
CCPS of Rs. 100 each fully paid (Series B)						
Amadeus IV DPF Limited	516,613	30.00%	516,613	30.00%	516,613	30.00%
Westbridge Crossover Fund LLC	430,509	25.00%	430,509	25.00%	430,509	25.00%
Accion Frontier Inclusion Mauritius	516,613	30.00%	516,613	30.00%	516,613	30.00%
Intel Capital (Mauritius) Limited	258,312	15.00%	258,312	15.00%	258,312	15.00%
CCPS of Rs. 100 each fully paid (Series B1)						
Amadeus IV DPF Limited	51,662	35.29%	51,662	54.55%	-	-
Westbridge Crossover Fund LLC	43,051	29.41%	43,051	45.45%	-	-
Accion Frontier Inclusion Mauritius	51,662	35.29%	-	-	-	-

(Amounts in INR million, unless otherwise stated)

d) Terms/rights attached to Compulsorily Convertible Preference Shares (CCPS)

Terms of conversion/ redemption of Series A -CCPS

1) Each Series A CCPS holder is entitled to participate pari-passu in any dividends paid to the holders of the shares of any other class (including Equity Shares) or series on a pro-rata, as if converted basis.

2) Each Series A CCPS may be converted into equity shares at any time at the option of the holder of the Series A preference share.

3) Subject to compliance with applicable laws, each Series A Preference share shall automatically be converted at the Series A Conversion Price (INR 293.86 subject to prescribed adjustments) into equity shares upon the earlier of (i) December 31, 2027; or (ii) immediately prior to the IPO for the purpose of enabling the listing of the shares in accordance with the requirement under the applicable law.

4) In the event of liquidation, each holder of Series A Preference Shares shall be entitled to receive an amount, per Series A Preference Share equal to the Original Series A Share Issue Price plus any arrears of declared and accrued but unpaid dividends calculated to the date of such payment (the "Series A Preference Amount"), which shall rank pari passu with the Series B Preference Amount and upon receipt of such Series A Preference Amount by the holders of the SeriesA Preference Shares and upon receipt of the Series B Preference Amount by the holders of the Series B Preference Shares, any assets or funds remaining and distributable to the shareholders of the Company shall be distributed pari passu among the holders of the outstanding Series A Preference Shares, Series B Preference Shares, and Equity Shares on a pro-rata, as if converted basis.

5) Subject to Applicable Laws, the holders of the Series A Preference Shares shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the shareholders of the Company (including the holders of Equity Shares).

Terms of conversion/ redemption of Series B -CCPS

1) Each Series B CCPS holder is entitled to participate pari-passu in any dividends paid to the holders of the shares of any other class (including Equity Shares) or series on a pro-rata, as if converted basis.

2) Each Series B CCPS may be converted into equity shares at any time at the option of the holder of the Series B preference share. Series B Conversion Price initially shall be equal to the Original Series B Share Issue Price (the "Initial Series B Conversion Price"), and shall be subject to adjustment from time to time on account of stock split, certain anti dilution protection and combination.

3) Subject to compliance with applicable laws, each Series B Preference share shall automatically be converted at a conversion price (then in effect) subject to prescribed adjustment, into Equity Shares upon the earlier of (i) 20 (twenty) years from the date of their issuance, or (ii) immediately prior to the IPO for the purpose of enabling the listing of the shares in accordance with the requirement under the applicable law.

4) In the event of liquidation, each holder of Series B Preference Shares shall be entitled to receive an amount per Series B Preference Share equal to the Original Series B Share Issue Price plus any arrears of accumulated but unpaid dividends calculated to the date of such payment (the "Series B Preference Amount"), which shall rank pari passu with the Series A Preference Amount and upon receipt of such Series B Preference Amount by the holders of the Series B Preference Shares and upon receipt of the Series A Preference Amount by the holders of the Series A Preference Shares, any assets or funds remaining and distributable to the shareholders of the Company shall be distributed pari passu among the holders of the outstanding Series A Preference Shares, Series B Preference Shares, Equity Shares on a pro-rata, as if converted basis. However the amount so payable shall not exceed an amount that is higher of 3 (Three) times the Original Series B Share Issue Price plus any arrears of declared & accured but unpaid dividend calculated to the date of such payment or the percentage of the proceeds from such deemed liquidation that is equal to the percentage of the share capital of the company on a fully diluted basis represented by each Series B Preference Share plus any arrears of declared & accured but unpaid dividend calculated to the date of such payment.

5) Subject to Applicable Laws, the holders of the Series B Preference Shares shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the shareholders of the Company (including the holders of Equity Shares).

Terms of conversion/ redemption of Series B1 -CCPS

1) During the year ended 31 March 2018, the company issued 51,662 Series B1 Preference Shares (of INR100 each fully paid-up at a premium of INR 670 per share. The Series B1 Preference Shares are cumulative and issued at a preferential dividend rate of 0.01% (zero point zero one percent) per annum (the "Series B1 Preferential Dividend"). Following the Cut-Off Date, the Series B1 Preference Shares shall, subject to Applicable Law, carry a dividend of INR 77 (Indian Rupees Seventy Seven only) per Series B1 Preference Share per annum and calculated from the beginning of the fourth (4th) period from the Series B1 Closing.

2) Each Series B1 CCPS holder is entitled to participate pari-passu in any dividends paid to the holders of the shares of any other class (including Equity Shares) or series on a pro-rata, as if converted basis.

3) Each Series B1 CCPS may be converted into equity shares at any time at the option of the holder of the Series B1 preference share. Series B1 Conversion Price initially shall be equal to the Original Series B Share Issue Price (the "Initial Series B Conversion Price"), and shall be subject to adjustment from time to time on account of stock split, certain anti dilution protection and combination.

4) Subject to compliance with applicable laws, each Series B1 Preference share shall automatically be converted at a conversion price (then in effect) subject to prescribed adjustment, into Equity Shares upon the earlier of (i) 20 (twenty) years from the date of their issuance, or (ii) immediately prior to the IPO for the purpose of enabling the listing of the shares in accordance with the requirement under the applicable law.

5) In the event of liquidation and upon receipt of Series B Preference Amount by the holders of the Series B Preference Shares and upon receipt of the Series A Preference Amount by the holders of the Series A Preference Shares, any assets or funds remaining and distributable to the shareholders of the Company shall be distributed pari passu among the holders of the outstanding Series A Preference Shares, Series B Preference Shares, Series B1 Preference Shares and Equity Shares on a pro-rata, as if converted basis .

6) Subject to Applicable Laws, the holders of the Series B1 Preference Shares shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the shareholders of the Company (including the holders of Equity Shares).

The above convertible preference shares contains the feature for the conversion ratio to be adjusted to the lower price of any later issue in the underlying shares.

Refer note 13 for further details.

e) Shares reserved for issue under options

Information relating to the Company's employee option plan (ESOP), including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 28

12 Other equity

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Share premium	279.49	153.05	153.05
General reserve	8.45	8.45	8.45
Employee share based payment reserve	61.15	46.14	26.63
Retained earnings	(3,661.55)	(4,199.79)	(3,550.55)
Total other equity	**(3,312.46)**	**(3,992.15)**	**(3,362.42)**

(Amounts in INR million, unless otherwise stated)

13 Share buyback obligation

Measured at fair value through profit or loss (FVTPL)	As at 31 March 2018 No. of shares	As at 31 March 2018 Amount	As at 31 March 2017 No. of shares	As at 31 March 2017 Amount	As at 1 April 2016 No. of shares	As at 1 April 2016 Amount
Non-current						
Share buyback obligation of preference shares						
0.01% Series A cumulative convertible preference shares (CCPS) of INR 328 each	1,493,903	1,630.00	1,493,903	958.10	1,493,903	869.20
0.01% Series B compulsory convertible preference shares (CCPS) of INR 100 each	1,722,047	1,971.30	1,722,047	1,464.50	1,722,047	1,325.98
0.01% Series B1 compulsory convertible preference shares (CCPS) of INR 100 each	146,375	128.00	94,713	38.30	-	-
Total		**3,729.30**		**2,460.90**		**2,195.18**

Notes:

The company has issued 1,493,903 Series A CCPS at price of INR 328 per share amounting to INR 490 mn Company has further issued 1,722,047 and 146,375 Series B and Series B1 preference shares at price of INR 770 per share amounting to INR 1,325.98 mn and INR 112.71 mn respectively. As per the terms and conditions of issue of CCPS, Company has given right to the holders of CCPS to require the Company to buyback CCPS hely by investors at reasonable approximation of fair market value in the event initial public offering (IPO) do not occur for specified period.

Based on these terms, CCPS has been classified as financial instrument in the nature of financial liability designated to be measured at fair value. Fair value of the instruments has been determined based on discounted cash flow valuation technique using cash flow projections and financial projections/budgets approved by the management. Gain/loss on subsequent re-measurement has been recognised through Statement of Profit and Loss and is disclosed under "Net loss on financial liability designated at FVTPL".

Carrying amount of financial liability and gain/loss on subsequent re-measurement is set out below:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
At the beginning of the year*	2,460.90	2,195.18	2,195.18
Preference share capital issued during the year	5.17	9.47	-
Security premium received on issue of preference shares	34.61	63.46	-
Loss on re-measurement for the year (recognised through Statement of Profit and Loss)	1,228.62	192.79	-
At the end of the year	**3,729.30**	**2,460.90**	**2,195.18**

*Represent issue price (including premium) amounting to INR 1,815.98 mn re-measured at fair value of INR 2,195.18 mn on the date of transition to Ind AS.

14 Trade payables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current			
Payable to micro, small and medium enterprises (refer note 35)	11.31	-	-
Other trade payables	407.61	302.40	376.35
Total	**418.92**	**302.40**	**376.35**

Trade payables are non-interest bearing and are normally settled on 30-day terms.

15 Other financial liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current			
Lease rent equilisation	2.62	5.36	6.66
	2.62	**5.36**	**6.66**
Current			
Payable to employees	0.04	0.03	0.03
Security deposits	0.14	0.14	0.14
	0.18	**0.17**	**0.17**
Total	**2.80**	**5.53**	**6.83**

16 Provisions

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current			
Provision for employee benefits*			
Provision for gratuity	59.31	17.31	4.88
Total	**59.31**	**17.31**	**4.88**
Curent			
Provision for employee benefits*			
Provision for gratuity	9.27	11.29	8.38
Provision for leave encashment	38.67	28.28	26.52
Total	**47.94**	**39.57**	**34.90**

*For details of movement in provision for gratuity and leave encashment, refer note 27.

17 Deferred revenue and other liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred revenue			
Non-current	1,660.91	1,213.32	921.96
Current	2,259.23	1,718.45	1,438.74
Total	**3,920.14**	**2,931.77**	**2,360.69**
Other liabilities			
Advances from customers	324.30	322.85	209.32
Statutory dues	-	-	-
Tax deducted at source payable	64.99	25.59	24.23
Contribution to provident fund payable	2.36	2.42	2.40
Contribution to ESI payable	0.23	0.50	0.14
Indirect tax payable	68.88	0.20	1.84
Professional tax payable	0.11	0.16	0.21
Payable for labour welfare fund	0.01	0.01	0.02
Others	0.07	0.04	-
Total	**460.95**	**351.77**	**238.16**

18 Current tax assets and liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current tax assets (net of provisions)			
Advance income tax	94.98	85.09	74.09
Less: Provision for income tax	3.83	2.02	1.02
Total	**91.15**	**83.07**	**73.07**
Less: amount disclosed Current tax liabilities (net)			**0.10**
Total	**91.15**	**83.07**	**73.17**

(Amounts in INR million, unless otherwise stated)

19 Revenue from operations	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Sale of services		
Income from web services	4,076.94	3,058.28
Advertisement and marketing services	28.14	119.35
Total	**4,105.08**	**3,177.63**

20 Net (loss)/gain on financial assets measured at FVTPL	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Net gain on disposal of current investments	72.54	19.03
Fair value gain/(loss) on financial assets measured at FVTPL		
- Investment in mutual funds	89.09	100.11
Total	**161.63**	**119.14**

21 Other income	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Interest income from financial assets measured at amortised cost		
- on bank deposits	16.50	16.07
- on security deposits	6.50	2.85
Other interest income	5.02	3.7
Net gain on disposal of property, plant and equipment	0.53	-
Total	**28.55**	**22.59**

22 Employee benefits expense	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Salaries, allowance and bonus	1,783.72	1,970.76
Gratuity expense (Refer note 27)	25.62	10.00
Leave Encashment Expense (Refer note 27)	21.82	17.20
Contribution to provident and other funds	13.50	14.60
Employee share based payment expense (refer Note 28)	36.83	19.51
Staff welfare expenses	67.08	64.67
Total	**1,948.57**	**2,096.74**

23 Depreciation and amortization expense

	For the year ended 31 March 2018	**For the year ended 31 March 2017**
Depreciation of property, plant and equipment (refer note 5)	23.91	42.68
Amortisation of intangible assets (refer note 6)	4.94	3.64
Total	**28.85**	**46.32**

(Amounts in INR million, unless otherwise stated)

24 Other expenses	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Content development expenses	233.23	208.31
Buyer Engagement Expenses	147.06	127.11
Customer Support Expenses	240.14	177.43
Outsourced sales cost	441.55	270.84
Internet and other online expenses	119.56	101.69
Rent	210.71	189.67
Rates and taxes	2.36	6.84
Communication costs	9.33	11.05
Outsourced support cost	27.16	27.04
Advertisement expenses	31.09	173.19
Power and fuel	28.63	29.01
Printing and stationery	8.92	10.28
Repair and maintenance:		
-Plant and machinery	11.89	9.81
-Others	65.04	63.40
Travelling and conveyance	32.61	39.38
Recruitment and training expenses	16.76	23.38
Legal and professional fees	21.61	42.51
Directors' sitting fees	1.79	2.09
Insurance expenses	22.74	18.36
Collection charges	16.84	10.51
Allowances for doubtful debts and advances	-	5.00
Packaging charges	0.00	5.17
Freight, cartage and payment collection charges	0.37	70.72
Miscellaneous expenses	0.80	2.16
Total	**1,690.19**	**1,624.95**

(Amounts in INR million, unless otherwise stated)

25 Earnings per share

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the year.

Subsequent to the Balance sheet date, the parent company has alloted bonus shares to the existing equity shareholders as on 9 May 2018 in the ratio of 1:1, impact of the same has been considered while calculating the weighted average number of equity shares (refer note 39).

Diluted EPS are calculated by dividing the loss for the year attributable to the equity holders of the parent company by weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The following reflects the income and share data used in the basic and diluted EPS computations:

Basic	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Profit/ (loss) for the year (A)	547.59	(643.46)
Weighted average number of equity shares in calculating basic EPS (B)	19,148,007	18,337,978
Basic (loss) per equity share (A/B)	28.60	(35.09)

Diluted	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Profit/ (loss) for the year (A)	547.59	(643.46)
Weighted average number of equity shares in calculating basic EPS	19,148,007	18,337,978
Potential equity shares in the form of CCPS and stock options granted to employees	7,935,167	-
Total no. of shares outstanding (including dilution) (B)	27,083,174	18,337,978
Diluted (loss) per equity share (A/B)	20.22	(35.09)

There are potential equity shares as on 31 March 2018, and 31 March 2017 in the form of CCPS and stock options granted to employees. As these are anti dilutive for the year ended 31 March 2017, they are ignored in the calculation of diluted earning/(loss) per share and accordingly the diluted earning/(loss) per share is the same as basic earnings/(loss) per share.

(Amounts in INR million, unless otherwise stated)

26 Income tax

The major components of income tax expense are:

a) Income tax credit recognised in Statement of profit and loss

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current income tax		
Current income tax for the year	1.81	2.02
Adjustments in respect of current income tax of previous year	-	-
	1.81	2.02
Deferred tax		
Relating to origination and reversal of temporary differences	(1,150.37)	-
	(1,150.37)	-
Total income tax credit	**(1,148.56)**	**2.02**

b) Income tax recognised in other comprehensive income (OCI)
Deferred tax related to items recognised in OCI during the year

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net loss on remeasurements of defined benefit plans	(5.19)	-

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Loss before tax from continuing operations	(600.97)	(641.44)
Accounting profit before income tax	(600.97)	(641.44)
Tax expense at statutory income tax rate of 30.90% (March 31, 2017: 30.90%)	(185.70)	(198.21)
Adjustments in respect of unrecognised deferred tax assets of previous years		
- tax business losses	(1,072.95)	-
- unabosrbed depreciation	(76.52)	-
- other deductible temporary differences	(167.24)	-
Adjustments in respect of differences in current tax rates and deferred tax rates	10.95	0.00
Adjustments in respect of differences taxed at lower tax rates	(33.74)	(0.04)
Utilisation of previously unrecognised tax losses	10.20	-
Non-deductible expenses for tax purposes:	-	-
Impairment of goodwill		-
Loss on fair valuation of Share buyback obligation	379.64	59.57
Income non-taxable for tax purposes	(23.15)	-
Other non-deductible expenses	(0.25)	(39.75)
Temporary differences for which no deferred tax was recognised	10.18	180.45
Tax expense at the effective income tax rate of 34.94% (March 31, 2017: 30.90%)	(1,148.57)	2.02

(d) Breakup of deferred tax recognised in the Balance sheet

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax asset			
Property, plant and equipment and other intangible assets	7.50	4.71	3.39
Provision for gratuity	36.36	19.87	14.78
Provision for compensated absences	24.36	18.25	12.33
Provision for bonus	-	-	1.09
Re-measurement of investment in debt instruments to fair value	24.88	-	-
Deferred revenue	44.91	135.11	105.53
Tax losses	1,074.00	1,010.86	890.82
Unabsorbed depreciation	60.34	69.62	60.34
Others	9.93	9.61	3.67
Total deferred tax assets (A)	**1,282.28**	**1,268.03**	**1,091.95**
Total deferred tax assets recognised (A) *	1,206.90	39.62	19.40
Deferred tax liabilities			
Re-measurement of investment in mutual funds to fair value	(29.77)	(21.35)	(5.31)
Property, plant and equipment and other intangible assets	-	-	(0.43)
Accelerated deduction for tax purposes	(21.56)	(17.08)	(12.33)
Accelerated depreciation for tax purposes	(0.00)	-	-
Others	-	(1.19)	(1.33)
Total deferred tax assets (B)	**(51.33)**	**(39.62)**	**(19.40)**
Net deferred tax assets/(liabilities)	**1,155.57**	**-**	**-**

* The amount of deferred tax assets recognised has been restricted to the amount of deferred tax liability recognised as on 31 March 2017 and 1 April 2016 due to lack of reasonable certainity in those years.

e) Breakup of deferred tax income recognised in Statement of profit and loss

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Deferred tax income relates to the following:		
Provision for gratuity	35.89	-
Provision for compensated absences	22.61	-
Provision for bonus	-	-
Re-measurement of investment in debt instruments to fair value	24.88	-
Deferred revenue	44.91	-
Tax losses	1,003.01	-
Unabsorbed depreciation	58.24	-
Re-measurement of investment in mutual funds to fair value	(29.77)	-
Accelerated deduction for tax purposes	(21.56)	-
Property, plant and equipment and other intangible assets	7.43	-
Others	9.93	-
Deferred tax income	**1,155.57**	**-**

f) Reconciliation of Deferred tax asset (Net):

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance as of 1 April		
Tax income/(expense) during the period recognised in profit or loss	1,150.37	-
Tax income/(expense) during the period recognised OCI	5.20	-
Closing balance as of 31 March	1,155.57	-

g) Detail of deductible temporary differences and unused tax losses for which no deferred tax asset is recognised in the balance sheet:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:			
- tax business losses	229.73	3,271.39	2,882.91
- unabsorbed depreciation	6.80	225.30	195.27
- tax capital losses*	74.77	79.68	79.68
- other deductible temporary differences	7.42	478.73	392.75
	318.72	**4,055.10**	**3,550.61**

* The unused tax capital losses will expire upto FY 2019-20.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(Amounts in INR million, unless otherwise stated)

27 Defined benefit plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with insurance company in form of qualifying insurance policy. This defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and salary risk.

The amount included in the balance sheet arising from the Group's obligation in respect of its gratuity plan and leave encashment is as follows:

Gratuity - Defined benefit

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of funded defined benefit obligation	93.14	57.89	45.97
Fair value of plan assets	(24.56)	(29.29)	(32.71)
Net liability arising from defined benefit obligation	68.58	28.60	13.26

Leave enacshment - Long-term employee benefit plan

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of other long term empoyee benefit plan	38.67	28.28	26.52
Fair value of plan assets	-	-	-
Net liability arising from other long term employee benefit plan	38.67	28.28	26.52

a) Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Reconciliation of present value of defined benefit obligation for Gratuity and Leave encashment

	Gratuity			Leave encashment		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balance at the beginning of the year	57.89	45.97	36.26	28.28	26.52	20.91
Benefits paid	(6.72)	(7.53)	(4.75)	(11.43)	(15.44)	(8.80)
Current service cost	14.16	8.99	7.89	12.18	12.98	14.32
Interest cost	4.25	3.63	2.81	2.08	2.12	1.62
Past service cost	9.36	-	-	-	-	-
- changes in demographic assumptions	2.24	(2.96)	(1.21)	1.47	0.30	(0.11)
- changes in financial assumptions	12.58	4.47	(0.50)	4.42	1.21	(0.21)
- experience adjustments	(0.62)	5.32	5.47	1.67	0.59	(1.21)
Balance at the end of the year	93.14	57.89	45.97	38.67	28.28	26.52

Movement in fair value of plan assets

	Gratuity			Leave encashment		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening fair value of plan assets	29.29	32.71	11.59	-	-	
Interest income	2.15	2.62	0.90	-	-	
Acturial gains/(losses)	(0.16)	1.23	(0.03)	-	-	
Contributions from the employer	-	0.25	25.00	-	-	
Benefits paid	(6.72)	(7.53)	(4.75)	-	-	
Closing fair value of plan assets	24.56	29.29	32.71	-	-	

Each year the management of the Company reviews the level of funding requried as per its risk management strategy. The Group expects to contribute INR 19.95 mn to gratuity in FY 2018-19 (31 March, 2017: INR 9.80 mn 31 March 2017: INR. 13.55 mn)

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments with insurer	100%	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

(Amounts in INR million, unless otherwise stated)

b) Expense recognised in profit or loss

	Gratuity		Leave encashment	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	14.16	8.99	12.18	12.98
Past service cost	9.36	-	-	-
Net interest expense	2.10	1.01	2.08	2.13
Actuarial (gain) loss on other long term employee benefit plan	-	-	7.56	2.09
Components of defined benefit costs recognised in profit or loss	25.62	10.00	21.82	17.20
Remeasurement of the net defined benefit liability:				
Actuarial (gain) loss on plan assets	0.16	(1.23)	-	-
Actuarial (gain) loss on defined benefit obligation	14.20	6.83	-	
Components of defined benefit costs recognised in other comprehensive income	14.36	5.60	-	-

c) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
Discount rate		7.70%		7.35%		8.00%
Expected rate of return on assets		7.70%		7.35%		8.00%
Future salary growth		12.85%		8.00%		7.03%
Attrition rate:						
Ages	**Upto 4 years of service**	**Above 4 years of service**	**Upto 4 years of service**	**Above 4 years of service**	**Upto 4 years of service**	**Above 4 years of service**
Upto 30 years	56.81%	22.00%	75.27%	36.06%	74.41%	17.00%
From 31 to 44 years	43.19%	14.00%	67.12%	25.43%	74.41%	17.00%
Above 44 years	1.35%	8.00%	1.01%	0.00%	74.27%	17.00%
Mortality table		India Assured Life Moratility (2006-08)		India Assured Life Moratility (2006-08)		India Assured Life Moratility (2006-08)

The Group regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Gratuity

For the year ended31 March 2018	**Increase**	**Decrease**
Impact of change in discount rate by 0.50%	(3.32)	3.57
Impact of change in salary by 0.50%	2.36	(2.36)

For the year ended 31 March 2017	**Increase**	**Decrease**
Impact of change in discount rate by 0.50%	(1.30)	1.32
Impact of change in salary by 0.50%	1.31	(1.30)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

e) The table below summarises the maturity profile and duration of the gratuity liability:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
Within one year	9.27	11.29	8.39
Within one - three years	20.86	18.36	17.95
Within three - five years	15.46	9.96	8.33
Above five years	47.55	18.28	11.30
Total	93.14	57.89	45.97

(Amounts in INR millions, unless otherwise stated)

28 Employee Stock Option Plan (ESOP)

The Group has provided various share-based payment schemes to its employees in the preceding Financial year. During the previous year ended 31 March 2018, the following schemes were in operation:

	ESOP 2010	ESOP 2012	ESOP 2013	ESOP 2015	ESOP 2016	ESOP 2017
Date of grant	January 1, 2010	March 15, 2012	June 30, 2013	June 08, 2015	July 28, 2016	June 02, 2017
Date of Board Approval	November 24, 2009	January 25, 2012	October 28, 2013	June 08, 2015	July 28, 2016	May 04, 2017
Date Of Shareholder's approval	November 10, 2008	November 10,2008	October 27,2012	September 23,2015	September 23,2015	September 23,2015
Number of options approved	453,420	645,560	24,000	539,000	276,980	200,730
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting year(in Days)	0 to 48 Months	0 to 48 Months	0 to 48 Months	0 to 48 Months	0 to 48 Months	0 to 48 Months

The details of activity have been summarized below:

ESOP 2010

	31 March 2018 Number of options	31 March 2018 Weighted Average Exercise Price (INR)	31 March 2017 Number of options	31 March 2017 Weighted Average Exercise Price (INR)
Outstanding at the beginning of the year	364,967	100.00	364,967	100.00
Granted during the year	Nil	Nil	Nil	Nil
Forfeited during the year	Nil	Nil	Nil	Nil
Exercised during the year	301,681	100.00	Nil	Nil
Expired during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	63,286	100.00	364,967	100.00
Exercisable at the end of the year	63,286	100.00	Nil	Nil

ESOP 2012

	31 March 2018 Number of options	31 March 2018 Weighted Average Exercise Price (INR)	31 March 2017 Number of options	31 March 2017 Weighted Average Exercise Price (INR)
Outstanding at the beginning of the year	499,859	150.00	499,859	150.00
Granted during the year	Nil	Nil	Nil	Nil
Forfeited/ expired during the year	Nil	Nil	Nil	Nil
Exercised during the year	349,723	150.00	Nil	Nil
Outstanding at the end of the year	150,136	150.00	499,859	150.00
Exercisable at the end of the year	150,136	150.00	Nil	Nil

ESOP 2013

	31 March 2018 Number of options	31 March 2018 Weighted Average Exercise Price (INR)	31 March 2017 Number of options	31 March 2017 Weighted Average Exercise Price (INR)
Outstanding at the beginning of the year	24,000	150.00	24,000	150.00
Granted during the year	Nil	Nil	Nil	Nil
Forfeited/ expired during the year	Nil	Nil	Nil	Nil
Exercised during the year	24,000	150.00	Nil	Nil
Outstanding at the end of the year	Nil	Nil	24,000	150.00
Exercisable at the end of the year	Nil	Nil	Nil	Nil

ESOP 2015

	31 March 2018 Number of options	31 March 2018 Weighted Average Exercise Price (INR)	31 March 2017 Number of options	31 March 2017 Weighted Average Exercise Price (INR)
Outstanding at the beginning of the year	472,000	200.00	539,000	200.00
Granted during the year	Nil	Nil	Nil	Nil
Forfeited/ expired during the year	12,000	200.00	67,000	200.00
Exercised during the year	105,900	200.00	Nil	Nil
Outstanding at the end of the year	354,100	200.00	472,000	200.00
Exercisable at the end of the year	83,500	200.00	Nil	Nil

(Amounts in INR millions, unless otherwise stated)

ESOP 2016

	31 March 2018		31 March 2017	
	Number of options	Weighted Average Exercise Price (INR)	Number of options	Weighted Average Exercise Price (INR)
Outstanding at the beginning of the year	253,980	200.00	Nil	Nil
Granted during the year	Nil	Nil	276,980	200.00
Forfeited/ expired during the year	33,200	200.00	23,000	200.00
Exercised during the year	26,512	200.00	Nil	Nil
Outstanding at the end of the year	194,268	200.00	253,980	200.00
Exercisable at the end of the year	22,284	200.00	Nil	Nil

ESOP 2017

	31 March 2018		31 March 2017	
	Number of options	Weighted Average Exercise Price (INR)	Number of options	Weighted Average Exercise Price (INR)
Outstanding at the beginning of the year	Nil	Nil	Nil	Nil
Granted during the year	200,730	200.00	Nil	Nil
Forfeited/ expired during the year	2,930	200.00	Nil	Nil
Exercised during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	197,800	200.00	Nil	Nil
Exercisable at the end of the year	Nil	Nil	Nil	Nil

Figures for current and previous years are as follows

	ESOP 2010		ESOP 2012		ESOP 2013	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Range of exercise prices	100.00	100.00	150.00	150.00	150.00	150.00
Number of options outstanding	63,286	364,967	150,136	499,859	Nil	24,000
Weighted average remaining contractual life of options (in years)	1.00	2.00	1.00	2.00	1.00	2.00
Weighted average exercise price	100.00	100.00	150.00	150.00	150.00	150.00
Weighted average share price for the options exercised during the period	300.00	NA	300.00	NA	300.00	NA

	ESOP 2015		ESOP 2016		ESOP 2017	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Range of exercise prices	200.00	200.00	200.00	200.00	200.00	NA
Number of options outstanding	354,100	472,000	194,268	253,980	197,800	NA
Weighted average remaining contractual life of options (in years)	1.25	2.25	2.25	3.25	2.80	NA
Weighted average exercise price	200.00	200.00	200.00	200.00	200.00	NA
Weighted average share price for the options exercised during the period	300.00	NA	300.00	NA	NA	NA

(Amounts in INR millions, unless otherwise stated)

Stock Options granted

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans are given in the table below:

	ESOP 2010		ESOP 2012		ESOP 2013	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Weighted average share price	148.39	148.39	150.00	150.00	150.00	150.00
Exercise Price	100.00	100.00	150.00	150.00	150.00	150.00
Expected Volatility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Historical Volatility	0.00%	0.00%	0.00%	0.00%	0.10%	0.10%
Life of the options granted (Vesting and exercise year) in years	7.50	7.50	8.00	8.00	8.00	8.00
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	8.39%	8.39%	8.39%	8.39%

	ESOP 2015		ESOP 2016		ESOP 2017	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Weighted average share price	200.00	200.00	275.93	275.93	280.50	NA
Exercise Price	200.00	200.00	200.00	200.00	200.00	NA
Expected Volatility	0.00%	0.00%	0.00%	0.00%	0%	NA
Historical Volatility	0.10%	0.10%	0.10%	0.10%	0.10%	NA
Life of the options granted (Vesting and exercise year) in years	7.70	7.70	7.70	7.70	7.70	NA
Expected dividends	Nil	Nil	Nil	Nil	Nil	NA
Average risk-free interest rate	7.77%	7.77%	7.20%	7.20%	7.20%	NA

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

	31 March 2018	31 March 2017
Total Employee Compensation Cost pertaining to share-based payment plans	36.82	19.51
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	36.82	19.51
Total Liability for employee stock options outstanding as at year end	61.15	46.14

(Amounts in INR million, unless otherwise stated)

29 Fair value measurements

a) Category wise details as to carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

	Level	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial assets				
a) Measured at fair value through profit or loss (FVTPL)				
Mandatorily measured at FVTPL				
- Investment in mutual funds	Level 1	3,110.70	1,362.62	1,286.30
		3,110.70	1,362.62	1,286.30
b) Measured at Amortised cost				
- Trade receivables	Level 2	6.79	5.31	2.41
- Cash and cash equivalents	Level 1	467.11	176.59	187.47
- Loans	Level 2	64.12	16.26	9.95
- Security deposits	Level 2	36.89	41.19	36.04
- Bank deposits	Level 1	302.20	229.96	113.52
- Other financial assets	Level 2	39.82	35.02	16.33
		916.93	504.33	365.72
Total financial assets		**4,027.63**	**1,866.95**	**1,652.02**
Financial liabilities				
a) Measured at fair value through profit or loss (FVTPL)				
-Share buy back obligation	Level 3	3,729.30	2,460.90	2,195.18
		3,729.30	2,460.90	2,195.18
b) Measured at Amortised cost			-	
- Trade payables	Level 2	418.92	302.40	376.35
- Security deposits	Level 2	0.14	0.14	0.14
- Other financial liabilities	Level 2	2.66	5.39	6.69
		421.72	307.93	383.18
Total financial liabilities		**4,151.02**	**2,768.83**	**2,578.36**

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

i) The carrying value of bank deposits, trade receivables, cash and cash equivalents, trade payables, security deposits and other current financial assets and other current financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments.

ii) The fair value of non-current financial assets and financial liabilities measured are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used does not reflect signifcant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate theri fair value.

iii) Fair value of quoted mutual funds is based on quoted market prices at the reporting date.

iv) Fair value of debt instruments is estimated based on discounted cash flows valuation technique using the cash flow projections, discount rate and credit risk.

v) Fair value of the share buy back obligation is estimated based on discounted cash flow valuation technique using cash flow projections and financial projections/budgets approved by the management.

c) Following table describes the valuation techniques used and key inputs thereto for the level 3 financial liabilities as of 31 March 2018, 31 March 2017 and 1 April 2016:

Financial liabilities	**Valuation technique(s)**	**Key input(s)**	**Sensitivity**
-Share buy back obligation	Refer note below*	i) Discount rate ii) Future cash flow projections based on budgets approved by the management. iii) Future cash flow projections based on budgets approved by the management.	Refer note below**

* The fair values of financial liabilities included in level 3 have been determined in accrodance with generally accepted pricing models based on a discounted cashflow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counter parties.

* Sensitivity to changes in unobservable inputs: The fair value of these financial liabilities is directly proportional to the estimated future cash flow projections based on the budgets approved by the management. If the cash flow projections were to increase / decrease by 1% with all the other variables held constant, the fair value of these financial liabilities would increase / decrease by 1%.

d) Reconciliation of level 3 fair value measurements

	Investment in Debt instrument		Share buy back obligation	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	-	-	2,460.90	2,195.18
Gains or loss recognised in profit or loss	-	(13.50)	1,228.62	192.79
Additions	-	13.50	39.78	72.93
Disposals/Extinguishment	-	-		
Closing balance	-	-	3,729.30	2,460.90

e) During the year ended 31 March 2018 and 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

(Amounts in INR million, unless otherwise stated)

30 Capital management

The Group manages its capital to ensure that the group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.
The capital structure of the Group consists of net debt (Debts (note 13) offset by cash and bank balance note (note 10) and total equity of the Group.
The Group is not subject to any externally imposed capital requirements.
The Group's financial management committee reviews the capital structure on a regular basis. As part of this review, the committee considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

Gearing ratio

The Group monitors capital on the basis of the following gearing ratio:
Net debt (total borrowings net of cash and cash equivalents) divided by Total equity (as shown in the balance sheet).
The gearing ratio at end of the reporting period was as follows.

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Share buyback obligation	3,729.30	2,460.90	2,195.18
Cash and cash equivalents	(467.11)	(176.59)	(187.47)
Net debt	3,262.19	2,284.31	2,007.71
Total equity	(3,212.69)	(3,900.46)	(3,270.73)
Net debt to equity ratio	-102%	-59%	-61%

31 Financial risk management objectives and policies

The Group is exposed to market risk, credit risk and liquidity risk. The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.
The Group's board oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i) Credit risk management
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and bank balances, trade receivables and security deposits.
The carrying amounts of financial assets represent the maximum credit risk exposure.
Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available)

Trade receivables
The Group collects consideration in advance for the services to be provided to the customer. As a result, the Group is not exposed to significant credit risk on trade receivables.
Cash and cash equivalents, bank deposits and investments in mutual funds
The Group maintaines its cash and cash equivalents, bank deposits and investment in mutual funds with reputed banks and financial institutions. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.
Security deposits
The Group monitors the credit rating of the counterparties on regular basis. These instruments carry very minimal credit risk based on the financial position of parties and Group's historical experience of dealing with the parties.
ii) Liquidity risk management
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.
Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(Amounts in INR million, unless otherwise stated)

31 Financial risk management objectives and policies (Cont'd)

Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Contractual maturities of financial liabilities

31 March 2018	Within 1 year	Between 1 and 5 years	Total
Share buyback obligation	-	3,729.30	3,729.30
Trade payables	418.92	-	418.92
Other financial liabilities	0.18	2.62	2.80
	419.10	3,731.92	4,151.02

31 March 2017	Within 1 year	Between 1 and 5 years	Total
Share buyback obligation	-	2,460.90	2,460.90
Trade payables	302.40	-	302.40
Other financial liabilities	0.17	5.36	5.53
	302.56	2,466.26	2,768.82

1 April 2016	Within 1 year	Between 1 and 5 years	Total
Share buyback obligation	-	2,195.18	2,195.18
Trade payables	376.35	-	376.35
Other financial liabilities	0.17	6.66	6.83
	376.52	2,201.84	2,578.36

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include foreign currency reeivables, deposits, investments in mutual funds.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). The Group's exposure to unhedged foreign currency risk as at 31 March 2018, 31 March 2017 and 1 April 2016 has been disclosed in note below. Currency risks related to the principal amounts of the Group's US dollar trade receivables.

Unhedged foreign currency exposure

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivable	USD 0.03 (INR. 2.21) mns	USD 0.03 (INR. 1.98) mns	USD 0.03 (INR. 1.74) mns

Sensitivity — **Impact on profit/loss before tax**

	For the year ended 31 March 2018	For the year ended 31 March 2017
USD sensitivity		
INR/USD - increase by 2%	0.04	0.04
INR/USD - decrease by 2%	(0.04)	(0.04)

Interest rate risk

The Group has not availed borrowings, hence is not exposed to interest rate risk.

Price risk

Investment of short-term surplus funds of the Group in liquid schemes of mutual funds provides high level of liquidity from a portfolio of money market securities and high quality debt and categorized as 'low risk' product from liquidity and interest rate risk perspectives.

Sensitivity — **Impact on profit/loss before tax**

	For the year ended 31 March 2018	For the year ended 31 March 2017
+ 5% change in NAV of mutual funds	155.54	68.13
- 5% change in NAV of mutual funds	(155.54)	(68.13)

(Amounts in INR million, unless otherwise stated)

32 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group is has only one business segment which is business-to-business e-marketplace, which acts as an interactive hub for domestic and international buyers and suppliers and operates in a single business segment based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. Hence the Group falls within a single operating segment "Business to business e-marketplace".

Information about geographical areas:

The Group's revenue from continuing operations from external customers by location of operations and information of its non-current assets by location of assets are detailed below:

	Revenue		Non-current assets*		
	For the year ended 31 March 2018	For the year ended 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
India	4,043.05	3,124.60	89.21	100.69	120.92
Others	62.03	53.03	-	-	-
	4,105.08	**3,177.63**	**89.21**	**100.69**	**120.92**

* Non-current assets exclude financial instruments, deferred tax assets and post-employement benefit assets.

33 Related party transactions

i) Names of related parties and related party relationship:

Note 36 provides the information about the Group’s structure including the details of the subsidiaries and the holding company.

a) Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them Significant Influence over the Company and Key Management Personnel (KMP)

Name	Designation
Dinesh Agarwal	Managing director
Brijesh Agrawal	Whole time director
Prateek Chandra	Chief financial officer
Anil Dwivedi	Company Secretary (resigned w.e.f 30 April 2018)
Manoj Bhargava	Company Secretary (appointed w.e.f 04 June 2018)
Dhruv Prakash	Non executive director
Mahendra Kumar Chouhan	Independent director (resigned w.e.f 30 April 2018)
Rajesh Sawhney	Independent director
Elizabeth Lucy Chapman	Independent director

b) Entities where Individuals and Key Management Personnel (KMP) as defined in note above exercise significant influence.

Mansa Enterprises Private Limited

c) Other related parties

Indiamart Intermesh Employees Group Gratuity Assurance Scheme - post employement defined benefit plan

Refer note 27 for information and transactions in post employement defined benefit plan

ii) Key management personnel compensation

	For the year ended 31 March 2018	For the year ended 31 March 2017
Short-term employee benefits	83.24	67.60
Post-employment benefits	0.51	0.08
Long-term employee benefits	0.08	0.05
Employee share based payment expense	1.14	1.04
	84.97	68.77

(Amounts in INR million, unless otherwise stated)

33 Related party transactions (Cont'd)

The following table provides the total amount of transactions that have been entered into with the related parties for the relevant financial year:

	Key management personnel		Individuals having Significant Influence over the Company and KMP		Relatives of individuals and key management personnel		Entities where KMP and Individuals exercise Significant influence		Total	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017	31st March 2018	31st March 2017	31st March 2018	31st March 2017	31st March 2018	31st March 2017
Expenses for rent										
Mansa Enterprises Private Limited	-	-	-	-	-	-	5.52	5.31	**5.52**	**5.31**
Director's sitting fees	-	-	1.67	1.90	-	-	-	-	**1.67**	**1.90**
Recruitment and training expenses										
Dhruv Prakash	2.07	1.02	-	-	-	-	-	-	**2.07**	**1.02**

Terms and conditions of transactions with related parties

The transactions with related parties are entered on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the

(Amounts in INR million, unless otherwise stated)

34 Contingent liabilities and commitments

a) Contingent liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Claims against the Group not acknowledged as debt*			
Income Tax in respect of Assessment Year 2006-07 in respect of which Group has gone on appeal in CIT(A). Based on judicial pronouncements, the Group's claim is likely to be accepted by appellate authorities	-	0.02	0.82
Service Tax in respect of Financial Years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16. Based on judicial pronouncements, the Group's claim is likely to be accepted by appellate authorities.	-	9.04	6.57
Dividend on 0.01% Series A CCPS	0.46	0.41	0.36
Dividend on 0.01% Series B & B1 CCPS	0.04	0.02	0.00
	0.50	9.49	7.75

b) Capital and other commitments

- As at 31st March 2018, the Group has estimated amount of contract remaining to be executed on capital account not provided for, net of advance is Nil (31 March 2017: Nil, 1 April 2016: Rs. 2.47 Mn).

The parent company will provide financial support to wholly owned subsidiaries, so as to meet its liabilities as and when the same is required.

c) Operating lease commitments

Office premises are obtained on operating lease. There are no contingent rents in the lease agreements. The lease term varies from 11 months to 9 years generally and are usually renewable by mutual consent .There are no restrictions imposed by lease agreements. There are no subleases.

Lease payments (for non cancellable lease) for year ended 31 March 2018 are INR 77.54 mn (31 March 2017: INR 86.73 mn).

Future minimum rentals payable under non-cancellable operating leases are as follows:

	As at 31 March 2018	As at 31 March 2017
Within one year	52.83	129.55
After one year but not more than five years	54.02	211.02
More than five years		15.44
	106.85	356.01

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

	As at 31 March 2018	As at 31 March 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	11.31	-
- Interest due on above	-	-
	11.31	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-
	-	-

36 Group information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal activities	Country of incorporation	% equity interest As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Hello Trade Online Private Limited	Business facilitation services	India	100.00	100.00	99.00
Tradezeal International Private Limited	Business facilitation services	India	100.00	100.00	99.91
Ten Times Online Private Limited	Business facilitation services	India	96.25	96.25	96.25
Tolexo Online Private Limited	Ecommerce services	India	100.00	100.00	100.00
Pay With Indiamart Private Limited	Payment gateway and consultancy services	India	100.00	100.00	-

37. Additional information

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	INR	As % of consolidated profit and loss	INR	As % of consolidated other comprehensive income	INR	As % of total comprehensive income	INR lacs
Parent								
Indiamart Intermesh Limited								
Balance as at 31 March, 2018	95.76%	(3,124.27)	105.73%	538.21	105.07%	(9.63)	105.74%	528.58
Balance as at 31 March, 2017	96.33%	(3,710.44)	19.30%	(125.25)	93.32%	(5.22)	19.93%	(130.48)
Balance as at 31 March, 2016	88.40%	(2,417.91)	45.08%	(594.81)	104.93%	(3.97)	91.46%	(598.78)
Subsidiaries								
Tolexo Online Private Limited		-		-		-		-
Balance as at 31 March, 2018	4.45%	(145.12)	-5.73%	(29.15)	-5.67%	0.52	-5.73%	(28.63)
Balance as at 31 March, 2017	3.46%	(133.23)	78.49%	(509.43)	5.22%	(0.29)	77.86%	(509.72)
Balance as at 31 March, 2016	11.71%	(320.23)	55.04%	(726.20)	-5.23%	0.20	0.00%	(726.00)
Ten Times Online Private Limited		-		-		-		-
Balance as at 31 March, 2018	-0.59%	19.14	0.57%	2.90	0.60%	(0.06)	0.57%	2.84
Balance as at 31 March, 2017	-0.18%	7.11	-0.72%	4.66	1.46%	(0.08)	-0.70%	4.58
Balance as at 31 March, 2016	-0.09%	2.49	-0.13%	1.71	0.30%	(0.01)	0.00%	1.71
Hello Trade Online Pvt Ltd		-		-		-		-
Balance as at 31 March, 2018	0.00%	0.03	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Balance as at 31 March, 2017	0.00%	0.05	0.01%	(0.04)	0.00%	-	0.01%	(0.04)
Balance as at 31 March, 2016	0.00%	(0.01)	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
Tradezeal International Pvt Ltd		-		-		-		-
Balance as at 31 March, 2018	0.52%	(16.89)	-0.02%	(0.08)	0.00%	-	-0.02%	(0.08)
Balance as at 31 March, 2017	0.43%	(16.46)	2.92%	(18.98)	0.00%	-	2.90%	(18.98)
Balance as at 31 March, 2016	-0.02%	0.46	0.01%	(0.14)	0.00%	-	0.00%	(0.14)
Pay with Indiamart Private Limited		-		-		-		-
Balance as at 31 March, 2018	-0.13%	4.36	-0.55%	(2.80)	0.00%	-	-0.56%	(2.80)
Balance as at 31 March, 2017	-0.03%	0.97	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
Balance as at 31 March, 2016	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total								
Balance as at 31 March, 2018		(3,262.76)		509.06		(9.17)		499.89
Balance as at 31 March, 2017		(3,852.00)		(649.07)		(5.60)		(654.67)
Balance as at 31 March, 2016		(2,735.19)		(1,319.48)		(3.78)		(1,323.25)

38 First Time Adoption of Ind AS

As stated in note 2, the financial statements for the year ending 31 March 2018 would be the first annual financial statements prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Group has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1 April 2016, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

A Exemptions Applied:-

Ind AS 101 First-Time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain Ind AS.
The Group has applied the following exemptions:

a) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment including capital work-in-progress as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets including intangible assets under development covered by Ind AS 38 Intangible assets. Accordingly, the Group has elected to measure the above mentioned assets at their previous GAAP carrying value.

b) Leases

Ind AS 101 allows an entity to apply Appendix C of Ind AS 17 "Determining whether an Arrangement contains a Lease" to determine whether an arrangement existing at the date of transition to Ind ASs contains a lease on the basis of facts and circumstances existing at the date of transition to Ind AS. Accordingly, the Group has elected to use exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

c) Share based payment

Ind AS 101 allows an entity not to apply Ind AS 102 Share-based payment to equity instruments that vested before the date of transition to Ind AS. Accordingly, the Group has elected to use exemption and has not applied Ind AS 102 on the options granted and vested before the date of transition to Ind AS.

B The following mandatory exceptions have been applied:

a) Estimates

The Group's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
Ind AS estimates as at 1 April 2016 and 31 March 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.
The Group made estimates for following item in accordance with Ind AS at the date of transition as this was not required under previous GAAP:
- Impairment of financial assets based on expected credit loss model
- Initial and subsequent measurement of share buy back obligation
- Determination of the discounted value for financial instruments carried at amortised cost

b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets into amortised cost or FVTOCI on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification and measurment of financial assets into amortised cost or FVTOCI based on the facts and circumstances that exist on the date of transition.

c) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

d) Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(Amounts in INR million, unless otherwise stated)

Statements of reconciliation between the previous GAAP and Ind AS are as under:

Group reconciliation of equity as at April 1, 2016

Particulars	Notes	Regrouped Indian GAAP*	Ind AS adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment	1	90.79	7.45	98.23
Capital work in progress		1.77	-	1.77
Intangible assets		8.26	-	8.26
Financial assets				
(i) Loans		0.33	-	0.33
(ii) Bank deposits		113.52	-	113.52
(iii) Others financial assets	2	47.86	(13.57)	34.28
Other non-current assets	1,2	4.13	8.53	12.66
Total non-current assets		**266.65**	**2.41**	**269.06**
Current assets				
Financial assets				
(i) Investments	3	1,250.87	35.43	1,286.30
(ii) Trade receivables		2.41	-	2.41
(iii) Cash and cash equivalents		187.48	(0.00)	187.47
(iv) Loans		9.62	-	9.62
(v) Others financial assets		18.10	(0.00)	18.09
Current tax assets (net)		73.17	-	73.17
Other current assets	1,2	99.21	1.11	100.35
Total current assets		**1,640.86**	**36.53**	**1,677.42**
Total assets		**1,907.51**	**38.94**	**1,946.48**
Equity and liabilities				
Equity				
Share capital	4	753.89	(662.20)	91.69
Other equity	1 to 6	(1,526.88)	(1,835.55)	(3,362.43)
Equity attributable to equity holders of the parent		(772.99)	(2,497.75)	(3,270.74)
Non-controlling interests		0.09	-	0.09
Total equity		**(772.89)**	**(2,497.75)**	**(3,270.65)**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Share buyback obligation	4	-	2,195.18	2,195.18
(ii) Other financial liabilities		6.66	-	6.66
Provisions		4.88	-	4.88
Deferred revenue		794.99	126.96	921.96
Total non-current liabilities		**806.53**	**2,322.14**	**3,128.67**
Current liabilities				
Financial liabilities				
(i) Trade payables		376.4	-	376.4
(ii) Other financial liabilities		0.17	-	0.17
Provisions		34.9	-	34.9
Current tax liabilities (net)		0.1	-	0.1
Deferred revenue		1,224.2	214.56	1,438.7
Other current liabilities	6	238.2	-	238.2
Total current liabilities		**1,873.88**	**214.56**	**2,088.44**
Total liabilities		**2,680.41**	**2,536.70**	**5,217.11**
Total equity and liabilities		**1,907.52**	**38.94**	**1,946.46**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

(Amounts in INR million, unless otherwise stated)

Group reconciliation of equity as at March 31, 2017

Particulars	Footnotes	Regrouped Indian GAAP*	Ind AS adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment	1	67.45	7.35	74.80
Capital work in progress		1.77	-	1.77
Intangible assets		12.33	0.00	12.33
Financial assets				
(i) Loans		1.76	-	1.76
(ii) Bank deposits		-	-	-
(iii) Others financial assets	2	55.77	(16.04)	39.74
Deferred tax assets (net)		-	-	-
Other non-current assets	1,2	1.54	10.26	11.79
Total non-current assets		**140.62**	**1.57**	**142.19**
Current assets				
Financial assets				
(i) Investments	3	1,220.01	142.61	1,362.62
(ii) Trade receivables		5.31	-	5.31
(iii) Cash and cash equivalents		176.59	-	176.59
(iv) Bank deposits		229.96	-	229.96
(v) Loans		14.50	-	14.50
(vi) Others financial assets		36.46	0.01	36.47
Current tax assets (net)		83.07	0.00	83.07
Other current assets	1,2	157.21	1.14	158.35
Total current assets		**1,923.10**	**143.76**	**2,066.86**
Total assets		**2,063.73**	**145.33**	**2,209.05**
Equity and liabilities				
Equity				
Share capital	4	763.37	(671.68)	91.69
Other equity	1 to 6	(1,911.00)	(2,081.15)	(3,992.15)
Equity attributable to equity holders of the parent		**(1,147.63)**	**(2,752.83)**	**(3,900.46)**
Non-controlling interests	3	0.26	0.01	0.27
Total equity		**(1,147.38)**	**(2,752.81)**	**(3,900.19)**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Share buyback obligation	4	-	2,460.90	2,460.90
(ii) Other financial liabilities		5.36	-	5.36
Provisions		17.05	0.26	17.31
Deferred revenue		1,084.78	128.54	1,213.32
Total non-current liabilities		**1,107.19**	**2,589.70**	**3,696.89**
Current liabilities				
Financial liabilities				
(i) Trade payables		302.39	0.01	302.40
(ii) Other financial liabilities		0.17	0.00	0.17
Provisions		39.84	(0.26)	39.57
Deferred revenue		1,409.75	308.70	1,718.45
Other current liabilities	6	351.77	(0.00)	351.77
Total current liabilities		**2,103.91**	**308.45**	**2,412.36**
Total liabilities		**3,211.10**	**2,898.15**	**6,109.25**
Total equity and liabilities		**2,063.73**	**145.33**	**2,209.06**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

S.R. Batliboi & Associates LLP *

(Amounts in INR million, unless otherwise stated)

Group reconciliation of Profit or Loss for the period ended 31 March 2017

	Notes	Regrouped GAAP for the year ended 31 March 2017*	Ind-AS Adjustments	Ind AS for the year ended 31 March 2017
Income:				
Revenue from operations	6	3,273.35	(95.72)	3,177.63
Net (loss)/gain on financial assets measured at FVTPL	3	24.02	95.12	119.14
Other income	2, 3	19.73	2.86	22.59
Total income		**3,317.11**	**2.26**	**3,319.36**
Expenses:				
Employee benefits expense	5	2,085.43	11.31	2,096.74
Depreciation and amortisation expense	1	46.23	0.09	46.32
Net loss on financial liability designated at FVTPL	4	-	192.79	192.79
Other expenses	1,2	1,633.44	(8.49)	1,624.95
Total expenses		**3,765.09**	**195.71**	**3,960.80**
Loss before tax		**(447.99)**	**(193.45)**	**(641.43)**
Income tax expense				
Current tax		2.02	-	2.02
Deferred tax		-	-	-
Total tax expense		2.02	-	2.02
Loss before tax		**(450.01)**	**(193.45)**	**(643.46)**
Other comprehensive income (OCI)				
Items that will not be reclassified to profit or loss in subsequent periods				
Re-measurement losses on defined benefit plans		-	(5.60)	(5.60)
Income tax effect		-	-	-
		-	(5.60)	(5.60)
Other comprehensive income for the year, net of tax		**-**	**(5.60)**	**(5.60)**
Total comprehensive income for the year		**(450.01)**	**(199.05)**	**(649.05)**
Attributable to:				
Equity holders of the parent		(450.18)	(199.06)	(649.24)
Non-controlling interests		0.17	0.01	0.17

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

(Amounts in INR million, unless otherwise stated)

38 First Time Adoption of Ind AS (Cont'd)

Notes to the reconciliation of equity as at 1 April 2016 and 31 March 2017 and profit or loss for the year ended 31 March 2017 are mentioned below:

1 **Leasehold land**

Under Previous GAAP, leasehold land is recorded at cost and classified as Fixed assets. Under Ind AS, the leasehold land is recorded at cost plus any premium paid or other costs incurred in relation to leasehold land and is classified as finance lease. Therefore, the amount of INR 8.38 mn being the cost incurred in relation to leasehold land is capitalied on transition date with corresponding adjustment to retained earnings for the related depreciation of INR 0.93 mn and adjustment to prepaid expenses amounting to INR 2.51 mn. The impact of the adjustments made have been summariesd below:

	As at 1 April 2016	For the year ended March 2017	As at 31 March 2017
Impact of Ind AS adjustment	**7.45**	**(0.09)**	**7.36**
- on Balance sheet			
- to other equity	(4.93)	-	(4.93)
- to property, plant and equipment	7.45	(0.09)	7.36
- to other current asset	(2.51)	0.84	(1.68)
- on Profit and loss			
- to depreciation and amortisation expense	-	0.09	0.09
- to other expense	-	(0.00)	(0.84)

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2 **Security deposits**

Under Previous GAAP, the interest free lease security deposits are recognised at their transaction value. Under Ind AS, these deposits are initially recognised at fair value and subsequently measured at amortized cost at the end of each reporting date. Accordingly, the difference between the transaction and fair value of these security deposits is recognized as Deferred lease expense and is amortized over the period of the lease term (along with current and non- current classification). Further, interest is accreted on the present value of these security deposits. The impact of the adjustments made have been summariesd below:

	As at 1 April 2016	For the year ended March 2017	As at 31 March 2017
Impact of Ind AS adjustment	**(13.57)**	**(2.47)**	**(16.04)**
- on Balance sheet			-
- to other equity	0.80	-	0.80
- to other financial assets	(13.57)	(2.47)	(16.04)
- to other assets	12.77	2.12	14.90
- on Profit and loss			
- to other income	-	(2.85)	(2.85)
- to other expense	-	3.20	3.20

3 **Fair valuation of investment in mutual funds**

Under previous GAAP, current investment in mutual funds are carried in the financial statements at lower of cost and fair value at each reporting date. Under the Ind AS, investments in mutual funds are measured at fair value through profit or loss at each reporting date. The impact of the adjustments made have been summariesd below:

	As at 1 April 2016	For the year ended March 2017	As at 31 March 2017
Impact of Ind AS adjustment			
- on Balance sheet	**35.43**	**107.19**	**142.62**
- to other equity	(35.43)	-	(35.43)
- to current investments	35.43	107.19	142.62
- on Profit and loss			
- to net loss/(gain) on financial assets measured at FVTPL	-	(107.19)	(107.19)

(Amounts in INR million, unless otherwise stated)

4 Share buyback obligation

Under previous GAAP, convertible preference shares issued by one of the subsidiaries (i.e Indiamart Intermesh Ltd.) are recognised under total equity at transaction price. Under Ind AS, these instruments are analysed for equity and financial liability classification in accordance with the guidance mentioned in Ind AS 32 "Financial Instruments Presentation". Accordingly, these instruments have been classified as financial liability and designated to be measured at fair value through profit or loss. Therefore, the amount of convertible preference shares (including security premium) have been classified under financial liability and measured at fair value at INR 2,460.90 mn as at 31 March 2017 (INR 2,195.18 mn as at transition date). The impact of the adjustments made have been summariesd below:

	As at 1 April 2016	**For the year ended March 2017**	**As at 31 March 2017**
Impact of Ind AS adjustment	**2,195.18**	**265.72**	**2,460.90**
- on Balance sheet			
- to share capital	(662.20)	(9.47)	(671.68)
- to other equity	(1,532.97)	(63.46)	(1,596.43)
- to share buyback obligations	2,195.18	265.72	2,460.90
- on Profit and loss			
- to net (loss) on financial liability designated at FVTPL	-	(192.79)	(192.79)

5 Employee Stock Option Plan

Under previous GAAP, the Group recognised only the intrinsic value for the equity settled share based payment plan as an expense. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Accordingly, the amount recognised in employee share based payment reserve increased by INR 25.87 mn as at 31 March 2017 (INR 8.95 mn as at transition date). on this account, employee share based payment expense amounting INR 16.91 mn recognised in the statement of profit or loss for the year ended 31 March 2017. There is no impact on total equity.

6 Deferred revenue

Under previous GAAP, revenue in the form of activation fees are recognised as and when the services are rendered. Under Ind AS, the activation revenue are amortised over the estimated customer relationship period.

Under previous GAAP, extension of contract term is recognised as a separate contract and only the additional revenue is recognised over the extended period of service post extension. Under Ind AS, extension of contract term is not considered as a sepearte contract and accounted for prospectively and the remaining consideration is reallocated to all of the remaining services to be provided (that is, the obligations remaining from the original contract and the new obligations).

Therefore, deferred revenue has increased by INR 437.24 mn as at 31 March 2017 (INR 341.52 mn as at transition date) with corresponding adjustment to total equity. The impact of the adjustments made have been summariesd below:

	As at 1 April 2016	**For the year ended March 2017**	**As at 31 March 2017**
Impact of Ind AS adjustment	**341.52**	**95.72**	**437.24**
- on Balance sheet			
- to other equity	(341.52)	-	-
- to deferred revenue	341.52	95.72	437.24
- on Profit and loss			
- to revenue	-	(95.72)	(95.72)
	-	-	-

7 Other adjustments

Under previous GAAP, the Group defer the amount of extension charges paid during a year and amortise it over the period of extension. Under Ind AS, these charges are expensed as incurred. The impact of the adjustments made have been summariesd below:

	As at 1 April 2016	**For the year ended March 2017**	**As at 31 March 2017**
Impact of Ind AS adjustment	**0.62**	**1.21**	**(1.83)**
- on Balance sheet			
- to other equity	0.62	-	0.62
- to other assets	(0.62)	(1.21)	(1.83)
- on Profit and loss			
- to other expense	-	1.21	1.21

8 Other equity

Other equity as at transition date and as at 31 March 2017 has been adjusted consequent to the above Ind AS adjustments.

9 Other comprehensive income

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

10 Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

39 Events after the reporting period

Subsequent to the Balance sheet date, following transactions are made:

a) The Company has alloted bonus shares to the exiting equity shareholders as on 9 May 2018 in the ratio of 1:1 as approved by the shareholders at the general meeting held on 07 May 2018. Consequently, the number of shares have increased from 9,976,805 equity shares to 19,953,610 equity shares (refer note 25).

b)The company has introduced Indiamart employees stock benefits scheme 2018 the pool of which includes stock appreciation rights and stock options as approved by the shareholder at the general meeting held on 07 May 2018. All new grants will be governed by this scheme.

c) The company has decided in the Board meeting dated 06 June 2018 for the conversion of 9,30,000 Series A 0.01% Cumulative compulsory preference shares of Rs. 328 into 20,76,091 equity shares of Rs. 10 each, 5,52,816 0.01% Series B Cumulative compulsory preference shares of Rs. 100 into 11,05,632 equity shares of Rs. 10 each, 7,749 0.01% Series B1 Cumulative compulsory preference shares of Rs. 100 into 15,498 equity shares of Rs. 10 each.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

---------SD---------

per **Yogesh Midha**
Partner
Membership No.: 94941
Place: Noida
Date :22 June 2018

For and on behalf of the Board of Directors of
Indiamart Intermesh Limited

---------SD---------

Dinesh Agarwal
Managing Director
DIN:00191800

---------SD---------

Brijesh Agrawal
Director
DIN:00191760

---------SD---------

Prateek Chandra
Chief Financial Officer

---------SD---------

Manoj Bhargava
Company Secretary

GENERAL INFORMATION

1. Our Company was incorporated as IndiaMART InterMESH Limited on September 13, 1999 as a public limited company under the Companies Act, 1956, with the RoC. Our Company received the certificate of commencement of business from the RoC on October 27, 1999.

2. The registered office of our Company is located at 1st Floor, 29 Daryaganj, Netaji Subhash Marg, New Delhi 110 002, India and the corporate office of our Company is located at 6th Floor, Tower 2, Assotech Business Cresterra, Plot No. 22, Sector 135, Noida 201 305, Uttar Pradesh, India.

3. The CIN of our Company is L74899DL1999PLC101534.

4. The Company Secretary, Senior Vice President (Legal and Secretarial) and Compliance Officer of our Company is Manoj Bhargava. His contact details are as follows:
   Manoj Bhargava
   6th Floor, Tower 2, Assotech Business Cresterra
   Plot No. 22, Sector 135, Noida 201 305,
   Uttar Pradesh, India
   Tel. No.: +91 120 6777 777
   Email: cs@indiamart.com

5. As on the date of this Preliminary Placement Document, B S R & Co. LLP, Chartered Accountants are the statutory auditors of our Company.

6. The authorized share capital of our Company as of the date of this Preliminary Placement Document is ₹994,425,584, divided into 99,442,460 Equity Shares and three Cumulative Preference Shares. Our issued, subscribed and paid-up equity share capital as of the date of this Preliminary Placement Document is ₹291,215,160 divided into 29,121,516 Equity Shares.

7. The Issue was authorized and approved by the Board of Directors on January 18, 2021 and approved by the Shareholders on February 10, 2021.

8. Our Company has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations to list the Equity Shares on NSE and BSE, each dated February 17, 2021. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.

9. Copies of the Memorandum and Articles of Association will be available for inspection on any weekday between 10.00 A.M. to 1.00 P.M. (except public holidays) during the Issue Period at the Corporate Office.

10. Our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

11. No change in the control of the Company will occur consequent to the Issue.

12. Except as disclosed in this Preliminary Placement Document, there has been no material change in our financial condition since December 31, 2020, the date of the latest financial statements prepared and included herein.

13. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

14. The Floor Price for the Issue is ₹9,065.61 per Equity Share, calculated in accordance with Regulation 176 of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with the approval of the Shareholders accorded through their resolution passed on February 10, 2021.

15. Our Company and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at his or her own risk.

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotments pursuant to the Issue shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue share capital (assuming that the Equity Shares are Allotted to them pursuant to the Issue) that may be held by them, is set forth below:

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital (%)*
1.	[●]	[●]%
2.	[●]	[●]%
3.	[●]	[●]%
4.	[●]	[●]%
5.	[●]	[●]%

** Based on the beneficiary position as on [●], 2021 (adjusted for Equity Shares Allocated in the Issue).*

Note: The details in the above table have been intentionally left blank and will be filled in before filing the Placement Document with the Stock Exchanges and issuing the Placement Document to such proposed Allottees.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

____

Dinesh Chandra Agarwal
Managing Director and Chief Executive Officer

Date: February 17, 2021

Place: New Delhi

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

____

Dinesh Chandra Agarwal
Managing Director and Chief Executive Officer

I am authorized by the Fund Raise Committee, a committee constituted by the Board of Directors of the Company, vide resolution dated February 17, 2021, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter(s) subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Dinesh Chandra Agarwal
Managing Director and Chief Executive Officer

Date: February 17, 2021

Place: New Delhi

IndiaMART InterMESH LIMITED

Registered Office
1st Floor, 29 Daryaganj, Netaji Subhash Marg, New Delhi 110 002, India

Corporate Office
6th Floor, Tower 2, Assotech Business Cresterra, Plot No. 22, Sector 135, Noida 201 305, Uttar Pradesh, India

Website: www.indiamart.com
Contact Person: Manoj Bhargava, Senior Vice President (Legal and Secretarial), Company Secretary and Compliance Officer
Address: 6th Floor, Tower 2, Assotech Business Cresterra, Plot No. 22, Sector 135, Noida 201 305, Uttar Pradesh, India
Email: cs@indiamart.com | **Tel. No:** +91 120 6777 777

BOOK RUNNING LEAD MANAGERS

ICICI Securities Limited
ICICI Center, H. T. Parekh Marg,
Churchgate, Mumbai 400 020
Maharashtra, India

Edelweiss Financial Services Limited
6th Floor, Edelweiss House
Off C.S.T. Road
Kalina, Mumbai 400 098
Maharashtra, India

Jefferies India Private Limited
42/43, 2 North Avenue
Maker Maxity, Bandra Kurla Complex
Bandra (East), Mumbai 400 051,
Maharashtra, India

DOMESTIC LEGAL COUNSEL TO THE COMPANY

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Phase III
New Delhi 110 020, India

DOMESTIC LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

AZB & Partners

AZB House
Plot No. A8, Sector 4
Noida 201 301
Uttar Pradesh, India

AZB House
Peninsula Corporate Park, Ganpatrao Kadam Marg
Lower Parel, Mumbai 400 013
Maharashtra, India

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

Latham & Watkins LLP
9 Raffles Place
#42-02 Republic Plaza
Singapore 048 619

STATUTORY AUDITORS

B S R & Co. LLP, Chartered Accountants
Building No. 10, 12th Floor, Tower C, DLF Cyber City, Phase-II
Gurugram 122 002, India

ANNEXURE A – U.S. RESALE LETTER

[*on the letterhead of an investor who is a U.S. Person or a person in the United States; to be executed after resale of the Equity Shares outside the United States which was not consummated on BSE or NSE; to be delivered to the Company prior to the settlement of any sale or other transfer of Shares*]

IndiaMART InterMESH Limited
6th Floor, Tower-2, Assotech Business Cresterra,
Plot No. 22, Sector-135, Noida 201 305,
Uttar Pradesh, India

Ladies and Gentlemen:

This letter ("**Resale Letter**") relates to the sale or other transfer by us of equity shares (the "**Shares**") of the Company, which is required to be in an offshore transaction pursuant to Regulation S ("**Regulation S**") under the Securities Act of 1933, as amended (the "**U.S. Securities Act**"). Terms used in this Resale Letter are used as defined in Regulation S, except as otherwise stated herein.

We hereby represent and warrant to you as follows:

(a) We previously purchased the Shares for our own account (or for one or more beneficial owners for which we have acted as fiduciary or agent, with complete investment discretion and with authority to bind each such person), as both a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act) and a "qualified purchaser" (as defined in Section 2(a)(51) and related rules of the Investment Company Act of 1940, as amended, and the rules thereunder (the "U.S. Investment Company Act"). We understand that the Shares have not been and will not be registered under the U.S. Securities Act and that the Company has not registered and will not register as an investment company under the U.S. Investment Company Act).

(b) The offer and sale of the Shares by us was not made to a person in the United States or to a U.S. Person (as defined in Regulation S).

(c) Either:
   (i) at the time the buy order for the sale of the Shares by us was originated, the buyer was outside the United States or we and any person acting on our behalf reasonably believed that the buyer was outside the United States; or
   (ii) the transfer of the Shares by us was executed in, on or through the facilities of BSE Limited or National Stock Exchange of India Limited, and neither we nor any person acting on our behalf has reason to believe that the transaction was pre-arranged with a buyer in the United States.

(d) Neither we, nor any of our affiliates, nor any person acting on our or their behalf, has made any directed selling efforts (as such term is defined in Regulation S) in the United States with respect to the Equity Shares.

(e) The transfer of the Equity Shares by us was not and is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act or the U.S. Investment Company Act

(f) None of the Company, any of its agents nor any of their respective affiliates participated in the sale of the Equity Shares by us.

(g) We agree that the Company, its agents and their respective affiliates may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Where there are joint transferors, each must sign this U.S. Resale Letter. A U.S. Resale Letter of a corporation must be signed by an authorized officer or be completed otherwise in accordance with such corporation's constitution (and evidence of such authority may be required).

Yours sincerely,
(Name of Transferor)

By:
Title:
Date:

APPLICATION FORM

Indicative format of the Application Form

(Note: The format of the Application Form included herein below is indicative and for illustrative purposes only and no Bids in the Issue can be made through the sample Application Form. The Company, in consultation with the Book Running Lead Managers, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

indiamart **IndiaMART InterMESH LIMITED**	**APPLICATION FORM** **Name of the Bidder ___________________** **Form. No.______**
(Incorporated in the Republic of India under the provisions of the Companies Act, 1956) **Registered Office**: 1st Floor, 29 Daryaganj, Netaji Subhash Marg, New Delhi 110 002, India; **Corporate Office:** 6th Floor, Tower 2, Assotech Business Cresterra, Plot No. 22, Sector 135, Noida 201 305, Uttar Pradesh, India; **CIN**: L74899DL1999PLC101534; **Website**: www.indiamart.com; **Tel. No.**: +91 120 6777 777; **Email**: cs@indiamart.com	**Date: ______**

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹10 EACH ("EQUITY SHARES") FOR CASH, AT A PRICE OF ₹[●] PER EQUITY SHARE ("ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING TO ₹[●] MILLION IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED ("COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED ("PAS RULES") AND CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS") BY INDIAMART INTERMESH LIMITED ("COMPANY") (AND SUCH ISSUE THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹9,065.61 PER EQUITY SHARE AND THE COMPANY MAY OFFER A DISCOUNT OF UPTO 5% ON THE FLOOR PRICE.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, and may not be offered or sold in the United States, or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the U.S. Securities Act U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in the PPD (as defined below) as U.S. QIBs; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the PPD (as defined below) as QIBs) and "qualified purchasers" (as defined under the U.S. Investment Company Act and referred to in the PPD (as defined below) as QPs) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and in reliance upon section 3(c)(7) of the U.S. Investment Company Act; or (ii) outside the United States to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on BSE or NSE).

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such You should note and observe the solicitation and distribution restrictions contained in the sections titled "Selling Restrictions" and "Transfer Restrictions" in the accompanying preliminary placement document dated February 17, 2021 ("PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON-DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Eligible Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Fund

To,
The Board of Directors
IndiaMART InterMESH Limited
1st Floor, 29 Daryaganj, Netaji Subhash Marg, New Delhi 110 002, India

SI- NBFC	Systemically Important Non-Banking Financial Companies	**OTH**	Others _____________ (Please specify)

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

Dear Sirs,

On the basis of the serially numbered PPD and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws and that we are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the promoters or the members of the promoter group or persons related to the promoters. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the Board. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Non-Debt Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**Takeover Regulations**"). We further understand and agree that (i) our names, address, contact details, PAN and bank account details will be recorded by the Company in the format prescribed in terms of the PAS Rules (ii) in the event that any Equity Shares are Allocated to us in the Issue, our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document pursuant to the requirements under Form PAS-4 of the PAS Rules; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company will disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of National Stock Exchange of India Limited and BSE Limited (together referred to as the "**Stock Exchanges**"), and we consent to such disclosure. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations and other applicable laws.

We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted separate Application Forms, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the price and amount to be Allotted under each such scheme. We undertake that we will sign and/or submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue. We note that the Board or any duly authorized committee thereof, is entitled, in consultation with ICICI Securities Limited, Edelweiss Financial Services Limited and Jefferies India Private Limited ("**BRLMs**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us pursuant to the Confirmation of Allocation Note ("**CAN**") and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form within the Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

By signing and submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in the sections "Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions" and "Transfer Restrictions" sections of the PPD; and (ii) the terms, conditions and agreements mentioned herein, are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of which is entitled to rely on and is relying on these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors"* therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognized stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole discretion of the Company, in consultation with the BRLMs and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue. For the purposes of this representation: The expression "belong to the same group" shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and "control" shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the Memorandum of Association and Articles of Association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, and may not be offered or sold in the United States, or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the U.S. Securities Act U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

By signing this Application Form and checking the applicable box above, we hereby represent that we are either (i) both a U.S. QIB and a QP purchasing the Equity Shares in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and in reliance upon section 3(c)(7) of the U.S. Investment Company Act, or (ii) located outside the United States and are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. We confirm that we have read the representations, warranties and agreements contained in the sections entitled "Selling Restrictions" and "Transfer Restrictions" of the PPD.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that once a duly filled Application Form is submitted, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
E-MAIL ID		**MOBILE NO.**	
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.		

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs.*

*** In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the BRLMs have relied on the information provided by the registrar and share transfer agent of the Company for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTONIC FUND TRANSFER BY [●] P.M. (IST), [●], 2021			
Name of the Account	INDIAMART INTERMESH LIMITED – QIP ESCROW	**Account Type**	Escrow Account
Name of Bank	ICICI Bank Limited	**Address of the Branch of the Bank**	215, Free Press House, Free press Marg, Nariman Point, Mumbai-400021, Maharashtra
Account No.	000405125795	**IFSC**	ICIC000004

The Bid Amount should be transferred pursuant to the Application Form only by way of electronic fund transfers, towards the Escrow Account**.** Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Issue Period i.e. within the Issue Closing Date. All payments must be made in favor of "**INDIAMART INTERMESH LIMITED – QIP ESCROW**". The payment for subscription to the Equity Shares to be Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

DEPOSITORY ACCOUNT DETAILS									
Depository Name	National Securities Depository Limited								Central Depository Services (India) Limited
Depository Participant Name									
DP – ID	I	N							
Beneficiary Account Number									(16-digit beneficiary A/c. No. to be mentioned above)

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Bid Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by you. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
E-mail:			

OTHER DETAILS	
PAN*	
Signature of Authorized Signatory *(may be signed either physically or digitally)***	

ENCLOSURES ATTACHED
☐ Copy of the PAN Card or PAN allotment letter
☐ FIRC
☐ Copy of the SEBI registration certificate as a Mutual Fund
☐ Copy of the SEBI registration certificate as an Eligible FPI
☐ Copy of the SEBI registration certificate as an AIF
☐ Copy of the SEBI registration certificate as a VCF
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
☐ Copy of notification as a public financial institution
☐ Copy of the IRDAI registration certificate
☐ Certified true copy of power of attorney
☐ Others, please specify________________

**Please note that the Bidder should not submit the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income Tax Act, 1961, as the application is liable to be rejected on this ground.*

***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.
Note 2: The Application Form is liable to be rejected if any information provided is incomplete or inadequate.
Note 3: The duly filed Application Form along with all enclosures shall be submitted to the Book Running Lead Managers either through electronic form at the email mentioned in the PPD or through physical deliver at the address mentioned in PPD.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you, either in physical form or in electronic form or both, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.