



## 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 ("RoC").

**Corporate Identity Number:** U74899DL1999PLC101534

**Registered Office:** 1st Floor, 29 Daryaganj, Netaji Subhash Marg, New Delhi 110 002, India; **Tel:** (+91) (11) 3027 2100; **Fax:** (+91) (11) 4350 9807. For details of the change in the registered office of our Company, see "History and Certain Corporate Matters" on page 178.

**Corporate Office:** 7th & 8th Floors, Advant-Navis Business Park, Plot No. 7, Sector 142, Noida 201 301, Uttar Pradesh, India; **Tel:** +91 (120) 6777 800 **Fax:** +91 (120) 4873 101

**Contact Person:** Manoj Bhargava, Senior Vice President (Legal and Secretarial) Company Secretary and Compliance Officer; **Tel:** +91 (120) 6777 800 **Fax:** +91 (120) 4873 101

**E-mail:** cs@indiamart.com **Website:** www.indiamart.com

**OUR PROMOTERS: DINESH CHANDRA AGARWAL AND BRIJESH KUMAR AGRAWAL**

**INITIAL PUBLIC OFFERING OF 4,887,862<sup>\*</sup> EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF INDIAMART INTERMESH LIMITED ("INDIAMART" OR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 973\*\* PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING TO ₹ 4,755.89 MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF (A) 2,590,000<sup>\*</sup> EQUITY SHARES BY INTEL CAPITAL (MAURITIUS), LIMITED; 255,753<sup>\*</sup> EQUITY SHARES BY AMADEUS IV DPF LIMITED AND 475,000<sup>\*</sup> EQUITY SHARES BY ACCION FRONTIER INCLUSION MAURITIUS (TOGETHER, THE "INVESTOR SELLING SHAREHOLDERS"), (B) 852,453<sup>\*</sup> EQUITY SHARES BY DINESH CHANDRA AGARWAL AND 577,656<sup>\*</sup> EQUITY SHARES BY BRIJESH KUMAR AGRAWAL (TOGETHER, THE "PROMOTER SELLING SHAREHOLDERS") AND (C) AN AGGREGATE OF 137,000<sup>\*</sup> EQUITY SHARES BY THE OTHER SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER) COLLECTIVELY, THE "SELLING SHAREHOLDERS"). THE OFFER INCLUDES A RESERVATION OF 10,000 EQUITY SHARES, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINAFTER), (CONSTITUTING 0.04% OF THE POST-OFFER EQUITY SHARE CAPITAL OF OUR COMPANY) (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER", AGGREGATING 4,877,862 EQUITY SHARES. THE OFFER AND THE NET OFFER CONSTITUTE 16.99% AND 16.95% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.<sup>\*</sup>**

<sup>\*</sup>Subject to finalisation of Basis of Allotment

<sup>\*\*</sup>A discount of ₹ 97 per Equity Share has been offered to Eligible Employees Bidding in the Employee Reservation Portion.

### THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH AND THE OFFER PRICE IS 97.3 TIMES THE FACE VALUE OF THE EQUITY SHARES

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the "SCRR") and the Net Offer constitutes 16.95% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made through the Book Building Process, in compliance with Regulation 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), where at least 75% of the Net Offer will be Allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Category"), provided that our Company in consultation with the BRLMs, has allocated up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "Anchor Investor Portion"), of which one-third was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares were allocated to Anchor Investors. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) was made available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category was made available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not more than 15% of the Net Offer was made available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer was made available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (other than Anchor Investors) were mandatorily required to participate in this Offer through the Application Supported by Block Amount ("ASBA") process, and were required to provide details of their respective bank account in which the Bid Amount will be blocked by the SCSBs. Anchor Investors were not permitted to participate in this Offer through the ASBA process. For details in this regard, specific attention is invited to "*Offer Procedure*" on page 500.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 and the Offer Price is 97.3 times the face value of the Equity Shares. The Offer Price (as determined and justified by our Company in consultation with the BRLMs, in accordance with SEBI ICDR Regulations, and as stated in "*Basis for Offer Price*" on page 117) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before making an investment decision in this Offer. For making an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 19.

#### ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or undertaken by such Selling Shareholders in this Prospectus to the extent such statements specifically pertain to such Selling Shareholder and/or its portion of the Offered Shares and confirms that such statements are true, complete and correct in all material respects and are not misleading in any material respect. However, each Selling Shareholder, does not assume any responsibility for any other statements, including without limitation, any and all of the statements made by or in relation to our Company or the other Selling Shareholders in this Prospectus.

#### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and NSE. We have received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated August 7, 2018 and August 3, 2018, respectively. For the purpose of this Offer, NSE is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus has been and this Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013 ("*Companies Act*").

#### BOOK RUNNING LEAD MANAGERS

#### REGISTRAR TO THE OFFER

 <b>ICICI Securities Limited</b> ICICI Center, H. T. Parekh Marg Churchgate, Mumbai 400 020 Maharashtra, India <b>Tel:</b> (+91) (22) 2288 2460/70 <b>Fax:</b> (+91) (22) 2282 6580 <b>Email:</b> indiamart.ipo@icicisecurities.com <b>Website:</b> www.icicisecurities.com <b>Investor Grievance E-mail:</b> customercare@icicisecurities.com <b>Contact Person:</b> Arjun A Mehrotra/Nidhi Wangnoo <b>SEBI Registration No.:</b> INM000011179	 <b>Edelweiss Financial Services Limited</b> 14th Floor, Edelweiss House Off C.S.T. Road Kalina, Mumbai 400 098 Maharashtra, India <b>Tel:</b> (+91) (22) 4086 3535 <b>Fax:</b> (+91) (22) 4086 3610 <b>E-mail:</b> indiamart.ipo@edelweissfin.com <b>Website:</b> www.edelweissfin.com <b>Investor Grievance E-mail:</b> customerservice(mb@edelweissfin.com) <b>Contact Person:</b> Yash Modi <b>SEBI Registration No.:</b> INM0000010650	 <b>Jefferies India Private Limited</b> 42/43, 2 North Avenue Maker Maxity, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India <b>Tel:</b> (+91) (22) 4356 6000 <b>Fax:</b> (+91) (22) 6765 5595 <b>E-mail:</b> INDIAMART.IPO@jefferies.com <b>Website:</b> www.jefferies.com <b>Investor Grievance E-mail:</b> jipl.grievance@jefferies.com <b>Contact Person:</b> Jayaraman Ganapathy <b>SEBI Registration No.:</b> INM000011443	 <b>Link Intime India Private Limited</b> C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India <b>Tel:</b> +91 22 4918 6200 <b>Fax:</b> +91 22 4918 6195 <b>Email:</b> indiamart.ipo@linkintime.co.in <b>Investor Grievance e-mail:</b> indiamart.ipo@linkintime.co.in <b>Website:</b> www.linkintime.co.in <b>Contact Person:</b> Shanti GopalKrishnan <b>SEBI Registration No.</b> INR000004058
---	---	--	--

#### BID/OFFER PERIOD

**BID/OFFER OPENS ON\***

June 24, 2019

**BID/OFFER CLOSES ON**

June 26, 2019

\* The Anchor Investor Bidding Date was one Working Day prior to the Bid/Offer Opening Date, i.e., June 21, 2019.

## TABLE OF CONTENTS

<b>SECTION I - GENERAL.....</b>	<b>2</b>
<b>DEFINITIONS AND ABBREVIATIONS .....</b>	<b>2</b>
<b>CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA .....</b>	<b>13</b>
<b>AND CURRENCY OF PRESENTATION .....</b>	<b>13</b>
<b>NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES .....</b>	<b>14</b>
<b>NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA.....</b>	<b>16</b>
<b>FORWARD-LOOKING STATEMENTS .....</b>	<b>17</b>
<b>SECTION II - RISK FACTORS .....</b>	<b>19</b>
<b>SECTION III – INTRODUCTION.....</b>	<b>50</b>
<b>SUMMARY OF INDUSTRY.....</b>	<b>50</b>
<b>SUMMARY OF BUSINESS .....</b>	<b>60</b>
<b>SUMMARY FINANCIAL INFORMATION.....</b>	<b>70</b>
<b>THE OFFER .....</b>	<b>83</b>
<b>GENERAL INFORMATION.....</b>	<b>85</b>
<b>CAPITAL STRUCTURE.....</b>	<b>93</b>
<b>OBJECTS OF THE OFFER.....</b>	<b>115</b>
<b>BASIS FOR OFFER PRICE .....</b>	<b>117</b>
<b>STATEMENT OF TAX BENEFITS.....</b>	<b>120</b>
<b>SECTION IV- ABOUT US .....</b>	<b>122</b>
<b>INDUSTRY OVERVIEW .....</b>	<b>122</b>
<b>OUR BUSINESS .....</b>	<b>153</b>
<b>KEY REGULATIONS AND POLICIES IN INDIA.....</b>	<b>175</b>
<b>HISTORY AND CERTAIN CORPORATE MATTERS .....</b>	<b>178</b>
<b>OUR MANAGEMENT .....</b>	<b>186</b>
<b>OUR PROMOTERS AND PROMOTER GROUP .....</b>	<b>198</b>
<b>OUR GROUP COMPANY .....</b>	<b>202</b>
<b>RELATED PARTY TRANSACTIONS.....</b>	<b>204</b>
<b>DIVIDEND POLICY.....</b>	<b>205</b>
<b>SECTION V – FINANCIAL INFORMATION .....</b>	<b>206</b>
<b>RESTATED FINANCIAL STATEMENTS .....</b>	<b>206</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS .....</b>	<b>440</b>
<b>SECTION VI – LEGAL AND OTHER INFORMATION .....</b>	<b>462</b>
<b>OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS .....</b>	<b>462</b>
<b>GOVERNMENT AND OTHER APPROVALS.....</b>	<b>469</b>
<b>OTHER REGULATORY AND STATUTORY DISCLOSURES .....</b>	<b>471</b>
<b>SECTION VII – OFFER RELATED INFORMATION .....</b>	<b>492</b>
<b>OFFER STRUCTURE .....</b>	<b>492</b>
<b>TERMS OF THE OFFER.....</b>	<b>496</b>
<b>OFFER PROCEDURE.....</b>	<b>500</b>
<b>SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION .....</b>	<b>556</b>
<b>SECTION IX – OTHER INFORMATION.....</b>	<b>565</b>
<b>MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....</b>	<b>565</b>
<b>DECLARATION .....</b>	<b>567</b>

## SECTION I - GENERAL DEFINITIONS AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, the following terms and abbreviations have the following meanings in this Prospectus, and references to any statute or rules or guidelines or regulations or policies will include any amendments, clarifications, modifications, replacements or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.*

*Unless the context otherwise indicates, all references to “**IndiaMART**”, “**the Company**”, and “**our Company**”, are references to IndiaMART InterMESH Limited, a public limited company incorporated in India under the Companies Act, 1956 with its registered office at 1st Floor, 29 Daryaganj, Netaji Subhash Marg, New Delhi 110 002, India. Furthermore, unless the context otherwise indicates, all references to the terms “**we**”, “**us**” and “**our**” are to our Company and its Subsidiaries (as defined below) on a consolidated basis.*

### Company Related Terms

<b>Term</b>	<b>Description</b>
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
AFIM	Accion Frontier Inclusion Mauritius
Amadeus	Amadeus IV DPF Limited
Audit Committee	The audit committee of our Board, as described in “ <b>Our Management</b> ” on page 186
Auditors/ Statutory Auditors	The statutory auditors of our Company, being S. R. Batliboi & Associates LLP, Chartered Accountants
BCCL	Bennett, Coleman & Company Limited
Board or Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
BPA	Business purchase agreement dated June 21, 2018 entered into by and between our Company and HOPL
CCPS A	Series A 0.01% cumulative preference shares of our Company of face value of ₹ 328 each
CCPS B	Series B 0.01% compulsorily convertible cumulative preference shares of our Company of face value of ₹ 100 each
CCPS B1	Series B1 0.01% compulsorily convertible cumulative preference shares of our Company of face value of ₹ 100 each
CIPL	Clickindia Infimedia Private Limited
Corporate Office	The corporate office of our Company, situated at 7th & 8th Floors, Advant-Navis Business Park, Plot No. 7, Sector 142, Noida 201 301, Uttar Pradesh, India
CSR Committee	The Corporate Social Responsibility committee of our Board, as described in “ <b>Our Management</b> ” on page 186
Director(s)	The director(s) on our Board of Directors
Equity Shares	The equity shares of our Company of a face value of ₹ 10 each
EBS Trust	The IndiaMART Employee Benefit Trust
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
Group Company	The group company of our Company, as covered under the applicable accounting standards and as considered material by our Board, in accordance with the Materiality Policy, as described in “ <b>Our Group Company</b> ” on page 202
HOPL	Hellotravel Online Private Limited
HTOPL	Hello Trade Online Private Limited
IndiaMART ESBS 2018	IndiaMART Employees Stock Benefits Scheme, 2018
IndiaMART ESOS 2015	IndiaMART Employees Stock Option Scheme, 2015
Intel	Intel Capital (Mauritius), Limited
Investor Selling Shareholders	Intel, Amadeus and AFIM
KMP/ Key Management Personnel	Key management 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 “ <b>Our Management</b> ” on page 186
KPMG/KPMG Research	KPMG India Private Limited

<b>Term</b>	<b>Description</b>
KPMG Report/KPMG Research Report	Report titled “Market Assessment of B2B e-commerce and digital classifieds in India” dated May 29, 2018 prepared by KPMG
Materiality Policy	The policy adopted by our Board on June 6, 2018 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
MEPL	Mansa Enterprises Private Limited
MoA/Memorandum of Association	The memorandum of association of our Company, as amended
New Investors	Amadeus, AFIM, Intel and Westbridge
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in “ <b>Our Management</b> ” on page 186
OCRPS	Optionally convertible redeemable preference shares of TOPL
OCCRPS	Optionally convertible cumulative redeemable preference shares of our Subsidiaries, where applicable
PE Investors	Collectively, the New Investors, BCCL and Amadeus EIII LLP
Promoters	The promoters of our Company, namely, Dinesh Chandra Agarwal and Brijesh Kumar Agrawal
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations and as disclosed in “ <b>Our Promoters and Promoter Group</b> ” on page 198
Promoter Selling Shareholders	Dinesh Chandra Agarwal and Brijesh Kumar Agrawal
PWIP	Pay With IndiaMART Private Limited
Other Selling Shareholders	Collectively, Praveen Kumar Goel, Surat Singh Bhati, Sanjeev Kumar, Lalit Masta, Anubha Gupta and Neelima Gupta
Registered Office	The registered office of our Company, situated at 1st Floor, 29 Daryaganj, Netaji Subhash Marg, New Delhi 110 002, India
Restated Consolidated Financial Statements	Collectively: (i) the restated consolidated summary statements of assets and liabilities as at March 31, 2019, March 31, 2018 and March 31, 2017 and the restated consolidated summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for fiscals 2019, 2018 and 2017 of the Company and Subsidiaries (the “ <b>Group</b> ”), prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended (“ <b>IndAS Rules</b> ”) and restated in accordance with the SEBI ICDR Regulations, SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (“ <b>SEBI IndAS Circular</b> ”) and the Guidance Note on Reports in Company Prospectuses, 2016, issued by the ICAI (“ <b>Prospectus Guidance Note</b> ” and such summary statements, the “ <b>Restated IndAS Consolidated Summary Statements</b> ”); and (ii) the restated consolidated summary statements of assets and liabilities at March 31, 2016 and March 31, 2015 and the restated consolidated summary statements of profit and loss and cash flows for the fiscals 2016 and 2015 of the Group, taken together, prepared in accordance with the Companies Act and the Indian GAAP and restated in accordance with the SEBI ICDR Regulations, the SEBI IndAS Circular and the Prospectus Guidance Note (the “ <b>Restated Indian GAAP Consolidated Summary Statements</b> ”).
Restated Financial Statements	The Restated Consolidated Financial Statements and the Restated Unconsolidated Financial Statements taken together
Restated SHA	Amended and restated shareholders’ agreement dated January 15, 2016 by and among our Company, the PE Investors and our Promoters and amended pursuant to an amendment agreement dated June 11, 2018
Restated Unconsolidated Financial Statements	Collectively: (i) the restated unconsolidated summary statements of assets and liabilities as at March 31, 2019, March 31, 2018 and March 31, 2017 and the restated unconsolidated statements of profit and loss (including other comprehensive income), cash flows and changes in equity for fiscals 2019, 2018 and 2017 of our Company, prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act and the IndAS Rules and restated in accordance with the SEBI ICDR Regulations, the SEBI IndAS Circular and the Prospectus Guidance Note (the “ <b>Restated IndAS Unconsolidated Summary Statements</b> ”); and (ii) the restated unconsolidated summary statements of assets and liabilities at March 31, 2016 and March 31, 2015 and the restated unconsolidated summary statements of profit and loss and cash flows for the fiscals 2016 and 2015 of our Company, prepared in accordance with the Companies Act and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations and the Prospectus Guidance Note (the “ <b>Restated Indian GAAP Unconsolidated Summary Statements</b> ”).
Selling Shareholder(s)	Collectively, the Investor Selling Shareholders, the Promoter Selling Shareholders and the Other Selling Shareholders
Shareholders	The holders of the Equity Shares from time to time

<b>Term</b>	<b>Description</b>
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, as described in " <b>Our Management</b> " on page 186
Subsidiaries	The subsidiaries of our Company, as described under " <b>History and Certain Corporate Matters – Our Subsidiaries</b> " on page 183
TIL	Times Internet Limited
TIPL	Tradezeal International Private Limited
TOPL	Tolexo Online Private Limited
Travel Marketplace Business	Our Company's travel marketplace related business carried on primarily through the website ' <a href="http://www.hellotravel.com">www.hellotravel.com</a> ', including all related assets, employees and liabilities (except certain liabilities identified as excluded liabilities), transferred to HOPL pursuant to the BPA
TTESOP	Ten Times Employee Stock Option Scheme
TTOPL	Ten Times Online Private Limited
Westbridge	Westbridge Crossover Fund, LLC

### Offer Related Terms

<b>Term</b>	<b>Description</b>
Acknowledgment Slip	The slip or document issued by the respective Designated Intermediary(ies) to a Bidder as proof of registration of the Bid
Allotted/Allotment/Allot	Unless the context otherwise requires, transfer of Equity Shares to successful Bidders pursuant to Offer
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A QIB, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations 2018 and the Red Herring Prospectus and this Prospectus
Anchor Investor Bidding Date	June 21, 2019, i.e., the date on which Bids by Anchor Investors were submitted and allocation to the Anchor Investors was completed
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which is a price equal to or higher than the Offer Price but not higher than the Cap Price, in this case being, ₹ 973 per Equity Share. The Anchor Investor Offer Price has been decided by our Company, in consultation with the BRLMs
Anchor Investor Portion	60% of the QIB Category which was allocated by our Company in consultation with the BRLMs, to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations 2018. One third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors, which price was determined by the Company in consultation with the BRLMs
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) by a Bidder (other than Anchor Investors) to make a Bid authorizing the relevant SCSB to block the Bid Amount in the relevant ASBA Account and includes amounts blocked by SCSBs upon acceptance of UPI Mandate Request
ASBA Account	A bank account maintained with an SCSB and specified in the Bid cum Application ASBA Form which has been blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by a Bidder (other than a Bid by an Anchor Investor) and includes a bank account maintained by Retail Individual Investors linked to a UPI ID, which has been blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders bidding through the ASBA process, which was considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Banker(s) to the Offer	Collectively, the Escrow Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, described in " <b>Offer Procedure</b> " on page 500
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder (other than an Anchor Investor), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to subscribe for or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under SEBI ICDR Regulations 2018 in terms of the Red Herring

<b>Term</b>	<b>Description</b>
Bid Amount	Prospectus and the Bid cum Application Form. The term ‘Bidding’ shall be construed accordingly
Bid cum Application Form	The highest value of the Bids (less the Employee Discount, in case of Eligible Employees Bidding in the Employee Reservation Portion) as indicated in the Bid cum Application Form and that was payable by the Bidder or as blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer
Bid Lot	15 Equity Shares
Bid/Offer Closing Date	Wednesday, June 26, 2019 (except in relation to Anchor Investors)
Bid/Offer Opening Date	Monday, June 24, 2019 (except in relation to Anchor Investors)
Bid/Offer Period	Except in relation to Bids received from the Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) could submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations 2018 and the terms of the Red Herring Prospectus
Bidder	Any investor who made a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries accepted the Bid cum Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs.
Book Building Process	The book building process as described in Part A of Schedule XIII of the SEBI ICDR Regulations 2018, in terms of which the Offer is being made
Book Running Lead Managers/ BRLMs	The book running lead managers to the Offer, in this case being I-Sec, Edelweiss and Jefferies
Broker Centres	Broker centres of the Registered Brokers notified by the Stock Exchanges where Bidders (other than Anchor Investor) could submit the ASBA Forms to a Registered Broker
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date
Cap Price	₹ 973 per Equity Share
Circulars on Streamlining of Public Issues	Circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as amended by its Circular number SEBI/HO/CED/DIL/CIR/2016/26 dated January 21, 2016 and Circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including SEBI’s circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019
Client ID	Client identification number of the Bidder’s beneficiary account
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered with SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	The Offer Price, finalized by our Company in consultation with the BRLMs, in this case being ₹ 973 per Equity Share. Only Eligible Employees bidding in the Employee Reservation Portion and Retail Individual Investors were entitled to bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	The details of the Bidders including the Bidders’ address, name of the Bidders’ father/husband, investor status, occupation and bank account details
Designated CDP Locations	Such centres of the Collecting Depository Participants where Bidders (except Anchor Investors) could submit the ASBA Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges and updated from time to time
Designated Date	The date on which the funds from the Escrow Account are transferred to the Public Offer Account or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account(s) and /or are unblocked, as applicable, in terms of the Red Herring Prospectus and this Prospectus, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediaries	Collectively, the members of the Syndicate, sub-syndicate members/agents, SCSBs, Registered Brokers, CDPs and CRTAs, who were authorized to collect Bid cum Application Forms from the Bidders (other than Anchor Investors), in relation to the Offer

<b>Term</b>	<b>Description</b>
Designated SCSB Branches	Such branches of the SCSBs which could collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Designated RTA Locations	Such centres of the CRTAs where Bidders (except Anchor Investors) could submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the CRTAs are available on the respective websites of the Stock Exchanges ( <a href="http://www.nseindia.com">www.nseindia.com</a> and <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Designated Stock Exchange	NSE
DP	Depository Participant
DP ID	Depository Participant's identity number
Draft Red Herring Prospectus/DRHP	The draft red herring prospectus dated June 29, 2018 filed with the SEBI and issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which our Equity Shares are offered and includes any addenda or corrigenda thereto
Edelweiss	Edelweiss Financial Services Limited
Eligible Employee	All or any of the following:  (a) a permanent employee of our Company or of any of our Subsidiaries (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines) as of the date of filing of the Red Herring Prospectus with the RoC and who continued to be a permanent employee of our Company or of any of our Subsidiaries until the submission of the Bid cum Application Form, and was based, working and present in India as on the date of submission of the Bid cum Application Form; and  (b) a director of our Company or of any of our Subsidiaries, whether a whole time director or otherwise, not holding either himself/ herself or through his/her relative or through any body corporate, directly or indirectly, more than 10% of the outstanding Equity Shares (excluding our Promoters and members of Promoter Group, and who is not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines) as of the date of filing the Red Herring Prospectus with the RoC and who continued to be a director of our Company or any of our Subsidiaries, as applicable, until the submission of the Bid cum Application Form and was based, working and present in India as on the date of submission of the Bid cum Application Form.  An employee, who was recruited against a regular vacancy but was on probation as on the date of submission of the Bid cum Application Form has also been deemed a 'permanent employee'. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee cannot exceed ₹ 500,000.
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constituted an invitation to subscribe or purchase for the Equity Shares
Employee Discount	A discount of ₹ 97 per Equity Share offered to Eligible Employees Bidding in the Employee Reservation Portion
Employee Reservation Portion	The portion of the Offer, being 10,000 Equity Shares, not exceeding 5% of the post-Offer Equity Share capital of our Company, that was available for allocation to Eligible Employees, on a proportionate basis
Escrow Account(s)	Account(s) opened with the Escrow Bank for the Offer and in whose favour the Anchor Investors transferred money through direct credit or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow and Sponsor Bank Agreement	The agreement dated June 16, 2019, entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, and Banker(s) to the Offer for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds, if any, to such Bidders, on the terms and conditions thereof
Escrow Bank	A bank, which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account has been opened, in this case being HDFC
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	₹ 970 per Equity Share
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with, among others, the circular (CIR/CFD/DIL/12/2013) dated October 23,

<b>Term</b>	<b>Description</b>
	2013, notified by SEBI and certain other amendments to applicable laws and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, (CIR/CFD/DIL/1/2016) dated January 1, 2016, (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, issued by SEBI as amended or modified by SEBI from time to time, including SEBI's circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, and included in " <b>Offer Procedure</b> " on page 500
HDFC	HDFC Bank Limited
I-Sec	ICICI Securities Limited
Jefferies	Jefferies India Private Limited
Maximum RII Allottees	The maximum number of Retail Individual Investors who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Investors by the minimum Bid Lot
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) or 73,168 Equity Shares which were made available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
NBFC-SI	Systemically important non-banking financial company, as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations 2018
Net Offer	The Offer less the Employee Reservation Portion, aggregating 4,877,862* Equity Shares
	<i>*Subject to finalisation of Basis of Allotment</i>
Net worth	Net worth is the aggregate of the paid-up share capital, share premium and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
Non-Institutional Category	The portion of the Offer, being not more than 15% of the Net Offer or 731,679* Equity Shares, available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price
	<i>* Subject to finalisation of Basis of Allotment</i>
Non-Institutional Investors/NIIs	All Bidders, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs) or Eligible Employees Bidding under the Employee Reservation Portion for an amount exceeding ₹ 500,000
Offer/ Offer for Sale	Initial public offer of 4,887,862* Equity Shares for cash at a price of ₹ 973 per Equity Share through an Offer for Sale, comprising an offer of (i) an aggregate of 3,320,753* Equity Shares aggregating to ₹ 3,231.09 million by the Investor Selling Shareholders; (ii) an aggregate of 1,430,109* Equity Shares aggregating to ₹ 1,391.50 by the Promoter Selling Shareholders and (iii) an aggregate of 137,000* Equity Shares aggregating to ₹ 133.30 million by the Other Selling Shareholders. The offer includes a reservation of 10,000 Equity Shares, for subscription by Eligible Employees, (constituting 0.04% of the post-offer Equity Share capital of our Company).The Offer and the Net Offer constitute 16.99% and 16.95% of the post-offer paid up Equity Share capital of our Company, respectively
	<i>*Subject to finalization of Basis of Allotment</i>
Offer Agreement	The agreement dated June 29, 2018, as amended by an amendment agreement dated June 16, 2019 entered into amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders (except Anchor Investors), being ₹ 973 per Equity Share, as determined in accordance with the Book Building Process and determined by our Company in consultation with the BRLMs in terms of the Red Herring Prospectus on the Pricing Date. A discount of ₹ 97 per Equity Share has been offered to Eligible Employees Bidding in the Employee Reservation Portion.
Offered Shares	4,887,862* Equity Shares comprising an aggregate of 3,320,753* Equity Shares offered by the Investor Selling Shareholders, an aggregate of 1,430,109* Equity Shares offered by the Promoter Selling Shareholders and an aggregate of 137,000* Equity Shares offered by the Other Selling Shareholders
	<i>*Subject to finalization of Basis of Allotment</i>
Price Band	Price band ranging from a Floor Price of ₹ 970 per Equity Share to a Cap Price of ₹ 973 per Equity Share

<b>Term</b>	<b>Description</b>
Pricing Date	June 27, 2019, i.e., the date on which our Company in consultation with the BRLMs, finalized the Offer Price
Prospectus	This prospectus, dated June 27, 2019, to be filed with the RoC for this Offer on or after the Pricing Date in accordance with the provisions of Sections 26 and 32 of the Companies Act and the SEBI ICDR Regulations and the SEBI ICDR Regulations 2018, including any addenda or corrigenda thereto and containing the Offer Price, the size of the Offer and certain other information
Public Offer Account	The bank account opened with the Public Offer Account Bank under Section 40 (3) of the Companies Act to receive monies from the Escrow Account(s) and the ASBA Accounts on the Designated Date
Public Offer Account Bank	The bank with whom the Public Offer Account is opened for collection of Bid Amounts from the Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being HDFC
QIB Category	The portion of the Offer, being at least 75% of the Net Offer, or 3,658,397 Equity Shares, which shall be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations 2018
Red Herring Prospectus or RHP	The red herring prospectus dated June 17, 2019, issued in accordance with Section 32 of the Companies Act, the SEBI ICDR Regulations and the SEBI ICDR Regulations 2018 which did not have complete particulars of the price at which the Equity Shares shall be Allotted and which was filed with the RoC, including corrigendum to the Red Herring Prospectus dated June 24, 2019
Refund Account	The account opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors
Refund Bank	The bank which is a clearing member registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account was opened, in this case being HDFC
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI
Registrar Agreement	The agreement dated June 23, 2018, entered into between our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer	Link Intime India Private Limited
Retail Category	The portion of the Offer, being not more than 10% of the Net Offer, or 487,786* Equity Shares, that was available for allocation to Retail Individual Investors
<i>* Subject to finalisation of Basis of Allotment</i>	
Retail Individual Investors/ RIIs	Bidders (other than Eligible Employees Bidding in the Employee Reservation Portion) (including HUFs and Eligible NRIs), whose Bid Amount for Equity Shares in the Offer was not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIBs bidding in the QIB category and Non-Institutional Investors bidding in the Non-Institutional category are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors were permitted to revise their Bids during Bid/ Offer period and withdraw their Bids until Bid/ Offer Closing Date
Self Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.
Share Escrow Agent	Link Intime India Private Limited
Share Escrow Agreements	The agreements entered into by and among the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of the respective portion of the

<b>Term</b>	<b>Description</b>
Offered Shares by each Selling Shareholder and credit of such Equity Shares to the demat account of the Allotees	
Specified Locations	Bidding centres where the Syndicate could accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Sponsor Bank	The Banker to the Offer registered with SEBI, which was appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Investors using the UPI and carry out any other responsibilities, in terms of the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in this case being HDFC
Stock Exchanges	Together, the BSE and NSE
Syndicate Agreement	The agreement dated June 16, 2019, entered into amongst the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer in relation to the collection of Bids cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case being Edelweiss Securities Limited
Syndicate or members of the Syndicate	Collectively, the BRLMs and the Syndicate Members
Underwriters	Members of the Syndicate
Underwriting Agreement	The agreement dated June 27, 2019, entered into among our Company, the Selling Shareholders, Registrar to the Offer and the Underwriters
UPI	United Payments Interface which is an instant payment mechanism, developed by NPCI
UPI ID	United Payments Interface Identification
UPI Mandate Request	A request (intimating the Retail Individual Investors, by way of a notification on the UPI application and by way of a SMS directing the Retail Individual Investors to such UPI application) to the Retail Individual Investors initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that may be used by a Retail Individual Investors to make a Bid in the Offer in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018
UPI PIN	Password to authenticate UPI transaction
Weighted average number of equity shares	Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year
Working Day(s)	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/ Offer Period , “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all trading days excluding Sundays and bank holidays in India in accordance with the Circulars on Streamlining of Public Issues

### Conventional and General Terms and Abbreviations

<b>Term</b>	<b>Description</b>
AIF(s)	Alternative Investment Funds
AS 18	Accounting Standard (AS) 18 on related party disclosures under Indian GAAP
BSE	BSE Limited
Bn	Billion
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor’s Report) Order, 2016
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and category II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Competition Act	Competition Act, 2002

<b>Term</b>	<b>Description</b>
Consolidated FDI Policy	The Consolidated FDI Policy, effective from August 28, 2017, issued by the DIPP, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Copyright Act	Copyright Act, 1957
CRM	Customer relationship management
CSO	Central statistics office, Ministry of Statistical and Program Implementation, Government of India
Customer Preference Regulations	Telecom Commercial Communications Customer Preference Regulations, 2010
Depositories Act	Depositories Act, 1996, read with the rules, regulations, clarifications and modifications thereunder
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant's identity number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident (Bank) Account established in accordance with provisions of FEMA
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FICCI	Federation of Indian Chambers of Commerce and Industry
Financial Year/fiscal/ Fiscal Year/ FY/ F.Y.	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
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations) registered with the SEBI
FVTPL	Fair value through profit or loss
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI/ Central Government	The Government of India
GST	Goods and services tax
HUF(s)	Hindu undivided family(ies)
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
IndAS	The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the IndAS Rules
IndAS 24	Indian Accounting Standard 24 on Related Party Disclosure issued by the MCA
IndAS Rules	Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
IT Act	The Information Technology Act, 2000, as amended
IT Intermediaries Rules	Information Technology (Intermediaries Guidelines) Rules, 2011
MCA	The Ministry of Corporate Affairs, Government of India
MSME	Micro Small and Medium-sized Enterprises
Mutual Funds	Mutual funds registered with the SEBI under the SEBI (Mutual Funds) Regulations, 1996
NAV	Net asset value
NCR	National Capital Region
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
Notified Sections	The sections of the Companies Act that have been notified by the MCA and are currently in effect

<b>Term</b>	<b>Description</b>
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
OFAC	U.S. Department of the Treasury's Office of Foreign Assets Control
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
Qualified Purchaser / QP	As defined in section 2(a)(51) and the related rules of the U.S. Investment Company Act
RBI	The Reserve Bank of India
Reasonable Security Practices Rules	Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011
RoC or Registrar of Companies	The Registrar of Companies, National Capital Territory of Delhi and Haryana
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Regulation S	Regulation S under the U.S. Securities Act
Rule 144A	Rule 144A of the U.S. Securities Act
SARs	Stock appreciation rights
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI ICDR Regulations, 2018	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SME	Small and medium enterprises
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trademarks Act	Trademarks Act, 1999
TRAI	The Telecom Regulatory Authority of India
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
U.S. GAAP	United States Generally Accepted Accounting Principles
USA or U.S. or US	United States of America
U.S. QIBs	“Qualified institutional buyers” as defined in Rule 144A under the U.S. Securities Act
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U. S. Securities Act	United States Securities Act, 1933, as amended
USTR	United States Trade Representative
Volcker Rule	Section 13 of the U.S. Bank Holding Company Act of 1956, as amended (together with the rules, regulations and published guidance thereunder)
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(zn) of the SEBI ICDR Regulations

## Industry Related Terms

<b>Term</b>	<b>Description</b>
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

The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the “**SEBI Act**”), the Securities Contracts (Regulation) Act, 1956 (the “**SCRA**”), the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “**Main Provisions of the Articles of Association**”, “**Statement of Tax Benefits**”, “**Industry Overview**”, “**Key Regulations and Policies in India**”, “**Restated Financial Statements**”, “**Outstanding Litigation and Material Developments**”, “**Government and Other Approvals**”, “**Part B**” of “**Offer Procedure**” and “**Notice to Prospective Investors in the European Economic Area**”, on pages 556, 120, 122, 175, 206, 462, 469, 515 and 16, respectively, will have the meaning ascribed to such terms in these respective sections.

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION**

*This Prospectus has been prepared in accordance with provisions and disclosure requirements of the SEBI ICDR Regulations except that the issue procedure including in relation to Bid/Offer Period, submission of Bid cum Application Forms, Payment of Bid Amount, allocation, Allotment, refund of Bid Amount, if any, and listing of the Equity Shares as described in the section “Offer Procedure” on page 500 including “Part B- General Information Document for Investing in Public Issues” (each read with “Glossary and Abbreviations” on page 515) has been prepared in accordance with the SEBI ICDR Regulations 2018.*

### **Certain Conventions**

All references in this Prospectus to “**India**” are to the Republic of India. All references in this Prospectus to the “**U.S.**”, “**USA**” or “**United States**” are to the United States of America.

Unless indicated otherwise, all references to page numbers in this Prospectus are to page numbers of this Prospectus.

### **Financial Data**

Unless stated or the context requires otherwise, the financial data in this Prospectus is derived from our Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements for fiscals 2019, 2018 and 2017 (prepared in accordance with the Companies Act and IndAS) and fiscals 2016 and 2015 (prepared in accordance with the Companies Act and Indian GAAP), restated in accordance with the SEBI ICDR Regulations.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular fiscal or financial year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

On February 16, 2015, the Ministry of Corporate Affairs, Government of India (“**MCA**”) issued the Companies (Indian Accounting Standards) Rules, 2015 (“**IndAS Rules**”) for the purpose of enacting changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IndAS Rules provide that the financial statements of the companies to which they apply shall be prepared in accordance with IndAS. Further, SEBI issued a circular (no. SEBI/HO/CFD/DIL/CIR/P/2016/47) dated March 31, 2016, which provides certain clarifications on the accounting framework to be applied by issuer companies filing draft offer documents with it. We have transitioned to the IndAS accounting standards with effect from April 1, 2016.

Indian GAAP and IndAS differ from accounting principles with which prospective investors may be familiar in other countries, including International Financial Reporting Standards (“**IFRS**”) and the Generally Accepted Accounting Principles in the United States of America (“**U.S. GAAP**”). Accordingly, the degree to which the Restated Financial Statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices. Any reliance by persons not familiar with Indian GAAP, IndAS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the Restated Financial Statements included in this Prospectus, nor have we provided a reconciliation of our Restated Financial Statements to those under the US GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial statements. Also see “**Risk Factors –Significant differences exist between IndAS, Indian GAAP, U.S. GAAP and IFRS, which may be material to investors’ assessment of our financial condition.**” on page 43.

Certain figures contained in this Prospectus, including our financial statements, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In this Prospectus, any discrepancies in any table between the sums of the amounts listed in the table and totals are due to rounding off. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

### **Industry and Market Data**

For the purpose of confirming our understanding of the industry in connection with the Offer, we have commissioned a report titled “**Market Assessment of B2B e-commerce and digital classifieds in India**” dated May 29, 2018 (“**KPMG Report**”) prepared by KPMG India Private Limited (“**KPMG Research**”). KPMG has required us to include the following disclaimer in connection with the KPMG Report:

*“The recipients should carry out their own due diligence in respect of information contained in the Report and extracts thereof included in the Offer Documents and Offer Materials. Also note that the extracts provided in the Offer Documents and the Offer Materials is only a part of the overall Report released to the Company and may not disclose all relevant matters. The Company and its advisors expressly disclaim any and all liability for, or based on or relating to any such information contained in, or errors in or omissions from, this Offer Documents and the Offer Materials or based on or relating to the recipients’ use of the Offer Documents and/or the Offer Materials.”*

Aside from the above, unless otherwise stated, industry and market data used throughout this Prospectus has been obtained from publicly available sources of industry data. 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. Although we believe the industry and market data used in this Prospectus is reliable, it has not been independently prepared or verified by us, the Selling Shareholders or the Syndicate or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Prospectus is meaningful depends upon the reader’s familiarity with and understanding of the methodologies used in compiling such data. 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 market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “**Risk Factors – This Prospectus contains information from KPMG Research which we have commissioned.**” on page 22. Accordingly, investment decisions should not be based solely on such information.

### Currency and Units of Presentation

All references to “**Rupees**” or “₹” or “**Rs.**” are to Indian Rupees, the official currency of the Republic of India. All references to “**U.S. Dollar**” or “**USD**” or “**US\$**” are to United States Dollar, the official currency of the United States of America.

In this Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions, except where specifically indicated. One million represents ₹10 lakhs or 1,000,000 and ten million represents ₹ 1 crore or 10,000,000. However, where any figures have been sourced from third party industry sources are expressed in denominations other than millions in their respective sources, such figures appear in this Prospectus expressed in such denominations as provided in such respective sources.

### Exchange Rates

This Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and the respective foreign currencies.

Currency	(in ₹)				
	Exchange Rate as on March 31, 2015	Exchange Rate as on March 31, 2016	Exchange Rate as on March 31, 2017	Exchange Rate as on, March 28, 2018*	Exchange Rate as on March 29, 2019**
1 US\$	62.59	66.33	64.84	65.04	69.17

Source: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://www.fbil.org.in)

\*Exchange rate as on March 28, 2018, as FBIL reference rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018 being a Saturday and public holidays, respectively.

\*\*Exchange rate as on March 29, 2019, as FBIL reference rate is not available for March 31, 2019, being a Sunday.

### NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been 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 Prospectus 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 of 1933, as amended (the “**U.S. Securities Act**”) or any other applicable law of the United States and, unless so registered, 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 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 (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 Prospectus 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 Prospectus as **QIBs**) and “qualified purchasers” (as defined under the U.S. Investment Company Act and referred to in this Prospectus 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 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 the BSE or the NSE). See “**Other Regulatory and Statutory Disclosures – Eligibility and Transfer Restrictions**” on page 480.

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 41.

## NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Prospectus has been prepared on the basis that all offers of Equity shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area (“EEA”), from the requirement to produce a prospectus for offers of Equity Shares. The expression “Prospectus Directive” means Directive 2003/71/EC of the European Parliament and Council EC (and amendments thereto, including the 2010 PD Amending Directive and Prospectus Regulation (EU) 2017/1129, to the extent applicable and to the extent implemented in the Relevant Member State (as defined below)) and includes any relevant implementing measure in each Member State that has implemented the Prospectus Directive (each a “**Relevant Member State**”). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Prospectus should only do so in circumstances in which no obligation arises for our Company, the Selling Shareholders or any of the BRLMs to produce a prospectus for such offer. None of our Company, the Selling Shareholders and the BRLMs 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 BRLMs which constitute the final placement of Equity Shares contemplated in this Prospectus.

### 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 (for the purposes of the MiFID II Product Governance Requirements) (“**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 Offer.

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.

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward looking statements, which include statements with respect to our business strategy, our revenue and profitability, our goals and other matters discussed in this Prospectus regarding matters that are not historical facts. These forward looking statements include statements with respect to our business strategy, our expected revenue and profitability, our goals and other matters discussed in this Prospectus regarding matters that are not historical facts. These forward looking statements can generally be identified by words or phrases such as “*aim*”, “*anticipate*”, “*believe*”, “*expect*”, “*estimate*”, “*intend*”, “*objective*”, “*plan*”, “*project*”, “*will continue*”, “*seek to*”, “*will pursue*” or other words or phrases of similar import. Similarly, statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. 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. This could be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes in the industry we operate in and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India that may have an impact on our business or investments, monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates and prices, the general performance of Indian and global financial markets, changes in the competitive landscape and incidence of any natural calamities and/or violence. Significant factors that could cause our actual results to differ materially include, but are not limited to:

- our ability to maintain a critical mass of suppliers and buyers on our online marketplace;
- a decline in the perceived usefulness of our services;
- competition from new companies resulting in decreased demand for our services or loss of visitor traffic, market share or paying suppliers;
- our ability to retain existing suppliers and attract new suppliers to our marketplace, and such suppliers permitting us to create storefronts for them;
- factors that may negatively affect our suppliers;
- negative publicity and lawsuits against us claiming products available on our marketplace to be pirated, counterfeit or illegal;
- our ability to continue to improve our financial growth;
- factors that negatively affect the growth and profitability of the online commerce industry in India or the Internet as a medium of commerce;
- growth of the mobile Internet penetration and supporting infrastructure in India and the steady emergence of mobile technology as a viable medium for transacting business; and
- any interruptions in the telecommunications and information technology systems, networks and infrastructure or our technical systems.

For a further discussion of factors that could cause our actual results to differ, see “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 19, 153 and 440, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Prospectus and are not a guarantee of future performance. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as the statements based on them could prove to be inaccurate.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Neither our Company, the Selling Shareholders, nor the Syndicate, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In

accordance with the requirements of SEBI, our Company and the BRLMs will ensure that investors in India are informed of material developments until the receipt of final listing and trading approvals for the Equity Shares pursuant to the Offer. Each Selling Shareholder (severally and not jointly) will ensure (through our Company and the BRLMs) that investors in India are informed of material developments in relation to the statements relating to and undertakings specifically confirmed or undertaken by such Selling Shareholder and their respective portion of the Offered Shares in this Prospectus, from the date thereof, until the receipt of final listing and trading approvals from the Stock Exchanges.

## **SECTION II - RISK FACTORS**

### **RISK FACTORS**

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Prospectus, 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 “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**”, on pages 153 and 440, respectively, as well as the other financial and statistical information contained in this Prospectus. If any 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 offer, 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 Prospectus 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 Prospectus. For details, see “**Forward-Looking Statements**” on page 17.

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 Restated IndAS Consolidated Summary Statements for fiscals 2017, 2018 and 2019 prepared in accordance with Indian Accounting Standard (“**Ind AS**”) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended from time to time and restated in accordance with the SEBI ICDR Regulations, SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016; and the Restated Indian GAAP Consolidated Summary Statements for fiscals 2015 and 2016 prepared in accordance with Indian GAAP notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules 2014, Companies (Accounting Standards) Amendment Rules, 2016 and restated in accordance with the SEBI ICDR Regulations, SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016.

Data included in this section in relation to certain operating metrics, financial information not otherwise included in the Restated IndAS Consolidated Summary Statements, Restated Indian GAAP Consolidated Summary 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 KPMG Report. We commissioned the KPMG 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 information in the KPMG 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 KPMG Report when making their investment decision. For further details, see “**Industry Overview**” and “**Our Business**” on pages 122 and 153, 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 achieve positive net worth.**

As at March 31, 2017 and 2018, we had a restated net worth of ₹(3,900.46) million and ₹(3,212.69) million as derived from our Restated Financial Statements, respectively. As at March 31, 2019, we had a positive net worth of ₹1,598.88 million. Our negative net worth as at March 31, 2017 and 2018 was primarily attributable to our operating losses and net loss / (gain) on financial assets and liabilities designated at fair value through profit or loss (“FVTPL”) in the respective fiscal / period.

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 net worth in fiscals 2017 and 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 increased from ₹3,177.63 million in fiscal 2017 to ₹ 4,105.08 million in fiscal 2018 and cash generated from operations increased from ₹(5.82) million in fiscal 2017 to ₹1,790.56 million in fiscal 2018. After excluding the effects of share buyback obligations, our net worth 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 440.

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;
- 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; and
- pursue strategic alliances and potential acquisitions.

These expenditures may not yield additional revenue as we anticipate or at all. If we are unable to achieve revenue growth that outpaces the growth of our expenses, we may not maintain profitability, our net worth may continue to be negative, our cash position may deteriorate and we may become insolvent.

**2. 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, 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,		
	2017	2018	2019
Paying subscription suppliers	96,025	108,347	129,589
Registered buyers (in millions)	39.37	59.81	82.70
Registered Suppliers/Indian supplier storefronts (in millions)	3.16	4.72	5.55

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.

**3. *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 KPMG Report. IndiaMART had an aggregate of 325.8 million, 552.6 million and 723.5 million visits in fiscals 2017, 2018 and 2019 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 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. Our indirect competitors include Google and Industry Buying. See "**Our Business—Competition**" on page 172.

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 recency 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.

**4. *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 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 “**Our Business**” on page 153.

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.

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 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.

**5. *This Prospectus contains information from KPMG Research which we have commissioned.***

The information in “**Industry Overview**” on page 122 includes information that is derived from the KPMG Report. We commissioned this report for the purpose 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 information in the KPMG Report. KPMG Research has advised that it does not guarantee the accuracy, adequacy or completeness of the KPMG Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of the KPMG Report or the data therein. The KPMG 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 KPMG Research’s assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Prospectus. Further, the KPMG Report is not a recommendation to invest / disinvest in any company covered in the KPMG Report. KPMG Research states that it is not responsible for any loss or damage arising from the use of the KPMG Report. Prospective investors are advised not to unduly rely on the KPMG Report when making their investment decisions.

**6. 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 labour, 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; and
- the overall performance of the Indian economy.

Unfavorable changes in business and economic conditions affecting Indian suppliers could result in reduced marketing expenditures by suppliers. 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.

**7. 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 "***Our Business – Security – Measures against infringing, illegal and counterfeit products***" on page 171.

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 also have been and may continue to 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, 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.

**8. 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, given that the GDPR has been recently notified, there continues to be uncertainty as to the applicability, interpretation and implementation of its provisions. 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 unfavourable changes in or interpretations of the GDPR, or other provisions which may become applicable to us in the future. Further, 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.

**9. *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 time 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 36.

**10. *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 KPMG 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 March 31, 2019, our IndiaMART mobile app had been installed 10.84 million times, and, together with our IndiaMART mobile platform, accounted for 76%, 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 3G and 4G 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.

***11. 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 be 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.

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. 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.

***12. 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 ₹3,177.63 million in fiscal 2017 to ₹5,074.17 million in fiscal 2019. 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.

***13. We have made certain issuances and allotments of our Equity Shares which were not in compliance with section 67(3) of the Companies Act, 1956.***

We issued and allotted Equity Shares to more than 49 persons (pursuant to private placements) through three allotments on June 17, 2001, July 15, 2001 and August 30, 2001 (collectively, the "2001 Allotments"). These

allotments were not in compliance with Section 67(3) of the Companies Act 1956 governing public offerings of shares.

According to the terms of SEBI's circular (CIR/CFD/DIL3/18/2015) dated December 31, 2015 (the "SEBI Amnesty Circular"), companies involved in issuance of securities to more than 49 persons but up to 200 persons in a fiscal year may avoid penal action subject to fulfilment of certain conditions including the provision of an option to the current holders of such securities allotted pursuant to the 2001 Allotments to surrender such Equity Shares at an exit price not less than the amount of subscription money paid along with 15% interest per annum thereon or such higher return as promised to such allottees.

In compliance with the SEBI Circular, through a letter dated July 20, 2016 our Promoter, Dinesh Chandra Agarwal, provided an offer to those shareholders (excluding our Promoters) who held, as on a specified record date, the Equity Shares allotted by our Company through the 2001 Allotments to purchase such Equity Shares from them at a purchase price equivalent to the subscription amount, along with interest at the rate of 15% per annum thereon. For further details, see "***Capital Structure – History of equity share capital of our Company***" on page 93.

Subsequently, our Company filed an application with the RoC, before the Regional Director (Northern Region), New Delhi seeking to compound non-compliance with Section 67(3) of the Companies Act 1956, pursuant to the 2001 Allotments. The Regional Director (Northern Region) by an order dated February 3, 2017, compounded the offence and imposed a fine of ₹5,000 each on our Company, Dinesh Chandra Agarwal, our Managing Director and Brijesh Kumar Agrawal, our whole time Director, which have been paid.

***14. 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, any such reports or listings may adversely affect our reputation and reduce user activity on our marketplace, 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 "***Our Business—Sales, Customer Acquisition, Marketing and Branding—Marketing and Branding***" on page 169 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.

***15. 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 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.

***16. 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.

***17. 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.

***18. There are outstanding legal proceedings and litigations against our Company, our Promoters, our Directors and our Subsidiary. 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.***

We 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.

A summary of the material outstanding proceedings involving our Company, Promoters, Directors and Subsidiary, Tolexo Online Private Limited (“**TOPL**”), including the aggregate approximate amount involved to the extent ascertainable, is provided below:

S. No.	Nature of proceedings	No. of outstanding proceedings	Aggregate amount involved (to the extent ascertainable) (₹ in million)
<b>Litigation against our Company</b>			
1.	Criminal proceedings	3 <sup>(1)</sup>	0.60
2.	Action taken by statutory/regulatory authority	1	Not ascertainable
3.	Direct tax proceedings	5	20.38
4.	Indirect tax proceedings	3	23.46
5.	Civil proceedings	8	150.00
<b>Litigation by our Company</b>			
1.	Criminal proceedings	4	0.41
2.	Civil proceedings	1	Not ascertainable
<b>Litigation against our Subsidiaries</b>			
1.	Criminal proceedings against our Subsidiaries	1	Not ascertainable
2.	Direct tax proceedings	1	237.15
<b>Litigation by our Subsidiaries</b>			
1.	Criminal proceedings by our Subsidiaries	1	Not ascertainable
<b>Litigation involving our Directors*</b>			
1.	Criminal proceedings against our Directors	2 <sup>**</sup>	0.02
	Action taken by a statutory/regulatory authority against our Directors	1 <sup>**(1)</sup>	Not ascertainable
2.			
<b>Litigation involving our Promoters</b>			
1.	Criminal proceedings against our Promoters	2 <sup>**</sup>	0.02
	Action taken by a statutory/regulatory authority against our Promoters	1 <sup>**(1)</sup>	Not ascertainable
2.			

\*Includes litigation initiated against our Promoters

\*\* Includes one litigation initiated against Dinesh Chandra Agarwal and Brijesh Kumar Agrawal

(1) Includes one complaint which has been dismissed by the City Sessions Court, Mumbai

For further details, see “**Outstanding Litigation and Other Material Developments**” on page 462.

**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. 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% and 46.51% of our total expenses in fiscals 2018 and 2019, 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. 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.

***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. 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.

***23. 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.

In addition, one buyer on our marketplace has filed first information reports against our Company and Dinesh Chandra Agarwal, our Managing Director, respectively, alleging non-receipt of delivery of the products for which it had placed orders with a supplier discovered through our marketplace. Further, we have also initiated criminal proceedings against a supplier for creating and hosting fraudulent web catalogues on our website. For further details, see “***Outstanding Litigation and Material Developments – Litigation against our Company - Civil and Other Material Proceedings***” on page 463.

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 a suit against a supplier and our Company alleging infringement of its trademark, by using the term ‘Exxon’ in relation to which the Delhi High Court has granted an injunction, restraining all defendants in the litigation, including our Company, from using the impugned mark infringing Exxon’s trademark. While we respond to such notices by removing such listings, third parties 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. 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.

#### ***24. 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 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; and
- changes in our regulatory environment.

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.

**25. We depend on third-party service providers for a significant portion of outsourced operational services, 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 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. 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 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.

**26. 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) and applied for the registration of certain trademarks including “TRUSTSEAL” (word mark), “INDIAMART TRUST SEAL” (word mark), “PAY WITH INDIAMART” (word mark) and “POORAA” (word mark) which are pending registration, as of the date of this Prospectus. 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. For further details, see "***Government and Other Approvals—Intellectual property approvals***" on page 469.

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](http://www.indiamart.com) and [www.tolexo.com](http://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.

***27. 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 a FIR against a former employee, alleging commission of data theft. For further details, see "***Outstanding Litigation and Material Developments—Litigation by our Company—Criminal proceedings***" on page 465. 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. 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. For further details, see "**Key Regulations and Policies in India**" on page 175. 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 July 2018, published the Personal Data Protection Bill, 2018, which provides for a framework for protection of 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 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.

**28. *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. For details, see "**Government and Other Approvals**" on page 469. 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. For further details, see "**Key Regulations and Policies in India**" on page 175.

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. For instance, in the past, our Company entered into transactions with Clickindia Infomedia Private Limited, (“CIPL”), and Intermesh Shopping Network Private Limited, both of which were related parties, for the provision of webpage and general internet design, maintenance and consulting services, and related training and consulting services, without obtaining the approvals from the GoI under the provisions of the Companies Act 1956. On our application for compounding, pursuant to an order dated May 27, 2011 of the Company Law Board, New Delhi, this offense was compounded on payment of ₹ 2,000 each by our Company, our Promoters and certain officers. Separately, Chetna Agarwal, the wife of one of our Promoters, Dinesh Chandra Agarwal, served as the Senior Manager – Finance of our Company from February 11, 2009 until August 30, 2010. We failed to seek prior approval for payment of her remuneration from our shareholders and from the GoI, as required by the Companies Act 1956 read with the Director’s Relatives (Office or Place of Profit) Rules, 2003. Our waiver applications filed with the GoI were rejected and Chetna Agarwal refunded the excess remuneration paid to her during her tenure.

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.

***29. 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 Dinesh Chandra Agrawal, our Managing Director, Brijesh Kumar Agrawal, our whole Director and certain KMPs and senior employees of 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 other claims alleging that we provide inaccurate, false or misleading information. 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. For further details, see “***Outstanding Litigation and Material Developments – Litigation against our Company – Criminal proceedings***” on page 462.

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.

***30. 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.

***31. 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" 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.

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.

***32. 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 to 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.

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

As of the date of this Prospectus, our Promoters and certain members of Promoter Group together hold an aggregate of 57.58% of our outstanding Equity Shares. After the completion of the Offer, our Promoters and members of our Promoter Group will continue to hold a significant portion of our issued, subscribed and paid up Equity Shares, which will allow them to control the outcome of the matters submitted to our Shareholders for approval. Our Promoters and certain members of Promoter Group will 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. 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 Offer. See “***Our Promoters and Promoter Group***” on page 198 for more information.

**34. *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 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 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
- unforeseen or hidden liabilities.

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.

**35. *Our Promoters and certain of our Directors and key management personnel (“KMP”) have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters and certain of our Directors and KMPs may be regarded as having interests in our Company other than normal remuneration or benefits and reimbursement of expenses incurred. Our Directors and Promoters, Dinesh Chandra Agarwal and Brijesh Kumar Agrawal, may be deemed to be interested to the extent of Equity Shares held by them and by members of our Promoter Group and our Directors, Rajesh Sawhney, Vivek Narayan Gour and Dhruv Prakash are deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. Further, our Promoters may also be deemed to be interested to the extent that our Company has leased certain premises from MEPL, our Group Company and a member of our Promoter Group, pursuant to which lease rental payments are made by our Company to MEPL. Additionally, our Company has entered into a service agreement with Dhruv Prakash, our non-executive Director, pursuant to which he provides management consultancy and leadership development training services for the senior management of our Company, in lieu of a service fee payable to him and reimbursement of travel expenses. For more information, see "***Our Management—Interest of Directors***" and "***Our Promoters and Promoter Group —Interest of our Promoters***" on pages 190 and 198, respectively.

***36. We have entered into, and will continue to enter into, related party transactions which may not always enable us to achieve the most favourable 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 Group Company, MEPL, pursuant to which we are required to pay monthly rent payments to MEPL. 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 these or 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 204.

***37. 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 registered office is valid until July 14, 2023 and includes a provision for renewal, and the lease agreements in respect of our corporate office are valid until September 30, 2019 and June 11, 2022. In addition, as on May 31, 2019, we have taken on lease the premises on which 69 of our other operational offices are located and occupy one of our offices as a co-working space. Of these, as on date, the lease agreements for two of our offices have expired and are under renewal. Additionally, we are in the process of finalizing a lease agreement for a property situated in Noida, Uttar Pradesh and we may, in the future, move our corporate office to such new premises. 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 may cancel our allotment if construction does not commence before October 2019, or may not further extend the construction timeline. 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.

***38. 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.

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.

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

As of March 31, 2019, we had contingent liabilities as per Ind AS 37. For further details regarding contingent liabilities, see “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and “**Restated Financial Statements—Restated Consolidated Financial Statements**” on pages 440 and 324, 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.

**40. 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. 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.

**41. Our Company has issued Equity Shares in the last 12 months at a price that may be lower than the Offer Price.**

Our Company issued (i) 1,775,455 Equity Shares to Intel Capital (Mauritius), Limited (“**Intel**”), 966,068 Equity Shares to Amadeus IV DPF Limited (“**Amadeus**”), 185,902 Equity Shares to Accion Frontier Inclusion Mauritius (“**AFIM**”) and 947,120 Equity Shares to Westbridge Crossover Fund LLC (“**Westbridge**”) on conversion of CCPS held by them, respectively; and (ii) an aggregate of 182,814 Equity Shares on exercise of stock options held by our employees. There can be no assurance that the issue price of these Equity Shares will not be lower than the Offer Price.

**42. Our Company will not receive any proceeds from this Offer.**

The Offer comprises of an offer for sale of 3,320,753 Equity Shares by the Investor Selling Shareholders, 1,430,109 Equity Shares by the Promoter Selling Shareholders and 137,000 Equity Shares by the Other Selling Shareholders, in each case, subject to finalisation of Basis of Allotment. The proceeds from the Offer (net of applicable expenses) will be paid to Selling Shareholders, in proportion of the respective portion of the Offered Shares transferred pursuant to the Offer, and our Company will not receive any such proceeds.

Further, 1,430,109 Equity Shares being offered and sold by the Promoter Selling Shareholders comprise 852,453 Equity Shares and 577,656 Equity Shares by Dinesh Chandra Agarwal, our Promoter and Managing Director and Brijesh Kumar Agrawal, our Promoter and whole-time Director, respectively, in the Offer for Sale and accordingly, they will receive the proceeds of the sale of such Equity Shares.

## **EXTERNAL RISKS**

**43. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.**

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

**44. 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 Offer 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. See "**Other Regulatory and Statutory Disclosures – Eligibility and Transfer Restrictions**" on page 480.

**45. 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 Offer 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.

**46. Certain withholding requirements may be imposed on payments on our Equity Shares under the U.S. Foreign Account Tax Compliance Act.**

Provisions under the U.S. Internal Revenue Code of 1986, as amended, or the “Code”, and U.S. Treasury Regulations thereunder, commonly referred to as “FATCA” (subject to the proposed U.S. Treasury regulations discussed below), may impose 30% withholding on certain “withholdable payments” and “foreign passthru payments” (each as defined in the Code) made by a “foreign financial institution” (as defined in the Code) that has entered into an agreement with the IRS to perform certain diligence and reporting obligations with respect to the foreign financial institution’s U.S.-owned accounts (each such foreign financial institution, a “**Participating Foreign Financial Institution**”). To the extent payments on the Equity Shares are considered foreign passthru payments, such withholding may be imposed on payments on the Equity Shares made by us (if we are treated as a foreign financial institution) or other intermediary that is a Participating Foreign Financial Institution to any foreign financial institution (including an intermediary through which an investor may hold the Equity Shares) that is not a Participating Foreign Financial Institution or any other investor who does not provide information sufficient to establish that the investor is not subject to withholding under FATCA, unless such foreign financial institution or investor is otherwise exempt from FATCA. Under current guidance, the term “foreign passthru payment” is not defined and it is therefore not clear whether or to what extent payments on the Equity Shares would be considered foreign passthru payments, although IRS guidance has indicated that the definition of “foreign passthru payment” is intended to cover payments that are attributable to underlying U.S. source income. Under recently proposed U.S. Treasury regulations, any withholding on foreign passthru payments on the Equity Shares would apply to foreign passthru payments made on or after the date that is two years after the date of publication in the Federal Register of applicable final regulations defining foreign passthru payments. Taxpayers generally may rely on these proposed regulations until final regulations are issued India and the United States have entered into an intergovernmental agreement that modifies the FATCA regime described above in certain respects. It is not yet clear how the intergovernmental agreements will address foreign passthru payments. Prospective investors should consult their tax advisors regarding the potential impact of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, on their investment in our Equity Shares.

## RISKS RELATING TO INDIA

**47. 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. Such changes may 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.

For instance, the Government of India has implemented a comprehensive national goods and services tax (“GST”), regime with effect from July 1, 2017 that contains multiple taxes and levies by the Central and State Governments into a unified rate structure. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given that the various rules and regulations regarding the new regime are being evaluated in terms of various implications concerning the GST, we cannot provide you with any assurance as to this or any other aspect of the tax regime following implementation of the GST including anti-profiteering regulations of the new tax regime and availability of input tax credit (“ITC”).

In addition, the General Anti-Avoidance Rules (“GAAR”) became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in the denial of tax benefits to an arrangement, among other consequences. In the absence of any such precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

Further, while no law, regulation or policy has been adopted as on date, the Government of India in July 2018, published the Personal Data Protection Bill, 2018, which provides for a framework for protection of 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 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.

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

The Restated Ind AS Consolidated Summary Statements for fiscals 2017, 2018 and 2019 included in this Prospectus have been prepared in accordance with Ind AS 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 and restated in accordance with the SEBI ICDR Regulations, SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016; and the Restated Indian GAAP Consolidated Summary Statements for fiscals 2015 and 2016 included in this Prospectus have been prepared in accordance with Indian GAAP notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules 2014, Companies (Accounting Standards) Amendment Rules, 2016 and restated in accordance with the SEBI ICDR Regulations, SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Ind AS and Indian GAAP financial statements, which are restated as per SEBI ICDR Regulations included in this Prospectus 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 Prospectus should accordingly be limited.

We have prepared our financial statements for Fiscal 2018 and Fiscal 2019 in accordance with Ind AS. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements were historically prepared, our financial statements prepared after the adoption of Ind AS may not be comparable to our historical financial statements that were prepared under Indian GAAP.

***49. It may not be possible for you to enforce any judgment obtained outside India, including in the United States, against our Company or any of our directors and officers that are resident in India, except by way of a suit in India on such judgment.***

We are incorporated under the laws of India and all of our Directors and executive officers reside in India. Furthermore, all of our Company's assets are located in India. As a result, you may be unable to:

- effect service of process in jurisdictions outside India, including in the United States, upon our Company; or
- enforce in Indian courts judgments obtained in courts of jurisdictions outside India against our Company, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, which provide that a suit must be brought in India within three years from the date of the judgment sought to be enforced.

It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

***50. 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. Additionally, 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. 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.

***51. 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.

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.

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.

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.

**52. Natural disasters, epidemics, terrorist attacks and other acts of violence or war could have a negative effect on the Indian economy and cause our business to suffer.**

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, 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 neighbouring 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 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.

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

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. 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. 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.

**54. You may be subject to Indian taxes arising out of capital gains on sale of Equity Shares. Recently, the Finance Act, 2018 levied taxes on such long term capital gains exceeding ₹100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares.**

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Previously, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long term capital gains tax in India if Securities Transaction Tax ("STT") was paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of Equity Shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, now seeks to tax on such long term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such Equity Shares. 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 listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

**55. Our Statutory Auditors have included in the past certain modifications to some of the matters required to be included in accordance with the Companies (Auditor's Report) Order, 2016 ("CARO") and a matter of emphasis in the Restated Ind AS Unconsolidated Summary Statements in relation to certain fiscal years.**

Our Statutory Auditors have included a matter of emphasis to the information required to be disclosed in the Restated Indian GAAP Unconsolidated Summary Statements pursuant to the auditor's report issued for the financial year ended March 31, 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 Statutory Auditors' opinion is not modified in respect of the said matter.

Further, our Statutory Auditors have included certain modifications to the information required to be disclosed in the Restated Indian GAAP Consolidated Summary Statements, the Restated Ind AS Unconsolidated Summary Statements and the Restated Indian GAAP Unconsolidated Summary Statements pursuant to the CARO in relation to certain fiscals. These modifications relate to the auditor's report issued under the Companies (Auditor's Report) Order, 2016 on the consolidated financial statements of our Company as at and for the year ended March 31, 2015 and the audited unconsolidated financial statements of our Company as at and for the years ended March 31, 2015, 2016, 2017 and 2018. For details, see "**Financial Information**" on page 206.

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.

**56. Our Company is subject to a new leasing standard viz, Ind AS 116 Leases, effective April 1, 2019.**

On March 30, 2019, the Ministry of Company Affairs ("MCA") has notified that Ind AS 116 will be effective for accounting periods beginning on or after April 1, 2019. The Group's first quarterly interim financial statements for the year ended March 31, 2020 will be first financial statements issued in accordance with Ind AS 116.

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 recognizing 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 will need to disclose how it applied the modified retrospective method.

The Company is under process to evaluate the impacts of the new standard on financial statements.

**RISKS RELATING TO THIS OFFER AND INVESTMENTS IN OUR EQUITY SHARES**

**57. Our Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for our Equity Shares. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.**

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for our Equity Shares. The Offer Price of our Equity Shares has been determined through a book-building process and may not be indicative of the market price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter. The market price of our Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in the Stock Exchanges and securities markets elsewhere in the world, variations in revenue or earnings estimates by research publications and changes in economic, legal and other regulatory factors.

**58. 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.**

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 investors' shareholdings 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 in the public market after the completion of this Offer, including 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. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

**59. *The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares has been determined by our Company in consultation with the BRLMs, and through the Book Building Process. This price is based on numerous factors, including the basic and diluted earnings per share, price earnings ratio in relation to the Offer Price per Equity Share of the face value and return on net worth as described under “**Basis for Offer Price**” on page 117 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price and investors may not be able to re-sell Equity Shares at or above the Offer Price resulting in a loss of all or part of the investment. Further, our BRLMs have previously handled issues wherein the market price of the issued shares declined below the issue price of shares within 30 days of their listing and in certain cases continued to trade at a price lower than their listing price on the 180th day from listing. For details of the price information of the past issues handled by the BRLMs, see “**Other Regulatory and Statutory Disclosures – Price Information of past issues handled by the BRLMs**” on page 475. We cannot assure you that you will be able to resell your Equity Shares at or above the Offer Price.

**60. *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.***

On listing, the Equity Shares will be 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.

**61. *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. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

**62. *We may be classified as a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. holders of Equity Shares.***

A non-U.S. corporation will be classified as a passive foreign investment company (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. Whether we are 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 composition of our income and assets, as well as the value of our assets (which may fluctuate with our market capitalization), from time to time. Based on the composition of our income, assets (including their expected

value) and operations, although not free from doubt, we expect that we will not be a PFIC for the current taxable year or in the foreseeable future. However, our PFIC status depends, in part, on the expected value of our goodwill, which could fluctuate significantly. Therefore, we may be classified as a PFIC for the current taxable year or for any future taxable year. If we are treated as a PFIC for any taxable year during which a U.S. investor held Equity Shares, such U.S. investor could be subject to adverse U.S. federal income tax consequences.

**Prominent Notes:**

- i) Initial public offer of 4,887,862\* Equity Shares for cash at a price of ₹ 973 each, aggregating to ₹ 4,755.89 million, comprising an Offer for Sale of (i) 2,590,000\* Equity Shares by Intel, 255,753\* Equity Shares by Amadeus and 475,000\* Equity Shares by AFIM, the Investor Selling Shareholders; (ii) 852,453\* Equity Shares by Dinesh Chandra Agarwal and 577,656\* Equity Shares by Brijesh Kumar Agrawal, the Promoter Selling Shareholders; and (iii) an aggregate of 137,000\* Equity Shares by the Other Selling Shareholders. For details of the Other Selling Shareholders, see “**Other Regulatory and Statutory Disclosures**” on page 471. The Offer also includes an Employee Reservation Portion of 10,000 Equity Shares (constituting 0.04% of the post-Offer Equity Share capital of our Company). The Offer and the Net Offer constitute 16.99% and 16.95% of the post-Offer paid up Equity Share capital of our Company, respectively.

\*Subject to finalisation of Basis of Allotment

- ii) As on March 31, 2019, our net worth was ₹ 1,598.88 million and ₹ 1,606.82 million as derived from our Restated IndAS Consolidated Summary Statements and our Restated IndAS Unconsolidated Summary Statements, respectively. See “**Restated Financial Statements**” on page 206.
- iii) As on March 31, 2019, the net asset value per Equity Share was ₹ 55.92 and ₹ 56.20 as derived from our Restated IndAS Consolidated Summary Statements and our Restated IndAS Unconsolidated Summary Statements, respectively. See “**Restated Financial Statements**” on page 206.
- iv) The average cost of acquisition per Equity Share for our Promoters/ Promoter Selling Shareholders as on the date of this Prospectus is:

Name of Promoter/Promoter Selling Shareholder	Average cost of acquisition per Equity Share (₹)*
Dinesh Chandra Agarwal	8.50
Brijesh Kumar Agrawal	0.24

\*As certified by AARK & Co. LLP, Chartered Accountants, by their certificate dated June 17, 2019.

For further details of our Promoters’ capital built-up, see “**Capital Structure**” on page 93.

- v) The average cost of acquisition per Equity Share for our Investor Selling Shareholders as on the date of this Prospectus is:

Name of Investor Selling Shareholder	Average cost of acquisition per Equity Share (₹)*
Intel Capital (Mauritius), Limited	178.86
Accion Frontier Inclusion Mauritius	385.00
Amadeus IV DPF Limited	385.00

\*As certified by AARK & Co. LLP, Chartered Accountants, by their certificate dated June 17, 2019.

- vi) There has been no financing arrangement whereby our Promoter Group, our Directors and their relatives, have financed the purchase by any other person of securities of our Company, other than in the ordinary course of the business of the financing entity, during the six months preceding the date of the Draft Red Herring Prospectus.
- vii) The aggregate loans and advances given to related parties, as defined under IndAS 24, during the fiscals indicated below, and its value as a percentage of our net worth derived from our Restated IndAS Consolidated Summary Statements and Restated IndAS Unconsolidated Summary Statements are set forth below.

(except % data, ₹ in million)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Net worth derived from Restated IndAS Unconsolidated Summary statement of Assets and Liabilities	1,606.82	(3,122.74)	(2,531.28)
Net worth derived from Restated IndAS Consolidated Summary statement of Assets and Liabilities	1,598.88	(3,212.69)	(3,900.46)
Loans to related parties (as defined under IndAS 24) derived from Restated IndAS Unconsolidated summary Statements	2.50	4.00	0.00
Loans to related parties (as defined under IndAS 24) derived from Restated IndAS Consolidated summary Statements	0.00***	0.00***	0.00
Percentage of Restated Unconsolidated Net Worth (%) <sup>*</sup>	0.16%	(0.13)%	0.00%
Percentage of Restated Consolidated Net Worth (%) <sup>**</sup>	0.00%***	0.00%***	0.00%

<sup>\*</sup> Loans to subsidiary as a percentage of net worth derived from our Restated IndAS Unconsolidated Summary Statements

<sup>\*\*</sup> Loans to subsidiary as a percentage of net worth derived from our Restated IndAS Consolidated Summary Statements

<sup>\*\*\*</sup> As the loan was extended by the Company to its wholly owned Subsidiary (Tolexo Online Private Limited), the said inter-company loan is eliminated in the Restated IndAS Consolidated Summary Statements of the Company.

*Net worth includes equity share capital and other equity (including share premium, general reserve, employee share based payment reserve, capital reserve and retained earnings)*

The aggregate loans and advances given to related parties, as defined under AS 18, during the fiscals indicated below and its value as a percentage of our net worth derived from our Restated Indian GAAP Consolidated Summary Statements and Restated Indian GAAP Unconsolidated Summary Statements are set forth below.

Particulars	Fiscal 2016	Fiscal 2015
Net worth derived from Restated Indian GAAP Unconsolidated Summary statement of Assets and Liabilities	83.15	(811.33)
Net worth derived from Restated Indian GAAP Consolidated Summary statement of Assets and Liabilities	(772.89)	(939.82)
Loans to related parties (as defined under AS 18) derived from Restated Indian GAAP Unconsolidated summary Statements	0.00	0.00
Loans to related parties (as defined under AS 18) derived from Restated Indian GAAP Consolidated summary Statements	0.00	0.00
Percentage of Restated Unconsolidated Net Worth (%)	0.00%	0.00%
Percentage of Restated Consolidated Net Worth (%)	0.00%	0.00%

*Net worth includes equity share capital, preference share capital and reserves and surplus (including securities premium, general reserve and surplus in statement of profit and loss)*

- viii) For details of transactions between our Company, Subsidiaries and Group Company during the fiscal 2019, including the nature and cumulative value of the transactions, see “**Related Party Transactions**” on page 204.
- ix) For information regarding the business or other interests of our Group Company in our Company, see “**Our Group Company**” and “**Related Party Transactions**” on pages 202 and 204, respectively.
- x) There has been no change in the name of our Company at any time during the last three years immediately preceding the date of this Prospectus.

Bidders may contact any of the BRLMs who have submitted the due diligence certificate to the SEBI, for any complaint pertaining to the Offer.

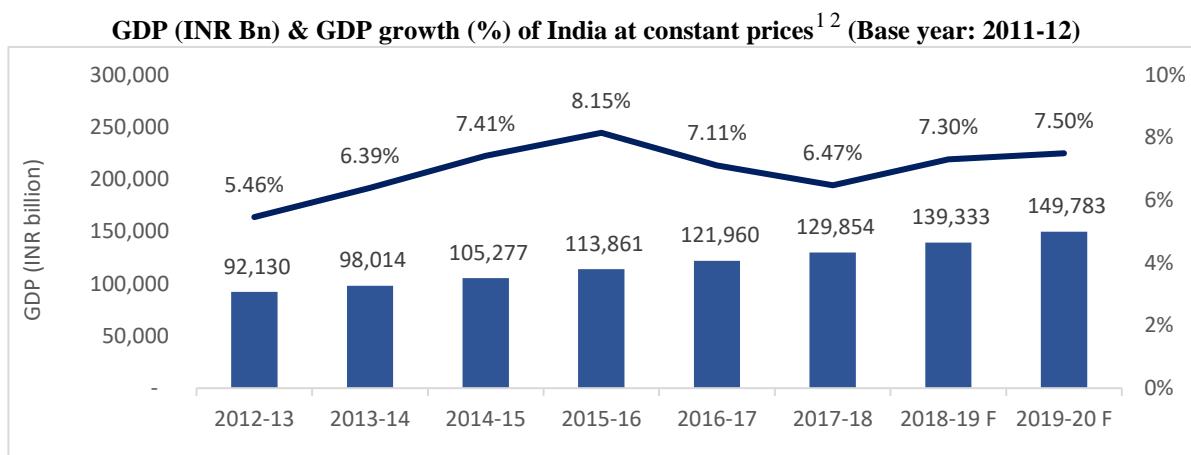
### SECTION III – INTRODUCTION SUMMARY OF INDUSTRY

*Investors should note that this is only a summary description of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this entire Red Herring Prospectus, including the information in the sections “Risk Factors”, “Industry Overview”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operation” and “Financial Information” on pages 19, 122, 153, 440 and 206, respectively. An investment in the Equity Shares involves a high degree of risk.*

*The information in this section is derived from the KPMG Report. We commissioned the KPMG 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 information in the KPMG 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 KPMG Report when making their investment decision. For further details, see “Risk Factors”, “Industry Overview” and “Our Business” on pages 19, 122 and 153 respectively.*

#### ***India’s GDP growth and contribution of manufacturing and MSME sectors***

The Indian economy has been on a steady growth path over the past few years with the GDP reaching INR 129,854 Bn in 2017-18.



*Source: RBI, Fitch Ratings- USA*

The Indian economy is primarily service based with the service sector contributing more than 62% to the GDP. This contribution has been gradually increasing over the past 5 years while the contribution of manufacturing sector to the GDP has remained constant at around 17-18% over the same period. 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 90 million domestic jobs in the manufacturing sector by 2025.<sup>3</sup>

#### ***GDP growth across developing and developed countries***

India is the world’s seventh-largest economy and has shown consistent growth, which compared favorably to GDP growth across other developed economies. India is projected to be the fastest growing economy amongst the top 10 economies of the world by GDP, growing around 7-8 percent CAGR from 2018-2023. On the other hand, China and USA are expected to grow at slower rates of ~6 percent and ~2 percent respectively.<sup>4</sup>

<sup>1</sup> Reserve Bank of India, Handbook on Statistics on Indian Economy

<sup>2</sup> Fitch Ratings - USA

<sup>3</sup> Indian Brand Equity Foundation - Manufacturing Sector in India

<sup>4</sup> International Monetary Fund

## **Digital India – Increasing adoption of Internet laying the groundwork**

### ***Internet growth in India***

The number of internet subscribers in India is expected to increase from 446 million as on December 2017 to nearly 900 million by FY22 primarily driven by growth in wireless broadband services. 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 wireless internet subscribers is projected to increase from 425 million as on December 2017 to 867 million by FY22 primarily driven by growth in the 4G subscriber base.

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). The number of MSMEs in India have increased at a CAGR of 6.4% in the last 9 years from 36.18 million in 2006-07. These 63.39 million MSMEs employ around 111 million people spread across urban (55 percent) and rural (45 percent) India which represents around 40% of the working population of India.

### ***Contribution of MSMEs in the country's economy***

The 63 million Micro, Small and Medium Enterprises (MSMEs) in the country contribute a significant portion to India's GDP. This contribution from the MSME segment stood at nearly 30 percent in FY2018, with around 6 percent coming from manufacturing and around 24 percent from the service segment in past 3-5 years.<sup>5</sup>

As per our discussions with SME industry bodies, it was believed that on the back of government initiatives, the SME segment could target increasing the contribution to GDP to around 35 percent<sup>6</sup> over the next 4-5 years.

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

Getting business online- Internet for businesses

As per the KPMG Google report on 'Impact of internet and digitization of SMBs in India', just 32 percent of SMEs in India were digitally connected in 2017 and 17 percent used internet for business purposes. On the other hand, 54 percent of small businesses in USA used e-mail for business in 2017 and 51 percent had their own website.<sup>7</sup> In China, 89 percent of all enterprises were connected to internet by 2015<sup>8</sup>.

Of the 32 percent SMEs that were digitally connected, only 2 percent were adjudged to be using the full potential of digital technologies while the remaining 30 percent were not actively promoting or selling their business online.

---

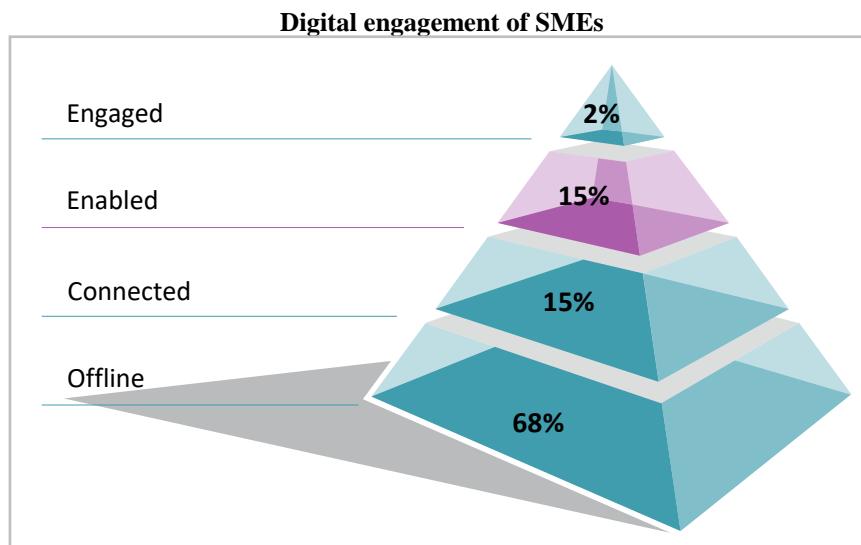
<sup>5</sup> CII, MSME Sectoral Updates

<sup>6</sup> Primary discussions with SME industry bodies

<sup>7</sup> Report by Blue Corona

<sup>8</sup> Report by iResearch

As per our limited discussion with an SME industry body, they believe that the number of digitally connected SMEs could rise to 50 percent in the next 4-5 years<sup>9</sup>.



*Source: Impact of internet & digitization On SMEs, KPMG India & Google, 2017 (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.

#### ***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.

---

<sup>9</sup> Primary discussions with SME industry bodies

The first month post the GST implementation, witnessed registration of over 1 million businesses in the system<sup>10</sup> and this number rose to 9.8 million by December 2017<sup>11</sup>. Also, as per the economic survey 2017-18, SMEs had 22 percent share in the number of filed GST returns<sup>12</sup>, outlining the importance of the reform for the SME segment.

### *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 increased from ~18 Mn (FY'17) to ~915 Mn (FY'18), while the value has increased from INR70 Bn to INR1100 Bn during the same period<sup>13</sup>.

The importance of Aadhaar as a tool for seamless identification can be gauged by its adoption for E-KYC. As per UIDAI, the average daily E-KYC transactions in April 2018 were ~7.5 million.

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

The Medium and large enterprises are extremely important to the Indian economy. India has nearly 850 listed entities<sup>14</sup> having annual revenues in excess of INR 250 Cr each. The combined revenue of these entities was equivalent to about 58 percent of the GDP in FY17<sup>15</sup>.

### **Adoption of internet amongst LEs**

More than 40 percent<sup>16</sup> of the large enterprises with an annual turnover in excess of US\$ 1 billion listed in India are investing in emerging technologies while 20 percent of such billion dollar companies are already under way on their digital transformation journey. The spending on digital transformation by these listed billion dollar companies in India is expected to cross US \$360 million by 2020 as government initiatives like Digital India, Smart City and Make in India create numerous opportunities across different industries.

### **The Indian Advertising Market**

#### **Advertising revenues expected to grow driven by Digital advertising gaining prominence**

The Indian Media & Advertising industry suffered the after-effects of demonetization and introduction of the Goods & Services Tax (GST) in 2017, leading to a relatively slow Ad-Ex growth at 7 percent over 2016. However, as economy and market recover, the advertisement market is forecasted to reach INR 595 billion in 2018 growing at a rate of 12 percent over 2017. In the long term, the advertisement market is estimated to grow at a CAGR of ~16 percent from 2018 to 2021 to reach INR 934 billion.

### **Global Advertising Trends – The Shift towards digital advertising**

The global advertising market is projected to reach a size of USD 589.5 Bn in CY2018, growing at a CAGR of 3.8% from CY2015.

While overall ad spend is growing, the distribution across different channels is seeing a significant shift. Digital has been the major contributor to the growth in global ad expenditure with a double digit growth while the other channels have experienced single digit or negative growth.

---

<sup>10</sup> Over 12 lakh businesses apply for new GST registration: Revenue Secretary Hasmukh Adhia, Financial Express – July 2017

<sup>11</sup> Economic survey authored by Chief Economic Advisor Arvind Subramanian

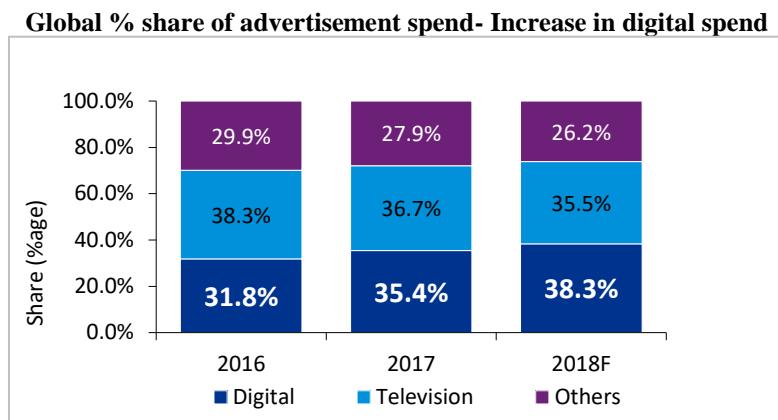
<sup>12</sup> Survey calculations based on GST data, Economic Survey 2017-18

<sup>13</sup> National Payments Corporation of India

<sup>14</sup> Based on data from Capital Line

<sup>15</sup> The entire listed revenues from such entities are taken into account, which may also include revenues from such entities' foreign operations. Thus the number of 58 percent cannot be construed as the contribution to GDP.

<sup>16</sup> Large Enterprises : Transforming India's Digital Future – Zinnov, 2017



Source: Global Ad Spend Forecasts, Dentsu Aegis Network, January 2018

### Growth of online advertising

Digital continues to power ad spend growth and stands at INR 93 billion at the end of 2017 growing at 27 percent over 2016. It is forecasted to grow to INR 116 billion by 2018 and continue growing at around 30 percent<sup>17</sup> for the next 2-3 years.

### The Local Indian search market

Spending on search advertising continues to be important with the Ad-ex increasing at a CAGR of 27 percent from INR 18.6 billion in 2015 to INR 30.1 billion in 2017. Despite this, the contribution of search advertisement to the total digital Ad-ex has reduced from 36 percent in 2015 to 32 percent in 2017. While video advertising is expected to be the fastest growing segment going ahead, outpacing the 30% CAGR of the overall digital advertising market, the search segment is also expected to remain robust, growing in absolute terms, albeit at a pace slower than the growth of the digital advertising market.

### 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 classified market was estimated at INR 40.2 billion in FY2017, expected to grow at a CAGR of 14 per cent over FY2017-F2022 to reach a size of INR 77.1 billion by FY2022.

The growth in the digital classifieds market from FY2017 to FY2022 is estimated to be driven by the growth in B2B, Automotive and Real Estate classifieds, with Horizontals also continuing to maintain robust growth.

The B2B digital classified market is estimated to more than double from a size of INR 5.1 billion in FY'2017 to INR 11.9 billion by FY2022, a CAGR of 18.5%. 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.

However, given the large market of online search in India, the same also represents a large potentially addressable market for online B2B classified platforms.

Thus, the total addressable market for online B2B Classified platforms is outlined as below:

<b>Addressable market (INR billion)</b>	<b>FY17</b>	<b>FY22</b>
B2B Classified Market	5.1	11.9
Online Search Market	27*	76*

\*Only the B2B portion of the online search market could potentially be addressable for B2B Classified players

<sup>17</sup> KPMG in India industry discussions

## **Advertising spends across SMEs and Large enterprises<sup>18</sup>**

### ***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.

While 56 percent of the SMEs earned less than 33 percent of their revenues from their online (including assisted online) business, 66 percent SMEs spent more than 33 percent of their marketing spends on online marketing.

**Large enterprises dealing with highly standardized products being sold at low volumes per order, may allocate as high as 20-30 percent of their total marketing spends towards digital marketing efforts.**

**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<sup>19</sup>**

### ***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 e-commerce market in India was estimated to be around INR 2,350 billion<sup>20</sup> in 2017 and is projected to continue growing to reach INR 5,350 billion<sup>21</sup> by 2020.

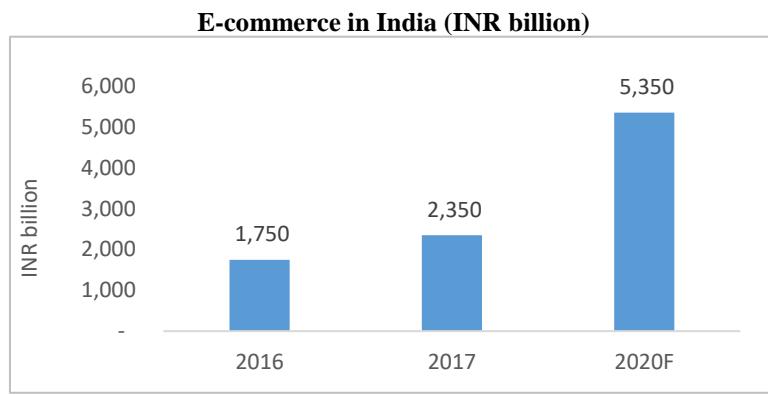
---

<sup>18</sup> This section is based on primary interviews carried out with a limited set of SMEs and Large Enterprises, and trends outlined herein pertain to these limited set of companies only

<sup>19</sup> Based on discussion with five small buyers

<sup>20</sup> IAMAI-IMRB Research

<sup>21</sup> E-commerce Retail Logistics in India, KPMG in India, 2016



Source: IMRB, *E-commerce Retail Logistics in India*, KPMG in India, 2016

The e-commerce market is dominated by the online travel segment which comprises around 52 percent of the e-commerce market share. E-tail, which is the fastest growing segment in e-commerce, represented approximately 2.5 percent of the total retail sales in India in 2016. This is expected to rise to 5 percent by 2020.<sup>22</sup>

### ***The Indian B2B e-commerce market***

The growing B2C E-commerce market has led to a large number of sellers bringing their businesses online. As per a report by Walmart, the wholesale market in India is estimated to reach USD 700 billion in 2020, rising from an estimated USD 300 billion in 2015.

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 27% of the internet-enabled<sup>23</sup> SMEs being engaged in e-commerce in 2015<sup>24</sup>. In China, nearly 34 percent of all SMEs were engaged in online marketing in 2015 indicating a possibly greater number engaged in e-commerce<sup>25</sup>. 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.

<sup>22</sup> E-commerce Retail Logistics in India, KPMG in India, 2016

<sup>23</sup> Internet-enabled: Have their own website or use social media for business or maintain corporate e-mail id to engage and understand customer base

<sup>24</sup> KPMG report 2015 - Impact of e-commerce on SMEs in India

<sup>25</sup> China National Network Information Center

### *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.

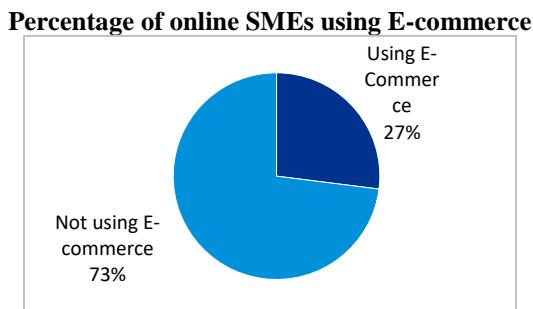
The B2B transaction based platforms may have the following monetization models:

- 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 Industry Buying, Power2SME, Amazon Business and Moglix.

### **SMEs using third party B2B platform**

Business processes are increasingly becoming data-driven and SME sector has been benefitting from the continued expansion of E-commerce in India. As per a KPMG Snapdeal report ‘Impact of e-commerce on SMEs in India’, 27 percent of the SMEs using internet are engaging in use of e-commerce for business. Further, 85 percent of the SMEs who adopted e-commerce believe that it is a cost effective medium to grow sales.



*Source: Impact of e-commerce on Indian SMEs, KPMG India*

### **Paid customers on third party B2B Ecommerce platforms**

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 72,000 in FY16 to 96,000 in FY17 and 108,000 in FY18.

### *Conducting business online- E-commerce and finance*

As per a KPMG Snapdeal report ‘Impact of e-commerce on SMEs in India’, 27 percent of the SMEs using internet are engaging in use of e-commerce for business<sup>26</sup>. This implies that less than 10 percent of the overall SME base of 63 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

<sup>26</sup> KPMG report 2015 - Impact of e-commerce on SMEs in India

and small shop owners. These B2B platforms have already onboarded 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	59.8 million <sup>27</sup>	4.7 million
Trade India	4.3 million <sup>28</sup>	NA
Industry Buying	NA	5,000-6,000
Moglix	NA	~2,000

Source: Company websites and industry discussions

### Key players in the B2B e-commerce space

Indiamart has around 60 percent market share of the online B2B classifieds space in India in FY17<sup>29</sup>.

KPIs of key players in the B2B e-commerce classifieds market:

Classification	Horizontal	Horizontal	Horizontal	Horizontal
Industry categories	52	38	40	9
No of users***	59.8 Mn <sup>30</sup>	4.28 Mn <sup>31</sup>	1.6 Mn	NA
Revenue (INR mn) FY17	3,222	689	449**	NA
Traffic details (October'17- March'18)				
Total traffic (Mobile Web + desktop)	34.4 Mn - 46.1 Mn	4.3-3.6 Mn	1.6-1.04 Mn	0.23 -0.17 Mn
Direct traffic(as a % of total traffic)	12%	12%	16%	25%
Search traffic(as a % of total traffic)	85%	84%	78%	68%
Organic search (as a % of total search)	~100%	~100%	~100%	~100%
Country (India) Website rank (based on traffic)	45	1,030	4,438	NA

Source: Company websites, Financials from MCA, SimilarWeb accessed on May 8, 2018

\*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

\*\*Data pertains to overall numbers of holding company of ExportersIndia and not B2B specific numbers

\*\*\*While the number for ExportersIndia represents the number of suppliers, the number for IndiaMart and TradeIndia represents total users

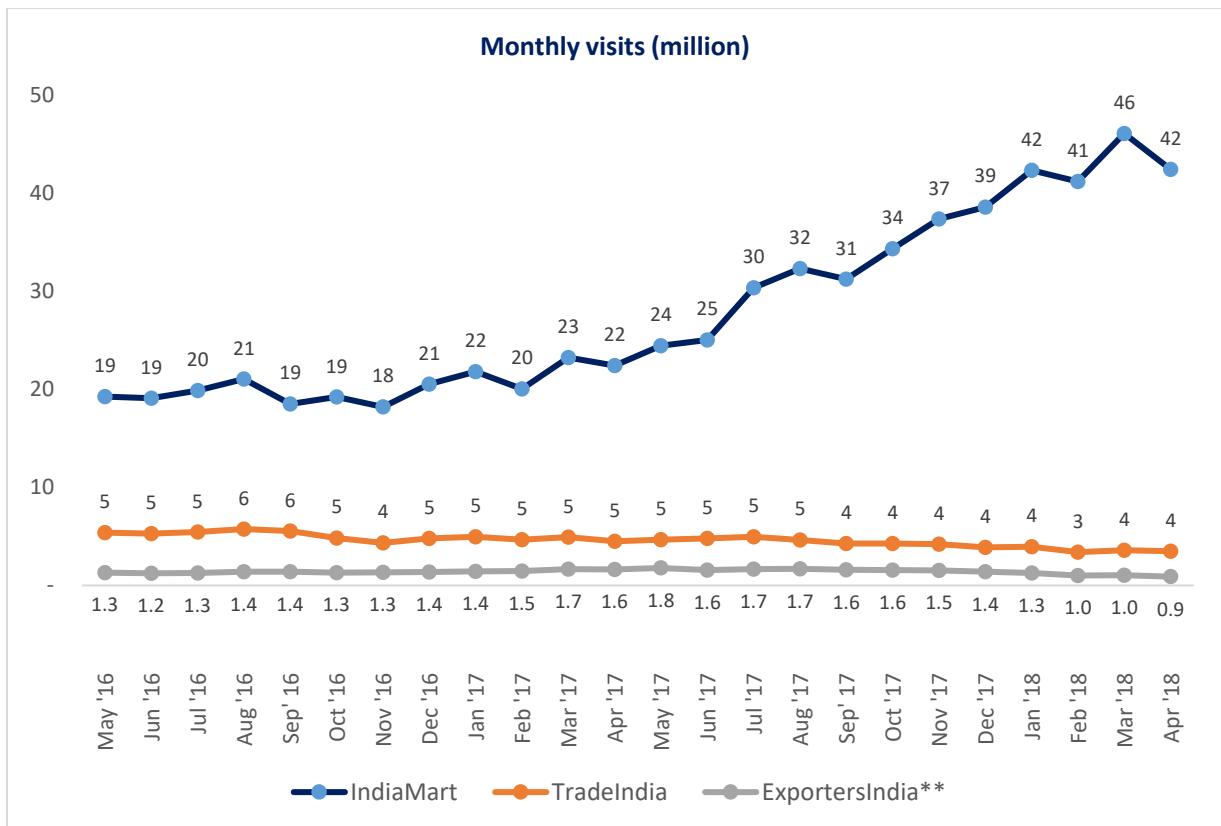
<sup>27</sup> Information provided by Indiamart management; The platform has 4.7 million sellers and 59.8 million buyers (all suppliers are also considered as buyers)

<sup>28</sup> TradeIndia website, the company does not keep a distinct count of suppliers and buyers. The quoted number represents total registered customers

<sup>29</sup> B2B classified market size does not include revenues earned by Google or any other search engines

<sup>30</sup> Information provided by Indiamart management; The platform has 4.7 million sellers and 59.8 million buyers (all suppliers are also considered as buyers)

<sup>31</sup> TradeIndia website, the company does not keep a distinct count of suppliers and buyers. The quoted number represents total registered customers



Source: SimilarWeb

\*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

\*\*Data pertains to overall numbers of holding company of ExportersIndia and not B2B specific numbers

In addition to the B2B classified platforms, search engines like Google can be looked as a competitor in terms of businesses using the search engine for discoverability. However, Google is also an enabler for B2B classified platforms for directing generic business queries to their platforms. This can be corroborated by the high percentage of search traffic being directed to the classified platforms.

### Key Opportunities and Trends in B2B Ecommerce and Potential for future products/services

#### The Indian SaaS Market

- Personalization of B2B Ecommerce platforms – Driving user traction
- B2B Platforms - Leveraging Social Media
- Digital Payments on B2B Platforms
- B2B Platforms – Multi System Integration

The Logistics opportunity for B2B Ecommerce companies

## SUMMARY OF BUSINESS

*Investors should note that this is only a summary description of our business and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read the more detailed financial and other information included in this Prospectus, including the information contained in “Our Business”, “Industry Overview”, “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Restated Financial Statements” on pages 153, 122, 19, 440 and 206, respectively. An investment in the Equity Shares involves a high degree of risk.*

*The information in this section is derived from the KPMG Report. We commissioned the KPMG 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 information in the KPMG 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 KPMG Report when making their investment decision. For further details, see “Risk Factors”, “Industry Overview” and “Our Business” on pages 19, 122 and 153 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 2017, according to the KPMG Report. We primarily operate through our product and supplier discovery marketplace, [www.indiamart.com](http://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. IndiaMART had an aggregate of 325.8 million, 552.6 million and 723.5 million visits in fiscals 2017, 2018 and 2019, respectively, of which 204.8 million, 396.9 million and 550.3 million comprised mobile traffic, or 63%, 72% and 76% of total traffic, respectively.

We refer to sellers of products and services listed on our 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 March 31, 2019, we had 82.70 million registered buyers and we had 5.55 million supplier storefronts in India. These Indian supplier storefronts had listed 60.73 million products as of March 31, 2019 of which 76% of goods comprised products and 24% 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 156.84 million, 289.98 million and 448.97 million business enquiries, respectively, were delivered to IndiaMART suppliers in fiscals 2017, 2018 and 2019. For the years ended March 31, 2018 and 2019 we had 52.59 million and 72.52 million daily unique buyer requests, respectively, of which 52% and 55% 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 containing the supplier’s product and service listings, or a “supplier storefront”, or by posting requests for quotes called “RFQs” or “BuyLeads”. Our marketplace offerings from which buyers can search for and view product and service listings cover a widespread range of industries spread across India, rather than relying on a single target industry or type of geography. As of March 31, 2019, we had organized our listings across 54 industries. For a complete list of industry categories on our marketplace, see “—**IndiaMART—Our Product Listings**”.

We believe that IndiaMART provides an effective and trusted platform to help businesses leverage the power of the internet to increase their market reach and conduct commerce. According to the KPMG Report, the growth in internet penetration across India is helping companies move their businesses online and reach out to a larger customer base. We believe that our online marketplace is particularly relevant in India, which, unlike many other countries, has no major multi-brand or multi-category offline retailer of scale for business products and services.

Furthermore, according to the KPMG Report, the growing B2C e-commerce market has led to a large number of sellers bringing their businesses online, which is leading to the B2B e-commerce market gaining traction as well.

Given the ticket sizes associated with B2B and wholesale transactions, the opportunity for B2B e-commerce is even higher as compared to B2C e-commerce market, according to the KPMG Report. Our online marketplace capitalizes on this opportunity by helping buyers gain access to a national 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 supplier/buyer behavior and preferences data, we are able to deploy analytics to implement behavioral data based algorithmic matchmaking on our platform, thereby ensuring much more relevant discovery of products and services. We believe this leads to an increase of repeat buyers on our platform. For the year ended March 31, 2019, we had 55% repeat buyers calculated on the basis of the past 90 days. In addition, as 39% of the suppliers as of March 31, 2019 on our platform have acted as buyers of other products and services in the last 12 months, a virtuous cycle of user engagement is established, leading to a self-sustained traction in trade enquiries.

The image below illustrates the value proposition of IndiaMART tailored for both buyers and suppliers.



Our online marketplace is accessible through desktop and mobile-optimized platforms and apps on personal computing and mobile devices. Our IndiaMART mobile website, together with our IndiaMART mobile app, accounted for 63%, 72% and 76% of total traffic to IndiaMART for fiscals 2017, 2018 and 2019, respectively. Buyers can make business enquiries on IndiaMART through telephone, SMS, email or by posting RFQs. Also, as of March 31, 2019, 76% 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, 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 lead management system, integrated access to third party online payment gateways and access to RFQs. We also earn revenue through advertising on our IndiaMART desktop and mobile-optimized platforms and IndiaMART mobile app, payment facilitation service and from the sale of "RFQ credits".

In fiscals 2017, 2018 and 2019, 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

In the past three years, we have experienced significant growth in the number of suppliers and buyers on IndiaMART and in our revenue. The table below sets forth our growth in the following metrics for fiscals 2016, 2017, 2018 and 2019:

As of March 31	As of and for fiscal year ended March 31,				CAGR (2016/19)
	2016	2017	2018	2019	
Indian supplier storefronts (in millions) .....	2.32	3.16	4.72	5.55	34%
YoY Growth - Indian supplier storefronts .....	-	36%	49%	18%	-
Paying subscription suppliers <sup>(1)</sup> .....	72,335	96,025	108,347	129,589	21%

YoY Growth - Paying subscription suppliers .....	-	33%	13%	20%	-
Registered buyers (in millions).....	27.05	39.37	59.81	82.70	45%
YoY Growth - Registered buyers .....	-	45%	52%	38%	-
<b>For the year ended March 31</b>					
Total traffic (in millions) <sup>(3)</sup> .....	262.2	325.8	552.6	723.5	40%
YoY Growth - Total traffic.....	-	24%	70%	31%	-
Percentage of mobile traffic to total traffic .....	59%	63%	72%	76%	-
Total business enquiries delivered (in millions) <sup>(2)</sup> .....	115.09	156.84	289.98	448.97	57%
YoY Growth - Total business enquiries delivered (for the fiscal year) .....	-	36%	85%	55%	-
Indian registered buyers (a) (in millions) .....	21.87	32.91	51.71	72.66	49%
Foreign registered buyers (b) (in millions) .....	5.18	6.46	8.10	10.04	25%

Notes:

- (1) Refers to paying subscription suppliers that have opted for any IndiaMART subscription service for varying periods (including monthly, 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 March 31, 2019:

	As of and for the quarter ended								
	March 31, 2017	June 30, 2017	Septem ber 30, 2017	Decemb er 31, 2017	March 31, 2018	June 30, 2018	Septem ber 30, 2018	Decemb er 31, 2018	March 31, 2019
Indian supplier Storefronts (in millions) ....	3.16	3.43	3.93	4.35	4.72	5.07	5.40	5.44	5.55
Growth corresponding QoQ .....	36%	39%	43%	45%	49%	48%	37%	25%	18%
Paying subscription suppliers .....	96,025	105,098	108,309	109,425	108,347	113,122	119,335	123,550	129,589
Registered buyers (in millions) .....	39.37	42.97	47.86	53.37	59.81	65.92	72.26	77.66	82.70
Total business enquiries delivered <sup>(3)</sup> (in millions) .....	44.35	51.14	65.69	80.38	92.77	98.45	118.36	119.92	112.24
-Growth corresponding QoQ.....	39%	48%	61%	117%	109%	93%	80%	49%	21%
Total traffic .....	96.5	105.5	134.7	139.9	172.3	180.7	198.4	172.9	171.4
Growth corresponding QoQ .....	30%	52%	71%	71%	79%	71%	47%	24%	-0.5%

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 KPMG 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.

According to the KPMG Report, the wholesale market in India is estimated to reach USD 700 billion in 2020, rising from an estimated USD 300 billion in 2015. 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 27% of the internet-enabled-SMEs being engaged in e-commerce in 2015, according to the KPMG 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. Notwithstanding the large suppliers and leading brands on our marketplace including Agfa HealthCare India Private Limited, Case New Holland Construction Equipment (India) Private Limited, Hilti India Private Limited, JCB India Limited, Nobel Hygiene Pvt. Ltd, we estimate that a majority of the suppliers and buyers on our marketplace are Indian SMEs.

According to the KPMG Report, 63 million MSMEs in India contribute a significant amount to India's GDP. This contribution from the MSME segment stood at nearly 30% in fiscal 2018. The number of MSMEs in India have increased at a compounded annual growth rate of 6.4% in the 9 years subsequent to fiscal 2007, from 36.18 million in 2006-07. Further, according to the KPMG Report, digitally connected SMEs are estimated to have nearly twice the revenue growth trajectory compared to SMEs which are offline. However, according to KPMG, internet penetration among Indian SMEs remains low, at only 32% in India in 2017 and 17% of Indian SMEs used internet for business purposes. In comparison, nearly 34% of all SMEs in China were engaged in online marketing in 2015, indicating a possibly greater number engaged in e-commerce, according to the KPMG Report. Nonetheless, Internet penetration and mobile usage is expected to grow rapidly, driven by greater smartphone penetration and relatively affordable mobile data costs. Market conditions are also made favorable by a projected growth in India's GDP and government initiatives such as "Make in India", which encourages increased manufacturing in India, "Digital India", which promotes improved online infrastructure, connectivity and technological empowerment, integrated payment initiatives including United Payments Interface and the Aadhaar biometric ID system to boost online and mobile transactions, tax reforms such as the goods and services tax which came into effect from July 1, 2017. In light of these favorable market, economic and regulatory conditions and developments, we believe our potential supplier and buyer base offers 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 to the extent that such information is available at a single destination for the convenience and benefit of buyers.
- *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 KPMG Report, the Indian advertisement market is estimated to grow at a CAGR of approximately 16% from 2018 to 2021 to reach ₹934 billion. 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 across India. By means of our various subscription packages and RFQ credit offerings, suppliers have the flexibility to select the cost structures that best suit their budget, while fulfilling their sales targets and managing buyer enquiries efficiently with our lead management system. In addition, our paid subscriptions are bundled with RFQ credits against which suppliers may select the buyers' business enquiries they would like to transact business with. Based on user behavior and responsiveness of the suppliers, we have implemented a behavioral data driven algorithmic matchmaking approach to match buyers with suppliers. Further, our IndiaMART premium number service allots unique phone numbers for the suppliers and ensures that they do not miss any business enquiries from the buyers, thereby reducing any lost opportunities for suppliers. As of March 31, 2019, a total of 470,053 availed the IndiaMART premium number service. In addition, as there were a total of 129,589 paying subscription suppliers on March 31, 2019, compared to 5.55 million supplier storefronts on IndiaMART on March 31, 2019, we believe there is a large market opportunity to provide our service offerings to a larger 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 a goods and services tax identification number ("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 recently initiated IndiaMART payment protection program addresses the suppliers' payment risks and the buyers' grievances if any, with respect to payments made through IndiaMART's platform.

## 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 KPMG Report. As of March 31, 2019, IndiaMART provided 82.70 million registered buyers with access to 5.55 million supplier storefronts in India, which list 60.73 million products and services across 54 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 year ended March 31, 2019, paid visits comprised of less than 0.19% 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 March 31, 2019, our online marketplace had a total of 5.55 million Indian supplier storefronts of which 39% 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 photos and access IndiaMART's TrustSEAL profiles of suppliers that helps in establishing credibility of the suppliers on our marketplace. 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 a comprehensive breadth and quality of listings across a wide spread range of industries. Our products and services are spread across 54 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 March 31, 2019, our online marketplace had a total of 60.73 million listed products of which 76% comprised products and 24% 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 fulfill much of their 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 36% and 49% of buyers and 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 fulfill much of their required products and services for their businesses. The wide assortment of product and services spread across geographies makes 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 search engine to precisely 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. Search results can be filtered based on the location or nature of suppliers' businesses. Our IndiaMART desktop website, mobile app and mobile website also include a fully-functional search, localization features including search results in "Hinglish" (a blend of the Hindi and English languages). We measure responsiveness and preferences of suppliers through their call pick-up rate, RFQ consumption, enquiry reply rate and callbacks done on our platform and based on their responsiveness, preferences regarding category and location which 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, call and the click-to-call feature on the IndiaMART mobile app. 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 470,053 suppliers, as of March 31, 2019, providing suppliers with software-based missed call alerts. In addition, our lead management system enables efficient communication between buyers and suppliers with the aim of converting leads into actual business, providing helpful features such as reminders, templated quotations and pre-defined template responses to buyers. Our lead management system also enables easy follow-up with buyers and divides the various leads into sub-categories for the supplier depending on their current status, which help the supplier manage multiple leads 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 search newer markets in an effective and economical platform to market their products and services in the following respects:

- *Access to a large and growing number of buyers.* A total of 156.84 million business enquiries were delivered to IndiaMART suppliers in fiscal 2017 from our 39.37 million registered buyers, 289.98 million business enquires were delivered in fiscal 2018 from our 59.81 million registered buyers and 448.97 million business enquires were delivered in fiscal 2019 from our 82.70 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 March 31, 2019, 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 for our subscription packages in addition to annual and multi-year subscription models. 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. We also combine certain offerings, such as offering subscription packages that include TrustSEAL verification and a set of complimentary RFQ credits.

- *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 this menu of options provides suppliers with the flexibility to select the cost structures that are fixed and best suit their budget and business requirements such as categories and location of interest.
- *IndiaMART premium number service provides benefits to participating suppliers.* Our IndiaMART premium number service allotted unique phone numbers to approximately 470,053 suppliers as of March 31, 2019, and connects calls directly to suppliers while also providing them with software-based missed call alerts when a buyer calls 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. We believe that this service has also increased buyer satisfaction by increasing the likelihood of receiving a response from suppliers, which is leading to greater buyer engagement benefiting suppliers.
- *IndiaMART lead management system.* With the advent of our IndiaMART mobile app, the lead management system became critical for facilitating suppliers to contact with buyers on our platform. By means of the IndiaMART lead management system, the supplier has access to comprehensive information of the potential buyers and the nature of 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 connect buyers and suppliers by ensuring suppliers do not miss our buyers' business enquiries, and also enables suppliers to have a complete history of their communications with the buyers. Buyers can also communicate with suppliers efficiently through the IndiaMART lead management system using features such as reminders, templated quotations and pre-defined template responses.

#### ***Deep understanding of online trade and commerce in India that drives innovative solutions.***

With approximately 19 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 CMS, PNS, RFQs, LMS, payment services and algorithmic matchmaking. Our multi-tenant seller catalog management system (“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 algorithmic 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 KPMG Report, mobile internet has been increasingly contributing to digital media advertising spends increasing from 53% in 2015 to 78% in 2017. Further, according to the KPMG Report, mobile internet is considered to be the primary driver for overall internet growth, with mobile revenue projected to increase from ₹1,351 billion in fiscal 2018 to ₹2,489 billion in fiscal 2022. 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% and 76%, respectively, of total traffic to IndiaMART as

of March 31, 2018 and March 31, 2019, compared to 63% as of March 31, 2017. 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 and 550.3 million visits during the year ended March 31, 2019.

Our IndiaMART mobile app had been installed 10.84 million times and 76% of paid suppliers have been active on the app in the last 30 days as of March 31, 2019, and is available for Android and iOS devices. As of March 31, 2019, 289,563 users had rated our IndiaMART app 4.61 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 lead management system for suppliers which allows suppliers 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 3,316 sales and service representatives as of March 31, 2019, 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.

### **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 March 31, 2019, we had 5.55 million Indian supplier storefronts with 60.73 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 compared to our physical sales footprint is expected to help to reduce our overall costs and increase our revenue.
- *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 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.

- *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 2019, 76% 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. For example, one of our clients with a diverse portfolio in engineering and consumer products has increased its spending on IndiaMART by onboarding additional brands or divisions over the period of two to three years from its initial listing. On another occasion, we have successfully engaged a number of additional leading suppliers in the steel and automotive industries by onboarding a well-known corporate customer with strong market leadership in each of these industries. Further, as we increase the number of large corporates and leading brands, we expect our average revenue realization to grow from paying customers 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 so as to help buyers shortlist the appropriate suppliers. We also aim to increase our buyers' satisfaction levels by improving the buyers' algorithmic matchmaking process with suppliers and ultimately the chances of fulfilling the buyers' needs through IndiaMART. In addition, we plan to further localize our offerings by including search results in regional languages like Devnagri in addition to 'Hinglish'. 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 customer relationship management ("CRM"), 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 our buyers' enquiries. We also seek to improve the quality of IndiaMART's email, SMS and call features to allow smooth communications between buyers and sellers.

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. For instance, in April 2017 we commenced 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. Further, by means of our digital payment facility which was implemented in fiscal 2018, 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. 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 lead management 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 enable us 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.

Additionally, we plan to help alleviate payment default risk and other payment related concerns for suppliers by means of our payment facilitation services. IndiaMART payment protection program and online payment gateway system will allow multiple payment options directly on supplier storefronts. As financing is important for SMEs, we continue to explore opportunities to support them with effective solutions. Further, we aim to improve accessibility to our platform through our low cost software as a service ("SaaS") offering. We believe that these efforts will help us retain our network of 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. The number of internet subscribers 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, according to the KPMG Report. For fiscal 2019, 76% 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 continue our investment in our mobile platforms by further developing and integrating lead management system applications, user interface and notifications, customer services provided through instant messaging, GPS location capabilities, voice search technologies and other personalization features in our IndiaMART app. We intend to further encourage the use of our mobile platforms by our suppliers and buyers through targeted marketing initiatives and offering innovative and effective solutions such as 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 and product choice.

## **SUMMARY FINANCIAL INFORMATION**

*The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto presented under “**Restated Financial Statements**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 206 and 440, respectively.*

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

**IndiaMART InterMESH Limited**  
**Summary Statement of Assets and Liabilities (Ind AS Unconsolidated )**

(Amounts in INR millions, unless otherwise stated)

S.No.	Particulars	As at		
		31 March 2019	31 March 2018	31 March 2017
	<b>Assets</b>			
A	<b>Non-current assets</b>			
	Property, plant and equipment	82.74	71.79	73.63
	Capital work-in-progress	1.77	1.77	1.77
	Goodwill	-	-	1,175.55
	Intangible assets	5.70	7.62	12.03
	Investment in subsidiaries	4.10	71.62	71.62
	<b>Financial Assets</b>			
	(i) Investments	90.39	65.34	132.95
	(ii) Loans	1.22	0.92	1.76
	(iii) Bank deposits	-	302.20	-
	(iv) Others financial assets	33.22	35.03	39.73
	Deferred tax assets (net)	858.06	1,155.58	-
	Other non-current assets	7.33	6.78	11.79
	<b>Total non-current assets</b>	<b>1,084.53</b>	<b>1,718.65</b>	<b>1,520.83</b>
B	<b>Current assets</b>			
	<b>Financial assets</b>			
	(i) Investments	6,042.99	3,087.70	1,352.36
	(ii) Trade receivables	3.54	2.79	5.60
	(iii) Cash and cash equivalents	359.13	452.48	173.73
	(iv) Bank balance other than (iii) above	375.48	-	229.96
	(v) Loans	16.19	63.20	14.20
	(vi) Others financial assets	152.18	38.85	36.40
	Current tax assets (Net)	99.98	86.60	82.03
	Other current assets	53.77	46.13	143.67
	<b>Total current assets</b>	<b>7,103.26</b>	<b>3,777.75</b>	<b>2,037.95</b>
	<b>Total assets (A+B)</b>	<b>8,187.79</b>	<b>5,496.40</b>	<b>3,558.78</b>
C	<b>Equity and liabilities</b>			
C	<b>Equity</b>			
	Share capital	285.92	99.77	91.69
	Other Equity	1,320.90	(3,222.51)	(2,622.97)
	<b>Total equity attributable to equity holders</b>	<b>1,606.82</b>	<b>(3,122.74)</b>	<b>(2,531.28)</b>
D	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
	Financial liabilities			
	(i) Share buyback obligation	-	3,729.30	2,460.90
	(ii) Other financial liabilities	2.84	2.62	5.36
	Provisions	93.85	58.36	16.32
	Contract liabilities (Previous years: Deferred revenue)	2,297.91	1,660.91	1,213.32
	<b>Total non-current liabilities</b>	<b>2,394.60</b>	<b>5,451.19</b>	<b>3,695.90</b>
E	<b>Current liabilities</b>			
	<b>Financial liabilities</b>			
	(i) Trade payables			
	(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	439.53	401.42	291.66
	(ii) Other financial liabilities	0.48	0.18	0.17
	Provisions	51.51	46.85	38.23
	Contract liabilities (Previous years: Deferred revenue)	3,553.49	2,573.72	2,037.02
	Other current liabilities	141.36	134.47	27.08
	<b>Total current liabilities</b>	<b>4,186.37</b>	<b>3,167.95</b>	<b>2,394.16</b>
	<b>Total liabilities (D+E)</b>	<b>6,580.97</b>	<b>8,619.14</b>	<b>6,090.06</b>
	<b>Total equity and liabilities (C+D+E)</b>	<b>8,187.79</b>	<b>5,496.40</b>	<b>3,558.78</b>

**IndiaMART InterMESH Limited**  
**Summary Statement of Profits and Losses (Ind AS Unconsolidated)**

(Amounts in INR millions, unless otherwise stated)

S. No.	Particulars	For the years ended		
		31 March 2019	31 March 2018	31 March 2017
<b>F</b>	<b>Income</b>			
	Revenue from operations	4,972.75	4,035.48	3,086.29
	Net gain on financial assets measured at FVTPL	323.86	36.52	118.68
	Other income	36.31	28.61	18.50
	<b>Total income</b>	<b>5,332.92</b>	<b>4,100.61</b>	<b>3,223.47</b>
<b>G</b>	<b>Expenses</b>			
	Employee benefits expense	2,217.24	1,887.84	1,805.47
	Depreciation and amortization expense	39.98	27.97	40.16
	Impairment of goodwill	-	1,175.55	-
	Net loss on financial liability designated at FVTPL	652.63	1,228.62	192.79
	Other expenses	1,959.78	1,655.45	1,316.01
	<b>Total expenses</b>	<b>4,869.63</b>	<b>5,975.43</b>	<b>3,354.43</b>
<b>H</b>	<b>Restated profit/loss before tax (F-G)</b>	<b>463.29</b>	<b>(1,874.82)</b>	<b>(130.96)</b>
	<b>Income tax expense</b>			
	Current Tax	-	-	-
	Adjustment of tax relating to earlier years	-	-	-
	Deferred tax / (income)	337.36	(1,150.41)	-
<b>I</b>	<b>Total tax expenses</b>	<b>337.36</b>	<b>(1,150.41)</b>	<b>-</b>
<b>J</b>	<b>Profit/(Loss) for the year attributable to equity shareholders (H-I)</b>	<b>125.93</b>	<b>(724.41)</b>	<b>(130.96)</b>
<b>K</b>	<b>Other comprehensive income (OCI)</b>			
	<b>Items not to be reclassified to profit or loss in subsequent years</b>			
	Re-measurement losses on defined benefit plans			
	Income tax effect			
	<b>Other comprehensive income for the year, net of tax</b>	<b>(10.47)</b>	<b>(14.80)</b>	<b>(5.23)</b>
		<b>3.66</b>	<b>5.17</b>	<b>-</b>
		<b>(6.81)</b>	<b>(9.63)</b>	<b>(5.23)</b>
<b>L</b>	<b>Total comprehensive income/(loss) for the year attributable to equity shareholders (J + K )</b>	<b>119.12</b>	<b>(734.04)</b>	<b>(136.19)</b>

**IndiaMART InterMESH Limited**  
**Summary Statement of Cash Flows (Ind AS Unconsolidated )**

(Amounts in INR millions, unless otherwise stated)

S. No.	Particulars	For the years ended		
		31 March 2019	31 March 2018	31 March 2017
<b>A</b>	<b>Cash flow from operating activities</b>			
	<b>Profit/ (Loss) before tax (as restated)</b>	<b>463.29</b>	<b>(1,874.82)</b>	<b>(130.96)</b>
	<b>Adjustments for:</b>			
	Depreciation of property, plant and equipment	36.45	23.16	37.41
	Amortisation of intangible assets	3.53	4.82	2.75
	Interest Income	(29.43)	(28.08)	(18.51)
	Gain from business transfer arrangement	(6.80)		
	Fair value change in investment in debt instruments of subsidiaries	47.38	124.38	13.70
	Fair value change in investment in mutual funds	(319.96)	(88.36)	(113.35)
	Fair value change in share buyback obligations	652.63	1,228.62	192.79
	(Gain)/loss on disposal of property, plant and equipment	(0.08)	(0.53)	0.03
	Share-based payment expense	84.53	29.87	19.51
	Finance cost	-	-	-
	Gain on disposal of mutual fund investments	(51.28)	(72.54)	(19.03)
	Impairment of goodwill	-	1,175.55	-
	Impairment loss on investment in subsidiaries	70.12	-	5.10
	<b>Operating profit/(loss) before working capital changes</b>	<b>950.38</b>	<b>522.07</b>	<b>(10.56)</b>
	<b>Movement in working capital :</b>			
	(Increase)/decrease in trade receivables	(0.74)	2.83	(0.58)
	(Increase) in other financial assets	7.88	(39.39)	(36.46)
	(Increase)/decrease in other assets	(8.16)	102.53	(117.83)
	Decrease in other financial liabilities	0.52	(2.73)	(1.30)
	Increase in trade payables	26.80	121.07	53.98
	Increase in other liabilities	1,630.46	1,091.69	694.74
	Increase/(decrease) in provisions	29.67	35.87	15.41
	<b>Cash generated from operations</b>	<b>2,636.81</b>	<b>1,833.94</b>	<b>597.40</b>
	Income tax paid (net)	(49.55)	(4.59)	(9.80)
	<b>Net cash from operating activities</b>	<b>2,587.26</b>	<b>1,829.35</b>	<b>587.60</b>
<b>B</b>	<b>Cash flow from investing activities</b>			
	Proceeds from sale of property, plant and equipment	0.52	1.06	0.02
	Purchase of property, plant and equipment & other intangible assets	(49.50)	(22.25)	(28.84)
	Purchase of mutual fund investments	(5,189.60)	(3,229.70)	(1,586.06)
	Investments in subsidiaries (net of cancellation)*	(75.02)	(56.70)	(538.72)
	Proceeds from sale of mutual fund investments	2,605.56	1,655.25	1,652.38
	Interest received	25.94	21.49	15.66
	Advances paid, recoverable from shareholders	(69.20)	-	-
	Investments in bank deposits (having original maturity of more than three months)	(73.28)	(72.24)	(116.44)
	<b>Net cash used in investing activities</b>	<b>(2,824.58)</b>	<b>(1,703.09)</b>	<b>(602.00)</b>
<b>C</b>	<b>Cash flow from financing activities</b>			
	Proceeds from issues of preference shares under share buyback obligation	-	39.78	72.93
	Proceeds from issues of equity shares on exercise of ESOP	143.97	112.71	-
	Interest paid	-	-	-
	Repayment of short-term borrowings	-	-	-
	<b>Net cash generated from financing activities</b>	<b>143.97</b>	<b>152.49</b>	<b>72.93</b>
<b>D</b>	<b>Net increase/(decrease) in cash and cash equivalents (A +B +C)</b>	<b>(93.35)</b>	<b>278.75</b>	<b>58.53</b>
<b>E</b>	Cash and cash equivalents at the beginning of the year	452.48	173.73	115.20
	<b>Cash and cash equivalents at end of the year (D + E)</b>	<b>359.13</b>	<b>452.48</b>	<b>173.73</b>
	<b>Components of cash and cash equivalents</b>			
	Cash on hand	0.16	1.00	0.14
	Cheques on hand	145.42	121.42	82.36
	With banks - on current account	213.55	330.06	91.23
	<b>Total</b>	<b>359.13</b>	<b>452.48</b>	<b>173.73</b>
	<b>Non-cash investing activities</b>			
	Transactions pursuant to the scheme	-		
	- Cancellation of Investment	-	34.80	1,366.63
	- Recognition of Goodwill	-	-	1,175.55
	<b>Non-cash financing activities</b>			
	Conversion of preference shares into equity shares	4,381.93	-	-
	Fair value change in share buyback obligations	652.63	1,228.62	192.79

\*Pertains to cancellation of investment in subsidiary "Tolexo Online Private Limited" during year ended 31 March 2018 on account of acquisition of its online business undertaking vide order dated 11 October 2017 of National Company Law Tribunal, New Delhi bench.

**IndiaMART InterMESH Limited**  
**Summary Statement of Assets and Liabilities (Indian GAAP Unconsolidated)**

(Amount in INR million, unless otherwise stated)

S.No.	Particulars	31 March 2016	31 March 2015
	<b>Equity and Liabilities</b>		
A	<b>Shareholder's Funds</b>		
	Share capital	753.89	581.69
	Reserves and surplus	(670.74)	(1,393.02)
	<b>Total of Shareholders' funds</b>	<b>83.15</b>	<b>(811.33)</b>
B	<b>Non-current liabilities</b>		
	Borrowings	-	-
	Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises."	6.66	7.32
	Other long-term liabilities	794.99	535.35
	<b>Total of Non-current liabilities</b>	<b>801.65</b>	<b>542.67</b>
C	<b>Current liabilities</b>		
	Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises."	237.67	194.73
	Other current liabilities	1,446.32	1,101.92
	Short-term provisions	33.91	43.96
	<b>Total of Current liabilities</b>	<b>1,717.90</b>	<b>1,340.61</b>
	<b>Total (A+B+C)</b>	<b>2,602.70</b>	<b>1,071.95</b>
D	<b>Assets</b>		
	<b>Non-current assets</b>		
	Fixed assets		
	Property, plant and equipment	81.14	45.18
	Intangible assets	6.11	10.02
	Capital work-in-progress	1.77	1.77
	Non-current investments	860.20	80.70
	Loans and advances	51.66	42.97
	Other non current Assets	113.52	104.53
	<b>Total of Non - current assets</b>	<b>1,114.40</b>	<b>285.17</b>
E	<b>Current assets</b>		
	Current investments	1,250.88	600.08
	Trade receivables	5.04	4.30
	Cash and bank balances	115.20	93.23
	Loans and advances	107.78	89.17
	Other non current Assets	9.40	-
	<b>Total of Current assets</b>	<b>1,488.30</b>	<b>786.78</b>
	<b>Total (D+E)</b>	<b>2,602.70</b>	<b>1,071.95</b>

**IndiaMART InterMESH Limited**  
**Summary Statement of Profits and Losses (Indian GAAP Unconsolidated)**

(Amount in INR million, unless otherwise stated)

S.No.	Particulars	for the years ended	
		31 March 2016	31 March 2015
F	<b>Income:</b>		
	Revenue from operations	2,462.45	1,728.90
	Other income	46.53	118.86
	<b>Total revenue</b>	<b>2,508.98</b>	<b>1,847.76</b>
G	<b>Expenses:</b>		
	Employee benefits expense	1,532.17	1,136.97
	Other expenses	1,368.23	866.17
	Depreciation and amortization expenses	26.21	29.91
	Financial costs	10.17	4.50
I	<b>Restated loss before tax</b>	<b>(427.80)</b>	<b>(189.79)</b>
J	<b>Tax expense/(income)</b>		
	Current Tax	-	-
	Tax expense for earlier years	3.71	
	<b>Total tax expenses</b>	<b>3.71</b>	<b>-</b>
K	<b>Restated loss after tax</b>	<b>(431.51)</b>	<b>(189.79)</b>

(Amount in INR million, unless otherwise stated)

S.No.	Particulars	31 March 2016	31 March 2015
A	<b>Cash Flow From Operating Activities</b>		
	Restated loss before tax	(427.80)	(189.79)
	<b>Adjustment to reconcile loss before tax to net cash flows</b>		
	Depreciation and amortization	26.21	29.90
	Provision for diminution in value of investment	1.43	-
	Gain on sale of fixed assets	-	(0.00)
	Net (gain) on sale of current investments	(33.98)	(113.25)
	Interest expenses	0.03	0.09
	Interest income	(11.35)	(5.05)
	<b>Operating loss before working capital changes</b>	(445.46)	(278.10)
	<b>Movement in working capital :</b>		
	Increase in other long-term liabilities	259.64	178.74
	Increase in trade payables	42.28	15.56
	Increase in other current liabilities	344.97	233.30
	Increase in short-term provisions	(10.05)	11.51
	Decrease in trade receivables	(0.74)	1.04
	Decrease/ (Increase) in other current assets	(9.40)	-
	(Increase) in long term loans & advances	(46.53)	(44.23)
	<b>Cash generated from/ (used in) operations</b>	<b>134.71</b>	<b>117.82</b>
	Direct taxes paid (net of refund)	17.84	18.02
	<b>Net cash from/(used in) operating activities</b>	<b>152.55</b>	<b>135.84</b>
B	<b>Cash Flow From Investing Activities</b>		
	Purchase of fixed assets including capital work in progress and capital advance	(60.60)	(21.26)
	Proceeds from sale of fixed assets	-	0.03
	Investments in bank deposits (having original maturity of more than three months)	(8.99)	(104.53)
	Investments in subsidiary company	(779.50)	(80.10)
	Purchase of current investments	(2,359.09)	(1,188.03)
	Interest received	11.35	5.05
	Proceeds from sale/maturity of current investments	1,740.85	1,280.72
	<b>Net cash from/(used in) investing activities</b>	<b>(1,455.98)</b>	<b>(108.12)</b>
C	<b>Cash Flow From Financing Activities</b>		
	Repayment of short term borrowings	(0.57)	(0.56)
	Proceeds from issuance of share capital	1,326.00	-
	Interest paid	(0.03)	(0.09)
	<b>Net cash from/(used in) financing activities</b>	<b>1,325.40</b>	<b>(0.65)</b>
D	<b>Net increase in cash and cash equivalents (A+B+C)</b>	21.97	27.07
E	Cash and cash equivalents at the beginning of the year	93.23	66.16
	<b>Cash and cash equivalents at end of the year (D+E)</b>	<b>115.20</b>	<b>93.23</b>
	<b>Components of cash and cash equivalents</b>		
	Cash on hand	0.02	0.20
	Cheques on hand	94.45	75.53
	With banks - on current account	20.73	17.50
	<b>Total cash and cash equivalents</b>	<b>115.20</b>	<b>93.23</b>
	<b>Cash and cash equivalent in cash flow statement</b>	<b>115.20</b>	<b>93.23</b>

**IndiaMART InterMESH Limited**  
**Summary Statement of Assets and Liabilities (Ind AS Consolidated)**

(Amounts in INR million, unless otherwise stated)

S.No.	Particulars	As At		
		31 March 2019	31 March 2018	31 March 2017
	<b>Assets</b>			
<b>A</b>	<b>Non-Current Assets</b>			
	Property, plant and equipment	84.80	72.86	74.80
	Capital work in progress	1.77	1.77	1.77
	Intangible assets	5.81	7.80	12.33
	<b>Financial Assets</b>			
	(i) Investments	-	-	-
	(ii) Loans	1.22	0.92	1.76
	(iii) Bank deposits	-	302.20	-
	(iv) Others financial assets	35.60	35.27	39.74
	Deferred tax assets (net)	858.08	1,155.57	-
	Other non-current assets	7.34	6.78	11.79
	<b>Total Non-current assets</b>	<b>994.62</b>	<b>1,583.17</b>	<b>142.19</b>
<b>B</b>	<b>Current assets</b>			
	<b>Financial assets</b>			
	(i) Investments	6,074.45	3,110.70	1,362.62
	(ii) Trade receivables	5.71	6.79	5.31
	(iii) Cash and cash equivalents	401.96	467.11	176.59
	(iv) Bank balances other than (iii) above	375.48	-	229.96
	(v) Loans	16.77	63.20	14.50
	(vi) Others financial assets	157.80	41.44	36.47
	Current tax assets (net)	105.54	91.15	83.07
	Other current assets	75.22	63.57	158.35
	<b>Total current assets</b>	<b>7,212.93</b>	<b>3,843.96</b>	<b>2,066.87</b>
	<b>Total assets (A+B)</b>	<b>8,207.55</b>	<b>5,427.13</b>	<b>2,209.06</b>
	<b>Equity and liabilities</b>			
<b>C</b>	<b>Equity</b>			
	Share capital	285.92	99.77	91.69
	Other equity	1,312.96	(3,312.46)	(3,992.15)
	<b>Equity attributable to equity holders of the parent</b>	<b>1,598.88</b>	<b>(3,212.69)</b>	<b>(3,900.46)</b>
	Non-controlling interests	-	0.46	0.27
	<b>Total equity</b>	<b>1,598.88</b>	<b>(3,212.23)</b>	<b>(3,900.19)</b>
	<b>Liabilities</b>			
<b>D</b>	<b>Non-current liabilities</b>			
	Financial liabilities			
	(i) Share buyback obligation	-	3,729.30	2,460.90
	(ii) Other financial liabilities	2.84	2.62	5.36
	Provisions	96.00	59.31	17.31
	Contract liabilities (Previous year: Deferred revenue)	2,297.91	1,660.91	1,213.32
	<b>Total Non-current liabilities</b>	<b>2,396.75</b>	<b>5,452.14</b>	<b>3,696.89</b>
<b>E</b>	<b>Current liabilities</b>			
	Financial liabilities			
	(i) Trade payables			
	(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	302.40
	(ii) Other financial liabilities	0.48	0.18	0.17
	Provisions	53.28	47.94	39.57
	Contract liabilities (Previous year: Deferred revenue)	3,561.91	2,583.53	2,041.30
	Other current liabilities	146.22	136.65	28.92
	<b>Total current liabilities</b>	<b>4,211.92</b>	<b>3,187.22</b>	<b>2,412.36</b>
	<b>Total liabilities (D+E)</b>	<b>6,608.67</b>	<b>8,639.36</b>	<b>6,109.25</b>
	<b>Total equity and liabilities (C+D+E)</b>	<b>8,207.55</b>	<b>5,427.13</b>	<b>2,209.06</b>

**IndiaMART InterMESH Limited**  
**Summary Statement of Profits and Losses (Ind AS Consolidated )**

(Amounts in INR million, unless otherwise stated)

S. No.	Particulars	For the years ended		
		31 March 2019	31 March 2018	31 March 2017
F	<b>Income</b>			
	Revenue from operations	5,074.17	4,105.08	3,177.63
	Net gain on financial assets measured at FVTPL	373.20	161.63	119.14
	Other income	36.52	28.55	22.59
	<b>Total income</b>	<b>5,483.89</b>	<b>4,295.26</b>	<b>3,319.36</b>
G	<b>Expenses</b>			
	Employee benefits expense	2,299.83	1,948.57	2,096.74
	Depreciation and amortization expense	41.27	28.85	46.32
	Net loss on financial liability designated at FVTPL	652.63	1,228.62	192.79
	Other expenses	1,950.93	1,690.19	1,624.95
	<b>Total expenses</b>	<b>4,944.66</b>	<b>4,896.23</b>	<b>3,960.80</b>
H	<b>Restated Profit/ (Loss) before tax</b>	<b>539.23</b>	<b>(600.97)</b>	<b>(641.44)</b>
	<b>Income tax expense</b>			
	Current tax	1.32	1.81	2.02
I	Deferred tax / (income)	337.47	(1,150.37)	-
	<b>Total tax expense</b>	<b>338.79</b>	<b>(1,148.56)</b>	<b>2.02</b>
	<b>Profit / (Loss) for the year</b>	<b>200.44</b>	<b>547.59</b>	<b>(643.46)</b>
J	<b>Other comprehensive income (OCI)</b>			
	<b>Items that will not be reclassified to profit or loss in subsequent years</b>			
	Re-measurement losses on defined benefit plans	(11.17)	(14.36)	(5.60)
	Income tax effect	3.81	5.20	-
	<b>Other comprehensive loss for the year , net of tax</b>	<b>(7.36)</b>	<b>(9.16)</b>	<b>(5.60)</b>
K	<b>Total comprehensive income / (loss) for the year</b>	<b>193.08</b>	<b>538.43</b>	<b>(649.06)</b>
	<b>Attributable to:</b>			
	Equity holders of the parent	193.08	538.24	(649.24)
	Non-controlling interests	-	0.19	0.18

**IndiaMART InterMESH Limited**  
**Summary statement of cash flows (Ind AS Consolidated)**

(Amounts in INR million, unless otherwise stated)

S. No.	Particulars	31 March 2019	31 March 2018	31 March 2017
<b>A</b>	<b>Cash flow from operating activities:</b> <b>Profit/(Loss) before tax (as restated)</b>	<b>539.23</b>	<b>(600.97)</b>	<b>(641.44)</b>
	<b>Adjustments to reconcile profit/(loss) before tax to net cash flow:</b>			
	Depreciation of Property, plant and equipment	37.67	23.91	42.68
	Amortisation of Intangible assets	3.60	4.94	3.64
	Interest Income	(29.65)	(28.02)	(22.59)
	Gain from business transfer arrangement	(6.80)	-	-
	Fair value change in investment in mutual funds	(321.86)	(89.09)	(100.11)
	Fair value change in share buyback obligation	652.63	1,228.62	192.79
	Gain/(Loss) on disposal of property, plant and equipment	(0.08)	(0.53)	0.03
	Share-based payment expense	94.62	36.83	19.51
	Gain on disposal of mutual fund investments	(51.34)	(72.54)	(19.03)
	Allowances for doubtful debts and advances	0.81	-	5.00
	<b>Operating profit/(loss) before working capital changes</b>	<b>918.83</b>	<b>503.15</b>	<b>(519.52)</b>
	<b>Movement in working capital :</b>			
	(Increase)/decrease in trade receivables	0.27	(1.48)	(2.89)
	(Increase)/decrease in other financial assets	2.14	(48.38)	(35.13)
	(Increase)/decrease in other assets	(12.18)	99.83	(57.19)
	Increase/(decrease) in other financial liabilities	0.53	(2.73)	(1.30)
	Increase/(decrease) in trade payables	31.12	116.52	(73.96)
	Increase in other liabilities	1,631.75	1,097.54	684.68
	Increase/(decrease) in provisions	30.85	36.01	11.50
	<b>Cash generated from/ (used in) operations</b>	<b>2,603.31</b>	<b>1,800.46</b>	<b>6.19</b>
	Income tax paid (net)	(51.90)	(9.90)	(12.01)
	<b>Net cash generated from/(used in) operating activities (A)</b>	<b>2,551.41</b>	<b>1,790.56</b>	<b>(5.82)</b>
<b>B</b>	<b>Cash flow from investing activities</b>			
	Proceeds from sale of property, plant and equipment	0.53	1.06	0.02
	Purchase of property, plant and equipment and other intangible assets	(51.70)	(22.92)	(27.01)
	Purchase of mutual fund investments	(5,199.11)	(3,241.70)	(1,599.56)
	Proceeds from sale of mutual fund investments	2,608.56	1,655.25	1,642.41
	Interest received	26.16	28.02	22.59
	Advances paid, recoverable from shareholders	(69.20)	-	-
	Investments in bank deposits (having original maturity of more than three months)	(73.28)	(72.24)	(116.44)
	<b>Net cash used in investing activities (B)</b>	<b>(2,758.04)</b>	<b>(1,652.53)</b>	<b>(77.99)</b>
<b>C</b>	<b>Cash flow from financing activities</b>			
	Proceeds from issues of preference shares under share buyback obligation	-	39.78	72.93
	Aquisition of non-controlling interest	(2.50)	-	-
	Proceeds from issues of equity shares on exercise of ESOP	143.98	112.71	-
	Interest paid	-	-	-
	Repayment of short-term borrowings	-	-	-
	<b>Net cash from financing activities (C )</b>	<b>141.48</b>	<b>152.49</b>	<b>72.93</b>
	<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(65.15)</b>	<b>290.52</b>	<b>(10.88)</b>
	Cash and cash equivalents at the beginning of the year	467.11	176.59	187.47
	<b>Cash and cash equivalents at end of the year</b>	<b>401.96</b>	<b>467.11</b>	<b>176.59</b>
	<b>Components of cash and cash equivalents</b>			
	Cash on hand	0.19	1.03	0.20
	Cheques on hand	145.42	121.42	82.36
	With banks - on current account	256.35	344.66	90.28
	- On nodal accounts	-	-	3.75
	<b>Total</b>	<b>401.96</b>	<b>467.11</b>	<b>176.59</b>
	<b>Non-cash financing activities</b>			
	Fair value change in share buyback obligations	652.63	1228.62	192.79
	Conversion of preference shares into equity shares	4,381.93	-	-

**IndiaMART InterMESH Limited**

**Summary Statement of Assets and Liabilities (Indian GAAP Consolidated)**

(Amount in INR million, unless otherwise stated)

S.No.	Particulars	As at	
		March 31, 2016	March 31, 2015
	<b>Equity and Liabilities</b>		
A	<b>Shareholder's Funds</b>		
	Share capital	753.89	581.69
	Reserves and surplus	(1,526.87)	(1,521.54)
	Minority interest	0.09	0.03
	<b>Total Shareholder's fund</b>	<b>(772.89)</b>	<b>(939.82)</b>
B	<b>Non-current liabilities</b>		
	Borrowings	-	-
	Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	6.66	7.32
	Other long-term liabilities	794.99	535.36
	<b>Total of Non-current liabilities</b>	<b>801.65</b>	<b>542.68</b>
C	<b>Current liabilities</b>		
	Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	376.35	267.79
	Other current liabilities	1,462.51	1,108.54
	Short-term provisions	39.89	45.59
	<b>Total of Current liabilities</b>	<b>1,878.75</b>	<b>1,421.92</b>
	<b>Total (A+B+C)</b>	<b>1,907.51</b>	<b>1,024.78</b>
D	<b>Assets</b>		
	<b>Non-current assets</b>		
	Fixed assets		
	Property, plant and equipment	90.79	51.24
	Intangible assets	8.26	10.36
	Capital work-in-progress	1.77	1.77
	Loans and advances	52.72	44.19
	Other non current Assets	113.52	104.53
	<b>Total of Non - current assets</b>	<b>267.06</b>	<b>212.09</b>
E	<b>Current assets</b>		
	Current investments	1,250.87	600.35
	Trade receivables	1.96	4.30
	Cash and bank balances	187.48	102.95
	Loans and advances	183.35	100.51
	Other Current Assets	16.79	4.58
	<b>Total of Current assets</b>	<b>1,640.45</b>	<b>812.69</b>
	<b>Total (D+E)</b>	<b>1,907.51</b>	<b>1,024.78</b>

**IndiaMART InterMESH Limited**  
**Summary Statement of Profits and Losses (Indian GAAP Consolidated)**

(Amount in INR million, unless otherwise stated)

S.No.	Particulars	For the years ended	
		31 March 2016	31 March 2015
F	<b>Income:</b>		
	Revenue from operations	2,542.89	1,760.72
	Other income	47.46	119.55
	<b>Total revenue</b>	<b>2,590.35</b>	<b>1,880.27</b>
G	<b>Expenses:</b>		
	Employee benefits expense	1,812.73	1,190.09
	Other expenses	1,885.06	973.91
	Depreciation and amortization expenses	36.72	30.21
	Financial costs	10.36	4.72
	<b>Total expenses</b>	<b>3,744.87</b>	<b>2,198.93</b>
H	<b>Restated loss before tax</b>	<b>(1,154.52)</b>	<b>(318.66)</b>
I	<b>Tax expense</b>		
	Current year	0.83	0.18
	Tax expenses for earlier years	3.71	-
	<b>Total tax expenses</b>	<b>4.54</b>	<b>0.18</b>
J	<b>Loss for the year</b>	<b>(1,159.06)</b>	<b>(318.84)</b>
	<b>Less: Minority interest - share of Loss</b>	<b>0.06</b>	<b>0.01</b>
K	<b>Restated loss for the year attributable to shareholders of parent</b>	<b>(1,159.12)</b>	<b>(318.85)</b>

(Amount in INR million, unless otherwise stated)

S.No.	Particulars	For the years ended	
		31 March 2016	31 March 2015
A	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Restated Loss before tax	(1,154.52)	(318.66)
	<b>Adjustment to reconcile loss before tax to net cash flows</b>		
	Depreciation and amortization	36.72	30.21
	Provision for diminution in value of Investment	1.43	-
	Provision for advances	0.44	0.57
	Gain on sale of fixed assets	-	(0.00)
	Net (gain) on sale of current investments	(34.13)	(113.25)
	Interest expenses	0.03	0.09
	Interest (income)	(13.33)	(5.74)
	<b>Operating loss before working capital changes</b>	<b>(1,163.36)</b>	<b>(406.78)</b>
	<b>Movement in working capital :</b>		
	Increase in other long-term liabilities	259.63	178.74
	Increase in trade payables	107.91	88.57
	Increase in other current liabilities	354.10	239.36
	Increase in short-term provisions	(5.71)	13.14
	Decrease in trade receivables	2.35	1.03
	Decrease in other current assets	(12.21)	(4.58)
	Decrease in long term loans and advances	(113.04)	(57.33)
	<b>Cash generated from operations</b>	<b>(570.33)</b>	<b>52.15</b>
	Direct taxes paid (net of refund)	19.44	18.38
	<b>Net cash from operating activities</b>	<b>(550.89)</b>	<b>70.53</b>
B	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets including CWIP and capital advance	(76.49)	(27.98)
	Proceeds from sale of fixed assets	-	0.03
	Redemption of bank deposit (having original maturity of more than three months)	138.11	-
	Investments in bank deposits (having original maturity of more than three months)	(208.65)	(108.02)
	Purchase of current investments	(2,359.09)	(1,188.02)
	Interest received	13.33	5.74
	Proceeds from sale/maturity of current investments	1,741.26	1,280.73
	<b>Net cash (used in) investing activities</b>	<b>(751.53)</b>	<b>(37.52)</b>
C	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from issue of equity share capital	1,326.00	0.02
	Repayment of short term borrowings	(0.57)	(0.56)
	Interest paid	(0.03)	(0.09)
	<b>Net cash (used in) financing activities</b>	<b>1,325.40</b>	<b>(0.63)</b>
D	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>22.98</b>	<b>32.38</b>
E	Cash and cash equivalents at the beginning of the year	99.46	67.08
	<b>Cash and cash equivalents at end of the year (D+E)</b>	<b>122.44</b>	<b>99.46</b>
	<b>Components of cash and cash equivalents</b>		
	Cash on hand	0.12	0.39
	Cheques on hand	98.13	76.15
	With banks - on current account	24.19	22.92
	<b>Total cash and cash equivalents</b>	<b>122.44</b>	<b>99.46</b>
	<b>Cash and cash equivalent in cash flow statement</b>	<b>122.44</b>	<b>99.46</b>

## THE OFFER

The following table summarizes details of the Offer.

Offer	4,887,862* Equity Shares of ₹ 10 each aggregating to ₹ 4,755.89 million
Comprising:	
Offer for Sale <sup>1</sup>	4,887,862* Equity Shares
Of which	
Employee Reservation Portion <sup>2</sup>	10,000* Equity Shares
Accordingly,	
The Net Offer	4,877,862* Equity Shares
Of which	
A. QIB Category <sup>3</sup>	At least 3,658,397* Equity Shares
Of which	
Anchor Investor Portion <sup>4</sup>	2,195,038 Equity Shares
Balance available for allocation to QIBs other than the Anchor Investor Portion (assuming the Anchor Investor Portion is fully subscribed)	1,463,359 Equity Shares
Of which:	
Available for allocation to mutual funds only (5% of the QIB Category (excluding Anchor Investor Portion))	73,168 Equity Shares
B. Non-Institutional Category	Not more than 731,679* Equity Shares
C. Retail Category	Not more than 487,786* Equity Shares
<b>Pre and post-Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer	28,774,820 Equity Shares
Equity Shares outstanding after the Offer <sup>5</sup>	28,774,820 Equity Shares
Use of Offer Proceeds	As the Offer comprises an Offer for Sale, our Company will not receive any proceeds from the Offer. For details, See “ <b>Objects of the Offer</b> ” on page 115

<sup>1</sup>Subject to finalisation of Basis of Allotment

<sup>1</sup> The Offer has been authorized by our Board pursuant to its resolution dated June 4, 2018. The Selling Shareholders have specifically confirmed their respective participation in the Offer. For details, see, “**Other Regulatory and Statutory Disclosures**” on page 471.

<sup>2</sup>Eligible Employees bidding in the Employee Reservation Portion must ensure that the Bid Amount does not exceed ₹ 500,000 and should note that while filling the “SCSB/Payment Details” block in the Bid cum Application Form, Eligible Employees must mention the Bid Amount. Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. The Employee Discount, has been offered to Eligible Employees bidding in the Employee Reservation Portion. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000 up to ₹ 500,000. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer to the public.

<sup>3</sup> If at least 75% of the Offer cannot be Allotted to QIBs, the entire application money will be refunded forthwith. In the event aggregate demand in the QIB Category has been met, under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

<sup>4</sup> Our Company in consultation with the BRLMs, allocated 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation was made to Anchor Investors, which price was determined by the Company in consultation with the BRLMs. For further details, see “**Offer Procedure**” on page 500.

<sup>5</sup> 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 the IndiaMART ESBS 2018

### Notes

1. In accordance with Regulation 19(2)(b) of the SCRR, the Net Offer is being made for 16.95% of our post-Offer equity share capital.

2. Our Company will not receive any proceeds from the Offer for Sale.
3. Allocation in all categories, except the Anchor Investor Portion if any, and the Retail Category, shall be made on a proportionate basis. For more information, see “***Offer Procedure***” on page 500.

For details, including in relation to grounds for rejection of Bids, refer to the “***Offer Procedure***” on page 500. For details of the terms of the Offer, see “***Terms of the Offer***” on page 496.

## GENERAL INFORMATION

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.

### **Registered Office of our Company**

1st Floor, 29 Daryaganj  
Netaji Subhash Marg  
New Delhi 110 002, India  
**Tel:** (+91) (11) 3027 2100  
**Fax:** (+91) (11) 4350 9807  
**E-mail:** cs@indiamart.com  
**Website:** www.indiamart.com

### **Corporate Office of our Company**

7<sup>th</sup> & 8<sup>th</sup> Floors, Advant-Navis Business Park  
Plot number 7, Sector 142, Noida 201 301  
Uttar Pradesh, India  
**Tel:** (+91) (120) 677 7800  
**Fax:** (+91) (120) 4873 101

Set forth below are the details of the Registration Number and Corporate Identity Number of our Company.

Details	Registration/Identification number
<b>Registration Number</b>	101534
<b>Corporate Identification Number</b>	U74899DL1999PLC101534

### **Address of the Registrar of Companies**

Our Company is registered with the RoC, which is situated at the following address:

The Registrar of Companies  
National Capital Territory of Delhi and Haryana  
4<sup>th</sup> Floor, IFCI Tower  
61, Nehru Place  
New Delhi 110 019, India  
**Tel:** (+ 91) (11) 2623 5707  
**Fax:** (+ 91) (11) 2623 5702

### **Board of Directors**

The following table sets out details regarding our Board as on the date of this Prospectus.

Name, Designation and DIN	DIN	Age	Address
<b>Dinesh Chandra Agarwal</b>	00191800	50	E 46, Sector 30, Noida 201 301, Uttar Pradesh, India
<i>Designation:</i> Managing Director			
<b>Brijesh Kumar Agrawal</b>	00191760	42	H 41, Sector 27, Noida 201 301, Uttar Pradesh, India
<i>Designation:</i> Whole-time Director			
<b>Dhruv Prakash</b>	05124958	67	A 14, Sector 26, Noida 201 301, Uttar Pradesh, India.
<i>Designation:</i> Non-executive Director			
<b>Rajesh Sawhney</b>	01519511	53	A/402, The Ivy Residential Complex, Sushant Lok, Phase 1, Gurgaon 122 001, Haryana, India
<i>Designation:</i> Independent Director			

Name, Designation and DIN	DIN	Age	Address
<b>Elizabeth Lucy Chapman</b> <i>Designation:</i> Independent Director	06459440	38	Sonna Mahal CHS, 6th floor, 143, Terrace Apartment, Marine Drive, Mumbai Marine Lines, Mumbai 400 020, Maharashtra, India
<b>Vivek Narayan Gour</b> <i>Designation: Independent Director</i>	00254383	56	MG 1203, The Magnolias, DLF Golf Links, DLF City Phase 5, Gurugram 122 009, Haryana, India

For brief profiles and further details in respect of our Directors, see “**Our Management**” on page 186.

#### Chief Financial Officer

Our Company has appointed Prateek Chandra as our Chief Financial Officer. His details are set forth below.

##### **Prateek Chandra**

IndiaMART InterMESH Limited  
7<sup>th</sup> and 8<sup>th</sup> floor, Advant Navis Business Park  
Plot number 7, Sector 142, Noida 201 301  
Uttar Pradesh, India  
**Tel:** (+91) (120) 677 7800  
**Fax:** (+91) (120) 4873 101  
**E-mail:** cfo@indiamart.com

#### Company Secretary and Compliance Officer

Our Company has appointed Manoj Bhargava, our Company Secretary and Senior Vice President (Legal and Secretarial), as the compliance officer. His details are set forth below.

##### **Manoj Bhargava**

IndiaMART InterMESH Limited  
7<sup>th</sup> and 8<sup>th</sup> Floors, Advant Navis Business Park  
Plot number 7, Sector 142, Noida 201 301  
Uttar Pradesh, India  
**Tel:** (+91) (120) 677 7800  
**Fax:** (+91) (120) 4873 101  
**E-mail:** cs@indiamart.com

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid-cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

## Book Running Lead Managers

**ICICI Securities Limited**  
 ICICI Center, H. T. Parekh Marg,  
 Churchgate, Mumbai 400 020  
 Maharashtra, India  
**Tel:** +91 22 2288 2460/70  
**Fax:** +91 2282 6580  
**Email:** [indiamart.ipo@icicisecurities.com](mailto:indiamart.ipo@icicisecurities.com)  
**Website:** [www.icicisecurities.com](http://www.icicisecurities.com)  
**Investor Grievance E-mail:**  
[customercare@icicisecurities.com](mailto:customercare@icicisecurities.com)  
**Contact Person:** Arjun A Mehrotra/Nidhi Wangnoo  
**SEBI Registration Number:**  
 INM000011179

**Jefferies India Private Limited**  
 42/43, 2 North Avenue  
 Maker Maxity, Bandra Kurla Complex  
 Bandra (East), Mumbai 400 051,  
 Maharashtra, India  
**Tel:** (+91) (22) 4356 6000  
**Fax:** (+91) (22) 6765 5595  
**E-mail:** [INDIAMART.IPO@jefferies.com](mailto:INDIAMART.IPO@jefferies.com)  
**Website:** [www.jefferies.com](http://www.jefferies.com)  
**Investor Grievance E-mail:**  
[jipl.grievance@jefferies.com](mailto:jipl.grievance@jefferies.com)  
**Contact Person:** Jayaraman Ganapathy  
**SEBI Registration No.:** INM000011443

**Edelweiss Financial Services Limited**  
 14th Floor, Edelweiss House  
 Off C.S.T. Road  
 Kalina, Mumbai 400 098  
 Maharashtra, India  
**Tel:** (+91) (22) 4086 3535  
**Fax:** (+91) (22) 4086 3610  
**E-mail:** [indiamart.ipo@edelweissfin.com](mailto:indiamart.ipo@edelweissfin.com)  
**Website:** [www.edelweissfin.com](http://www.edelweissfin.com)  
**Investor Grievance E-mail:**  
[customerservice.mb@edelweissfin.com](mailto:customerservice.mb@edelweissfin.com)  
**Contact Person:** Yash Modi  
**SEBI Registration No.:** INM0000010650

## Statement of inter-se allocation of responsibilities among the BRLMs

The responsibilities and coordination by the BRLMs for various activities in this Offer are as follows:

S. No.	Activity	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments and positioning strategy  Pre-Offer due diligence of the Company including its operations/management/business plans/ legal etc., drafting and design of DRHP, RHP and Prospectus, ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus and RoC filing	I-Sec, Edelweiss, Jefferies	I-Sec
2.	Drafting and approval of all statutory advertisements	I-Sec, Edelweiss, Jefferies	I-Sec
3.	Drafting and approval of all publicity material other than statutory advertisements, including corporate advertising, brochures, etc., and filing of media compliance report	I-Sec, Edelweiss, Jefferies	Jefferies
4.	Appointment of Registrar to the Offer, advertising agency (including coordinating all agreements to be entered with such parties)	I-Sec, Edelweiss, Jefferies	I-Sec
5.	Appointment of printers, Banker(s) to the Offer (including coordinating all agreements to be entered with such parties )	I-Sec, Edelweiss, Jefferies	Edelweiss
6.	International institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>• finalizing the list and division of international investors for one-to-one meetings</li> <li>• finalizing international road show and investor meeting schedules</li> </ul>	I-Sec, Edelweiss, Jefferies	Jefferies
7.	Preparation of roadshow presentation and FAQs for the roadshow team	I-Sec, Edelweiss, Jefferies	Jefferies
8.	Domestic institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>• finalizing the list and division of domestic investors for one-to-one meetings</li> <li>• finalizing domestic roadshow and investor meeting schedules</li> </ul>	I-Sec, Edelweiss, Jefferies	Edelweiss
9.	Non-institutional and retail marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>• formulating marketing strategies, preparation of publicity budget</li> <li>• finalising media and public relations strategy</li> <li>• finalising centres for holding conferences for press and brokers</li> <li>• finalising collection centres</li> </ul>	I-Sec, Edelweiss, Jefferies	I-Sec

S. No.	Activity	Responsibility	Coordinator
	<ul style="list-style-type: none"> <li>follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material</li> </ul>		
10.	Co-ordination with Stock Exchanges for book building software, bidding terminals, mock trading and for deposit of 1% security deposit and intimation of anchor allocation	I-Sec, Edelweiss, Jefferies	Edelweiss
11.	Finalization of pricing in consultation with the Company	I-Sec, Edelweiss, Jefferies	I-Sec
12.	Post-Offer activities, which shall involve essential follow-up steps including follow-up with the Bankers to the Offer and SCSBs to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalization of the Basis of Allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post- Offer activity such as Registrar to the Offer, Bankers to the Offer, SCSBs etc., including responsibility for underwriting arrangements, as applicable, coordinating with Stock Exchanges and SEBI for release of 1% security deposit post closure of the Offer and payment of securities transaction tax on behalf of the Selling Shareholders	I-Sec, Edelweiss, Jefferies	Edelweiss

### Syndicate Members

#### **Edelweiss Securities Limited**

2nd Floor, M.B. Towers  
 Plot No. 5, Road No. 2, Banjara Hills  
 Hyderabad 500 034, Telangana, India  
**Telephone No:** (+91) (22) 4063 5569  
**Faxsimile:** (+91) (22) 6747 1347  
**E-mail:** indiamart.ipo@edelweissfin.com  
**Website:** www.edelweissfin.in  
**Contact Person:** Prakash Boricha  
**SEBI Registration No.** INZ000166136

### Legal Counsel to our Company as to Indian Law

#### **Shardul Amarchand Mangaldas & Co**

Amarchand Towers  
 216, Okhla Industrial Estate, Phase-III  
 New Delhi 110 020, India  
**Tel:** (+91) (11) 4159 0700  
**Fax:** (+91) (11) 2692 4900

### Legal Counsel to the BRLMs as to Indian Law

#### **AZB & Partners**

AZB House  
 Plot No. A8, Sector 4  
 Noida 201 301  
 India  
**Tel:** (+91) (120) 417 9999  
**Fax:** (+91) (120) 417 9900

### International Legal Counsel to the BRLMs

#### **Latham & Watkins LLP**

9, Raffles Place  
 #42-02, Republic Plaza  
 Singapore 048619  
**Tel:** (+65) 6536 1161

**Fax:** (+65) 6536 1171

#### **Registrar to the Offer**

##### **Link Intime India Private Limited**

C-101, 1st Floor, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai 400 083, Maharashtra, India

**Tel:** +91 22 4918 6200

**Fax:** +91 22 4918 6195

**E-mail:** [indiamart.ipo@linkintime.co.in](mailto:indiamart.ipo@linkintime.co.in)

**Investor Grievance E-mail:** [indiamart.ipo@linkintime.co.in](mailto:indiamart.ipo@linkintime.co.in)

**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)

**Contact Person:** Shanti Gopalkrishnan

**SEBI Registration No.** INR000004058

#### **Banker(s) to the Offer and/or Escrow Collection Bank(s)/Public Offer Bank/Refund Bank/Sponsor Bank**

##### **HDFC Bank Limited**

FIG-OPS Department,  
Lodha I Think Techno Campus, O-3 Level,  
Next to Kanjurmarg Railway Station,  
Kanjurmarg (East), Mumbai - 400042

**Tel:** (+91) 22 30752927/28/2914

**Fax:** (+91) 22 25799801

**E-Mail:** [vincent.dsouza@hdfcbank.com](mailto:vincent.dsouza@hdfcbank.com), [siddharth.jadhav@hdfcbank.com](mailto:siddharth.jadhav@hdfcbank.com), [prasanna.uchil@hdfcbank.com](mailto:prasanna.uchil@hdfcbank.com)

**Website:** [www.hdfcbank.com](http://www.hdfcbank.com)

**Contact Person:** Vincent Dsouza, Siddharth Jadhav, Prasanna Uchil

**SEBI Registration No.** INBI00000063

#### **Self-Certified Syndicate Banks**

The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> or <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other website as updated from time to time.

#### **Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time.

#### **Broker Centers / Designated CDP Locations/ Designated RTA Locations**

In accordance with SEBI Circulars CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Statutory Auditors of our Company**

#### **S. R. Batliboi & Associates LLP**

Chartered Accountants

4th Floor, Office 405

World Mark – 2, Asset no. 8

IGI Airport Hospitality District

Aerocity, New Delhi 110 037

India

**Tel:** (+91) (11) 6122 9500

**Fax:** N.A.

**E-mail:** SRBA@Srb.in

**Firm Registration No.:** 101049W/E300004

### **Bankers to our Company**

#### **HDFC Bank Limited**

Ansals Fortune Arcade

K-Block, Sector-18

Noida 201301

Uttar Pradesh, India

**Tel:** (+91) 98997 33348

**E-mail:** rahul.shrivastava@hdfcbank.com

**Website:** www.hdfcbank.com

**Contact person:** Rahul Srivastava

#### **ICICI Bank Limited**

9A, Phelps Building

Connaught Place

New Delhi 110 001, India

**Tel:** (+91) 92052 85662

**Fax:** (+91) (11) 6631 0410

**E-mail:** rohin.agrawal@icicibank.com

**Website:** www.icicibank.com

**Contact person:** Rohin Agrawal

### **Grading of the Offer**

No credit agency registered with SEBI has been appointed for grading for the Offer.

### **Appraising Entity**

The Offer being an Offer for Sale, the objects of the Offer have not been appraised.

### **Monitoring Agency**

The Offer being an offer for sale, our Company will not receive any proceeds from the Offer and accordingly our Company is not required to appoint a monitoring agency.

### **Expert**

Except as stated below, our Company has not obtained any expert opinion.

Our Company has received a written consent from the Statutory Auditors namely, S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, and as “experts”, as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as an auditor and in respect of their (a) examination reports dated June 3, 2019 on our Restated Financial Statements, and their (b) report dated June 3, 2019 on the Statement of Tax Benefits included in this Prospectus, and such consent has not been withdrawn as on the date of this Prospectus. However, they should not be construed as “experts” as defined under U.S. Securities Act.

Additionally, our Company has received a written consent from AARK & Co. LLP, Chartered Accountants, to include their name in this Prospectus as an “expert”, as defined under Section 2(38) read with Section 26 of the Companies Act, in connection with their certification on certain operational key performance indicators and certain other information included in this Prospectus.

### **Credit Rating**

As the Offer is of Equity Shares, credit rating is not required.

## **Trustees**

As the Offer is of Equity Shares, the appointment of trustees is not required.

## **Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from the Bidders on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which was decided by our Company in consultation with the Selling Shareholders and the BRLMs, and advertised in all editions of ‘The Financial Express’ (a widely circulated English national daily newspaper) and all editions of ‘Jansatta’ (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their websites. The Offer Price has been determined by our Company in consultation with the BRLMs after the Bid/Offer Closing Date.

**All Investors (other than Anchor Investors) could participate in this Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

**In terms of the SEBI ICDR Regulations 2018 QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion (subject to the Bid Amount being up to ₹ 500,000) could revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors were not allowed to revise or withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to Retail Individual Investors and the Anchor Investors, allocation in the Offer has been on a proportionate basis. For further details on method and process of Bidding, see “Offer Structure” and “Offer Procedure” on pages 492 and 500, respectively.**

**The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.**

Investors should note that the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after this Prospectus is filed with the RoC.

## **Illustration of Book Building Process and the Price Discovery Process**

For an illustration of book building process and the price discovery process, see “*Offer Procedure – Part B – Basis of Allocation – Illustration of the Book Building and Price Discovery Process*” on page 544.

## **Underwriting Agreement**

Our Company and the Selling Shareholders have entered into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated June 27, 2019. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone, fax and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	(₹ in million)	Amount Underwritten
<b>ICICI Securities Limited</b> ICICI Center, H. T. Parekh Marg, Churchgate, Mumbai 400 020 Maharashtra, India <b>Tel:</b> +91 22 2288 2460/70 <b>Fax:</b> +91 2282 6580	1,629,287	1,585.30	

Name, address, telephone, fax and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten
<b>Email:</b> <a href="mailto:indiamart.ipo@icicisecurities.com">indiamart.ipo@icicisecurities.com</a>		
<b>Jefferies India Private Limited</b> 42/43, 2 North Avenue Maker Maxity, Bandra Kurla Complex Bandra (East), Mumbai 400 051, Maharashtra, India <b>Tel:</b> (+91) (22) 4356 6000 <b>Fax:</b> (+91) (22) 6765 5595 <b>E-mail:</b> <a href="mailto:INDIAMART.IPO@jefferies.com">INDIAMART.IPO@jefferies.com</a>	1,629,287	1,585.30
<b>Edelweiss Financial Services Limited</b> 14th Floor, Edelweiss House Off C.S.T. Road Kalina, Mumbai 400 098 Maharashtra, India <b>Tel:</b> (+91) (22) 4086 3535 <b>Fax:</b> (+91) (22) 4086 3610 <b>E-mail:</b> <a href="mailto:indiamart.ipo@edelweissfin.com">indiamart.ipo@edelweissfin.com</a>		
<b>Edelweiss Securities Limited</b> 2nd Floor, M.B. Towers Plot No. 5, Road No. 2, Banjara Hills Hyderabad 500 034, Telangana, India <b>Tel:</b> (+91) (22) 4063 5569 <b>Fax:</b> (+91) (22) 6747 1347 <b>E-mail:</b> <a href="mailto:indiamart.ipo@edelweissfin.com">indiamart.ipo@edelweissfin.com</a>	100	0.10

The abovementioned amounts are provided for indicative purposes only and would be finalized after finalisation of the Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations 2018.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them.

## CAPITAL STRUCTURE

The details of the share capital of our Company, as of the date of this Prospectus are set forth below.

PARTICULARS	AGGREGATE VALUE AT FACE VALUE	AGGREGATE VALUE AT OFFER PRICE	(Amount in ₹)
<b>A. AUTHORIZED SHARE CAPITAL*</b>			
30,000,000 Equity Shares of ₹ 10 each	300,000,000	-	-
1,493,903 0.01% Cumulative Preference Shares of ₹328 each	490,000,184	-	-
1,894,254 Compulsorily Convertible Cumulative Preference Shares of ₹100 each	189,425,400	-	-
<b>B. ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE OFFER<sup>#</sup></b>			
28,774,820 Equity Shares of ₹ 10 each	287,748,200	27,997,899,860	
<b>C. OFFER<sup>^</sup></b>			
Offer of 4,887,862 Equity Shares <sup>**</sup>	48,878,620	4,755,889,726	
<b>D. ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE OFFER<sup>#</sup></b>			
28,774,820 Equity Shares of ₹ 10 each	287,748,200	27,997,899,860	
<b>E. SECURITIES PREMIUM ACCOUNT</b>			
Before the Offer		4,702,990,853	
After the Offer		4,702,990,853	

\*For details of the changes in the authorized share capital of our Company, see “History and Certain Corporate Matters – Amendments to our Memorandum of Association” on page 178.

\*\*Subject to finalization of Basis of Allotment. The Offer has been authorized pursuant to a resolution dated June 4, 2018 of our Board of Directors. The Selling Shareholders have specifically confirmed and authorized their respective participation in the Offer for Sale. For details, see “Other Regulatory and Statutory Disclosures” on page 471.

<sup>^</sup>Includes an Employee Reservation Portion of 10,000 Equity Shares.

<sup>\*\*</sup>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

### Notes to Capital Structure

#### 1. Share Capital History

##### a. History of Equity Share Capital of our Company

The following table sets forth the history of the Equity share capital of our Company.

Date of Allotment	Number of Equity Shares	Face value (₹)	Issue Price per Equity share (₹)	Nature of Consideration	Reason/Nature of Allotment	Cumulative number of Equity shares	Cumulative paid-up Equity Share Capital (₹)
September 13, 1999	700	10	10.00	Cash	Subscription to the MOA <sup>1</sup>	700	7,000
January 10, 2000	8,000,000	10	10.00	Other than cash	Allotment of Equity Shares in consideration of acquisition of the assets and liabilities of InterMESH Systems, a sole proprietorship firm <sup>2</sup> .	8,000,700	80,007,000
March 31, 2000	215,500	10	10.00	Cash	Preferential allotment <sup>3</sup>	8,216,200	82,162,000
November 30, 2000	22,500	10	40.00	Cash	Preferential allotment <sup>4</sup>	8,238,700	82,387,000
June 17, 2001 <sup>#</sup>	75,250	10	40.00	Cash	Preferential allotment <sup>5</sup>	8,313,950	83,139,500
July 15, 2001 <sup>#</sup>	76,500	10	40.00	Cash	Preferential allotment <sup>6</sup>	8,389,950	83,899,500
August 30, 2001 <sup>#</sup>	71,250	10	40.00	Cash	Preferential allotment <sup>7</sup>	8,461,700	84,617,000

Date of Allotment	Number of Equity Shares	Face value (₹)	Issue Price per Equity share (₹)	Nature of Consideration	Reason/Nature of Allotment	Cumulative number of Equity shares	Cumulative paid-up Equity Share Capital (₹)
March 31, 2002	33,000	10	40.00	Cash	Preferential allotment <sup>8</sup>	8,494,700	84,947,000
October 5, 2002	34,500	10	40.00	Cash	Preferential allotment <sup>9</sup>	8,529,200	85,292,000
March 30, 2007	639,659	10	234.50	Cash	Preferential allotment <sup>10</sup>	9,168,859	91,688,590
November 24, 2008	100	10	328.00	Cash	Preferential allotment <sup>11</sup>	9,168,959	91,689,590
January 29, 2016	20	10	770.00	Cash	Preferential allotment <sup>12</sup>	9,168,979	91,689,790
February 5, 2016	10	10	770.00	Cash	Preferential allotment <sup>13</sup>	9,168,989	91,689,890
March 31, 2018	301,681	10	100.00	Cash	Exercise of options granted under Grant 2010 <sup>14</sup>	9,470,670	94,706,700
	373,723	10	150.00	Cash	Exercise of options granted under Grant 2012 and Grant 2013 <sup>15</sup>	9,844,393	98,443,930
	132,412	10	200.00	Cash	Exercise of options granted under Grant 2015 and Grant 2016 <sup>16</sup>	9,976,805	99,768,050
May 9, 2018	9,976,805	10	N.A.	N.A.	Bonus issue at the ratio one Equity Share for every one existing Equity Share held <sup>17</sup>	19,953,610	199,536,100
	5,020	10	50.00	Cash	Exercise of options granted under Grant 2010 <sup>18</sup>	19,958,630	199,586,300
	1,426	10	75.00	Cash	Exercise of options granted under Grant 2012 <sup>19</sup>	19,960,056	199,600,560
May 31, 2018	77,450	10	50.00	Cash	Exercise of options granted under Grant 2010 <sup>20</sup>	20,037,506	200,375,060
	277,650	10	75.00	Cash	Exercise of options granted under Grant 2012 <sup>21</sup>	20,315,156	203,151,560
	568,160	10	100.00	Cash	Exercise of options granted under Grant 2015 and 2016 <sup>22</sup>	20,883,316	208,833,160
June 6, 2018	2,076,091	10	146.93	Cash	Conversion of CCPS A <sup>23</sup>	22,959,407	229,594,070
	1,105,632	10	385.00	Cash	Conversion of CCPS B <sup>24</sup>	24,065,039	240,650,390
	15,498	10	385.00	Cash	Conversion of CCPS B1 <sup>25</sup>	24,080,537	240,805,370
June 16, 2018	25,682	10	50.00	Cash	Exercise of options granted under Grant 2010 <sup>26</sup>	24,106,219	241,062,190
	11,990	10	75.00	Cash	Exercise of options granted under Grant 2012 <sup>27</sup>	24,118,209	241,182,090
	79,120	10	100.00	Cash	Exercise of options granted under Grant 2017 <sup>28</sup>	24,197,329	241,973,290
June 25, 2018	520,132	10	100.00	Cash	Exercise of options granted under Grant 2015 <sup>29</sup>	24,717,461	247,174,610
<b>Equity Shares issued in the preceding one year</b>							
September 22, 2018	1,258,831	10	146.93	Cash	Conversion of CCPS A <sup>30</sup>	25,976,292	259,762,920
September 22, 2018	2,338,462	10	385.00	Cash	Conversion of CCPS B <sup>31</sup>	28,314,754	283,147,540
September 22, 2018	277,252	10	385.00	Cash	Conversion of CCPS B1 <sup>32</sup>	28,592,006	285,920,060
May 27, 2019	182,814	10	100.00	Cash	Exercise of options granted under Grant 2015, 2016 and 2017 <sup>33</sup>	28,774,820	287,748,200

\* 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. For further details, see "Risk Factors – We have made certain issuances and allotments of Equity Shares which were not in compliance with Section 67(3) of the Companies Act, 1956." on page 27.

<sup>1</sup>Subscription to 100 equity shares each by Dinesh Chandra Agarwal, Brijesh Kumar Agrawal, Chetna Agarwal, Pankaj Agarwal, Naresh Chandra Agarwal, Prakash Chandra Agrawal and Praveen Kumar Goel.

<sup>2</sup>Allotment of 8,000,000 equity shares to Dinesh Chandra Agarwal, the sole proprietor of InterMESH Systems.

<sup>3</sup>Allotment of 7,500 equity shares to Adesh Agarwal, 5,000 equity shares to Girija Agarwal, 5,000 equity shares to Satya Bhama, 7,500 equity shares to Aditya Agarwal (HUF), 26,000 equity shares to Brijesh Kumar Agrawal, 10,000 equity shares to Prakash Chand Agarwal, 10,000 equity shares to Naresh Chand Agarwal, 10,000 equity shares to Pankaj Agarwal, 12,000 equity shares to Praveen Kumar Goel, 21,000 equity shares to Dinesh Chandra Agarwal (HUF), 44,000 equity shares to Chetna Agarwal, 10,000 equity shares to Adarsh Agarwal, 15,000 equity

*shares to Anuradha Agarwal, 20,000 equity shares to Dr. Neelima Gupta, 2,500 equity shares to Pushpa Jalan, 2,500 equity shares to Vijay Jalan and 7,500 equity shares to Monica Goel.*

<sup>4</sup>*Allotment of 3,000 equity shares to Satya Vardhan Goel, 3,000 equity shares to Tanuja Goel, 1,500 equity shares to Satya Narain Singhal, 1,500 equity shares to Sneh Lata Singh, 1,500 equity shares to Seema Shah, 1,500 equity shares to Uma Vaishya, 1,500 equity shares to Manish Khaitan, 1,500 equity shares to Avtar Singh, 1,500 equity shares to Savita Dalmia, 1,500 equity shares to Sheo Kumar Tiwari, 1,500 Equity Shares to Raj Kumar Singh, 1,500 equity shares to Anil Kumar and 1,500 Equity Shares to Sidheshwar Singh.*

<sup>5</sup>*Allotment of 25,000 equity shares to Brijesh Kumar Agrawal, 13,000 equity shares to Pankaj Agarwal, 2,000 equity shares each, to Praveen Kumar Goel and Awadesh Gupta, 1,000 equity shares each, to Raj Kumar Narang, Piyush Pankaj, Amit Gundh, Nishit Verma, Aashish Kamani, Rakesh Kumar Singh, Vinayak Sinha, Amit Saraswat, Rajiv Gupta, Shashi Narain, Mahendra Singh, Anubha Gupta, Ranjeeta Roy and Himani Kumar, 500 equity shares each, to Manish Gupta, N.C. Saradhi, Gopal Krishna, Pawan Kingar, Anil Singi, Shweet Gupta, Alok Bharti, Devendra Goel, Pratibha Goel, Amit Jain, Rohit Bansal, Vivek Arora, Rajan Bajpai, Shilpi Gupta, Saryu Kapoor, Sangeeta J and Deepak Vaidya, 1,500 equity shares each, to Abhishek Bhartia and Surat Singh Bhati, 5,000 equity shares to Akshi Agarwal, 250 equity shares each, to Manish Agarwal, Sidharth Bahri, Yogita Dhariyal, and Sunil Kumar Soni, 300 equity shares, each to Aseem Jaggia and Ziniya Gupta, 200 equity shares each, to Surinder Pal Singh and Rajnish Rajput and 750 equity shares to Mukund Kishore.*

<sup>6</sup>*Allotment of 8,000 equity shares each, to Dinesh Chandra Agarwal, Chetna Agarwal and Dinesh Chandra Agarwal (HUF), 500 equity shares each, to Manish Gupta, Pawan Kingar, Alok Bharti, Devendra Goel, Amit Jain, Vivek Arora, Saryu Kapoor, Deepak Vaidya, Vishwajeet Singh, Mamta Khanna, Samir Parey, Vineet Shukla, Parag Mehra and Sameer Raj Kapur, 1,000 equity shares each to Surat Singh Bhati, Anil Shringi, Harkishan Singh Ratan, Bharat Bhushan, Vinayak Sinha, Sanjeev Taneja, Anurag Singhal, Vijay Virmani, Lalit Masta, Rajiv Tandon and Vikas Agarwal, 1,500 equity shares to Rakesh Kumar Singh, 250 equity shares each, to Maneesh Agarwal, Sunil Kumar Soni, Sidharth Bahri and Yogita Dhariyal, 2,000 equity shares to Shiraj Farooqui, 5,000 equity shares to Nimisha Agrawal and 25,000 equity shares to Anita Rungta.*

<sup>7</sup>*Allotment of 2,000 equity shares, each to Dinesh Chandra Agarwal, Awadesh Gupta, Vinayak Sinha and Shiraj Farooqui, 1,000 equity shares each to Praveel Goel, Dinesh Chandra Agarwal (HUF), Raj Kumar Narang, Amit Gundh, Nishit Verma, Shashi Narain, Anurag Singhal, Vijay Virmani, Lalit Masta and Manan Sharma, 7,500 equity shares to Chetna Agarwal, 3,000 equity shares to Piyush Pankaj, 500 equity shares each, to N.C. Saradhi, Gopal Krishna, Shweet Gupta, Pratibha Goel, Rohit Bansal, Rajan Bajpai, Surat Singh Bhati, Vishwajeet Singh, Nimisha Agarwal, Samir Parey, Vineet Shukla, Sameer Raj Kapur, Navin Wadhwa, Jacob Rene Gabriel, Surender Bishnoi and Amit Dua, 5,000 equity shares to Akshi Agarwal, 750 equity shares to Mukund Kishor, 1,500 equity shares to Himani Kumar, 25,000 equity shares to Anita Rungta and 2,500 equity shares to Aparna Singh.*

<sup>8</sup>*Allotment of 6,000 equity shares to Brijesh Kumar Agrawal, 17,000 equity shares to Pankaj Agarwal and 10,000 equity shares to Chetna Agarwal.*

<sup>9</sup>*Allotment of 3,000 equity shares to Awadesh Gupta, 1,000 equity shares to Himani Kumar, 10,000 equity shares to Akshi Agarwal, 1,500 equity shares to Vikas Agarwal, 1,000 equity shares to Abhishek Bhartia, 1,500 equity shares to Vinay Kumar, 500 equity shares to Shashi Narain, 1,500 equity shares to Amit Gundh, 4,000 equity shares to Dinesh Agarwal, 2,000 equity shares to Praveen Kumar Goel, 500 equity shares to Brijesh Kumar Agrawal, 2,000 equity shares to Chetna Agarwal, 1,000 equity shares to Pankaj Agarwal, 500 equity shares to Pankaj Verma, 500 equity shares to Shweet Gupta, 500 equity shares to Pawan Kingar, 500 equity shares to Pratibha Goel, 500 equity shares to Harkishan Singh Ratan, 500 equity shares to Vineet Shukla, 500 equity shares to Bharat Bhushan, 500 equity shares to Nishit Verma, 500 equity shares to Amit Jaiswal and 500 equity shares to Rajeev Aggarwal.*

<sup>10</sup>*Allotment of 426,439 equity shares to Bennett, Coleman & Co. Limited and 213,220 equity shares to Times Internet Limited.*

<sup>11</sup>*Allotment of 100 equity shares to Intel.*

<sup>12</sup>*Allotment of 20 Equity Shares each to Amadeus and Westbridge.*

<sup>13</sup>*Allotment of 10 Equity Shares to AFIM*

<sup>14</sup>*Allotment to 36 employees of our Company, pursuant to exercise of employee stock options*

<sup>15</sup>*Allotment to 34 employees of our Company, pursuant to exercise of employee stock options*

<sup>16</sup>*Allotment to 27 employees of the Company, pursuant to exercise of employee stock options*

<sup>17</sup>*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*

<sup>18</sup>*Allotment to Jatin Bhargava pursuant to exercise of stock options*

<sup>19</sup>*Allotment to Arun Singh Tyagi pursuant to exercise of stock options*

<sup>20</sup>*Allotment to 11 employees of our Company, pursuant to exercise of stock options*

<sup>21</sup>*Allotment to four employees of our Company, pursuant to exercise of stock options*

<sup>22</sup>*Allotment to 25 employees of our Company, pursuant to exercise of stock options*

<sup>23</sup>*Allotment to Intel on conversion of 930,000 CCPS A held by Intel*

<sup>24</sup>*Allotment of 154,984 Equity Shares to Amadeus and 950,648 Equity Shares to AFIM on conversion of 77,492 and 475,324 CCPS B held by them respectively*

<sup>25</sup>*Allotment to Amadeus on conversion of 7,749 CCPS B1 held by Amadeus*

<sup>26</sup>*Allotment to six employees of our Company, pursuant to exercise of stock options*

<sup>27</sup>*Allotment to three employees of our Company pursuant to exercise of stock options*

<sup>28</sup>*Allotment to 26 employees of our Company pursuant to exercise of stock options*

<sup>29</sup>*Allotment to 11 employees of our Company pursuant to exercise of stock options*

<sup>30</sup>*Allotment to Intel on conversion of 563,903 CCPS A held by Intel*

<sup>31</sup>*Allotment of 516,624 Equity Shares to Intel, 878,242 Equity Shares to Amadeus, 82,578 Equity Shares to AFIM and 861,018 Equity Shares to Westbridge on conversion of 258,312, 439,121, 41,289 and 430,509 CCPS B held by them respectively*

<sup>32</sup>*Allotment of 87,826 Equity Shares to Amadeus, 103,324 Equity Shares to AFIM and 86,102 Equity Shares to Westbridge on conversion of 43,913, 51,662 and 43,051 CCPS B1 held by them, respectively*

<sup>33</sup>*Allotment to 16 employees of our Company pursuant to an accelerated exercise of stock options*

## **b. History of Preference Share Capital of our Company**

The following table sets forth below is the history of the preference share capital of our Company.

Date of allotment	Number of preference shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for/ Nature of allotment	Cumulative number of preference share	Cumulative paid-up Preference share capital (₹)
<b>Non-cumulative redeemable preference shares</b>							
January 10, 2000	2,000,000	10	10.00	Other than cash	Allotment of non-cumulative redeemable preference shares in consideration of acquisition of the assets and liabilities of InterMESH Systems, a sole proprietorship firm <sup>1</sup>	2,000,000	20,000,000
<b>Total</b>	<b>0</b>					<b>0</b>	<b>0</b>
<b>CCPS A</b>							
November 24, 2008	1,493,903	328	328.00	Cash	Preferential allotment <sup>2</sup>	1,493,903	490,000,184
June 6, 2018	(930,000)	328	-	-	Conversion into Equity Shares	563,903	184,960,184
September 22, 2018	(563,903)	328	-	-	Conversion into Equity Shares	0	0
<b>Total</b>	<b>0</b>					<b>0</b>	<b>0</b>
<b>CCPS B</b>							
January 29, 2016	947,122	100	770.00	Cash	Preferential allotment <sup>3</sup>	947,122	94,712,200
February 5, 2016	774,925	100	770.00	Cash	Preferential allotment <sup>4</sup>	1,722,047	172,204,700
June 6, 2018	(552,816)	100	-	-	Conversion into Equity Shares	1,169,231	11,6923,100
September 22, 2018	(1,169,231)	100	-	-	Conversion into Equity Shares	0	0
<b>Total</b>	<b>0</b>					<b>0</b>	<b>0</b>
<b>CCPS B1</b>							
March 31, 2017	94,713	100	770	Cash	Preferential allotment <sup>5</sup>	94,713	9,471,300
July 26, 2017	51,662	100	770	Cash	Preferential allotment <sup>6</sup>	146,375	14,637,500
June 6, 2018	(7,749)	100	-	-	Conversion into Equity Shares	138,626	13,862,600
September 22, 2018	(138,626)	100	-	-	Conversion into Equity Shares	0	0
<b>Total</b>	<b>0</b>					<b>0</b>	<b>0</b>

<sup>1</sup>Allotment of 2,000,000 non-cumulative redeemable preference shares to Dinesh Chandra Agarwal, the sole proprietor of InterMESH Systems. The non-cumulative redeemable preference shares allotted to Dinesh Chandra Agarwal were redeemed by the Company in tranches on January 25, 2004, July 23, 2004, November 16, 2004 and March 24, 2005. There are no outstanding non-cumulative redeemable preference shares as on the date of this Prospectus.

<sup>2</sup>Allotment of 1,493,903 CCPS A to Intel.

<sup>3</sup>Allotment of 516,613 CCPS B to Amadeus and 430,509 CCPS B to Westbridge.

<sup>4</sup>Allotment of 516,613 CCPS B to AFIM and 258,312 CCPS B to Intel.

<sup>5</sup>Allotment of 51,662 series CCPS B1 to Amadeus and 43,051 series B1 CCPS to Westbridge.

<sup>6</sup>Allotment of 51,662 series CCPS B1 to AFIM.

#### c. Issue of shares for Consideration other than Cash

Except as set forth below, our Company has not issued any Equity Shares for consideration other than cash.

Date of Allotment	Number of shares	Face value (₹)	Issue Price per Equity share (₹)	Reason for allotment	Allotees of shares	Benefits accrued to our Company
<b>Equity Shares</b>						
January 10, 2000	8,000,000	10	10.00	Allotment of Equity Shares in consideration of acquisition of the assets and liabilities of	Dinesh Chandra Agarwal	Acquisition of assets of InterMESH Systems

Date of Allotment	Number of shares	Face value (₹)	Issue Price per Equity share (₹)	Reason for allotment	Allotees of shares	Benefits accrued to our Company
<b>Equity Shares</b>						
InterMESH Systems, a sole proprietorship firm						
January 10, 2000	2,000,000	10	10.00	Allotment of non-cumulative redeemable preference shares in consideration of acquisition of the assets and liabilities of InterMESH Systems, a sole proprietorship firm <sup>1</sup>	Dinesh Chandra Agarwal	Acquisition of assets of InterMESH Systems

<sup>1</sup>The non-cumulative redeemable preference shares allotted to Dinesh Chandra Agarwal were redeemed by the Company in tranches on January 25, 2004, July 23, 2004, November 16, 2004 and March 24, 2005. There are no outstanding non-cumulative redeemable preference shares as on the date of this Prospectus.

## 2. Issue of Equity Shares in the last one year below the Offer Price

Except as set forth above in “- **Notes to Capital Structure – Share Capital History – History of Equity Share capital of our Company**”, our Company has not issued any Equity Shares in the one year immediately preceding the date of this Prospectus at a price which may be below the Offer Price.

Further, our Company has not issued any Equity Shares out of revaluation reserves since incorporation.

## 3. Employee Stock Options

### (i) IndiaMART ESOS 2015

Pursuant to the resolutions of our 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 scheme, our Company granted options to eligible employees in 2010 (“Grant 2010”), 2012 (“Grant 2012”) and 2013 (“Grant 2013”).

Subsequently, pursuant to a resolution dated June 8, 2015 of our Board and a resolution dated September 23, 2015 of our shareholders, our Company adopted the IndiaMART Employees Stock Option Scheme – 2015 (“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 exercising 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 our Board of Directors dated April 30, 2018, the IndiaMART ESOS 2015 was discontinued with respect to future grants of options. Further, pursuant to such resolution of our Board and the resolution of our Shareholders dated May 7, 2018, 372,746 options, comprising the options under IndiaMART ESOS 2015 that had not been granted to eligible employees, will henceforth be governed by the IndiaMART ESBS 2018 (defined below).

Our 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 2015 (“Grant 2015”), 2016 (“Grant 2016”) and 2017 (“Grant 2017”).

As on the date of this Prospectus, our Company has issued 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 1,682,538 stock options have vested and exercised, 409,281 options have lapsed and 47,871 options are outstanding as on the date of this Prospectus.

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

*Details pertaining to the IndiaMART ESOS 2015:*

Particulars	Fiscal 2020 (April 1, 2019 to June 27, 2019)						Fiscal 2019						Fiscal 2018						Fiscal 2017						
	Grant 2010	Grant 2012	Grant 2013	Grant 2015	Grant 2016	Grant 2017	Grant 2010	Grant 2012	Grant 2013	Grant 2015	Grant 2016	Grant 2017	Grant 2010	Grant 2012	Grant 2013	Grant 2015	Grant 2016	Grant 2017	Grant 2010	Grant 2012	Grant 2013	Grant 2015	Grant 2016		
Options granted	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	200730	Nil	Nil	Nil	Nil	276,980		
Pricing Formula	FMV 12 to 48 months																								
Vesting period																									
Options vested (excluding the options that have been exercised)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	48,000	22,284	Nil	Nil	Nil	Nil	4950	95200	Nil	Nil	
Options exercised	Nil	Nil	Nil	62,100	20,025	9,282	54,076	1,45,5,33	Nil	2,88,400	1,36,218	1,59,088	3,01,681	3,49,723	24,000	1,05,900	26,512	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
The total number of options exercisable at the end of the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	63,286	1,50,136	Nil	83,500	22,284	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Options forfeited/lapsed/cancelled	Nil	Nil	Nil	Nil	1,800	760	9,210	4,603	Nil	3,600	16,200	824	Nil	Nil	12,000	33,200	2,930	Nil	Nil	Nil	Nil	67,000	23,000		
Variation of terms of options	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Money realized by exercise of options (₹)	Nil	Nil	Nil	1,24, 20,00 0	40,05 ,000	18,56 ,400	5,407, 600	21, 82 9,9 50	Nil	57,6 80,0 00	27,243, 600	31, 81 7,6 00	3,01,6 8,100	5,24,5 8,450	36,00 0,000	2,11,8 0,000	53,02 ,400	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total number of options in force	Nil	Nil	Nil	Nil	20,025	27,846	Nil	Nil	Nil	62,100	41,850	37,888	63,286	1,50,136	Nil	3,54,100	1,94, 268	1,97,8 00	364,96 7	499,8 59	24,000	472, 000	2,53,980		
Employee wise details of options granted to Directors/ Senior Management Personnel	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	See Note 3							See Note 1	
Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	See Note 4							See Note 2	
Identified directors/employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	See Note 6							See Note 5	

Particulars	Fiscal 2020 (April 1, 2019 to June 27, 2019)						Fiscal 2019					Fiscal 2018					Fiscal 2017									
	Grant 2010	Grant 2012	Grant 2013	Grant 2015	Grant 2016	Grant 2017	Grant 2010	Grant 2012	Grant 2013	Grant 2015	Grant 2016	Grant 2017	Grant 2010	Grant 2012	Grant 2013	Grant 2015	Grant 2016	Grant 2017	Grant 2010	Grant 2012	Grant 2013	Grant 2015	Grant 2016			
Company at the time of grant																										
Fully diluted earnings per share pursuant to issue of equity shares on a pre-offer basis on exercise of options in accordance with IND As 33 'Earnings Per Share'																										
	N.A.						4.78					N.A. as loss					N.A. as loss									
Where the Company has calculated the employee compensation cost using the intrinsic value of stock options, difference, if any, between employee compensation cost calculated according using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact of this difference on the profits of the Company and on the earnings per share of the Company	N.A.						N.A.					N.A.					N.A.									
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	148.39	150	150	200	275.93	280.50	148.39	150	150	200	275.93	280.50	148.39	150	150	200	275.93	280.50	148.39	150	150	200	275.93			
Method and significant assumptions used to estimate the fair value of options units granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option																										
(1) Risk free interest rate	8.39%	8.39%	8.39%	7.77%	7.2%	7.2%	8.39%	8.39%	8.39%	7.77%	7.2%	7.2%	8.39%	8.39%	8.39%	7.77%	7.2%	7.2%	8.39%	8.39%	8.39%	7.77%	7.20%			
(2) Expected life	7.50	8.00	8.00	7.70	7.70	7.70	7.50	8.00	8.00	7.70	7.70	7.70	7.50	8.00	8.00	7.70	7.70	7.70	7.70	7.50	8.00	7.70	7.70			

Particulars	Fiscal 2020 (April 1, 2019 to June 27, 2019)						Fiscal 2019					Fiscal 2018					Fiscal 2017							
	Grant 2010	Grant 2012	Grant 2013	Grant 2015	Grant 2016	Grant 2017	Grant 2010	Grant 2012	Grant 2013	Grant 2015	Grant 2016	Grant 2017	Grant 2010	Grant 2012	Grant 2013	Grant 2015	Grant 2016	Grant 2017	Grant 2010	Grant 2012	Grant 2013	Grant 2015	Grant 2016	
(3) Expected volatility	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
(4) Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(5) Exercise Price	100	150	150	200	200	200	100	150	150	200	200	200	100	150	150	200	200	200	200	100	150	200	200	200
(6) Price of underlying shares (intrinsic value of share) at the time of the options grant	100	150	150	200	200	200	100	150	150	200	200	200	100	150	150	200	200	200	200	100	150	200	200	200
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Employees holding Equity Shares issued upon exercise of options granted under the IndiaMART ESOS 2015, may sell such Equity Shares within a period of three months from the date of listing of the Equity Shares.																							
Intention to sell Equity Shares arising out of the IndiaMART ESOS 2015 within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the IndiaMART ESOS 2015, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	No intention to sell.																							
Impact on the profits and on the Earnings Per Share of the last three years if the issuer had followed the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in respect of options granted in the last three years.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note 1(Fiscal 2017) (KMPs)

<b>Name of employee</b>	<b>No. of options granted</b>
Dinesh Gulati	9,080
Prateek Chandra	5,900
Amarinder Singh Dhaliwal	33,000

*Note 2 (Fiscal 2017)*

<b>Name of employee</b>	<b>No. of options granted</b>
Madhup Agrawal	100,000
Prashant Chauhan	24,000
Mayank Kamal	24,000

*Note 3(Fiscal 2018)*

<b>Name of employee</b>	<b>No. of options granted</b>
Dinesh Gulati	6,590
Prateek Chandra	4,280
Amarinder Singh Dhaliwal	2,480

*Note 4*

<b>Name of employee</b>	<b>No. of options granted</b>
Madhup Agrawal	138,400

*Note 5 (Fiscal 2017)*

<b>Name of employee</b>	<b>No. of options granted</b>
Madhup Agrawal	100,000

*Note 6*

<b>Name of employee</b>	<b>No. of options granted</b>
Madhup Agrawal	138,400

(ii) **IndiaMART ESBS 2018**

Pursuant to a resolution of our Board of Directors dated April 30, 2018 and our Shareholders dated May 7, 2018, our Company instituted an employee stock benefit scheme (“**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 ESOP Trust are Madhup Agrawal, Sudhir Gupta 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 our 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 our 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 our Nomination and Remuneration Committee.

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 Prospectus, an aggregate of 800,740 SAR units have been granted under IndiaMART ESBS 2018, of which 38,360 SAR units have lapsed on account of employees having resigned from our Company. However, no options have been granted under the IndiaMART ESBS 2018. Of the granted SAR units granted under the IndiaMART ESBS 2018 none have vested or been exercised as on the date of this Prospectus.

*Details pertaining to stock options and SAR units under the IndiaMART ESBS 2018:*

Particulars	Fiscal 2019	Fiscal 2020 (April 01, 2019 until June 27, 2019)
<b>Total options/SAR outstanding as at the beginning of the period</b>	Nil	779,740
<b>Increase in number of options/SAR granted on account of bonus</b>	N.A.	N.A.
<b>Total options/SAR units granted</b>	800,740	
<b>Vesting period</b>	12 to 48 months	
<b>Pricing formula</b>	FMV	
<b>Total options/ SAR units vested (excluding the options/SAR units that have been exercised)</b>	Nil	Nil
<b>Exercise price of options/SAR units in ₹ (as on the date of grant of options)**</b>	500	500
<b>Options / SAR units exercised</b>	Nil	Nil
<b>The total number of Equity Shares arising as a result of exercise of granted options/SAR units (including options/SAR units that have been exercised)</b>	Nil	Nil
<b>Options/SAR units forfeited/lapsed/cancelled</b>	21,000	17,360
<b>Variation of terms of options/SAR units</b>	N.A.	N.A.
<b>Money realized by exercise of options/SAR units</b>	Nil	Nil
<b>Total number of options/SAR units outstanding in force</b>	779,740 SAR units	762,380 SAR units
<b>Employee wise details of options/SAR units granted to:</b>		
<b>(i) Directors/ Senior management personnel</b>	As per Note no. 1	Nil
<b>(ii) Any other employee who receives a grant in any one year of options/SAR</b>	Nil	Nil

Particulars	Fiscal 2019	Fiscal 2020 (April 01, 2019 until June 27, 2019)
units amounting to 5% or more of the options/SAR units granted during the year		
(iii) Identified employees who were granted options/SAR units during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Nil
Fully diluted earnings per share pursuant to issue of Equity Shares on a pre-Offer basis on exercise of options/SAR units in accordance with IND AS 33 'Earning Per Share'	4.78	N.A.
Where the Company has calculated the employee compensation cost using the intrinsic value of stock options/SAR units, difference, if any, between employee compensation cost calculated according using the intrinsic value of stock options/SAR units and the employee compensation cost calculated on the basis of fair value of stock options/SAR units and impact of this difference on the profits of our Company and on the earnings per share of our Company	N.A.	N.A.
Weighted average exercise price and the weighted average fair value of options/SAR units whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price – ₹ 500  Weighted average fair value – ₹ 597	
<b>Method and significant assumptions used to estimate the fair value of options/SAR units granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option</b>		
	(i) Risk-free interest: 7.80% (ii) Expected life: 4 years (iii) Expected volatility: 41% (iv) Expected dividend: Nil	
Intention of the holders of Equity Shares allotted on exercise of options /SAR units to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	N.A.	N.A.

Particulars	Fiscal 2019	Fiscal 2020 (April 01, 2019 until June 27, 2019)
Intention to sell Equity Shares arising out of the IndiaMART ESBS 2018 within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the IndiaMART ESBS 2018, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	N.A.	N.A.
Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies prescribed in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed, in respect of options granted in the last three years.	N.A.	N.A.

*Note 1 (Fiscal 2019)*

Name of employee	No. of SAR units granted
Dinesh Gulati	50,000
Amarinder Singh Dhaliwal	20,000
Prateek Chandra	50,000
Manoj Bhargava	8,000

#### **4. History of Build-up, Contribution and Lock-in of Promoters' Shareholding**

##### **a. Build-up of Promoters' shareholding in our Company**

As on the date of this Prospectus, our Promoters hold in aggregate of 15,909,400 Equity Shares, which constitutes 55.29% of the paid-up Equity Share capital of our Company as on the date of this Prospectus.

Set forth below is the build-up of the equity shareholding of our Promoters, since the incorporation of our Company.

Date of allotment/transfer	Nature of consideration	Nature of Allotment/Transfer/Acquisition	No. of Equity Shares	Face value (₹)	Issue/purchase/sale price per Equity Share (₹)	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
<b>Dinesh Chandra Agarwal</b>							
September 13, 1999	Cash	Subscription to MoA	100	10	10.00	Negligible	Negligible
January 10, 2000	Other than cash	Allotment of Equity Shares in consideration of acquisition of the assets and liabilities of InterMESH Systems, a sole proprietorship firm	8,000,00	10	10.00	27.80	27.80
July 15, 2001	Cash	Preferential allotment	8,000	10	40.00	0.03	0.03
August 30, 2001	Cash	Preferential allotment	2,000	10	40.00	0.01	0.01
January 1, 2002	N.A.	Transfer by way of gift <sup>1</sup>	(180,000)	10	N.A.	(0.63)	(0.63)

Date of allotment/transfer	Nature of consideration	Nature of Allotment/Transfer/Acquisition	No. of Equity Shares	Face value (₹)	Issue/purchase/sale price per Equity Share (₹)	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
October 5, 2002	Cash	Preferential allotment	4,000	10	40.00	0.01	0.01
June 15, 2004	N.A.	Acquisition as a gift <sup>2</sup>	25,000	10	N.A.	0.09	0.09
September 28, 2005	N.A.	Acquisition as gift <sup>3</sup>	7,500	10	N.A.	0.03	0.03
March 27, 2006	N.A.	Acquisition as a gift from Anita Rungta	25,000	10	N.A.	0.09	0.09
March 29, 2012	N.A.	Transfer by way of gift <sup>4</sup>	(3,150,000)	10	N.A.	(10.95)	(10.95)
May 9, 2018	N.A.	Bonus issue in the ratio one Equity Share for every one existing Equity Share held	4,741,600	10	N.A.	16.48	16.48
<b>Total (A)</b>			<b>9,483,200</b>			<b>32.96</b>	<b>32.96</b>
<b>Brijesh Kumar Agrawal</b>							
September 13, 1999	Cash	Subscription to the MoA	100	10	10.00	Negligible	Negligible
March 31, 2000	Cash	Preferential allotment	26,000	10	10.00	0.09	0.09
June 17, 2001	Cash	Preferential allotment	25,000	10	40.00	0.09	0.09
March 31, 2002	Cash	Preferential allotment	6,000	10	40.00	0.02	0.02
October 5, 2002	Cash	Preferential allotment	500	10	40.00	Negligible	Negligible
July 26, 2006	N.A.	Acquisition as a gift from Nimisha Agarwal	5,500	10	N.A.	0.02	0.02
April 16, 2012	N.A.	Acquisition as gift from Keshar Devi Agarwal	3,150,000	10	N.A.	10.95	10.95
May 9, 2018	N.A.	Bonus issue in the ratio one Equity Share for every one existing Equity Share held	3,213,100	10	N.A.	11.17	11.17
<b>Total (B)</b>			<b>6,426,200</b>			<b>22.33</b>	<b>22.33</b>
<b>Grand Total (A+B)</b>			<b>15,909,400</b>			<b>55.29</b>	<b>55.29</b>

<sup>1</sup> Transfer by way of gift of 10,000 equity shares each in favour of Gunjan Agarwal, Keshar Devi Agarwal, Kiran Lata Agarwal, Madhu Agarwal, Anand Kumar Agarwal, Meena Agarwal, Prakash Chandra Agarwal and Naresh Chandra Agarwal; and 50,000 equity shares each in favour of Surat Singh Bhati and Sanjeev Taneja

<sup>2</sup> Acquisition as gift of 25,000 equity shares from Anita Rungta,

<sup>3</sup> Acquisition as gift of 500 equity shares from Parag Mehra and 7,000 equity shares from Awadesh Gupta

<sup>4</sup> Transfer by way of gift in favour of Keshar Devi Agarwal

All Equity Shares held by our Promoters were fully paid-up as on the date of their respective allotments.

For details relating to the cost of acquisition of Equity Shares by our Promoters, see “**Risk Factors – Prominent Notes**” on page 48.

#### **b. Shareholding of our Promoters and Promoter Group**

Set forth below is the shareholding of our Promoters and Promoter Group as on the date of this Prospectus.

Name of Shareholder	Pre-Offer		Post-Offer	
	Number of Equity Shares	Percentage of Equity Share capital (%)	Number of Equity Shares	Percentage of Equity Share capital (%)
<b>Promoters (A)</b>				
Dinesh Chandra Agarwal	9,483,200	32.96	8,630,747	29.99
Brijesh Kumar Agrawal	6,426,200	22.33	5,848,544	20.33
<b>Total (A)</b>	<b>15,909,400</b>	<b>55.29</b>	<b>14,479,291</b>	<b>50.32</b>
<b>Promoter Group (B)</b>				
Chetna Agarwal	155,200	0.54	155,200	0.54
Prakash Chandra Agrawal	40,200	0.14	40,200	0.14
Naresh Chandra Agrawal	40,200	0.14	40,200	0.14
Keshar Devi Agrawal	19,800	0.07	19,800	0.07
Anand Kumar Agrawal	70,000	0.24	70,000	0.24
Meena Agrawal	69,800	0.24	69,800	0.24
Gunjan Agarwal	20,000	0.07	20,000	0.07
Pankaj Agarwal	151,000	0.53	151,000	0.53
Dinesh Chandra Agarwal (HUF)	60,000	0.21	60,000	0.21
Naresh Chandra Agrawal (HUF)	9,000	0.03	9,000	0.03
Prakash Chandra Agrawal (HUF)	6,000	0.02	6,000	0.02
Anand Kumar Agrawal (HUF)	6,000	0.02	6,000	0.02
Ishwar Prasad Jalan	5,000	0.02	5,000	0.02
Vijay Jalan	5,000	0.02	5,000	0.02
Nanpara Family Trust	100	Negligible	100	Negligible
Nanpara Business Trust	100	Negligible	100	Negligible
Hamirwasia Business Trust	200	Negligible	200	Negligible
Hamirwasia Family Trust	200	Negligible	200	Negligible
<b>Total (B)</b>	<b>657,800</b>	<b>2.29</b>	<b>657,800</b>	<b>2.29</b>
<b>Grand Total (A+B)</b>	<b>16,567,200</b>	<b>57.58</b>	<b>15,137,091</b>	<b>52.61</b>

\* Assuming that all Equity Shares offered by the Promoter Selling Shareholders as part of the Offer for Sale are transferred pursuant to the Offer

Other than as mentioned above, none of the other members of the Promoter Group, directly or indirectly, hold any Equity Shares as of the date of this Prospectus.

#### c. Details of Promoters' Contribution locked-in for three years

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be provided towards minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("Promoters' Contribution"). The lock-in of the Promoters' Contribution would be created as per applicable laws and procedures and details of such lock-in shall also be provided to the Stock Exchanges before the listing of the Equity Shares. The Equity Shares held by our Promoters are eligible for inclusion in the Promoters' Contribution, in terms of Regulation 33 of the SEBI ICDR Regulations.

Set forth below are the details of the Equity Shares that will be locked up as Promoters' Contribution for a period of three years from the date of Allotment of Equity Shares in the Offer.

Name of the Promoter	No. of Equity Shares locked-in	Face value (₹)	Date of allotment/purchase	Nature of acquisition	Issue/purchase price per Equity Share (₹)	% of fully diluted pre-Offer Equity Share capital	% of the fully diluted post-Offer Equity Share capital*
Dinesh Chandra Agarwal	3,452,978	10	May 9, 2018	Bonus issue	N.A.	12.00	12.00
Brijesh Kumar Agrawal	2,301,986	10	May 9, 2018	Bonus issue	N.A.	8.00	8.00
<b>Total (B)</b>	<b>5,754,964</b>					<b>20.00</b>	<b>20.00</b>

*\*Calculated on a fully diluted basis. As on the date of this Prospectus, there are no outstanding vested stock options that have not been exercised and no further stock options will vest at any time prior to September 29, 2019.*

For details on the build-up of the Equity Share capital held by our Promoters, see “**- Build-up of Promoters’ shareholding in our Company**” on page 105.

Our Promoters have given their consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer equity share capital of our Company as minimum Promoters’ Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Equity Shares forming part of the minimum Promoters’ Contribution from the date of filing the Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The Promoters’ Contribution has been brought in to the extent of not less than the specified minimum lot and from persons identified as ‘promoters’ under the SEBI ICDR Regulations.

In terms of Regulation 39(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters forming part of the Promoters’ Contribution, may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such loans have been granted by such bank or institution for the purpose of one or more objects of the Offer, which will not apply in the context of this Offer, being an Offer for Sale.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters’ Contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard we confirm that:

1. the Equity Shares offered as part of the Promoters’ Contribution do not comprise Equity Shares acquired during the three years preceding the date of the Draft Red Herring Prospectus for consideration other than cash and wherein revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluations reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Promoters’ Contribution;
2. the Promoters’ Contribution does not include Equity Shares acquired during the one year preceding the date of the Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
3. Our Company has not been formed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of the Draft Red Herring Prospectus pursuant to conversion of a partnership firm; and
4. the Equity Shares held by our Promoters and offered as part of the Promoters’ Contribution are not subject to any pledge.

**d. Details of equity Shares locked-in for one year**

In terms of Regulation 37 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital will be locked-in for a period of one year from the date of Allotment in the Offer, except (a) the Promoters’ Contribution which shall be locked in as above; (b) any Equity Shares held by the employees of our Company (who continue to be employees of our Company as on the date of Allotment) which have been and may be allotted to them under the IndiaMART ESOS 2015 and the IndiaMART ESBS 2018, prior to the Offer; (c) 1,261,746 Equity Shares held by Intel, an FVCI registered with SEBI (subject to any lock-in that is contractually agreed to by Intel) and (c) Equity Shares which are successfully transferred as part of the Offer for Sale.

Pursuant to Regulation 39 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in for one year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan.

In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters may be transferred between our Promoters and Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)

Regulations, 2011, as amended (the “**Takeover Regulations**”).

Further, in terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.

*e. Lock-in of Equity Shares Allotted to Anchor Investors*

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

## 5. Our Shareholding Pattern

The table below presents our shareholding pattern as on date of filing of this Prospectus:

Category (I)	Category of the Shareholder (II)	No. of Shareholder s (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shar es unde rlyin g Dep osito ry Rece ips (VI)	Total No. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	No. of Voting Rights held in each class of securities (IX)			No. of shares Underlying Outstanding convertible securities (as a % of diluted voting rights)	Shareholding as a % assuming full conversion of convertible securities (as a % of total voting rights)	Number of Locked in shares (XII)	Number of shares pledged or otherwise encumbered (XIII)	Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights	Total as a % of total voting rights	Class e.g.: X	Class e.g.: Y				
(A)	Promoter & Promoter Group	20	1656720	-	-	1656720	57.58	16567	-	1656720	57.58%	-	-	-	16567200
(B)	Public	175	122076	-	-	122076	42.42%	1220762	-	122076	42.42%	-	-	-	12207620
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	Shares underlying Custodian/Depositary Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A)+(B)+(C)</b>		<b>195</b>	<b>287748</b>	<b>-</b>	<b>-</b>	<b>28774820</b>	<b>100%</b>	<b>2877482</b>	<b>-</b>	<b>2877482</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28774820</b>

## 6. Shareholding of our Directors and KMPs in our Company

The following table sets forth the shareholding of the Directors and the KMPs of our Company.

Name	Pre-Offer		Post-Offer	
	No. of Equity Shares held	% of Equity Share capital	No. of Equity Shares held	% of post-Offer share capital
<b>Directors</b>				
Dinesh Chandra Agarwal	9,483,200	32.96	8,630,747*	29.99*
Brijesh Kumar Agrawal	6,426,200	22.33	5,848,544*	20.33*
Dhruv Prakash	40,000	0.14	40,000	0.14
Rajesh Sawhney	40,000	0.14	40,000	0.14
Vivek Narayan Gour	9,000	0.03	9,000	0.03
<b>KMPs</b>				
Prateek Chandra	111,684	0.39	111,684	0.39
Dinesh Gulati	600,584	2.09	600,584	2.09
Amarinder Singh Dhaliwal	48,184	0.17	48,184	0.17

\* Assuming full subscription in the Offer and assuming that all Equity Shares offered by the Promoter Selling Shareholders as part of the Offer for Sale are transferred pursuant to the Offer

Further, set forth below are the details of the stock options held by our KMPs as on the date of this Prospectus. None of our Directors hold any stock options as on the date of this Prospectus.

Name of KMP	No. of stock options held	No. of SAR units held
Prateek Chandra	4,338	50,000
Dinesh Gulati	6,678	50,000
Amarinder Singh Dhaliwal	11,388	20,000
Manoj Bhargava	-	8,000

## 7. Shareholding of the Selling Shareholders

Set forth below is the shareholding of the Selling Shareholders as on the date of this Prospectus.

S. no.	Name of Selling Shareholder	No. of Equity Shares held	Percentage of Equity Share capital (%)
1.	Dinesh Chandra Agarwal	9,483,200	32.96
2.	Brijesh Kumar Agrawal	6,426,200	22.33
3.	Intel Capital (Mauritius), Limited	3,851,746	13.39
4.	Amadeus IV DPF Limited	1,136,570	3.95
5.	Accion Frontier Inclusion Mauritius	1,136,570	3.95
6.	Surat Singh Bhati	106,000	0.37
7.	Sanjeev Kumar	102,000	0.35
8.	Praveen Kumar Goel	49,704	0.17
9.	Neelima Gupta	40,000	0.14
10.	Lalit Masta	24,540	0.09
11.	Anubha Gupta	2,000	Negligible
<b>Total</b>		<b>22,358,530</b>	<b>77.70</b>

## 8. 10 largest Shareholders of our Company

- (a) Set forth below are the details of the 10 largest Shareholders of our Company as on the date of this Prospectus and as of the date 10 days prior to the date of this Prospectus and the number of Equity Shares held by them.

S. No.	Shareholder	Number of Equity Shares	Percentage of share capital (%)
1.	Dinesh Chandra Agarwal	9,483,200	32.96
2.	Brijesh Kumar Agrawal	6,426,200	22.33
3.	Intel Capital (Mauritius), Limited	3,851,746	13.39

S. No.	Shareholder	Number of Equity Shares	Percentage of share capital (%)
4.	Westbridge Crossover Fund, LLC	1,544,154	5.37
5.	Accion Frontier Inclusion Mauritius	1,136,570	3.95
6.	Amadeus IV DPF Limited	1,136,570	3.95
7.	Madhup Agrawal	793,000	2.75
8.	Dinesh Gulati	600,584	2.08
9.	Amadeus EIII LLP	597,014	2.08
10.	Vikas Aggarwal	211,920	0.74
	<b>Total</b>	<b>25,780,958</b>	<b>89.60</b>

- (b) Set forth below are the details of the 10 largest Shareholders of our Company two years prior to the date of this Prospectus and the number of Equity Shares held by them.

S. No.	Shareholder	Number of Equity Shares	Percentage of share capital (%)
1.	Dinesh Chandra Agarwal	4,741,600	51.71
2.	Brijesh Kumar Agrawal	3,213,100	35.04
3.	Bennett, Coleman & Company Limited	426,439	4.65
4.	Times Internet Limited	213,220	2.33
5.	Chetna Agarwal	77,600	0.85
6.	Pankaj Agarwal	75,600	0.82
7.	Surat Singh Bhati	53,000	0.58
8.	Sanjeev Kumar	51,000	0.56
9.	Anand Kumar Agarwal	35,000	0.38
10.	Meena Agarwal	35,000	0.38
	<b>Total</b>	<b>8,921,559</b>	<b>97.30</b>

9. As on the date of this Prospectus, our Company has 195 Shareholders.
10. The BRLMs and their respective associates currently do not hold any Equity Shares in our Company.
11. Except as disclosed below, none of our Promoters, members of our Promoter Group or our Directors or their immediate relatives, have sold or purchased, or financed the sale or purchase of, Equity Shares by any other person, during the six months immediately preceding the date of the Draft Red Herring Prospectus and until date.

Date of allotment/ transfer	Name of shareholder	Promoter/ Director/immediate relative of Director/ director on the board of directors of our Promoter	Nature of allotment/ sale/ purchase/ transfer	No. of Equity Shares	Issue/sale/purchase price per equity share (₹)
March 31, 2018	Dhruv Prakash	Non-executive Director	Allotment	24,000	150.00
	Rajesh Sawhney	Independent Director	Allotment	24,000	150.00
April 6, 2018	Vivek Narayan Gour	Independent Director	Purchase	2,000	1,600.00
May 28, 2018	Dhruv Prakash	Non-executive Director	Sale	1,600	892.79
June 5, 2018	Rajesh Sawhney	Independent Director	Sale	8,000	892.79
June 6, 2018	Dhruv Prakash	Non-executive Director	Sale	6,400	892.79
June 21, 2018	Vivek Narayan Gour	Independent Director	Purchase	5,000	842.26
June 22, 2018	Keshar Devi Agrawal	Promoter Group	Transfer <sup>(1)</sup>	100	N.A.
			Transfer <sup>(2)</sup>	100	N.A.
June 22, 2018	Meena Agrawal	Promoter Group	Transfer <sup>(3)</sup>	100	N.A.
June 22, 2018	Pankaj Agarwal	Promoter Group	Sale <sup>(4)</sup>	100	850.00
				100	850.00
June 22, 2018	Nanpara Family Trust	Promoter Group	Acquisition <sup>(1)</sup>	100	N.A.
June 22, 2018	Nanpara Business Trust	Promoter Group	Acquisition <sup>(2)</sup>	100	N.A.
June 22, 2018	Hamirwasia Family Trust	Promoter Group	Purchase <sup>(4)</sup>	100	850.00
June 22, 2018	Hamirwasia Business Trust	Promoter Group	Purchase <sup>(4)</sup>	100	850.00
			Acquisition <sup>(3)</sup>	100	N.A.
September 17, 2018	Meena Agrawal	Promoter Group	Transfer <sup>(5)</sup>	100	N.A.
	Hamirwasia Family Trust	Promoter Group	Acquisition <sup>(5)</sup>	100	

<sup>(1)</sup> Transfer from Keshar Devi Agrawal to the Nanpara Family Trust as its settlor

<sup>(2)</sup> Transfer from Keshar Devi Agrawal to the Nanpara Business Trust as its settlor

<sup>(3)</sup> Transfer from Meena Agrawal to the Hamirwasia Business Trust as its settlor

<sup>(4)</sup> Sale by Pankaj Agarwal of 100 Equity Shares each to Hamirwasia Family Trust and Hamirwasia Business Trust

<sup>(5)</sup> Transfer from Meena Agrawal to the Hamirwasia Family Trust as its settlor

12. Our Company, our Promoters, members of our Promoter Group, Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares being offered through this Offer from any person.
13. No person connected with the Offer, including, but not limited to, our Company, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.
14. No payment, direct or indirect benefit in the nature of discount, commission and allowance or otherwise shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Offer.
15. Of the Offer of 4,887,862\* Equity Shares, 10,000 Equity Shares (constituting 0.04% of the post-Offer Equity Share capital of our Company) shall be reserved for allocation to Eligible Employees on a proportionate basis, subject to valid Bids being received at or above the Offer Price, less the Employee Discount. Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion. Bids by Eligible Employees can also be made in the Net Offer and such Bids shall not be treated as multiple Bids. Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000 up to ₹ 500,000 each. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer.

\* Subject to finalisation of Basis of Allotment

16. An oversubscription to the extent of 1% of the Offer can be retained for the purpose of rounding-off to the nearest multiple of minimum Allotment lot while finalizing the Basis of Allotment.
17. Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange in accordance with applicable law. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion in the Net Offer.
18. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Prospectus.
19. The Equity Shares to be issued pursuant to the Offer are and shall be fully paid-up at the time of Allotment.
20. Except (i) 47,871 outstanding options granted under the IndiaMART ESOS 2015, and (ii) 762,380 SAR units granted under the IndiaMART ESBS 2018, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Prospectus.
21. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or under Sections 230 to 232 of the Companies Act.
22. Except for Equity Shares issued on conversion of CCPS A, CCPS B and CCPS B1, the Equity Shares issued or that may be issued on any exercise of options granted pursuant to the IndiaMART ESOS 2015 and any Equity Shares that may be issued on exercise of options and/or SAR units granted under the IndiaMART ESBS 2018; there has been and there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing the Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.
23. Except for Equity Shares that may be issued on exercise of options granted pursuant to the IndiaMART ESOS 2015, and any Equity Shares that may be issued on exercise of options and/or SAR units that may be granted under the IndiaMART ESBS 2018 our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares.
24. Except for participation in the Offer for Sale by the Promoter Selling Shareholders, none of our Promoters or members of our Promoter Group will participate in the Offer. Further, except for Mutual Funds, AIFs or FPIs (except Category III FPIs) sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLM, its respective associates or any person related to the Promoters or the Promoter Group can apply in the Offer under the Anchor Investor Portion.
25. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
26. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and the Promoter Group during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.
27. A Bidder cannot make a Bid exceeding the number of Equity Shares offered through this Offer and subject to the investment limits or maximum number of Equity Shares that can be held by them under applicable law. For more information, see "***Offer Procedure***" on page 500.

## OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefit of listing the Equity Shares on the Stock Exchanges and for the sale of an aggregate of 4,887,862\* Equity Shares by the Selling Shareholders. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our Shareholders. Listing will also provide a public market for the Equity shares in India. Our Company will not receive any proceeds from the Offer and the entire proceeds from the Offer will go to the Selling Shareholders, in proportion to the Equity Shares offered and sold by the respective Selling Shareholder in the Offer for Sale. For further details, see “*The Offer*” on page 83.

\*Subject to finalisation of Basis of Allotment

### **Offer Related Expenses**

The total expenses of the Offer are estimated to be approximately ₹ 353.40 million. The expenses of this Offer include listing fees, selling commission, fees payable to the BRLMs, legal counsels, Registrar to the Offer and Bankers to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, CRTAs and CDPs and SCSBs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The break-up estimated Offer expenses are as follows:

<b>Activity</b>	<b>Estimated expenses* (₹ in million)</b>	<b>As a % of the total estimated Offer expenses (%)</b>	<b>As a % of the total Offer size (%)</b>
Fees payable to the BRLMs	185.93	52.61	3.91
Advertising and marketing expenses	29.65	8.39	0.62
Fees payable to the Registrar to the Offer	4.17	1.18	0.09
Brokerage and selling commission payable to SCSBs, Registered Brokers, CRTAs and CDPs, as applicable <sup>(1)</sup>	6.64	1.88	0.14
Processing fees to SCSBs and to the Sponsor Banks for ASBA Forms procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs or procured by Registered Brokers, CRTAs or CDPs and submitted with the SCSBs <sup>(2)(3)</sup>	7.10	2.01	0.15
Others (listing fees, legal fees, fees payable to the Bankers to the Offer, etc.)	119.91	33.93	2.52
<b>Total estimated Offer expenses</b>	<b>353.40</b>	<b>100</b>	<b>7.43</b>

\* Offer expenses include goods and services tax, where applicable. Offer expenses are estimates and are subject to change.

(1) Selling commission payable to members of the Syndicate, SCSBs, CRTAs and CDPs on the amounts received against the Equity Shares Allotted (i.e. product of the Equity Shares Allotted and the Offer Price) would be as follows:

<i>Portion for Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion</i>	<i>0.35% (plus applicable goods and services tax)</i>
<i>Portion for Non-Institutional Investors</i>	<i>0.20% (plus applicable goods and services tax)</i>

Further, bidding charges of ₹ 10 (plus applicable goods and services tax) shall be per valid ASBA Form collected by the Syndicate, CRTAs and CDPs (excluding applications made by Retail Individual Investors using the UPI Mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to SCSBs on the Bid cum Application Forms directly procured by them. Selling commission payable to the Registered Brokers on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by the Registered Brokers and submitted to SCSB for processing, shall be ₹ 10 per valid Bid cum Application Form (plus applicable goods and services tax).

(2) Processing fees payable to the SCSBs for Bid cum Application Forms which are procured by the members of the Syndicate / sub-Syndicate / Registered Brokers / CRTAs / CDPs and submitted to the SCSB for blocking shall be ₹ 10 per valid Bid cum Application Form (plus applicable goods and service tax).

(3) Processing fees for applications made by Retail Individual Investors using the UPI Mechanism would be as follows:

<i>Members of the Syndicate / CRTAs / CDPs/ Registered Brokers</i>	<i>₹ 10 per valid Bid cum Application Form (plus applicable taxes)</i>
<i>Sponsor Bank</i>	<i>₹ 8 per valid Bid cum Application Form (plus applicable taxes)</i>

\* Based on valid Bid cum Application Forms

Other than (i) listing fees, which shall be solely borne by our Company; and (ii) fees for counsel to the Investor Selling Shareholders, which shall be solely borne by the Investor Selling Shareholders, upon commencement of listing and trading of our Equity Shares on the Stock Exchanges pursuant to the Offer, the fees and expenses relating to the Offer shall be borne by the Selling Shareholders, on a pro-rata basis, in proportion to the Offered Shares sold by each Selling Shareholder, respectively, pursuant to the Offer, in accordance with applicable law.

#### **Monitoring of Utilization of Funds**

As the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

#### **Other Confirmations**

Our Promoters will not receive any proceeds of the Offer, except to the extent of proceeds from the sale of an aggregate of 1,430,109 Equity Shares offered by them as part of the Offer for Sale.

## BASIS FOR OFFER PRICE

The Offer Price has been determined by our Company in consultation with the BRLMs, on the basis of an assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the qualitative and quantitative factors. The face value of the Equity Shares is ₹ 10 each and the Offer Price is 97.3 times the face value.

Investors should also refer to “**Risk Factors**”, “**Our Business**”, “**Restated Financial Statements**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 19, 153, 206 and 440, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Offer Price are:

- Strong network effects and brand recognition, driving leadership in the B2B marketplace in India;
- Comprehensive, convenient and reliable platforms for buyers;
- Efficient and effective marketing platform for suppliers
- Deep understanding of online trade and commerce in India that drives innovative solutions;
- Robust mobile platform; and
- Experienced management team and large sales and service representatives team with proven track record of performance.

For further details, see “**Risk Factors**” and “**Our Business**” on pages 19 and 153, respectively.

### Quantitative Factors

Some of information presented below relating to our Company is based on the Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements. For details, see “**Restated Financial Statements**” on page 206.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

#### 1. Basic and Diluted Earnings/Loss per Share (“EPS”)

As derived from our Restated Unconsolidated Financial Statements:

Year/Period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2019	4.87	4.78	3
March 31, 2018	(37.83)	(37.83)	2
March 31, 2017	(7.14)	(7.14)	1
<b>Weighted Average</b>	<b>(11.37)</b>	<b>(11.41)</b>	

As derived from our Restated Consolidated Financial Statements:

Year/Period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2019	7.75	7.61	3
March 31, 2018	28.60	20.22	2
March 31, 2017	(35.09)	(35.09)	1
<b>Weighted Average</b>	<b>7.56</b>	<b>4.70</b>	

*Note:*

1. The figures disclosed above are based on the Restated IndAS Consolidated Summary Statement of Assets and Liabilities of the Group.
2. The ratios have been computed as below:
  - a. Basic earnings per share (₹) = Restated Net profit/loss attributable to equity shareholders / weighted average number of shares outstanding during the year.
  - b. Diluted earnings per share (₹) = Restated Net profit/loss attributable to equity shareholders / weighted average number of diluted shares.

**Note:**

Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

Earnings per share calculations are in accordance with Ind AS 33 (Earnings per Share).

Weighted average number of equity shares considered for the computation of diluted Earnings per Share are adjusted for the Dilutive portion of outstanding Employee Stock Options and Compulsory convertible preference shares as applicable. For years ended March 31, 2017 and March 31, 2016, the impact of employee stock options and Compulsory convertible preference shares is anti-dilutive.

Further, the company has also 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.

The Group has allotted bonus shares to the existing equity shareholders 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 which has been adjusted while calculating EPS.

## 2. Price / Earning Ratio (P/E) at the Offer Price of ₹ 973 per Equity Share of the face value of ₹ 10 each

Particulars	Unconsolidated	Consolidated
P/E ratio based on Basic EPS for the fiscal ended March 31, 2019 at the Floor Price	199.26	125.19
P/E ratio based on Basic EPS for the fiscal ended March 31, 2019 at the Cap Price/Offer Price	199.88	125.58
P/E ratio based on Diluted EPS for the fiscal ended March 31, 2019 at the Floor Price	202.78	127.40
P/E ratio based on Diluted EPS for the fiscal ended March 31, 2019 at the Cap Price/Offer Price	203.41	127.79

### Industry P/E ratio:

As on the date of this Prospectus, our Company does not have any listed peer group companies in India.

## 3. Return on Net Worth (RoNW)

Return on net worth derived from the Restated Unconsolidated Financial Statements:

Period/Year ended	RONW (%)	Weight
March 31, 2019	7.84%	3
March 31, 2018	(23.20)	2
March 31, 2017	(5.17)	1
<b>Weighted Average</b>	<b>(4.68)%</b>	

Return on net worth derived from the Restated Consolidated Financial Statements:

Period/Year ended	RONW (%)	Weight
March 31, 2019	12.54%	3
March 31, 2018	17.04	2
March 31, 2017	(16.50)	1
<b>Weighted Average</b>	<b>9.20%</b>	

### Note:

Return on Net Worth (%) = Restated profit/ (loss) after tax attributable to equity shareholders / Restated Net worth at the end of the year

The weighted average return on net worth is a product of return on net worth and respective assigned weight, dividing the resultant by total aggregate weight.

**4. Minimum Return on Total Net Worth after Offer, required for maintaining pre-Offer EPS as at March 31, 2019:**

**(a) For Basic EPS**

Particulars	Unconsolidated (%)	Consolidated (%)
At the Floor Price	8.72	13.94
At Cap Price/Offer Price	8.72	13.94

**(b) For Diluted EPS**

Particulars	Unconsolidated (%)	Consolidated (%)
At the Floor Price	8.57	13.70
At the Cap Price/Offer Price	8.57	13.70

**5. Net Asset Value (NAV) per Equity Share**

NAV	Unconsolidated (₹)	Consolidated (₹)
As on March 31, 2019	56.20	55.92
<i>After the Offer</i>		
At the Floor Price	55.84	55.57
At the Cap Price/Offer Price	55.84	55.57

Net Asset Value (₹) = Restated net worth at the end of the year/ Total number of equity shares outstanding at the end of the year

**6. Comparison with listed industry peers**

As on the date of this Prospectus, our Company does not have any listed peer group companies in India.

**7. The Offer Price is 97.3 times of the face value of Equity Shares**

The Offer Price of ₹ 973 per Equity Shares has been determined by our Company in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company and the BRLMs believe that the Offer Price of ₹ 973 is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with “**Risk Factors**”, “**Our Business**” and “**Restated Financial Statements**” on pages 19, 153 and 206 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “**Risk Factors**” and you may lose all or part of your investments.

## **STATEMENT OF TAX BENEFITS**

### **STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA**

The Board of Directors  
IndiaMART InterMESH Limited  
7th Floor, Advant Navis Park,  
Plot No-7, Sector 142, Noida.  
Uttar Pradesh- 201305

Dear Sirs,

#### **Statement of Possible Special Tax Benefits available to IndiaMART InterMESH Limited and its shareholders under the Indian tax laws**

1. We hereby confirm that the enclosed Annexure, prepared by IndiaMART InterMESH Limited ('the Company'), provides the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2019, i.e. applicable for the Financial Year 2019-20 relevant to the assessment year 2020-21, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this 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 issue.
3. We do not express any opinion or provide any assurance as to whether:
  - i) the Company or its shareholders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

---

**per Yogesh Midha**

Partner  
Membership No.: 94941  
Place of Signature: New Delhi  
Date: June 03, 2019

## **ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 (“**the Act**”) as amended by the Finance Act 2019, i.e. applicable for the Financial Year 2019-20 relevant to the assessment year 2020-21, presently in force in India.

### **I. Special tax benefits available to the Company**

There are no special tax benefits available to the Company.

### **II. Special tax benefits available to Shareholders**

There are no special tax benefits available to the shareholders for investing in the shares of the Company.

Note:

1. The above statement of Direct Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.
2. This 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, 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 issue.
3. This statement does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
5. The above statement covers only above mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.
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 change from time to time. We do not assume responsibility to update the views consequent to such changes.

## SECTION IV- ABOUT US

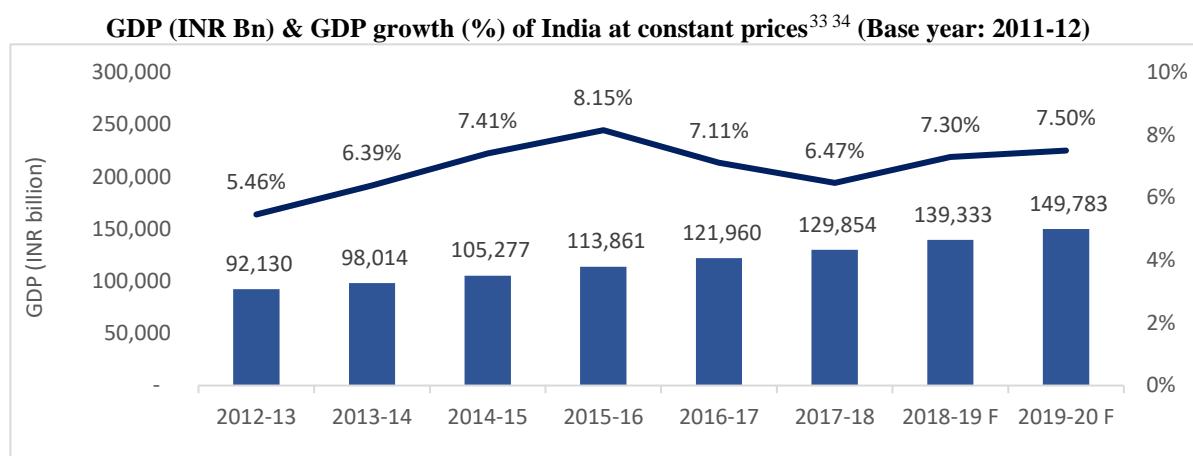
### INDUSTRY OVERVIEW

The information in this section is derived from the KPMG Report. We commissioned the KPMG Report for the purposes of confirming our understanding of the industry in connection with the Offer. Neither we, nor any of the Managers, nor any other person connected with the Offer has verified the information in the KPMG 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 KPMG Report when making their investment decision.

#### India Story – Overview of the Indian Economy

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

The Indian economy has been on a steady growth path over the past few years with the GDP reaching INR 129,854 Bn in 2017-18. The RBI in their monetary policy review (Feb 2018) outlines the following factors likely to propel economic growth in the country.<sup>32</sup>



- Stabilization of the GST implementation
- The RBI sees early signs of revival in investment activity as reflected in improving credit offtake, large resource mobilization from the primary capital market, and improving capital goods production and imports.
- The process of recapitalization of public sector banks has been put in motion by the government. Large distressed borrowers are being referenced for resolution under the Insolvency and Bankruptcy Code (IBC). The same is likely to improve credit flows further and create demand for fresh investment.
- Inflation for 2018-2019 is estimated to remain range bound from 4.5-5.5%, with the expectations of a normal monsoon, a softer food inflation forecast and effectively supply management by the Government.

The Indian economy is primarily service based with the service sector contributing more than 62% to the GDP. This contribution has been gradually increasing over the past 5 years while the contribution of manufacturing sector to the GDP has remained constant at around 17-18% over the same period. 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 90 million domestic jobs in the manufacturing sector by 2025.<sup>35</sup>

<sup>32</sup> RBI Monetary Policy Review – Feb 2018

<sup>33</sup> Reserve Bank of India, Handbook on Statistics on Indian Economy

<sup>34</sup> Fitch Ratings - USA

<sup>35</sup> Indian Brand Equity Foundation - Manufacturing Sector in India

### Sectoral composition of GDP (%)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Agriculture & allied activities	17.8	17.8	16.5	15.4	15.3	14.6
Industry	22.7	22.3	22.5	23.3	23.7	22.8
Manufacturing	17.4	17.2	17.3	18.1	18.2	17.8
Services	59.5	59.9	61.0	61.3	61.1	62.6

Source: Central Statistics Office (CSO), CII, MSME Sectoral Updates

### GDP growth across developing and developed countries

India is the world's seventh-largest economy and has shown consistent growth, which compared favorably to GDP growth across other developed economies. While the US economy has been showing strength recently, nearly all of Europe as well as Japan, Canada, and Australia are growing at less than 2%, and many others at around 1%. India, on the other hand, has been experiencing growth rates in the 5-8% range over the last 5 years. Currently, USA is the largest contributor to global economy at 24.32% followed by China (14.84%), Japan (5.91%), Germany (4.54%), UK (3.85%), France (3.26%) and India (2.83%).<sup>36</sup> By 2030, India's economy is projected to be the world's third-largest, behind only China and USA.<sup>37 38</sup> India is projected to be the fastest growing economy amongst the top 10 economies of the world by GDP, growing around 7-8 percent CAGR from 2018-2023. On the other hand, China and USA are expected to grow at slower rates of ~6 percent and ~2 percent respectively.<sup>39</sup>

### Real GDP growth rate (%age)<sup>40</sup>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
India	6.4	7.4	8.2	7.1	6.7	7.4	7.8	7.9	8.1	8.1	8.2
United States	1.7	2.6	2.9	1.5	2.3	2.9	2.7	1.9	1.7	1.5	1.4
United Kingdom	2.1	3.1	2.3	1.9	1.8	1.6	1.5	1.5	1.6	1.6	1.6
Japan	2	0.4	1.4	0.9	1.7	1.2	0.9	0.3	0.7	0.5	0.5
Russia	1.8	0.7	-2.5	-0.2	1.5	1.7	1.5	1.5	1.5	1.5	1.5
Brazil	3	0.5	-3.5	-3.5	1	2.3	2.5	2.2	2.2	2.2	2.2
Indonesia	5.6	5	4.9	5	5.1	5.3	5.5	5.6	5.6	5.6	5.6
Germany	0.6	1.9	1.5	1.9	2.5	2.5	2	1.5	1.4	1.3	1.2
China	7.8	7.3	6.9	6.7	6.9	6.6	6.4	6.3	6	5.7	5.5

Source: International Monetary Fund

### Digital India – Increasing adoption of Internet laying the groundwork

#### Internet growth in India

The number of internet subscribers in India is expected to increase from 446 million as on December 2017 to nearly 900 million by FY22 primarily driven by growth in wireless broadband services. 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.

#### Internet subscriber base- India

(Million subs)	302	343	422	499	576	661	779	895	
----------------	-----	-----	-----	-----	-----	-----	-----	-----	--

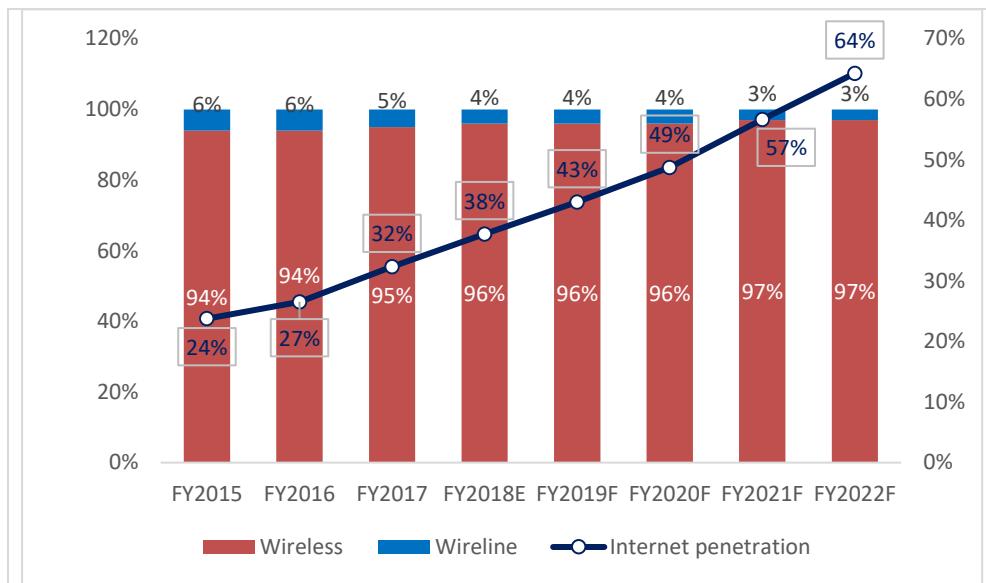
<sup>36</sup> World Economic Forum, the world's 10 biggest economies

<sup>37</sup> US Department for Agriculture Economic Research Service, based on data collated by IMF and World Bank

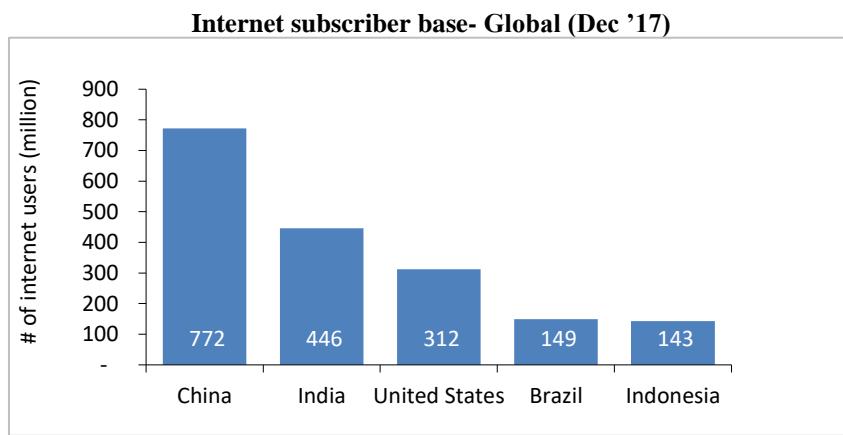
<sup>38</sup> Centre for Economics and Business Research

<sup>39</sup> International Monetary Fund

<sup>40</sup> International Monetary Fund, World Economic Outlook database, April 2017



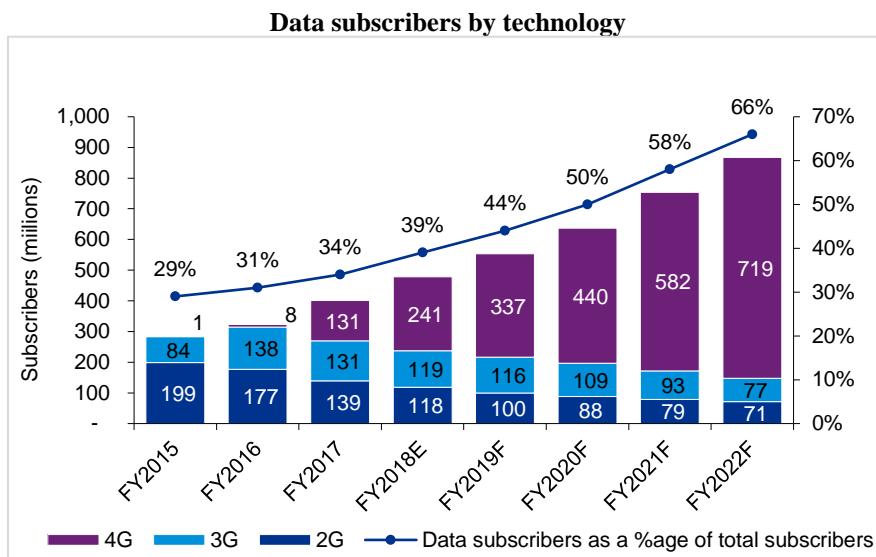
Source: TRAI, CRISIL Research



Source: TRAI, Internet World stats

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

The number of wireless internet subscribers is projected to increase from 425 million as on December 2017 to 867 million by FY22 primarily driven by growth in the 4G subscriber base.



Source: TRAI, CRISIL Research

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 aggressive drop in data prices after the entry of Reliance Jio has resulted in the average realization per MB falling from INR 0.229 per MB in FY2016 to INR 0.020 per MB in FY2017. This resulted in average data usage to increase from 147 MB per sub per month in FY2016 to 1,000 MB per sub per month in FY2017 and further to 1,945 MB per sub per month in December 2017. This increase in usage is expected to continue in the foreseeable future to reach 10,000 MB by FY2022. (10x increase from FY2017)

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. Despite this there were only 300 million smartphone users in 2016 compared to around 350 million feature phone users<sup>41</sup>. This is expected to further drive the smartphone penetration to touch 700 million by 2021.<sup>42</sup>

While recent years have seen an increase in the total internet subscriber base from 302 million in FY2015 to 446 million by December 2017, the number of rural internet subscribers have increased steadily from 112 million in FY2015 to 132 million by December 2017. However, of the total 132 million rural internet subscribers, 93 million subscribers, representing more than 70% of the rural internet base were broadband users, signifying the availability and rising adoption of high speed broadband data in rural areas. Further, with an internet penetration level of merely 15% in December 2017, the rural market offers major headroom for growth of internet services in the future.

Urban and rural internet subscribers	Unit	FY2015	FY2016	FY2017	Dec 2017
<b>Rural subscribers</b>	million	112	112	137	132
<b>Urban subscribers</b>	million	191	231	286	314
<b>Total subscribers</b>	million	302	343	422	446
<b>Percentage split of total internet subscribers</b>					
<b>Rural</b>		37%	33%	32%	30%

<sup>41</sup> Counterpoint Research, Google and KPMG Study 2017

<sup>42</sup> KPMG India-FICCI , Indian Media and Entertainment Industry Report, 2017

<b>Urban</b>	63%	67%	68%	70%
<b>Internet penetration</b>				
<b>Rural Internet Subscribers per 100 population</b>	13%	13%	15%	15%
<b>Urban Internet Subscribers per 100 population</b>	49%	58%	71%	77%

Source: TRAI

### **The Government's focus on being 5G ready bodes well for the future**

India may see an early arrival of 5G services in tandem with global rollouts, unlike 2G, 3G and 4G services which were launched much later in India compared to global adoption of these technologies.

### **The MSME Market in India**

In February 2018, the union cabinet approved change in the basis of classifying Micro, Small and Medium enterprises from 'investment in plant & machinery/equipment' to 'annual turnover'.

#### **Classification of Micro, Small and Medium Enterprises (MSME) - New basis**

Manufacturing and services sector	
Enterprise Category	Annual turnover
Micro Enterprises	Does not exceed INR50 Mn
Small Enterprises	More than INR50 Mn but does not exceed INR750 Mn
Medium Enterprises	More than INR750 Mn but does not exceed INR2500 Mn

Source: [www.msme.gov.in](http://www.msme.gov.in)

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). The number of MSMEs in India have increased at a CAGR of 6.4% in the last 9 years from 36.18 million in 2006-07. These 63.39 million MSMEs employ around 111 million people spread across urban (55 percent) and rural (45 percent) India which represents around 40% of the working population of India.

Growth of MSMEs	2015-16	2006-07	(Figures in millions) Growth rate (%)
<b>No. of MSMEs (Total)</b>	<b>63.39</b>	<b>36.18</b>	<b>6.43</b>
Manufacturing	19.67	11.50	6.14
Services	43.72	24.68	6.56
<b>Employment (Total)</b>	<b>110.99</b>	<b>80.52</b>	<b>3.63</b>
Manufacturing	36.04	32.00	1.33
Services	74.95	48.52	4.95

Source: [www.msme.gov.in](http://www.msme.gov.in)

### **Contribution of MSMEs in the country's economy**

The 63 million Micro, Small and Medium Enterprises (MSMEs) in the country contribute a significant portion to India's GDP. This contribution from the MSME segment stood at nearly 30 percent in FY2018, with around 6 percent coming from manufacturing and around 24 percent from the service segment in past 3-5 years.<sup>43</sup>

#### **Share of MSME sector in GDP (%)**

	2011-12	2012-13	2013-14	2014-15
MSME contribution to manufacturing	6.16	6.27	6.27	6.11
MSME contribution to services	23.81	24.13	24.37	24.63

Source: Central Statistics Office (CSO), CII, MSME Sectoral Updates

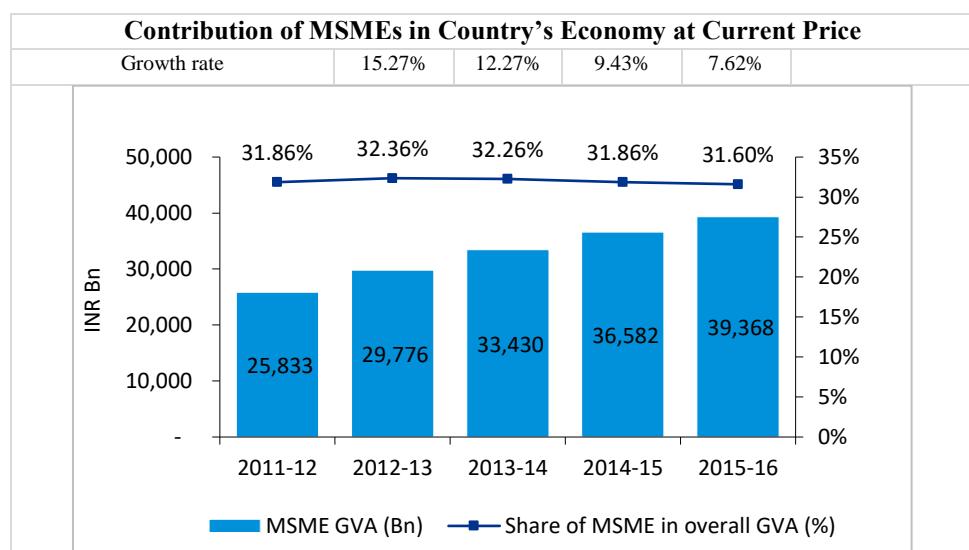
<sup>43</sup> CII, MSME Sectoral Updates

The contribution of MSME sector in the country's Gross Domestic Product (GDP), at current prices for the last five years is as below. The sector has confirmed its significance in the Indian economy with ~29-30 percent contribution over the past few years<sup>44</sup>. As per our discussions with SME industry bodies, it was believed that on the back of government initiatives, the SME segment could target increasing the contribution to GDP to around 35 percent<sup>45</sup> over the next 4-5 years.

#### Contribution of MSMEs in Country's economy at current prices

Year	Share of MSME in GDP (%)
2011-12	29.57
2012-13	29.94
2013-14	29.76
2014-15	29.39
2015-16	28.77

Source: Central Statistics Office (CSO), Ministry of Statistics & Programme Implementation



Notes:

1. Gross Value Output (GVO): Manufacturing Output is defined to include the ex-factory value, (i.e., exclusive of taxes, duties, etc. on sale and inclusive of subsidies etc., if any)
2. ( $GVA = Output - Material Inputs$ )

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

##### Getting business online- Internet for businesses

The growth in internet penetration throughout India along with increased accessibility and affordability of smartphones, will act as a catalyst in helping SMEs adopt web based and mobile based technologies. The same is helping SMEs move their businesses online reaching out to a larger customer base, helping them expand their presence and being able to compete against larger enterprises.

As per the KPMG Google report on 'Impact of internet and digitization of SMBs in India', just 32 percent of SMEs in India were digitally connected in 2017 and 17 percent used internet for business purposes. On the other hand, 54 percent of small businesses in USA used e-mail for business in 2017 and 51 percent had their own website.<sup>46</sup> In China, 89 percent of all enterprises were connected to internet by 2015<sup>47</sup>.

<sup>44</sup> Ministry of Micro, Small and Medium Enterprises, Annual report 2017-18

<sup>45</sup> Primary discussions with SME industry bodies

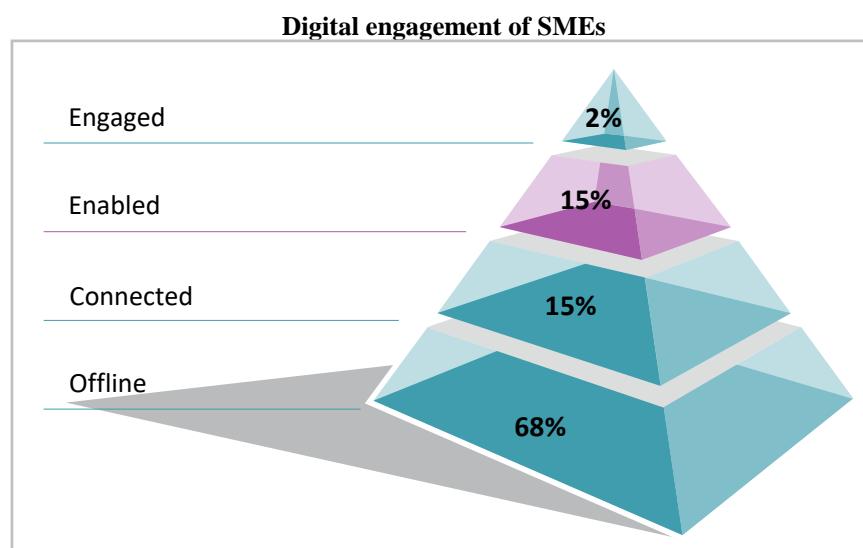
<sup>46</sup> Report by Blue Corona

<sup>47</sup> Report by iResearch

The government has launched several initiatives under the Digital India umbrella to improve digital connectivity and enhance digital skills and awareness in the country which is likely to aid the digitization of SMEs in the near to long term. Some important initiatives undertaken by the government include:

- Bringing government and utility services online: These include online registration of SMEs, helpline services for commercial tax, online filing of patents, etc.
- As part of 'Digital India Initiative' government of India aims to provide internet access to all 2.5 lakh gram panchayats
- Push towards a digital and cashless economy through digital payment initiatives like Aadhar Pay, Bharat QR code and the incentivization of the government's flagship BHIM app

Despite the initiatives by the government and private sector, 68 percent<sup>48</sup> of the SMEs in 2017 had no digital presence and continued to operate offline. Of the 32 percent SMEs that were digitally connected, only 2 percent were adjudged to be using the full potential of digital technologies while the remaining 30 percent were not actively promoting or selling their business online. As per our limited discussion with an SME industry body, they believe that the number of digitally connected SMEs could rise to 50 percent in the next 4-5 years<sup>49</sup>.



*Source: Impact of internet & digitization On SMEs, KPMG India & Google, 2017 (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)*

The major challenges faced by SMEs around adoption of internet and technology include:

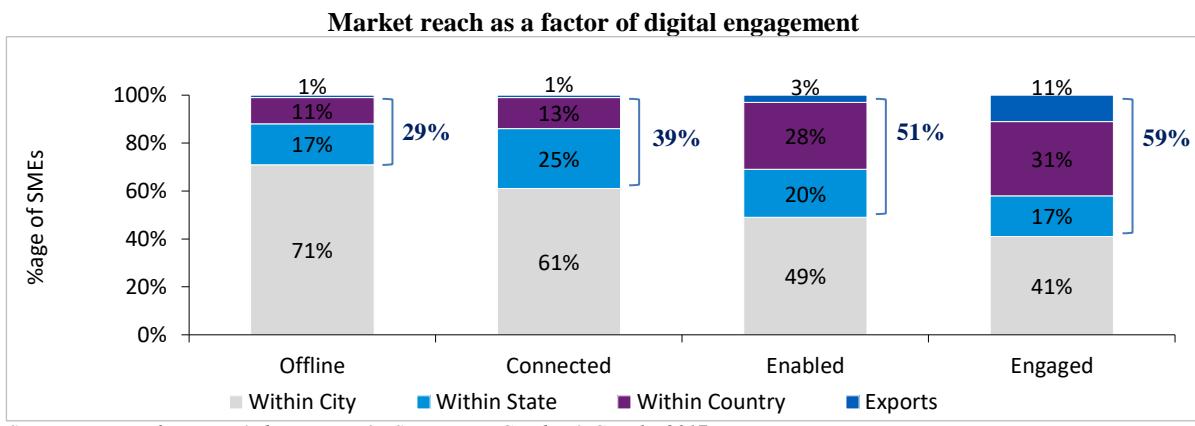
- Lack of awareness: Nearly 35 percent of the SMEs in India do not believe that adoption of digital technologies will add value to their business
- Availability of digital skills: 31 percent of the SMEs feel that lack of knowledge of expertise hinders technology adoption and optimum use for them
- High cost of Infrastructure: Around 26 percent of the SMEs stated high hardware and connection cost as the reason for low adoption of digital technologies

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

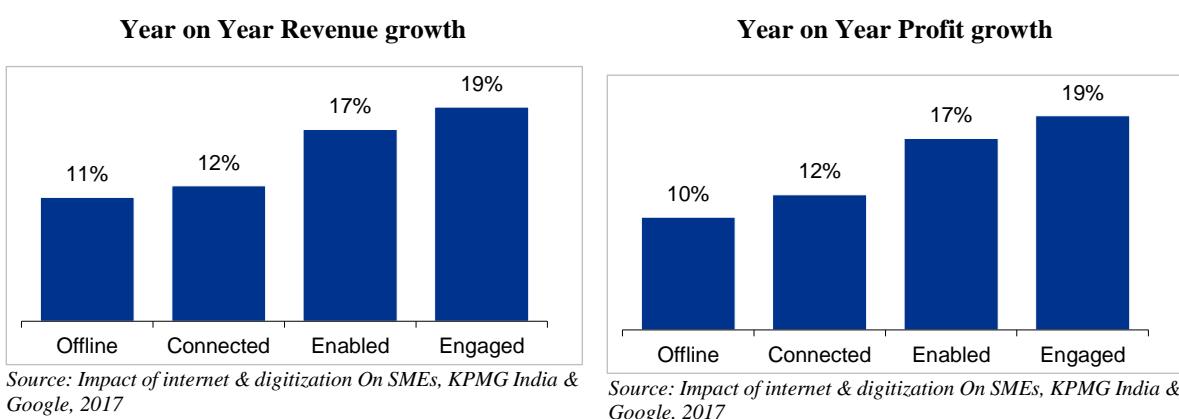
- Increase in customer reach – Higher digital engagement enables SMEs to increase its customer reach beyond local markets to state-level, country level and exports. Nearly 51 percent of digitally enabled SMEs cater to customers beyond city boundaries as compared to 29 percent of offline SMEs.

<sup>48</sup> KPMG-Google report- Impact of internet and digitization of SMBs in India

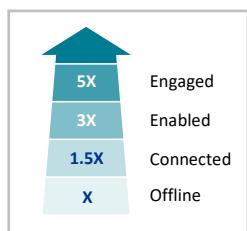
<sup>49</sup> Primary discussions with SME industry bodies



- Improved revenue and profitability - Digitally enabled SMEs have demonstrated better revenue and profitability compared to the SMEs which conduct their business offline.



- Increase in employment – Connected SMEs employ 1.5 times the personnel as compared to offline SMEs. The upward trend continues with Enabled and Engaged SMEs employing 3 times and 5 times the number of people compared to the offline SMEs respectively. The increase in employment stems from the rising revenues and the need for skilled employees to harness the digital technologies employed by the SMEs



### **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.

Post the launch of ‘Make in India’, the equity inflow of Foreign Direct Investment (FDI) in India has increased from USD 24 billion FY2014 to USD 43 billion in FY2017.<sup>50</sup> Of this, FDI for manufacturing was USD 24 billion on a run-rate basis<sup>51</sup>.

#### *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, and eliminating the need for different VAT registration for businesses with operations across states
- 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 - Under the GST bill, no entry tax will be charged for goods manufactured or sold in any part of India. Therefore, delivery of goods at interstate points and toll check posts will be expedited.
- Reduction of tax burden on new businesses: Businesses with an annual turnover of over Rs 5 lakh needed to pay a VAT registration fee under the pre-GST structure. The basic exemption limit under GST is Rs 20 lakh and Rs 10 lakh for special states, which will bring relief to a large number of eligible SMEs<sup>52</sup>.
- It has also made it easier for B2B e-commerce platforms to onboard the SMEs with ready documentation, eliminating the need for multiple KYC forms depending upon whether the SME was engaged in manufacturing of goods or providing services.

The first month post the GST implementation, witnessed registration of over 1 million businesses in the system<sup>53</sup> and this number rose to 9.8 million by December 2017<sup>54</sup>. This has opened up new sources of lending to small and medium-size enterprises (SMEs) due to the increased transparency and digital data availability. The availability of GST data is also envisaged to result in a large number of SMEs becoming addressable, especially on the core concern of lack of access to formal credit. Also, as per the economic survey 2017-18, SMEs had 22 percent share in the number of filed GST returns<sup>55</sup>, outlining the importance of the reform for the SME segment.

In the longer run, the GST is expected to boost corporate investment, arrest tax evasion, and foster productivity and growth by creating a single market for the movement of goods and services.

#### *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 increased from ~18 Mn (FY’17) to ~915 Mn (FY’18), while the value has increased from INR70 Bn to INR1100 Bn during the same period<sup>56</sup>. To boost the uptake of digital payments, especially by physical merchants, the Government has regulated Merchant Discount Rates (MDRs) for transactions on debit cards, based on the category of merchants, ranging from 0.4% to 0.9% of the transaction amount. Further, for a period of 2 years starting January 1, 2018, the Government has also decided to reimburse MDRs to merchants for all debit card/ BHIM/UPI/AePS (Aadhaar Enabled Payment system) transactions below INR 2,000, thereby making the cost of such payments to the consumer as NIL.<sup>57</sup>

The importance of Aadhaar as a tool for seamless identification can be gauged by its adoption for E-KYC. As per UIDAI, the average daily E-KYC transactions in April 2018 were ~7.5 million.

Further, the increase in usage of M-wallets and onboarding of physical merchants by Point of Sale (POS) players and wallet companies has resulted in MSMEs starting to accept digital payments for their day to day business needs.

<sup>50</sup> Department of Industrial Policy & Promotion – Fact Sheet on Foreign Direct Investment, December 2017

<sup>51</sup> FDI in manufacturing sector up 82 per cent in Apr-Nov period: Nirmala Sitharaman; Economic Times, Feb 2017

<sup>52</sup> GSTIndia.com

<sup>53</sup> Over 12 lakh businesses apply for new GST registration: Revenue Secretary Hasmukh Adhia, Financial Express – July 2017

<sup>54</sup> Economic survey authored by Chief Economic Advisor Arvind Subramanian

<sup>55</sup> Survey calculations based on GST data, Economic Survey 2017-18

<sup>56</sup> National Payments Corporation of India

<sup>57</sup> Reserve Bank of India notifications, December 2017

### **Electronic Payment Systems (Volume in million)**

	<b>Q4 2017</b>	<b>Q1 2018</b>	<b>Q2 2018</b>	<b>Q3 2018</b>
Debit and credit card at POS	707	697	721	764
Mobile banking	182	203	227	367
UPI	14.5	26.2	58.8	327.1

Source: National Payments Corporation of India

Use of digital payments can enable SMEs bring in operational efficiencies and reduce delays in payments due to operational challenges through safer, faster payments at reduced costs. Digital payments could also help many ‘small cash-only businesses’ move online, increasing transparency and maintaining clean financial records for compliance purposes.

### ***Other Initiatives from the Government and Technology adoption driving growth of MSMEs***

- *Ease of Registration for MSMEs*: To enable ease of registration of MSME’s, the filing of Entrepreneurs’ Memorandum with the respective States/UTs has been replaced with a simple, online, one-page registration form ‘Udyog Aadhaar Memorandum’ (UAM). Nearly 3.9 million UAMs have been filed between September 2015 and December 2017<sup>58</sup>.
- *Technology Centre Systems Programme (TCSP)*: Under TCSP, government has established 18 Technology centers (TCs) with an aim to improve the competitiveness of MSMEs<sup>59</sup>. There are plans to establish 15 new Technology Centers (TCs) and upgrade existing TCs across the country.
- *Skill development programs*: India presently faces a manufacturing skill gap of 45 million which is projected to rise to 90 million by 2022<sup>60</sup>. National Skills Development Corporation (NSDC) India is focused towards bridging any potential skill gap that India’s industries may face in the present and the future. With the MSME industry employing 36 million people in manufacturing, the skill gap targeted to be fulfilled by NSDC could have a positive impact on the MSME sector. The government has established six MSME technology centers in the country to offer skill based training.
- *Digital Payments*: Ministry of MSME has taken numerous initiatives to digitally enable the entire MSME ecosystem. For the MSME registered under UAM, efforts have been made to spread awareness on the ease and benefits of different modes of payments such as BHIM, UPI and Bharat QR code. Use of digital payments can enable SMEs bring in operational efficiencies and reduce delays in payments due to operational challenges through safer, faster payments at reduced costs. Furthermore, use of digital payments is envisaged to enable MSMEs attract formal credit from banks and Micro finance institutions.
- *Launch of MyMSME*: To facilitate the enterprises to take benefit of various schemes, a web and mobile based application module, MyMSME, has been launched by Office of Development Commissioner (MSME). This will enable entrepreneurs to make their applications and track it on their mobile.
- *Direct Benefit Transfer in the M/o MSME*: All welfare and subsidy schemes of Government of India have been brought under Direct Benefit Transfer (DBT) with the aim of reforming Government delivery system by reengineering the existing process in welfare and subsidy schemes. This aims for simpler and faster flow of funds and ensure accurate targeting of the beneficiaries, de-duplication and reduction of fraud.
- *Tax rebate*: The 2018 budget reduced the tax rate for companies with an annual turnover upto INR 2.5 billion to 25 percent. This tax cut is aimed to help the entire MSME sector with the government claiming to forego a revenue of INR 70 billion<sup>61</sup>.
- *Receivables Exchange of India Ltd (RXIL)*: Set up as a JV of Small Industries Development Bank of India (SIDBI) and National Stock Exchange of India Limited (NSE), RXIL operates India’s First Trade Receivables Discounting System (TReDS) - an online platform for financing of receivables of Micro, Small & Medium Enterprises. The platform enables discounting of invoices of MSME Sellers against large corporates through an auction mechanism where financiers bid for invoices.<sup>62</sup>

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

<sup>58</sup> Ministry of Micro, Small and Medium Enterprises, Annual report 2017-18

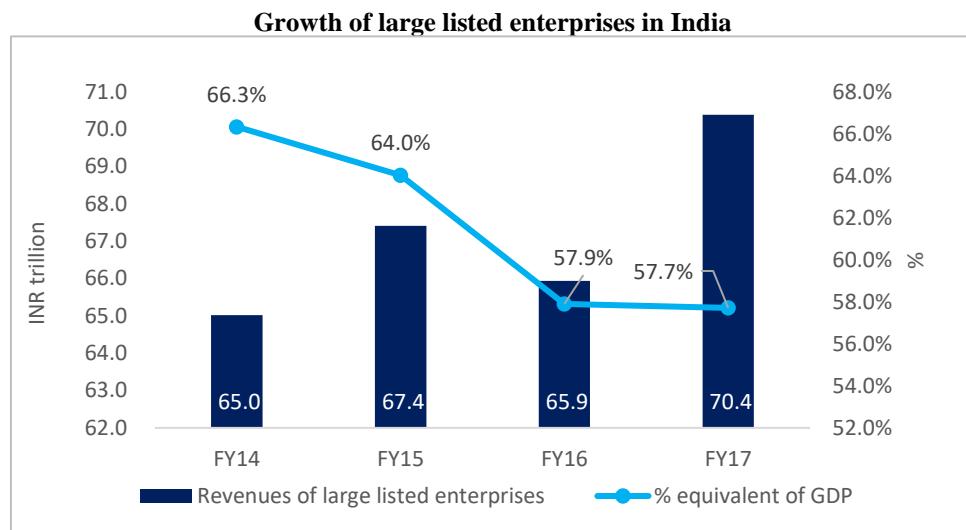
<sup>59</sup> National scheduled caste & scheduled tribe and hub - Technology Centres System Programme ( TCSPs)

<sup>60</sup> World Economic Forum - National Skills Development Corporation India

<sup>61</sup> Finance Minister budget speech 2018-19

<sup>62</sup> RXIL website

The Medium and large enterprises are extremely important to the Indian economy. India has nearly 850 listed entities<sup>63</sup> having annual revenues in excess of INR 250 Cr each. The combined revenue of these entities was equivalent to about 58 percent of the GDP in FY17<sup>64</sup>.



### Adoption of internet amongst LEs

Whilst there is a push to increase the adoption of internet for business amongst MSMEs, large enterprises in India tend to be already conversant with digital technologies, with their focus on harnessing digital for further refining customer experience and enhancing operational efficiencies.

More than 40 percent<sup>65</sup> of the large enterprises with an annual turnover in excess of US\$ 1 billion listed in India are investing in emerging technologies while 20 percent of such billion dollar companies are already under way on their digital transformation journey. The spending on digital transformation by these listed billion dollar companies in India is expected to cross US \$360 million by 2020 as government initiatives like Digital India, Smart City and Make in India create numerous opportunities across different industries.

B2B companies in sectors like construction and engineering are using IoT and AI to simplify tracking of operations and optimize performance.

However, the adoption of these digital technologies will come with its own set of challenges like:

- a. Lack of adequate skilled workforce to deploy digital technologies
- b. Overhauling legacy systems for large traditional enterprises is a complex and time consuming exercise which can aggravate competitive pressures when facing new-age digital enterprises catering to the same use-cases
- c. High initial investment for deployment of futurist technology solutions

### The Indian Advertising Market

#### *Advertising revenues expected to grow driven by Digital advertising gaining prominence*

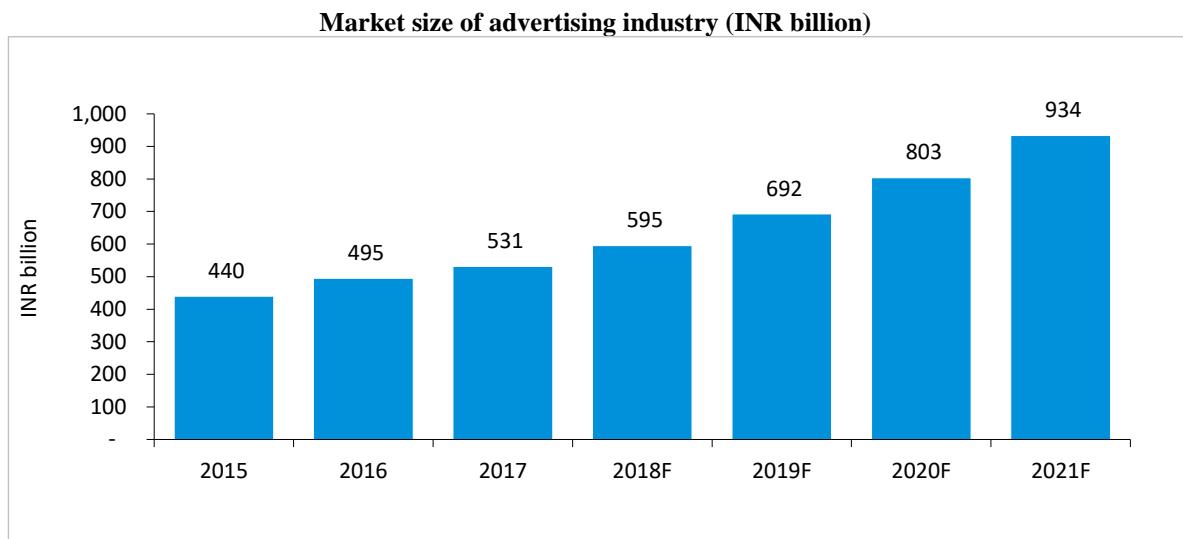
The Indian Media & Advertising industry suffered the after-effects of demonetization and introduction of the Goods & Services Tax (GST) in 2017, leading to a relatively slow Ad-Ex growth at 7 percent over 2016. However, as economy and market recover, the advertisement market is forecasted to reach INR 595 billion in 2018 growing

<sup>63</sup> Based on data from Capital Line

<sup>64</sup> The entire listed revenues from such entities are taken into account, which may also include revenues from such entities' foreign operations. Thus the number of 58 percent cannot be construed as the contribution to GDP.

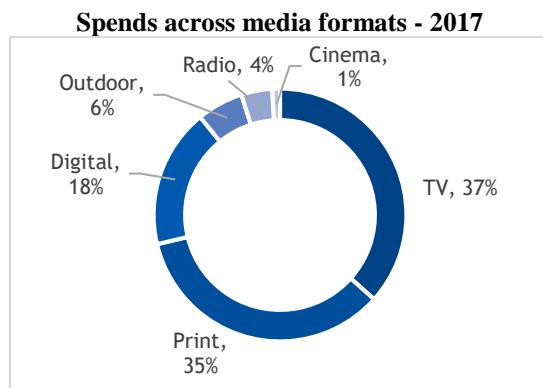
<sup>65</sup> Large Enterprises : Transforming India's Digital Future – Zinnov, 2017

at a rate of 12 percent over 2017. In the long term, the advertisement market is estimated to grow at a CAGR of ~16 percent from 2018 to 2021 to reach INR 934 billion.



*Source: Pitch Madison Advertising report 2018, KPMG India-FICCI, Indian Media and Entertainment Industry Report, 2017, KPMG analysis*

Television was the biggest contributor to media spends in 2017, at a share of 37 percent followed by Print and Digital media. Even though, spends on television have been growing in the last 2 years, its contribution to the media spends has declined from 39 percent in 2015 to 37 percent in 2017. Contribution of print has fallen at a higher rate from 38 percent in 2015 to 35 percent in 2017. It is forecasted to fall further to 33 percent in 2018. Marketers are moving from purely mass-targeting platforms to a mix of traditional and digital platforms. In terms of overall share, only digital is expected to grow while others are projected to decline or remain constant.



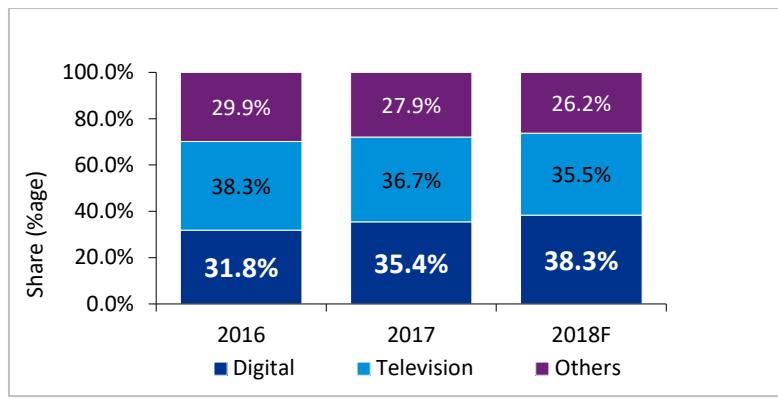
*Source: Pitch Madison Advertising report 2018*

### Global Advertising Trends – The Shift towards digital advertising

The global advertising market is projected to reach a size of USD 589.5 Bn in CY2018, growing at a CAGR of 3.8% from CY2015.

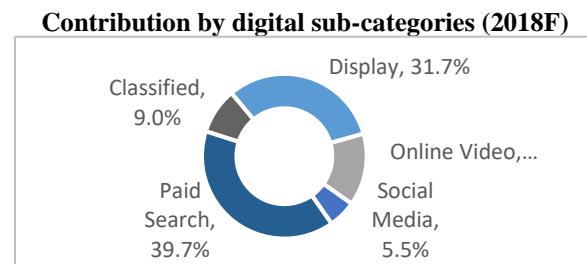
While overall ad spend is growing, the distribution across different channels is seeing a significant shift. Digital has been the major contributor to the growth in global ad expenditure with a double digit growth while the other channels have experienced single digit or negative growth. Television and print media have been losing share and are showing meagre/negative growths.

### Global % share of advertisement spend- Increase in digital spend



Source: Global Ad Spend Forecasts, Dentsu Aegis Network, January 2018

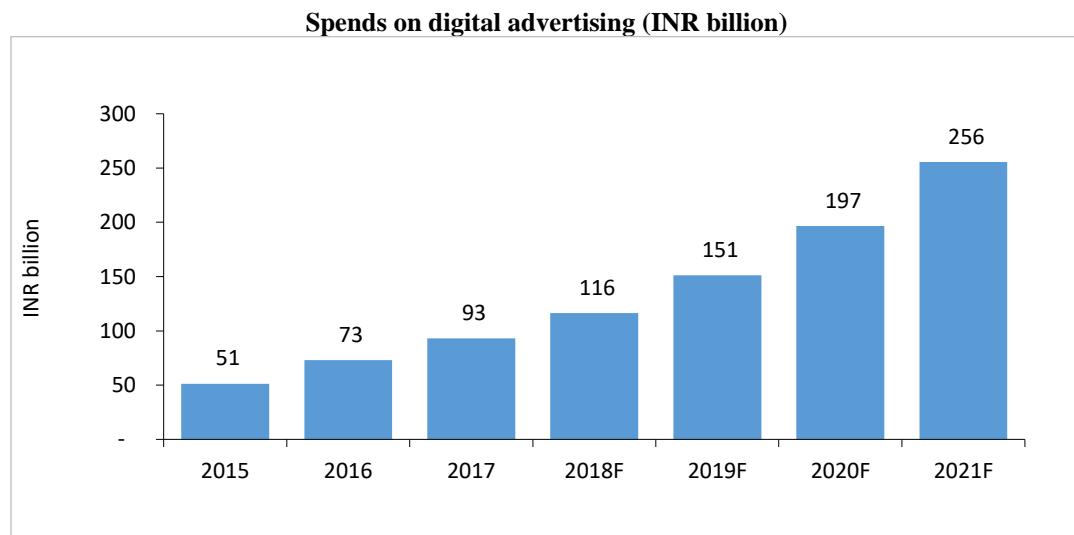
While the overall market is expected to be driven by digital advertisement, display and paid search advertising are expected to be the major contributing segments within digital. Paid search is expected to account for 40 percent of the digital ad-ex in 2018.



Source: Global Ad Spend Forecasts, Dentsu Aegis Network, January 2018

### Growth of online advertising

Digital continues to power ad spend growth and stands at INR 93 billion at the end of 2017 growing at 27 percent over 2016. It is forecasted to grow to INR 116 billion by 2018 and continue growing at around 30 percent<sup>66</sup> for the next 2-3 years.

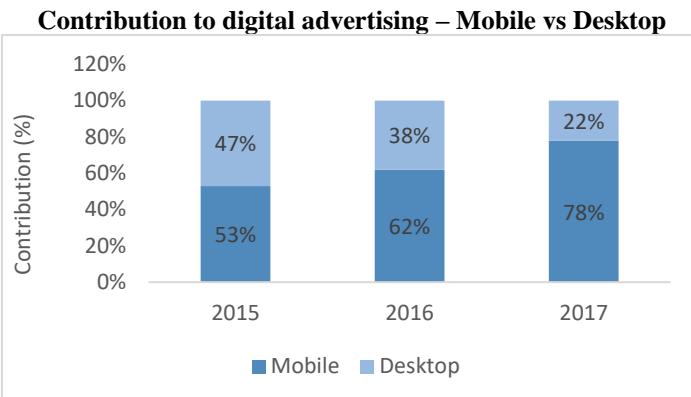


Source: Pitch Madison Advertising report 2018, KPMG India-FICCI, Indian Media and Entertainment Industry Report, 2017, KPMG analysis

Some of the key trends/growth drivers for digital ad spending include:

<sup>66</sup> KPMG in India industry discussions

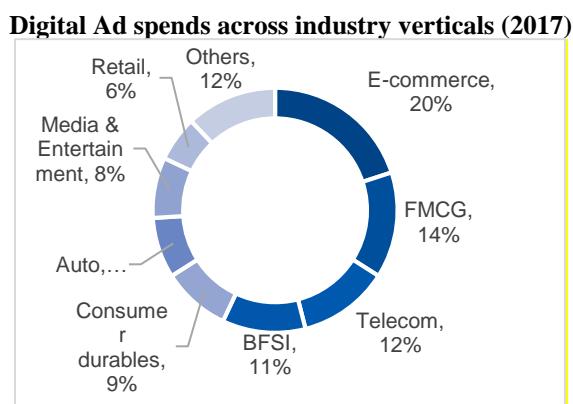
- Increasing adoption of internet - Increasing smartphone penetration coupled with falling data costs on account of 4G rollout by RJIO and incumbents has resulted in increased adoption of internet and time spent on mobile phones. Mobile has been increasingly contributing to digital media spends increasing from 53 percent in 2015 to 78 percent in 2017.



Source: Pitch Madison Advertising report 2018

- Growth in personalized marketing – With growing usage of personalized devices and increased consumption of social media; marketing plans are likely to shift from just being traditional media exclusive to higher focus towards a targeted and measurable medium like digital
- Growing popularity of content marketing - With the objective to build loyalty among its audiences, brands are gradually shifting advertising from traditional media to quality content that is crisp, relevant, and engagement-driven.

In terms of industry segments, E-commerce (20%), FMCG (14%), Telecom (12%) and BFSI (11%) were the major contributors to the overall digital ad spends in India in 2017 ahead of traditional segments like Auto and retail.



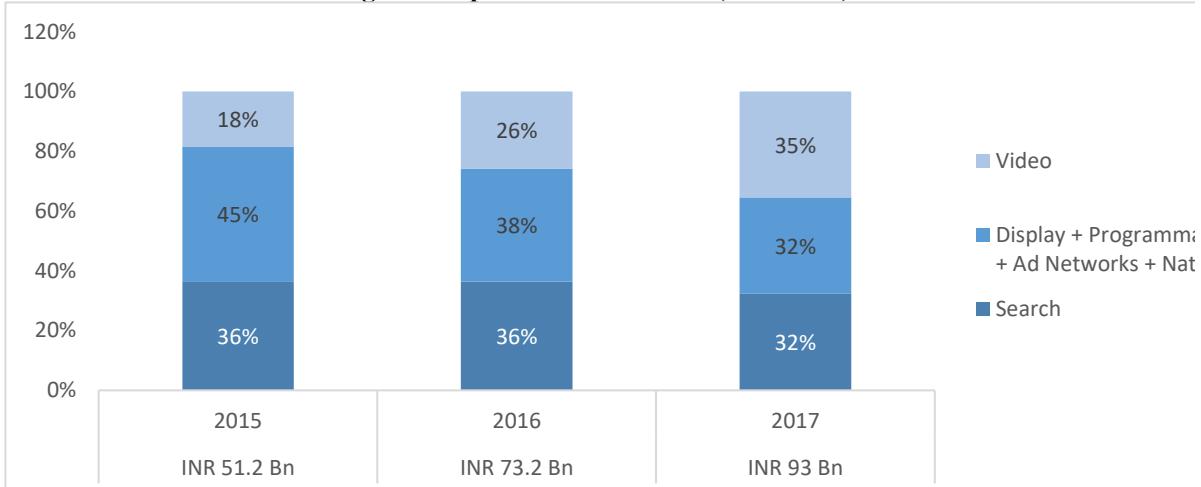
Source: Pitch Madison Advertising report 2018, KPMG Analysis

### The Local Indian search market

While the spend on digital media advertisement has been increasing steadily over the last 3 years, the landscape of the contribution of different formats within digital Ad-ex has been changing.

Spending on search advertising continues to be important with the Ad-ex increasing at a CAGR of 27 percent from INR 18.6 billion in 2015 to INR 30.1 billion in 2017. Despite this, the contribution of search advertisement to the total digital Ad-ex has reduced from 36 percent in 2015 to 32 percent in 2017. This phenomenon is mainly due to the sharp increase in video ads which have risen from INR 9.45 billion in 2015 to INR 33 billion in 2017 becoming the single largest contributor to digital ad spends. The increasing contribution of video ads has mainly eaten into the share of display ads with the contribution of display, programmatic, and native ads falling from 45 percent in 2015 to 32 percent in 2017. While video advertising is expected to be the fastest growing segment going ahead, outpacing the 30% CAGR of the overall digital advertising market, the search segment is also expected to remain robust, growing in absolute terms, albeit at a pace slower than the growth of the digital advertising market.

### Digital Ad spends across formats (2015-2017)



Source: Pitch Madison Advertising report 2018

As search is mostly intent driven, it is primarily used for implementing pull strategies in digital marketing. This involves making the product/service/brand visible to the consumer during their active search process, thus making this format more popular in E-commerce and BFSI segments.

Some of the key growth drivers for increase in search advertising in India include:

- Falling prices of mobile phones and smart devices along with declining data prices is resulting in mobile phones reaching the masses which is allowing searches to penetrate previously underserved markets. In addition, percentage of online searches performed on mobile devices has grown overtime, with consumers using mobile devices likely to follow up searches with a phone call. This is ensuring businesses being more discoverable and relevant to consumer, on a local/ geographical level
- Increasing focus on hyper-local search - Proximity-based searches have become more popular, and local searches are based on hyper-specific locations, rather than just on a regional or neighborhood-specific basis. India hyperlocal market is expected to touch a size of more than INR 23 billion by 2020<sup>67</sup>
- Increasing requirement of language localization - Through 2016-2021, 9 out of every 10 new internet users in India are projected to be language users. This is expected to increase the need for local advertising services on digital platforms to connect with language users in their native language
- With more and more commerce moving online, the need for online search and discovery is expected to grow. Thus, business owners are becoming more inclined to spend on search advertisement to enable buyers to discover their product with ease.

### The Indian Classifieds market

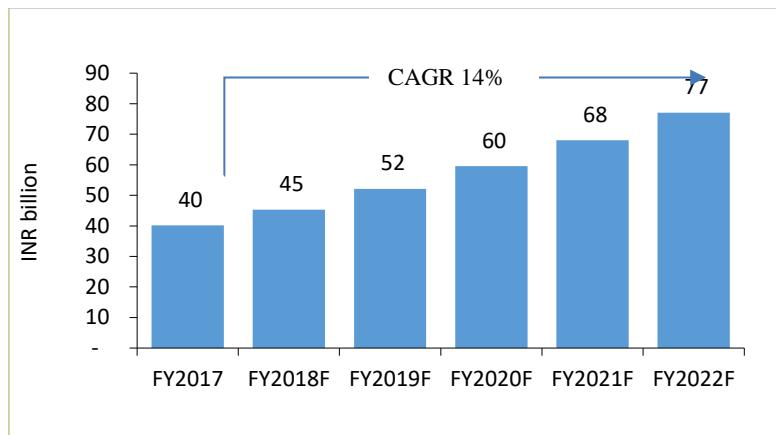
The Indian classifieds market is currently dominated by the offline mode, with a contribution of nearly 75% to the overall classifieds space in India<sup>68</sup>. However, with the emerge of India as a mobile first nation post the launch of high speed 4G services, digital classifieds are expected to gain increasing significance for discovering businesses online.

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 classified market was estimated at INR 40.2 billion in FY2017, expected to grow at a CAGR of 14 per cent over FY2017-F2022 to reach a size of INR 77.1 billion by FY2022.

### Growth of digital classifieds (2017-2022F)

<sup>67</sup> India Hyperlocal Market Outlook to 2020, Ken Research, March 2016

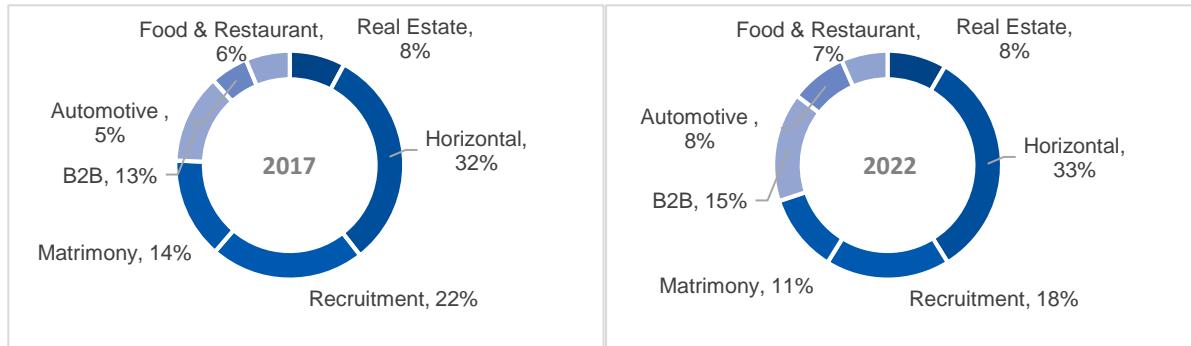
<sup>68</sup> Digital Classifieds in India 2020 – KPMG in India



Source: KPMG Analysis

As on FY2017, the horizontal classifieds was the largest constituent to the overall digital classified pie, with a share of 31.6 per cent. Recruitment, Matrimony and B2B digital classifieds followed with a segment contribution of 21.9 per cent, 14.3 per cent and 12.7 per cent respectively.

#### Category distribution of digital classifieds (FY2017 vs FY2022)



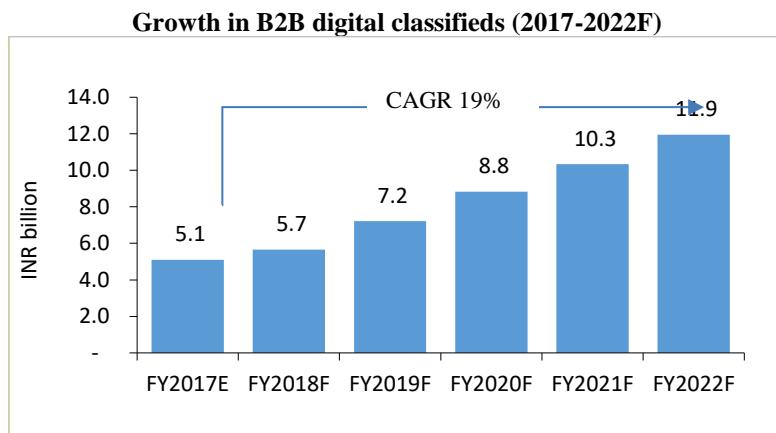
Source: KPMG Analysis

The growth in the digital classifieds market from FY2017 to FY2022 is estimated to be driven by the growth in B2B, Automotive and Real Estate classifieds, with Horizontals also continuing to maintain robust growth. The segment wise growth and CAGRs are outlined below

Sub-Segment	Market Size – FY2017 (INR billion)	Market Size – FY2022 (INR billion)	CAGR % (FY2017- FY2022)
<b>Real Estate</b>	3.2	6.5	15.3%
<b>Horizontal</b>	12.7	25.3	14.8%
<b>Recruitment</b>	8.8	13.6	9.1%
<b>Matrimony</b>	5.8	8.6	8.3%
<b>B2B</b>	5.1	11.9	18.5%
<b>Automotive</b>	2.2	6.2	23.2%
<b>Food &amp; Restaurant</b>	2.5	5.0	15%
<b>Total</b>	<b>40.2</b>	<b>77.1</b>	<b>13.9%</b>

*B2B Digital Classifieds estimated to be an ~INR 12 billion market*

The B2B digital classified market is estimated to more than double from a size of INR 5.1 billion in FY'2017 to INR 11.9 billion by FY2022, a CAGR of 18.5%. 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.



Source: KPMG Analysis

However, given the large market of online search in India, the same also represents a large potentially addressable market for online B2B classified platforms. With the efficacy of online B2B classified platforms in terms of bringing on board serious buyers and sellers, growing depth around B2B classified platforms could lead to them potentially competing for a share of the online search market, in the form of businesses preferring discoverability on such B2B classified platforms as against generic search engines.

Thus, the total addressable market for online B2B Classified platforms is outlined as below:

Addressable market (INR billion)	FY17	FY22
B2B Classified Market	5.1	11.9
Online Search Market	27*	76*

\*Only the B2B portion of the online search market could potentially be addressable for B2B Classified players

Based on the above, the overall revenue opportunity for online B2B classifieds by FY'22 is likely to be higher than the INR 11.9 billion derived from the pure-play subscription or pay per lead revenues of such companies. While the online search market represents a huge opportunity, the magnitude of this increased revenue opportunity would depend upon the extent to which online search platforms are used for B2B advertising and the amount of business online B2B classified platforms are able to garner from this pie.

The key growth drivers underpinning the growth of online B2B classifieds are as below:

- *Growth of the MSME sector:* The growth of the B2B online classified market is intrinsically linked to the growth of the MSME sector. With government initiatives like Make in India, Digital India and skill enablement for the sector helping organizations expand their businesses, the same could have a positive rub off effect on the online B2B classified market
- *High potential for getting more SMEs online:* As outlined earlier, with the growth in internet penetration and smartphone adoption in India, an increasing number of SMEs could come on the digital bandwagon, to make their businesses discoverable as well as participate in the larger E-commerce opportunity.

As of 2017, only 32 percent of SMEs in India were digitally connected<sup>69</sup> and 17% used internet for business purposes. There is a huge headroom in terms of getting more SMEs online, which in turn could have a positive impact on the growth of B2B classifieds.

- *Enabling wider access:* Online B2B classifieds enable access to SMEs to expand their customer base beyond the local markets that they operate in. With better growth business growth prospects, and the classified portals also acting as a source of information on competitor products and services, businesses, especially SMEs are likely to drive the growth of B2B classified portals
- *Integrated solution offering:* B2B classified platforms could look to integrate marketplaces enabling buying and selling, digital payments and financing, data analytics, logistics and order management

<sup>69</sup> KPMG Analysis

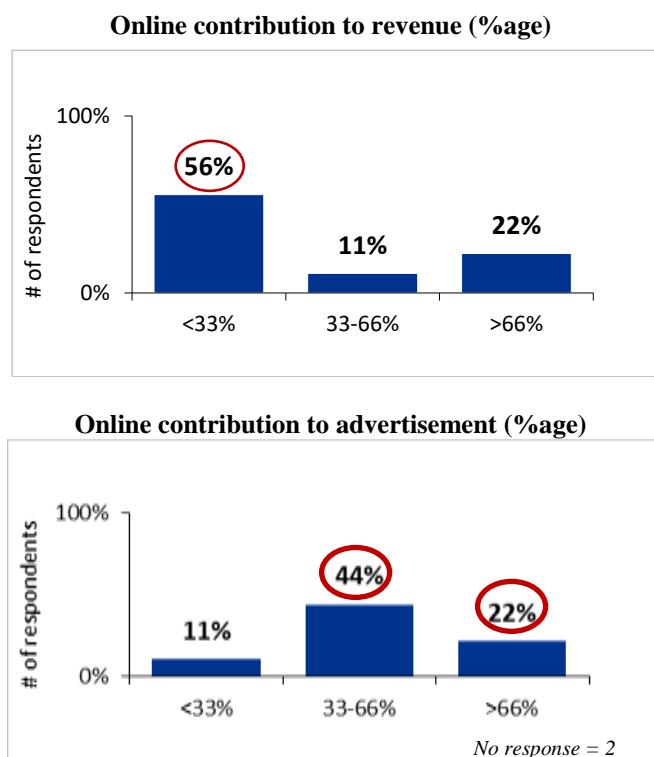
solutions in the future; thus providing an attractive value proposition of availing end to end services from such platforms in the future.

### **Advertising spends across SMEs and Large enterprises<sup>70</sup>**

#### ***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.

Also, with increasing competition in the B2B space, and greater discoverability of businesses across the country online, buyers could have a tendency to test market prices for a product or service despite having a long time supplier. This may also lead to suppliers spending an increasing proportion of their marketing budget online to maintain visibility for their existing offline customer base and to acquire new customers to guard against natural churn and for business expansion.



Source: Primary interviews carried out with a limited set of SMEs

While 56 percent of the SMEs earned less than 33 percent of their revenues from their online (including assisted online) business, 66 percent SMEs spent more than 33 percent of their marketing spends on online marketing.

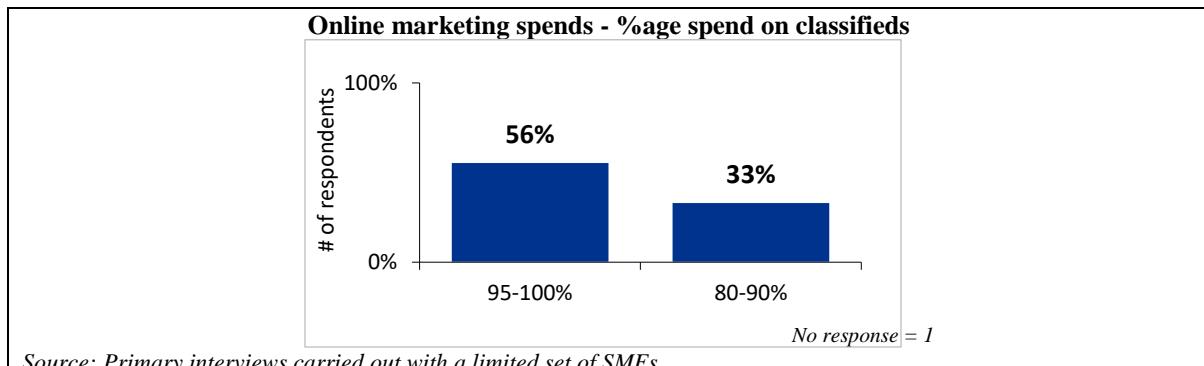
Large enterprises dealing with highly standardized products being sold at low volumes per order, may allocate as high as 20-30 percent of their total marketing spends towards digital marketing efforts.

#### ***Online marketing spends: Classified vs Search***

SMEs: Discussion with the SMEs revealed their preference to spend on classifieds compared to spending on search advertisement or branding through display and video ads. This is due to the fact that the classifieds provide a higher degree of relevant actionable leads from serious buyers as against a large number of generic queries from

<sup>70</sup> This section is based on primary interviews carried out with a limited set of SMEs and Large Enterprises, and trends outlined herein pertain to these limited set of companies only

search engines. A majority of the SMEs revealed that the relevancy of the leads received from classifieds is more than 50 percent. Hence, a majority of the SMEs spend more than 80 percent of their online marketing budget on classifieds.



The high number of relevant queries on classifieds has also resulted increased spending on this medium due to the following:

- Increasing number of SMEs subscribing for classified packages
- Existing SMEs upgrading their subscription packages over the years

**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<sup>71</sup>**

#### ***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.

Some of the most common reasons that hold back online purchases from buyers are as follows:

- a. Well entrenched network of existing supplier base
- b. Lack of desired products in the online catalogues of B2B e-commerce companies
- c. Higher prices on online platforms compared to what can be negotiated with offline suppliers
- d. Lack of trust in the authenticity of products sold via online media

#### ***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.

Most buyers tend to evaluate B2B e-commerce platforms on the basis of following parameters:

- a. Availability of desired product catalogue
- b. Number of suppliers
- c. Product Price

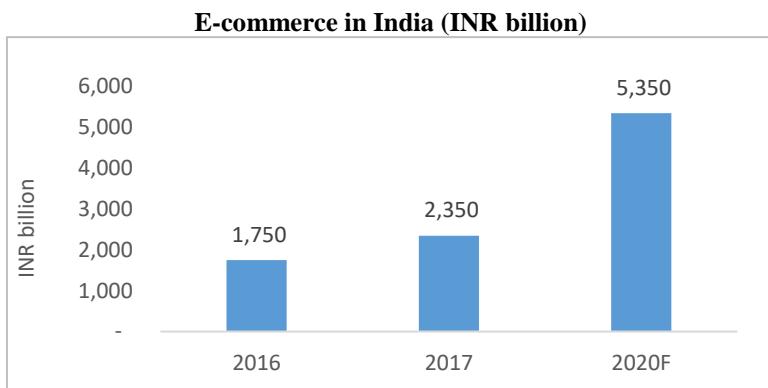
<sup>71</sup> Based on discussion with five small buyers

- d. Authenticity of product
- e. Product quality

It is interesting to note that most buyers had no preference for known brands or vendors and would be open to sourcing products from SMEs.

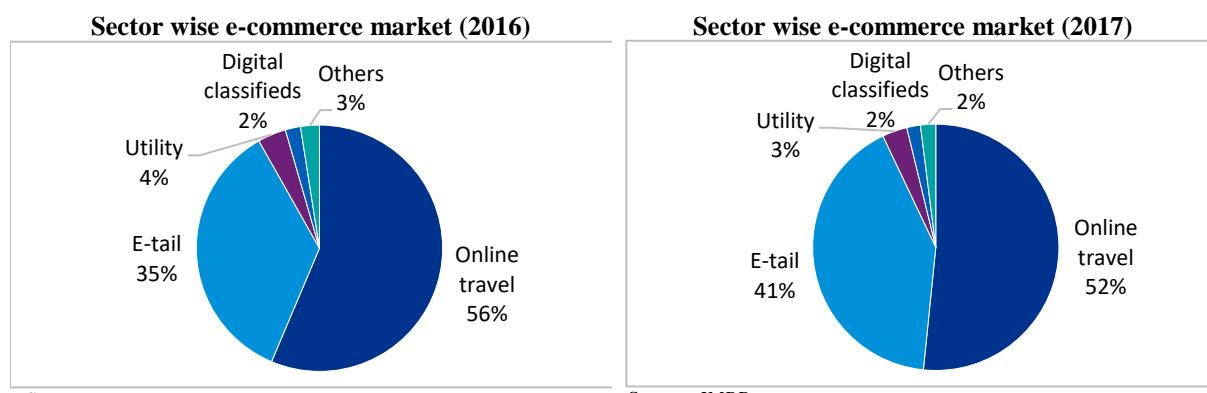
#### ***Deepening internet penetration fueling E-commerce growth in India***

The growth in internet penetration across India is helping companies move their businesses online and reach out to a larger customer base. On the other hand, with consumers spending increasing times on their smartphones, the propensity to shop online is increasing over the last few years, resulting in the E-commerce segment gaining both consumer mindshare and wallet-share. The e-commerce market in India was estimated to be around INR 2,350 billion<sup>72</sup> in 2017 and is projected to continue growing to reach INR 5,350 billion<sup>73</sup> by 2020.



Source: IMRB, E-commerce Retail Logistics in India, KPMG in India, 2016

The e-commerce market is dominated by the online travel segment which comprises around 52 percent of the e-commerce market share. E-tail, which is the fastest growing segment in e-commerce, represented approximately 2.5 percent of the total retail sales in India in 2016. This is expected to rise to 5 percent by 2020.<sup>74</sup> China was the largest retail e-commerce market in the world at USD 900 bn in 2016. In contrast to India, the e-tail market in China comprises 19 percent of the total retail sales in China<sup>75</sup>, representing a significant headroom for Indian businesses to grow through the online medium.



Source: IMRB

India had around 60 million online shoppers in 2016, which was 14 percent of the internet user base in the country. This penetration is forecasted to increase to 50 percent by 2026<sup>76</sup>. A major chunk of this increased penetration is likely to emerge from the Tier II cities, which is fast emerging as the next growth frontier for E-commerce businesses. The increase of online shoppers from Tier II plus cities is already well underway, with the population

<sup>72</sup> IAMAI-IMRB Research

<sup>73</sup> E-commerce Retail Logistics in India, KPMG in India, 2016

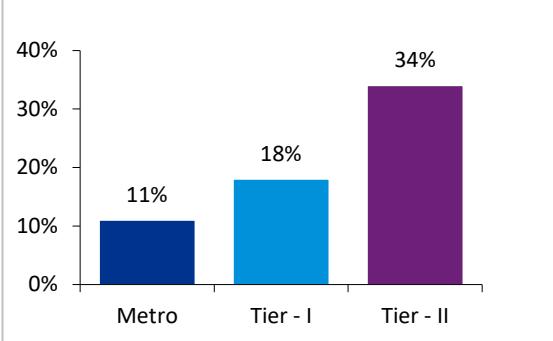
<sup>74</sup> E-commerce Retail Logistics in India, KPMG in India, 2016

<sup>75</sup> eMarketer August 2016

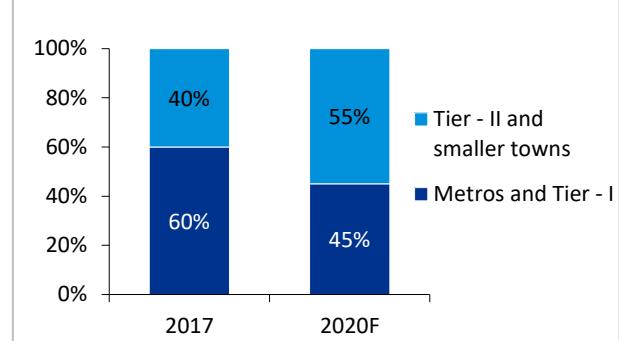
<sup>76</sup> Morgan Stanley report - India's Digital Leap—The Multi Trillion Dollar Opportunity, 2017

of online shoppers from Tier II plus cities growing more than 3x times the number of shoppers from metros<sup>77</sup>. There was a 34 percent growth in the number of unique shoppers from Tier II plus cities in 2017 whereas the number of unique shoppers from Tier I and metro cities grew at 18 percent and 11 percent respectively. The e-tailing industry saw the number of online shoppers from Tier II plus cities contribute more than 40 percent of the overall shopper numbers in 2017. This trend is expected to continue with shoppers from Tier II and smaller towns expected to account for 55 percent of all online shoppers in 2020<sup>78</sup>.

**% Growth in number of online shoppers (2017)**



**Number of online shoppers by town type**



This is also expected to sharply increase the number of Indian language users<sup>79</sup> accessing e-tailing. E-tailing was accessed by 42 million Indian language users in 2016 and is expected to reach 4x by 2021 reaching a user base of 165 million<sup>80</sup>.

### **The Indian B2B e-commerce market**

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 per a report by Walmart, the wholesale market in India is estimated to reach USD 700 billion in 2020, rising from an estimated USD 300 billion in 2015.

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 27% of the internet-enabled<sup>81</sup> SMEs being engaged in e-commerce in 2015<sup>82</sup>. In China, nearly 34 percent of all SMEs were engaged in online marketing in 2015 indicating a possibly greater number engaged in e-commerce<sup>83</sup>. 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.

B2B platforms offer many inherent advantages to the SMEs:

- They help in making small businesses discoverable thus increasing their customer base. A KPMG-Google study<sup>84</sup> reveals that 51 percent of digitally enabled SMEs cater to customers beyond city boundaries compared to 29 percent of offline SMEs.
- They ensure that buyers have more choices and can potentially enjoy cost advantages.
- Digitally connected SMEs are estimated to have nearly twice the revenue growth trajectory compared to SMEs which are offline.<sup>85</sup>

<sup>77</sup> Year in Review, E-commerce, RedSeer, 2017

<sup>78</sup> Year in Review, E-commerce, RedSeer, 2017

<sup>79</sup> Indian language users – People who prefer using Indian languages over English

<sup>80</sup> KPMG Google report 2017- Indian languages - Defining India's internet

<sup>81</sup> Internet-enabled: Have their own website or use social media for business or maintain corporate e-mail id to engage and understand customer base

<sup>82</sup> KPMG report 2015 - Impact of e-commerce on SMEs in India

<sup>83</sup> China National Network Information Center

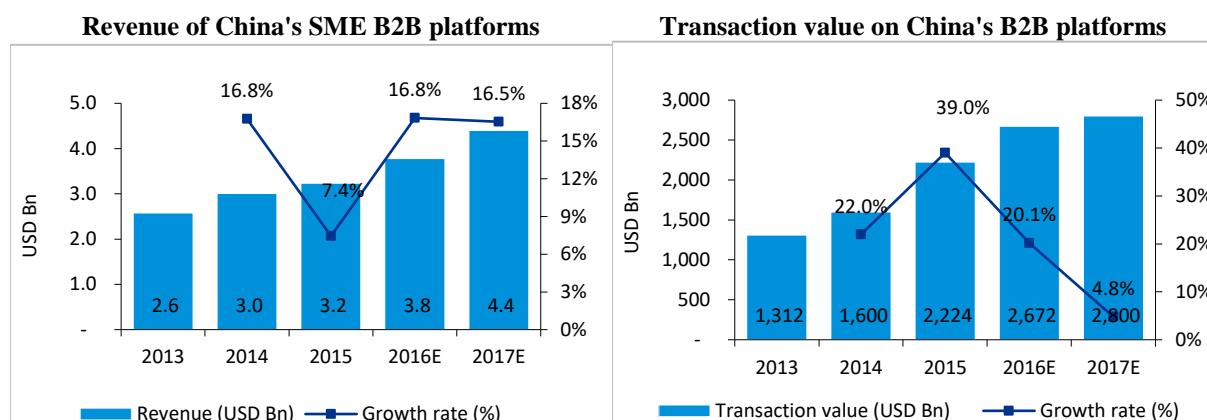
<sup>84</sup> KPMG report 2017 - Impact of internet and digitization on SMBs in India

<sup>85</sup> KPMG report 2017 - Impact of internet and digitisation on SMBs in India

While B2B platforms extend many advantages to SMEs, there remain challenges associated with bringing SMEs onto online platforms<sup>86</sup>.

- Awareness: A large segment of the SMEs which are offline do not believe that adoption of digital technologies will help their business grow, and are not aware of the benefits that digital technologies could bring to them
- Lack of knowhow: The lack of digital knowhow limits the adoption of e-commerce platforms, especially for small businesses which may otherwise be keen to come online
- Infrastructure: The improvements in the internet infrastructure in India are still centered on wireless internet, which too is not available contiguously across the country. Further, wired internet remains grossly underpenetrated in India.

The B2B e-commerce landscape in China is at a more established stage as compared to India. The transaction value (GMV) on the B2B platforms was estimated to be USD 2.8 trillion in 2017 growing at 21 percent CAGR over 2014<sup>87 88</sup>. Around two-thirds of the B2B e-commerce GMV in 2014 came from SMEs. The revenue earned by SME B2B platforms was around USD 3.8 billion in 2016 with Alibaba dominating the market along with 8 other top players together comprising more than 70 percent of the total SME B2B e-commerce revenues.<sup>89</sup> China being an export focused industry, B2B forms a large part of Chinese cross-border e-commerce, which reached 4.2 trillion yuan (\$680 billion) in 2014, up 33 percent from 2013. As per China E-commerce Research Center (CECRC), B2B sales account for about 93.5 percent of Chinese cross border e-commerce volume.



### 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. As per a report by Walmart, the wholesale market in India is estimated to reach USD 700 billion in 2020, rising from an estimated USD 300 billion in 2015. In order to tap into this potential, 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

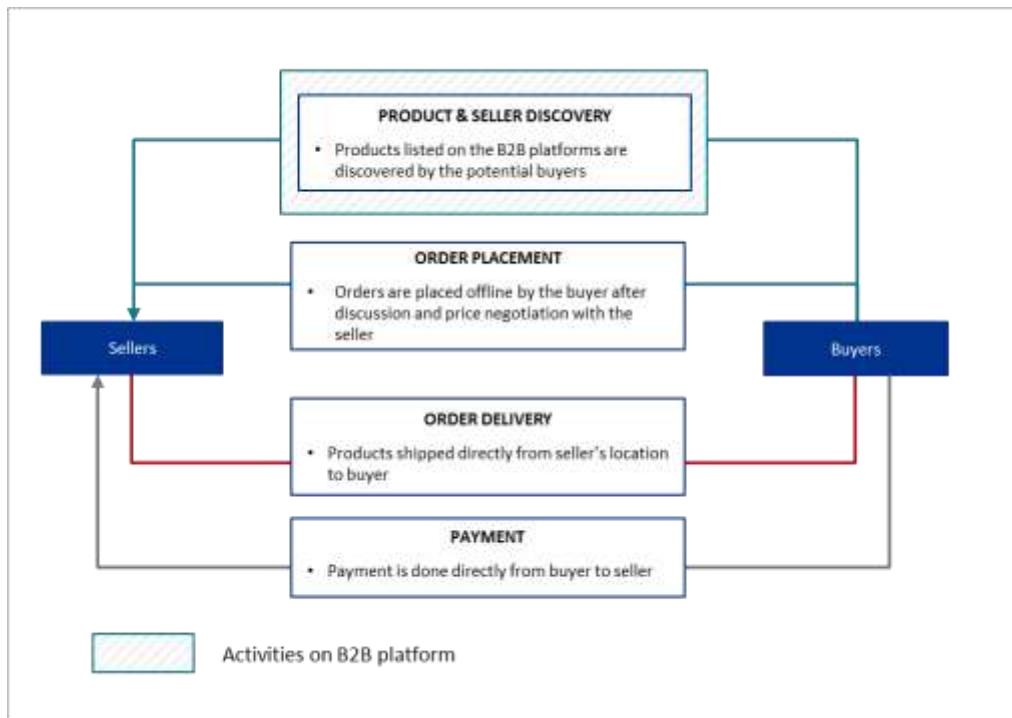
<sup>86</sup> KPMG report 2017 - Impact of internet and digitisation on SMBs in India

<sup>87</sup> China E-commerce Research Center (CERC) research

<sup>88</sup> Statista, May 2017

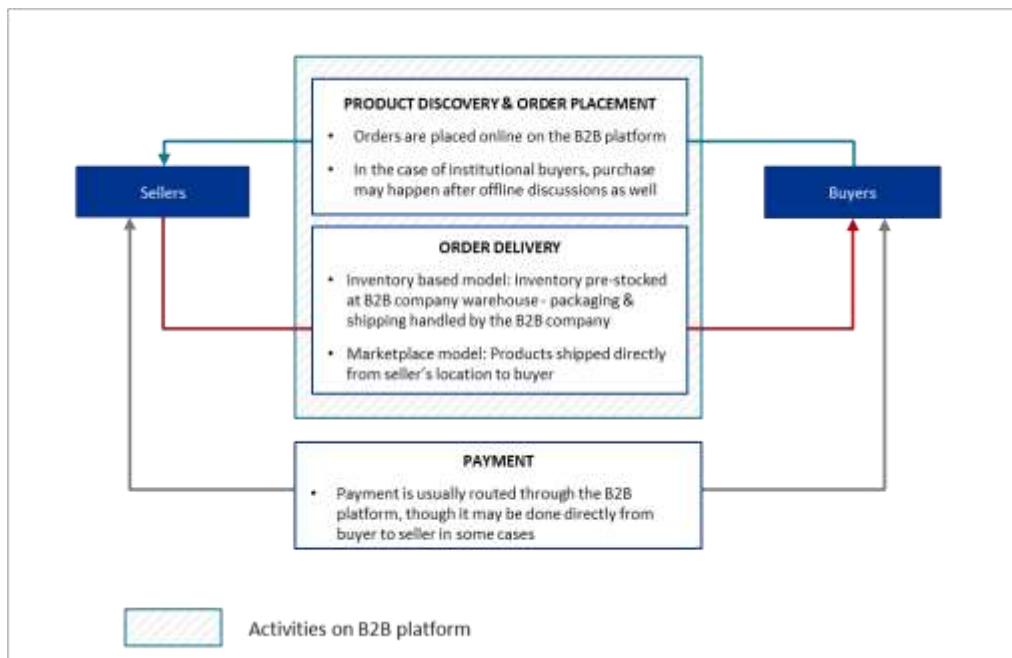
<sup>89</sup> iResearch China 2016

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.



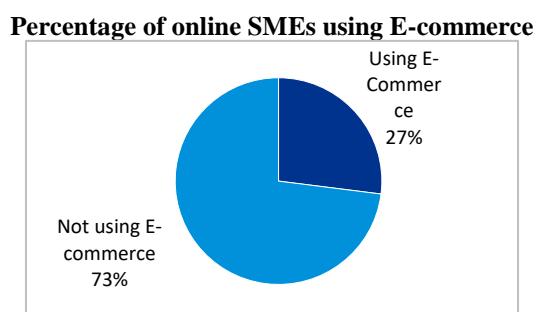
The B2B transaction based platforms may have the following monetization models:

- 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

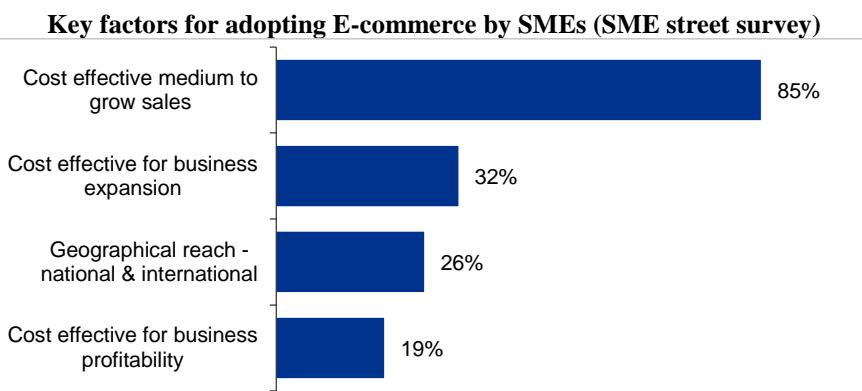
Some of the major online B2B transaction-based platforms in India include Industry Buying, Power2SME, Amazon Business and Moglix.

### SMEs using third party B2B platform

Business processes are increasingly becoming data-driven and SME sector has been benefitting from the continued expansion of E-commerce in India. As per a KPMG Snapdeal report 'Impact of e-commerce on SMEs in India', 27 percent of the SMEs using internet are engaging in use of e-commerce for business. Further, 85 percent of the SMEs who adopted e-commerce believe that it is a cost effective medium to grow sales.



*Source: Impact of e-commerce on Indian SMEs, KPMG India*



*Source: Impact of e-commerce on Indian SMEs, KPMG India, SME Street survey, 2014*

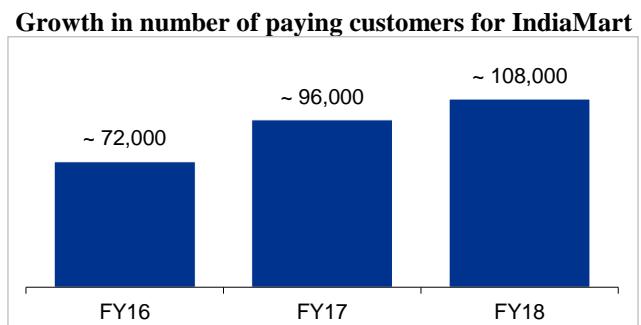
### Paid customers on third party B2B Ecommerce platforms

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 72,000 in FY16 to 96,000 in FY17 and 108,000 in FY18. Of these paying suppliers, 50 percent subscribe to monthly packages and 15 percent subscribe to annual packages, the balance subscribing for other packages.<sup>90</sup>

<sup>90</sup> Information provided by IndiaMart

Trade India, has nearly 50,000 paying customers, which form around 1 percent of the total 4.3 million customers registered on its platform<sup>91</sup>.



*Source: IndiaMart Factsheet*

#### *Conducting business online- E-commerce and finance*

As per a KPMG Snapdeal report ‘Impact of e-commerce on SMEs in India’, 27 percent of the SMEs using internet are engaging in use of e-commerce for business<sup>92</sup>. This implies that less than 10 percent of the overall SME base of 63 million may be engaging in use of e-commerce for business.

An increasing number of SMEs coming online over the years has resulted in the emergence of various online B2B platforms based on different business models and across product categories. Some of the B2B E-commerce platforms are outlined below.

- Market-place models: IndiaMart, Trade India, Alibaba India
- Transaction based platforms: Industry Buying, Moglix, Amazon Business, Bizongo

These 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 onboarded 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	59.8 million <sup>93</sup>	4.7 million
Trade India	4.3 million <sup>94</sup>	NA
Industry Buying	NA	5,000-6,000
Moglix	NA	~2,000

*Source: Company websites and industry discussions*

While these B2B e-commerce platforms provide a marketplace for SMEs to reach out to large number of buyers, there are several SaaS players in the market which are helping SMEs to get their business online through low cost software based solutions.

**Finance:** SMEs today face challenges due to non-availability of easy finance and difficulty in managing their credit cycles and working capital owing to delayed payments. Fintech players are looking to harness the digital footprint of the SMEs including their sales on digital platforms and GST returns in order to arrive at alternate methods of credit worthiness and disburse quick loans, rather than traditional bottom-line based lending.

#### *Improving business online – E-commerce 3PLs*

<sup>91</sup> Based on Industry Discussions

<sup>92</sup> KPMG report 2015 - Impact of e-commerce on SMEs in India

<sup>93</sup> Information provided by Indiamart management; The platform has 4.7 million sellers and 59.8 million buyers (all suppliers are also considered as buyers)

<sup>94</sup> TradeIndia website, the company does not keep a distinct count of suppliers and buyers. The quoted number represents total registered customers

Logistics is a key enabler and differentiator of the e-commerce industry. While 50 percent of the e-commerce logistics market is covered by in-house logistics players, other 50 percent is covered by third-party logistics (3PLs) service providers<sup>95</sup>. Aggregation models used by large 3PLs enables even small businesses reach their customers in different parts of the country at a reasonable cost.

### ***Key players in the B2B e-commerce space***

#### ***Online B2B classifieds***

##### ***IndiaMart:***

IndiaMart is an online B2B classifieds platform which enables the discovery of products across ~50 industry categories. IndiaMart provides lead-generation services to sellers listed on their platform and earns revenues through subscription fee paid by the sellers or on a pay-per-lead basis. As on FY18, the company had 4.7 million sellers<sup>96</sup> listed on their platform with products across 97,000 categories. The number of suppliers using paid services has increased from 72,000 in FY16 to 96,000 in FY17 and 108,000 in FY18. Of these paying suppliers, 50 percent subscribe to monthly packages and 15 percent subscribe to annual packages, the balance subscribing for other packages. With a revenue of ~INR 3.2 billion, Indiamart has around 60 percent market share of the online B2B classifieds space in India in FY17<sup>97</sup>.

##### ***TradeIndia:***

TradeIndia was founded in 1996 by Bikky Khosla as a platform for the business community in India to promote themselves globally. The platform is funded by California-based investor Vinod Khosla (Bikky Khosla's brother) and provides directory services for ~28 industry categories besides facilitating trade promotional events. TradeIndia generates revenues from sellers by selling packages for lead generation and listings on their portal. In FY18, the company reached a registered user base of 4.28 million users<sup>98</sup>. With a revenue of ~INR 689 million in FY17, TradeIndia has around 14 percent market share of the online B2B classifieds space in India in FY17<sup>99</sup>.

##### ***ExportersIndia:***

ExportersIndia was inceptioned in 1997 by Sunil Kumar Gupta with the objective of providing web design and development services along with e-commerce solutions to connect buyers, suppliers and manufacturers. The company has been a boot-strapped company over the past 21 years and has grown to provide listings across ~40 industry categories. The company has followed a pay-per-view model to earn revenues by selling leads to sellers. ExportersIndia has grown to have a reach of more than 12 million buyers and over 1.6 million suppliers on its platform.<sup>100 101</sup>

##### ***Just Dial:***

Just Dial is a search based listing platform focused on helping the SMEs grow in India. Just Dial was founded in 1997 by V.S.S.Mani and went public in the Indian capital markets in 2013. The company earns revenues by providing listing services to businesses across all customer-focused businesses and had a comprehensive database of 20.7 million listings as on December 2017. Just Dial operates both in the B2C and B2B classifieds space. It has listed over 50 industry categories in the B2B space. Furthermore, it had 440,600 active paid campaigns being run in December 2017.

- Revenues: INR 7.19 billion in FY17
- Operating margins: 17.5% in FY17.<sup>102</sup>

##### ***Alibaba<sup>103</sup>:***

Alibaba has limited presence in the B2B e-commerce market in India. The company has a limited range of products on their platform spread across 9 industry categories catering to retail centric products.

---

<sup>95</sup> E-commerce Retail Logistics in India, KPMG in India, 2016

<sup>96</sup> Information provided by IndiaMart management

<sup>97</sup> B2B classified market size does not include revenues earned by Google or any other search engines

<sup>98</sup> TradeIndia company website

<sup>99</sup> B2B classified market size does not include revenues earned by Google or any other search engines

<sup>100</sup> ExportersIndia company website

<sup>101</sup> Interview of ExportersIndia owner to BW Disrupt

<sup>102</sup> Just Dial annual report and company presentation

<sup>103</sup> Alibaba India company website

KPIs of key players in the B2B e-commerce classifieds market:

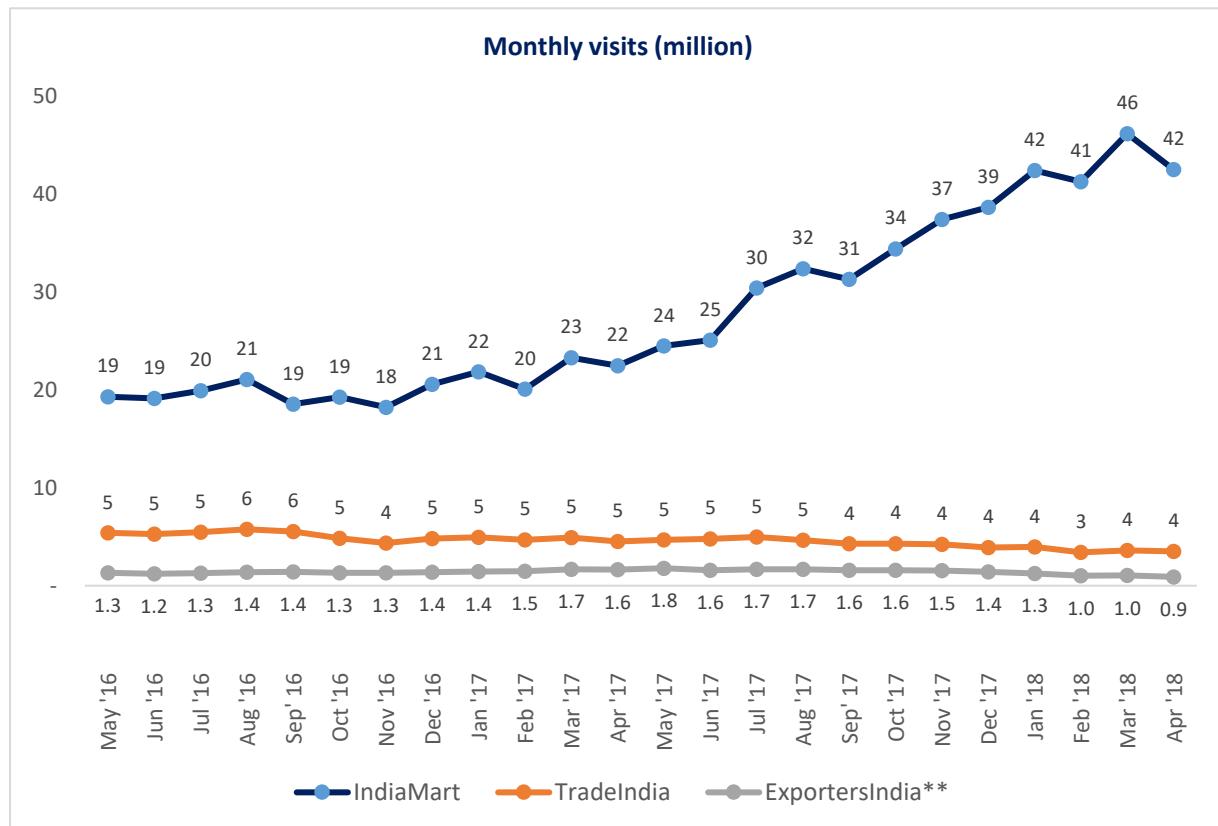
Classification	IndiaMart Horizontal	TradeIndia Horizontal	ExportersIndia Horizontal	Alibaba Horizontal
Industry categories	52	38	40	9
No of users***	59.8 Mn <sup>104</sup>	4.28 Mn <sup>105</sup>	1.6 Mn	NA
Revenue (INR mn) FY17	3,222	689	449**	NA
Traffic details (October'17- March'18)				
Total traffic (Mobile Web + desktop)	34.4 Mn - 46.1 Mn	4.3-3.6 Mn	1.6-1.04 Mn	0.23 -0.17 Mn
Direct traffic(as a % of total traffic)	12%	12%	16%	25%
Search traffic(as a % of total traffic)	85%	84%	78%	68%
Organic search (as a % of total search)	~100%	~100%	~100%	~100%
Country (India) Website rank (based on traffic)	45	1,030	4,438	NA

Source: Company websites, Financials from MCA, SimilarWeb accessed on May 8, 2018

\*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

\*\*Data pertains to overall numbers of holding company of ExportersIndia and not B2B specific numbers

\*\*\*While the number for ExportersIndia represents the number of suppliers, the number for IndiaMart and TradeIndia represents total users



Source: SimilarWeb

\*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

\*\*Data pertains to overall numbers of holding company of ExportersIndia and not B2B specific numbers

<sup>104</sup> Information provided by Indiamart management; The platform has 4.7 million sellers and 59.8 million buyers (all suppliers are also considered as buyers)

<sup>105</sup> TradeIndia website, the company does not keep a distinct count of suppliers and buyers. The quoted number represents total registered customers

In addition to the B2B classified platforms, search engines like Google can be looked as a competitor in terms of businesses using the search engine for discoverability. However, Google is also an enabler for B2B classified platforms for directing generic business queries to their platforms. This can be corroborated by the high percentage of search traffic being directed to the classified platforms.

### **Key Opportunities and Trends in B2B Ecommerce and Potential for future products/services**

#### ***The Indian SaaS Market***

##### ***Overview of the SaaS market***

The Global SaaS market is estimated to reach a size of USD 132 billion by 2020<sup>106</sup>, driven by online discovery and adoption across industries, thereby reducing the dependence on Feet on Street (FOS) models. This decline in FOS dependence is also likely to permeate across SMEs who are likely to lean towards customizable, online solutions to sell better in the future.

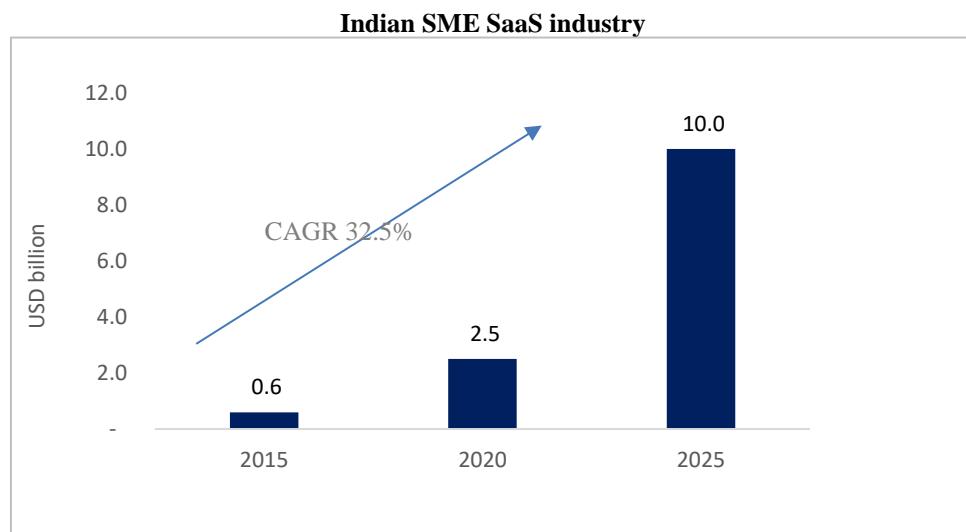
The SaaS market in India – SME focus

Indian SaaS companies are positioned at the forefront in exploiting this opportunity with a strong base of 25,000+ cloud / SaaS developers<sup>107</sup> and a ready ecosystem with skilled IT workforce trained in product management. There are over 6,100 start-ups<sup>108</sup> registered for selling software-as-a-service since 2010 and a handful of them raking in annual revenues greater than \$100 million.<sup>109</sup>

On an average, 80% of the customers<sup>110</sup> of an Indian SaaS product company come from other parts of the globe like US, EU, Middle East and other regions while only 20% of their clients are domestic.<sup>111</sup>

However, the uptake of SaaS products in India could increase as the adoption of internet by SMEs gathers pace in a flourishing Indian B2B e-commerce landscape.

The rapid adoption of internet, improving connectivity across the country and evolving digital payment systems are expected to help the Indian SME SaaS market reach US\$ 10 billion by 2025<sup>112</sup> forming approx. 8 per cent of the global market.<sup>113</sup> E-commerce, CRM, marketing, healthcare and education are likely to contribute significantly to the above SaaS growth.



<sup>106</sup>SaaS in India: Google Accel report – March, 2016

<sup>107</sup> SaaS in India: Google Accel report – March, 2016

<sup>108</sup> TechinAsia : Update on SaaS

<sup>109</sup> TechinAsia : Update on SaaS

<sup>110</sup> INC42 : India SaaS market

<sup>111</sup> INC42 : India SaaS market

<sup>112</sup>SaaS in India: Google Accel report – March, 2016

<sup>113</sup> SaaS in India: Google Accel report – March, 2016

Source: SaaS in India: Google Accel report –March, 2016

### **Indian SME focus SaaS companies**

The revenue models for the SaaS companies focusing on enabling B2B E-commerce are designed to allow users to choose from a basket of services as per their needs. SMEs in the early stage of development can opt for a monthly subscription model for basic SaaS services instead of incurring capex to develop solutions in-house. Additional services like shipping support, marketing through multiple channels, payment gateway services, SEO optimization, API integrations, etc. can be availed at additional charges which may be levied on a monthly / per transaction basis depending on the requirements.

The following are some of the key SaaS companies with products designed for the Indian B2B e-commerce space:

- a. *Shopify*: It is a Canada-based company that provides a platform to stores for facilitating buying selling of their goods online. As per the company, more than 6 lakh stores across 175 countries use their services.
- b. *Shopmatic*: It is a Singapore-based technology company which is also present in India, Taiwan and Hong Kong.
- c. *Kartrocket*: It is an India-based DIY e-commerce software platform that enables SMEs to setup their own marketplace in less than 10 minutes.
- d. *Zepo*: It is an India-based company that provides complete e-commerce solutions for brands looking to grow online.

Besides the above, there are other SaaS companies that have tried to address the operational needs of SMEs by providing scalable solutions. Companies like FreshDesk, Capillary, Salesforce and Exclusife offer CRM solutions that help SMEs to provide customer support across multiple channels in a seamless manner and increase sales by reaching out to more customers. Also, there are companies like Zoho which are trying to be a one-stop solution for SMEs by providing software solutions spread across CRM, accounting, finance and HR management systems.

### ***Personalization of B2B Ecommerce platforms – Driving user traction***

#### *Potential for personalization services*

Some of the potential areas where personalization can be provided by B2B Ecommerce platforms are outlined below:

- **Predictive Search** – Tools like Predictive Auto complete, and instant search recommendations based on past platform behavior can ensure that buyer time on browsing large catalogs can be cut down significantly.
- **Suggestive Landing page category/product listings** – Personalization of the landing page with product and service categories that the potential buyer would be most interested in.
- **Suggestive Reorders/Auto replenish** – Notifications and reminders to buyers on the platform regarding replenishment of stock based on the technologically determined re-ordering frequency is a valuable tool/service for buyers.
- **Dynamic Pricing** – Dynamic pricing is one of the important tools to deliver personalization which adds immediate value to the buyer. According to research firm Gartner, 2018 will see around 40% of B2B commerce sites using price optimization algorithms to deliver dynamic pricing.
- **Logistics Supplier Matching** – The synthesis of variables like Buyer and supplier geographies, volume and value of the shipment, freight quotes, delivery methods, expected delivery dates; integrated with previous trade behavior could help B2B platforms provide accurate logistics suppliers to their buyers.
- **Trade Finance Recommendations** – Buyer transaction history, ticket sizes and buyer KYC could be matched with requirements of the financial institutions to offer personalized financing quotes on the platform.

### ***B2B Platforms - Leveraging Social Media***

While social media is considered a powerful tool for marketing and advertising, its potential as a tool for sales and customer engagement is also very high. Social media platforms also act as strong marketing platforms, enabling organizations to reach a large universe of potential buyers. Further, presence on social media platforms

allows businesses to interact with and collect useful information on prospective buyers, in order to customize their offerings.

Facebook is a popular avenue for many SMEs in India with more than 2 million Indian SME pages<sup>114</sup> and nearly 59%<sup>115</sup> of the people on Facebook in India being connected to at least one of these SMEs.

#### *Potential for future products and services*

- **Integration with social media** - In order to facilitate omni-channel presence for SMEs, B2B platforms are integrating several digital layers along with shipping, accounting and customer engagement tools in a single application to create an online presence for every store.
- **Progressive Web Apps** - PWAs are very versatile customer-centric web applications that are designed to offer a seamless experience with ease of navigation on mobile devices

#### **Digital Payments on B2B Platforms**

B2B payments could see widespread acceptance in the future, with the government push around Unified Payments Interface (UPI), and integration of the same across many Ecommerce platforms.

B2B E-commerce platforms are also realizing the importance of seamless digital payment options to be made available to buyers. Further, with the significantly higher ticket sizes involved, the safety and success of online transactions is of prime importance to buyers.

#### *Potential for future products and services*

- **Escrow Services** - Platforms like IndiaMart have chosen to extend these escrow services to its customers, entering into a partnership with leading banks to provide the same.
- **SME Financing through products like Merchant Cash Advances** – The digital footprint as a result of the combination of E-commerce transactions, Digital payments and GST compliances, can be effectively utilized to devise alternative means of credit assessment for SMEs, which have traditionally faced access to finance as a major impediment to their growth.

Companies like Capital Float, Neogrowth, Lending Kart and Indifi Technologies that lend to small and medium enterprises are increasingly partnering with B2B ecommerce platforms.

#### **B2B Platforms – Multi System Integration**

To serve large organization which have sophisticated CRM, Order management and supply chain systems integrated into their day to day operations, B2B E-commerce platforms would need to ensure that the above mentioned systems talk and connect seamlessly to theirs, to provide these organizations a consolidated view of their activity on their platforms.

However, for SMEs, unable to afford investments in such software, the B2B Ecommerce platforms have a large opportunity to act as cloud based software providers, introducing such SMEs to the concept of providing a holistic view of their channel activities.

#### *Potential for future products and services*

- **Cloud based CRM Solutions** - B2B commerce platforms can act as cloud based Customer relationship Management (CRM) solution providers, providing buyers and sellers a dashboard to manage their business. The same would help these businesses move from an unsophisticated way of managing their relationships, to a cost effective, Opex based model of a consolidated view of how their online business works.

B2B E-commerce platforms like Bizongo are providing such CRM services to their buyers and suppliers at a nominal fixed monthly cost. Other platforms like IndiaMart provide sophisticated dashboards to their

---

<sup>114</sup> ET: Update on advertising for SME businesses

<sup>115</sup> ET: Update on advertising for SME businesses

premium customers, helping them derive greater value from the engagement with the platform. Such solutions could also act as an additional source of subscription income for B2B Ecommerce platforms, especially ones with variable transaction value linked business models.

- **Helping customers digitize purchase processes** – Activities involved with purchase processes such as drawing up of Contract agreements, Buyer and Supplier KYC, rollout of Purchase orders etc. could take a significant amount of time for organizations, if carried out manually. B2B Ecommerce organizations could look to harness emerging technologies like Blockchain to digitize some of these processes, and offering them to their customers on the platform itself.

#### *The Logistics opportunity for B2B Ecommerce companies*

The outsourced logistics market in India is an annual USD 200 billion market opportunity<sup>116</sup>. While the B2C E-commerce space has seen some traction in digitization of logistics in terms of real time tracking of deliveries, the B2B Ecommerce segment still faces challenges of large value deliveries still operating with little information.

There exists a significant opportunity for online logistics platforms that enables suppliers and customers to retrieve information about the demand picture, forecasts, delivery dates, shipment tracking, and other data necessary for planning their business.

B2B Ecommerce companies could look at building partnerships with these 3PL companies in order to participate in the digitization of the customer supply chain. From the customer's perspective, it would be important for them to get an integrated logistics offering on the B2B Ecommerce platform itself, and not look at the platform solely for discovery of buyers and sellers.

---

<sup>116</sup> Inc42, views of Nitin Jayakrishnan, CEO, Pando

## OUR 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”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 17, 19, 206 and 440, respectively. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated 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 Restated Summary 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 KPMG Report. We commissioned the KPMG 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 information in the KPMG 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 KPMG Report when making their investment decision. For further details, see “Risk Factors” and “Industry Overview” on pages 19 and 122, 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 2017, according to the KPMG Report. We primarily operate through our product and supplier discovery marketplace, [www.indiamart.com](http://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. IndiaMART had an aggregate of 325.8 million, 552.6 million and 723.5 million visits in fiscals 2017, 2018 and 2019, respectively, of which 204.8 million, 396.9 million and 550.3 million comprised mobile traffic, or 63%, 72% and 76% of total traffic, respectively.

We refer to sellers of products and services listed on our 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 March 31, 2019, we had 82.70 million registered buyers and we had 5.55 million supplier storefronts in India. These Indian supplier storefronts had listed 60.73 million products as of March 31, 2019 of which 76% of goods comprised products and 24% 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 156.84 million, 289.98 million and 448.97 million business enquiries, respectively, were delivered to IndiaMART suppliers in fiscals 2017, 2018 and 2019. For the years ended March 31, 2018 and 2019 we had 52.59 million and 72.52 million daily unique buyer requests, respectively, of which 52% and 55% 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 containing the supplier’s product and service listings, or a “supplier storefront”, or by posting requests for quotes called “RFQs” or “BuyLeads”. Our marketplace offerings from which buyers can search for and view product and service listings cover a widespread range of industries spread across India, rather than relying on a single target industry or type of geography. As of March 31, 2019, we had organized our listings across 54 industries. For a complete list of industry categories on our marketplace, see “—**IndiaMART—Our Product Listings**”.

We believe that IndiaMART provides an effective and trusted platform to help businesses leverage the power of the internet to increase their market reach and conduct commerce. According to the KPMG Report, the growth in internet penetration across India is helping companies move their businesses online and reach out to a larger

customer base. We believe that our online marketplace is particularly relevant in India, which, unlike many other countries, has no major multi-brand or multi-category offline retailer of scale for business products and services.

Furthermore, according to the KPMG Report, the growing B2C e-commerce market has led to a large number of sellers bringing their businesses online, which is leading to the B2B e-commerce market gaining traction as well. Given the ticket sizes associated with B2B and wholesale transactions, the opportunity for B2B e-commerce is even higher as compared to B2C e-commerce market, according to the KPMG Report. Our online marketplace capitalizes on this opportunity by helping buyers gain access to a national 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 supplier/buyer behavior and preferences data, we are able to deploy analytics to implement behavioral data based algorithmic matchmaking on our platform, thereby ensuring much more relevant discovery of products and services. We believe this leads to an increase of repeat buyers on our platform. For the year ended March 31, 2019, we had 55% repeat buyers calculated on the basis of the past 90 days. In addition, as 39% of the suppliers as of March 31, 2019 on our platform have acted as buyers of other products and services in the last 12 months, a virtuous cycle of user engagement is established, leading to a self-sustained traction in trade enquiries.

The image below illustrates the value proposition of IndiaMART tailored for both buyers and suppliers.



Our online marketplace is accessible through desktop and mobile-optimized platforms and apps on personal computing and mobile devices. Our IndiaMART mobile website, together with our IndiaMART mobile app, accounted for 63%, 72% and 76% of total traffic to IndiaMART for fiscals 2017, 2018 and 2019, respectively. Buyers can make business enquiries on IndiaMART through telephone, SMS, email or by posting RFQs. Also, as of March 31, 2019, 76% 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, 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 lead management system, integrated access to third party online payment gateways and access to RFQs. We also earn revenue through advertising on our IndiaMART desktop and mobile-optimized platforms and IndiaMART mobile app, payment facilitation service and from the sale of "RFQ credits".

In fiscals 2017, 2018 and 2019, 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

In the past three years, we have experienced significant growth in the number of suppliers and buyers on IndiaMART and in our revenue. The table below sets forth our growth in the following metrics for fiscals 2016, 2017, 2018 and 2019:

As of and for fiscal year ended March 31,

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>CAGR (2016/19)</b>
<b>As of March 31</b>					
Indian supplier storefronts (in millions) .....	2.32	3.16	4.72	5.55	34%
YoY Growth - Indian supplier storefronts.....	-	36%	49%	18%	-
Paying subscription suppliers <sup>(1)</sup> .....	72,335	96,025	108,347	129,589	21%
YoY Growth - Paying subscription suppliers .....	-	33%	13%	20%	-
Registered buyers (in millions).....	27.05	39.37	59.81	82.70	45%
YoY Growth - Registered buyers .....	-	45%	52%	38%	-
<b>For the year ended March 31</b>					
Total traffic (in millions) <sup>(3)</sup> .....	262.2	325.8	552.6	723.5	40%
YoY Growth - Total traffic.....	-	24%	70%	31%	-
Percentage of mobile traffic to total traffic .....	59%	63%	72%	76%	-
Total business enquiries delivered (in millions) <sup>(2)</sup> .....	115.09	156.84	289.98	448.97	57%
YoY Growth - Total business enquiries delivered (for the fiscal year) .....	-	36%	85%	55%	-
Indian registered buyers (a) (in millions) .....	21.87	32.91	51.71	72.66	49%
Foreign registered buyers (b) (in millions).....	5.18	6.46	8.10	10.04	25%

Notes:

- (1) Refers to paying subscription suppliers that have opted for any IndiaMART subscription service for varying periods (including monthly, 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 March 31, 2019:

	As of and for the quarter ended								
	March 31, 2017	June 30, 2017	Septem ber 30, 2017	Decemb er 31, 2017	March 31, 2018	June 30, 2018	Septem ber 30, 2018	Decemb er 31, 2018	March 31, 2019
Indian supplier Storefronts (in millions) ....	3.16	3.43	3.93	4.35	4.72	5.07	5.40	5.44	5.55
Growth corresponding QoQ .....	36%	39%	43%	45%	49%	48%	37%	25%	18%
Paying subscription suppliers .....	96,025	105,098	108,309	109,425	108,347	113,122	119,335	123,550	129,589
Registered buyers (in millions) .....	39.37	42.97	47.86	53.37	59.81	65.92	72.26	77.66	82.70
Total business enquiries delivered <sup>(3)</sup> (in millions) .....	44.35	51.14	65.69	80.38	92.77	98.45	118.36	119.92	112.24
-Growth corresponding QoQ.....	39%	48%	61%	117%	109%	93%	80%	49%	21%
Total traffic .....	96.5	105.5	134.7	139.9	172.3	180.7	198.4	172.9	171.4
Growth corresponding QoQ .....	30%	52%	71%	71%	79%	71%	47%	24%	-0.5%

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 KPMG 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.

According to the KPMG Report, the wholesale market in India is estimated to reach USD 700 billion in 2020, rising from an estimated USD 300 billion in 2015. 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 27% of the internet-enabled-SMEs being engaged in e-commerce in 2015, according to the KPMG 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.

Notwithstanding the large suppliers and leading brands on our marketplace including Agfa HealthCare India Private Limited, Case New Holland Construction Equipment (India) Private Limited, Hilti India Private Limited, JCB India Limited, Nobel Hygiene Pvt. Ltd, we estimate that a majority of the suppliers and buyers on our marketplace are Indian SMEs.

According to the KPMG Report, 63 million MSMEs in India contribute a significant amount to India's GDP. This contribution from the MSME segment stood at nearly 30% in fiscal 2018. The number of MSMEs in India have increased at a compounded annual growth rate of 6.4% in the 9 years subsequent to fiscal 2007, from 36.18 million in 2006-07. Further, according to the KPMG Report, digitally connected SMEs are estimated to have nearly twice the revenue growth trajectory compared to SMEs which are offline. However, according to the KPMG Report, internet penetration among Indian SMEs remains low, at only 32% in India in 2017 and 17% of Indian SMEs used internet for business purposes. In comparison, nearly 34% of all SMEs in China were engaged in online marketing in 2015, indicating a possibly greater number engaged in e-commerce, according to the KPMG Report. Nonetheless, Internet penetration and mobile usage is expected to grow rapidly, driven by greater smartphone penetration and relatively affordable mobile data costs. Market conditions are also made favorable by a projected growth in India's GDP and government initiatives such as "Make in India", which encourages increased manufacturing in India, "Digital India", which promotes improved online infrastructure, connectivity and technological empowerment, integrated payment initiatives including United Payments Interface and the Aadhaar biometric ID system to boost online and mobile transactions, tax reforms such as the goods and services tax which came into effect from July 1, 2017. In light of these favorable market, economic and regulatory conditions and developments, we believe our potential supplier and buyer base offers 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 to the extent that such information is available at a single destination for the convenience and benefit of buyers.
- *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 KPMG Report, the Indian advertisement market is estimated to grow at a CAGR of approximately 16% from 2018 to 2021 to reach ₹934 billion. 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 across India. By means of our various subscription packages and RFQ credit offerings, suppliers have the flexibility to select the cost structures that best suit their budget, while fulfilling their sales targets and managing buyer enquiries efficiently with our lead management system. In addition, our paid subscriptions are bundled with RFQ credits against which suppliers may select the buyers' business enquiries they would like to transact business with. Based on user behavior and responsiveness of the suppliers, we have implemented a behavioral data driven algorithmic matchmaking approach to match buyers with suppliers. Further, our IndiaMART premium number service allots unique phone numbers for the suppliers and ensures that they do not miss any business enquiries from the buyers, thereby reducing any lost opportunities for suppliers. As of March 31, 2019, a total of 470,053 availed the IndiaMART premium number service. In addition, as there were a total of 129,589 paying subscription customers on March 31, 2019, compared to 5.55 million supplier storefronts on IndiaMART on March 31, 2019, we believe there is a large market opportunity to provide our service offerings to a larger 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 a 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 recently initiated IndiaMART payment

protection program addresses the suppliers' payment risks and the buyers' grievances if any, with respect to payments made through IndiaMART's platform.

## 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 KPMG Report. As of March 31, 2019, IndiaMART provided 82.70 million registered buyers with access to 5.55 million supplier storefronts in India, which list 60.73 million products and services across 54 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 year ended March 31, 2019, paid visits comprised of less than 0.19% 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 March 31, 2019, our online marketplace had a total of 5.55 million Indian supplier storefronts of which 39% 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 photos and access IndiaMART's TrustSEAL profiles of suppliers that helps in establishing credibility of the suppliers on our marketplace. 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 a comprehensive breadth and quality of listings across a wide spread range of industries. Our products and services are spread across 54 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 March 31, 2019, our online marketplace had a total of 60.73 million listed products of which 76% comprised products and 24% 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 fulfill much of their 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 36% and 49% of buyers and 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 fulfill much of their required products and services for their businesses. The wide assortment of product and services spread across geographies makes 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 search engine to precisely 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. Search results can be filtered based on the location or nature of suppliers' businesses. Our IndiaMART desktop website, mobile app and mobile website also include a fully-functional search, localization features including search results in "Hinglish" (a blend of the Hindi and English languages). We measure responsiveness and preferences of suppliers through their call pick-up rate, RFQ consumption, enquiry reply rate and callbacks done on our platform and based on their responsiveness, preferences regarding category and location which 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, call and the click-to-call feature on the IndiaMART mobile app. 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 470,053 suppliers, as of March 31, 2019, providing suppliers with software-based missed call alerts. In addition, our lead management system enables efficient communication between buyers and suppliers with the aim of converting leads into actual business, providing helpful features such as reminders, templated quotations and pre-defined template responses to buyers. Our lead management system also enables easy follow-up with buyers and divides the various leads into sub-categories for the supplier depending on their current status, which help the supplier manage multiple leads 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 search newer markets in an effective and economical platform to market their products and services in the following respects:

- *Access to a large and growing number of buyers.* A total of 156.84 million business enquiries were delivered to IndiaMART suppliers in fiscal 2017 from our 39.37 million registered buyers, 289.98 million business enquires were delivered in fiscal 2018 from our 59.81 million registered buyers and 448.97 million business enquires were delivered in fiscal 2019 from our 82.70 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 March 31, 2019, 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 for our subscription packages in addition to annual and multi-year subscription models. 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. We also combine certain offerings, such as offering subscription packages that include TrustSEAL verification and a set of complimentary RFQ credits.
- *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 this menu of options provides suppliers with the flexibility to select the cost structures that are fixed and best suit their budget and business requirements such as categories and location of interest.
- *IndiaMART premium number service provides benefits to participating suppliers.* Our IndiaMART premium number service allotted unique phone numbers to approximately 470,053 suppliers as of March 31, 2019, and connects calls directly to suppliers while also providing them with software-based missed call alerts when a buyer calls 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. We believe that this service has also increased buyer satisfaction by increasing the likelihood of receiving a response from suppliers, which is leading to greater buyer engagement benefiting suppliers.
- *IndiaMART lead management system.* With the advent of our IndiaMART mobile app, the lead management system became critical for facilitating suppliers to contact with buyers on our platform. By means of the IndiaMART lead management system, the supplier has access to comprehensive information of the potential buyers and the nature of 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 connect buyers and suppliers by ensuring suppliers do not miss our buyers' business enquiries, and also enables suppliers to have a complete history of their communications with the buyers. Buyers can also communicate with suppliers efficiently through the IndiaMART lead management system using features such as reminders, templated quotations and pre-defined template responses.

***Deep understanding of online trade and commerce in India that drives innovative solutions.***

With approximately 19 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 CMS, PNS, RFQs, LMS, 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 algorithmic 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 KPMG Report, mobile internet has been increasingly contributing to digital media advertising spends increasing from 53% in 2015 to 78% in 2017. Further, according to the KPMG Report, mobile internet is considered to be the primary driver for overall internet growth, with mobile revenue projected to increase from ₹1,351 billion in fiscal 2018 to ₹2,489 billion in fiscal 2022. 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% and 76%, respectively, of total traffic to IndiaMART as of March 31, 2018 and March 31, 2019, compared to 63% as of March 31, 2017. 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 and 550.3 million visits during the year ended March 31, 2019.

Our IndiaMART mobile app had been installed 10.84 million times and 76% of paid suppliers have been active on the app in the last 30 days as of March 31, 2019, and is available for Android and iOS devices. As of March 31, 2019, 289,563 users had rated our IndiaMART app 4.61 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 lead management system for suppliers which allows suppliers 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 3,316 sales and service representatives as of March 31, 2019, 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.

## **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 March 31, 2019, we had 5.55 million Indian supplier storefronts with 60.73 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 compared to our physical sales footprint is expected to help to reduce our overall costs and increase our revenue.

- *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 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.
- *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 2019, 76% 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. For example, one of our clients with a diverse portfolio in engineering and consumer products has increased its spending on IndiaMART by onboarding additional brands or divisions over the period of two to three years from its initial listing. On another occasion, we have successfully engaged a number of additional leading suppliers in the steel and automotive industries by onboarding a well-known corporate customer with strong market leadership in each of these industries. Further, as we increase the number of large corporates and leading brands, we expect our average revenue realization to grow from paying customers 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 so as to help buyers shortlist the appropriate suppliers. We also aim to increase our buyers' satisfaction levels by improving the buyers' algorithmic matchmaking process with suppliers and ultimately the chances of fulfilling the buyers' needs through IndiaMART. In addition, we plan to further localize our offerings by including search results in regional languages like Devnagri in addition to 'Hinglish'. 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, 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 our buyers' enquiries. We also seek to improve the quality of IndiaMART's email, SMS and call features to allow smooth communications between buyers and sellers.

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. For instance, in April 2017 we commenced 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. Further, by means of our digital payment facility which was implemented in fiscal 2018, 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. 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 lead management 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 enable us 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.

Additionally, we plan to help alleviate payment default risk and other payment related concerns for suppliers by means of our payment facilitation services. IndiaMART payment protection program and online payment gateway system will allow multiple payment options directly on supplier storefronts. As financing is important for SMEs, we continue to explore opportunities to support them with effective solutions. Further, we aim to improve accessibility to our platform through our low cost SaaS offering. We believe that these efforts will help us retain our network of 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. The number of internet subscribers 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, according to the KPMG Report. For fiscal 2019, 76% 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 continue our investment in our mobile platforms by further developing and integrating lead management system applications, user interface and notifications, customer services provided through instant messaging, GPS location capabilities, voice search technologies and other personalization features in our IndiaMART app. We intend to further encourage the use of our mobile platforms by our suppliers and buyers through targeted marketing initiatives and offering innovative and effective solutions such as 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 and product choice.

### **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 three years, increasing from approximately 39.37 million as of March 31, 2017, to 59.81 million as of March 31, 2018 and to 82.70 million as of March 31, 2019. As of March 31, 2019, IndiaMART's registered buyers were based in over 1,000 cities across India, with 36% 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 March 31, 2019, we had 60.73 million products and services, across 54 industries, 5.55 million Indian supplier storefronts, and 129,589 paying subscription customers available on IndiaMART.

Our search service uses the English language and enables our buyers to perform keyword searches of our suppliers' product listings. Our search service integrates context driven suggestions, voice 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 help 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 contact suppliers through their publicly displayed contact information, a registered buyer wishing to enquire about a product or service on our marketplace can post an RFQ to which suppliers can respond. As part of the RFQ enrichment process, we use direct phone calls, SMS communications 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 behavior data driven matchmaking algorithm, we believe will be relevant suppliers for the buyer's specific requests.

- *Supplier verification.* We operate supplier verification process to safeguard the interest of our buyers. This process includes telephone, SMS, call and email verification of supplier identities and GST registration verification, TrustSEAL verification, supplier responsiveness checks and buyer feedback of suppliers in our IndiaMART database.
- *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 March 31, 2019, we have 129,589 paying subscription customers on our IndiaMART platform. Our suppliers on IndiaMART include Indian SMEs and large businesses who are manufacturers, wholesalers, exporters and retailers. In addition, we have a number of large suppliers and leading brands including Agfa HealthCare India Private Limited, Case New Holland Construction Equipment (India) Private Limited, Hilti India Pvt. Ltd, JCB India Ltd, Nobel Hygiene Pvt. Ltd. The top 10% of customers accounted for 40% of revenue as of March 31, 2019, reflecting the diversity in suppliers.

We acquire a significant portion of our suppliers on IndiaMART by identifying those suppliers that we believe can enhance our database of suppliers and creating supplier storefronts for them and their products and services. Our suppliers include those suppliers whose products and services listings on IndiaMART have been facilitated through this acquisition initiative, which helped us to increase the number of Indian supplier storefronts on IndiaMART over the past few years from 3.16 million as of March 31, 2017, to 4.72 million as of March 31, 2018 and to 5.55 million as of March 31, 2019. 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 manage 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 when a buyer calls. In addition, the lead management system provides suppliers access to comprehensive information of the potential buyers and the nature of 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. Our efforts to provide our suppliers with access to our platform through multiple touch points have been highly successful. One of our large-scale suppliers dealing in pvc pipes and pipe fittings has substantially increased its spending on our platform by subscribing to higher value packages over the period of two to three years from its initial onboarding.

### ***Services for Suppliers***

On IndiaMART, we offer a combination of free and paid services to our suppliers.

#### ***Free services for suppliers***

We offer a comprehensive suite of free services to suppliers to enable them to attract buyers on IndiaMART. Our free services for suppliers include:

- ***Supplier storefronts.*** Suppliers can create supplier storefronts, which are webpages within IndiaMART that allow suppliers to create an online space displaying their products and services, product specifications, pricing details, 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 Lead Management Solutions.*** Our CMS and LMS applications were developed in-house to maximize the functionality of our desktop and mobile-optimized LMS 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. LMS 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. 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 470,053 participating suppliers as of March 31, 2019. This service helps to forward calls directly to suppliers while also providing software-based missed call alerts to suppliers when a buyer calls them 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. 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, providing continuous service from initial provisioning through to final hosting, when the supplier storefronts are available for access by all buyers. 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 RFQ credits each week. 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 an annual price of ₹30,000;
  - “**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 registered in TrustSEAL verification package are provided with 14 RFQ credits each week, and the Maximiser package provides 21 RFQ credits each week. 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 average annual price range of our Gold packages is between ₹25,000 and ₹50,000; 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 further additional weekly RFQ credits, with higher tier suppliers receiving more RFQ credits than the lower tier suppliers.

Each of the Silver, Gold and Platinum subscriptions are available for purchase on a monthly basis, annually or for multiple years at our discretion based on supplier behavior. Our longer-term subscription packages offer discounts relative to our short-term subscriptions. 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 a substantial portion of our total revenue in fiscals 2017, 2018 and 2019, respectively.

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 inquiries. 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 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 a small portion of our total revenue in fiscals 2017, 2018 and 2019, respectively.
- *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 more than 50 million products across 54 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 54 industry categories for products and services listed on IndiaMART as of March 31, 2019, as provided below.

	Industry category*	As of March 31, 2019	
		Total Number of suppliers* (count in absolute)	% of total suppliers
1	Apparel, Clothing & Garments	459,062	8%
2	Architectural & Designing Services	116,719	2%
3	Automobiles, Spare Parts and Accessories	140,401	3%
4	Building Construction Material, Equipment, Civil Engineering and Real Estate	519,463	9%
5	Business & Management Consultants	59,595	1%
6	Chemicals, Dyes & Allied Products	69,436	1%
7	Computers, Software, IT Support & Solutions	126,593	2%
8	Consumer Electronics & Household Appliances	232,004	4%
9	Cosmetics, Toiletries & Personal Care Products	127,102	2%
10	Educational & Professional Training Institutes	172,748	3%
11	Electrical Equipment and Supplies	161,180	3%
12	Fashion & Garment Accessories for Men, Women & Kids	76,173	1%
13	Fertilizers, Seeds, Plants, Agro Machines & Tools, Poultry & Animal Husbandry	79,750	1%
14	Financial & Legal Advisory Services	111,787	2%
15	Furniture, Furniture Supplies & Furniture Hardware	102,025	2%
16	Gems, Jewellery, Precious Stones, Vaastu & Astrology	94,917	2%
17	Gifts, Crafts, Antiques & Handmade Decoratives	60,470	1%
18	Housewares, Home Appliances, Household Decorations & Consumables	95,481	2%
19	Industrial & Engineering Products, Spares and Supplies	127,750	2%
20	Industrial & Engineering Services, Solutions & Consultancy	89,958	2%
21	Industrial Plants, Machinery & Equipment	112,698	2%
22	Information Technology and Telecommunication Services	156,184	3%
23	Kitchen Containers, Utensils, Stove, Cookware, Tableware and Food Choppers	75,933	1%
24	Mechanical Components & Parts	97,455	2%
25	Media, Advertising, Copywriting & Publishing Services	122,387	2%
26	Medical, Pharma, Surgical & Healthcare	230,154	4%
27	Metals, Minerals, Ores & Alloys	54,495	1%
28	Packaging Material, Supplies & Machines	86,458	2%
29	Packers & Movers, Clearing Agents & Logistic Services	98,614	2%
30	Pen, Pencil, Books, Notebooks, Stationery, Whiteboard & Publications	63,686	1%
31	Products Rental, Leasing & Maintenance Services	132,407	2%
32	Security Devices, Safety Systems and Security Services	63,182	1%
33	Telecom Products, Equipment & Supplies	117,427	2%
34	Trade Event Organizers, Event Management & Event Planners	147,370	3%
35	Travel, Tourism, Recreational & Other Hospitality Services	155,636	3%
36	Vegetables, Fruits, Grains, Dairy Products & Other FMCG and Grocery Items	372,097	7%
37	Others*	436,314	9%
<b>Grand Total</b>		<b>5,545,111</b>	<b>100%</b>

**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. Stones, Marble & Granite Supplies, 2. Bicycles, Rickshaws, Spares and Accessories 3. Research, Development, Testing & Laboratory Services, 4. Textiles, Yarn, Fabrics & Allied Industries, 5. Facility Management & House Keeping Services, 6. Call Centers and Business Process Outsourcing, 7. HR Consultants & Placement Agencies, 8. Tools, Machine Tools, Power Tools & Hand Tools, 9. Scientific, Measuring, Laboratory Instruments & Supplies, 10. Bags, Handbags, Luggage Bags, Belts, Wallets and Accessories, 11. Electronics Components and Supplies, 12. Sports Goods, Games, Toys & Accessories, 13. Home Furnishings and Home Textiles, 14. Independent Contractors & Freelance Workers, 15. Ayurvedic & Herbal Product, 16. Stationery and Paper Products, 17. Railway, Shipping & Aviation Products, Spares & Equipment, 18. Leather and Leather Products & Accessories 19. Others (storefronts which are not mapped in abovementioned categories).

**Buyer and Supplier Geographical Spread**

The table below illustrates the locations of the buyers and suppliers on our marketplace for the period ended March 31, 2019.

<b>City categorization definition</b>	<b>Number of cities</b>	<b>Buyers Percentage</b>	<b>Suppliers Percentage</b>
Delhi NCR, Mumbai, Bangalore, Hyderabad, Kolkata, Ahmedabad, Pune and Chennai	8	36%	49%
Population more than 500,000 excluding the cities covered above	69	26%	27%
Population 100,000-500,000 excluding the cities covered above	394	20%	13%
Remaining cities	Rest of India (1,000+ cities)	18%	11%

#### ***Advertising on IndiaMART***

We also earn revenue by selling advertising space on IndiaMART. Revenue from advertising on IndiaMART accounted for a small portion of our total revenue in fiscals 2017, 2018 and 2019, respectively.

#### ***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 debit card, credit card, netbanking or digital wallets by using third party gateway services, for which we charge a small fee for each transaction. Our payment protection program is in the beta experimentation stage and we are continuing to develop and improve the service.

### **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 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 time they become suppliers for as long as their contact information remains current or until they elect 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 25.

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 May 31, 2019 our sales team operates from 72 operational offices across 37 cities in India to provide us with a direct presence in each of these cities. As of March 31, 2019, we utilize an in-house sales team of 407 employees, as well as outsourced sales team of 1,067 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 lead generation from our online platform is 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 March 31, 2019, we had a 1,842 person in-house servicing, providing after sales support and upselling higher value subscription packages to our customers.

### ***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.

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.

In addition to our marketing and branding initiatives, our sales and servicing team complements our marketing strategies. Our field sales force identifies and approaches many relevant businesses every year, which is also our greatest target audience. 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. As part of our efforts to effectively reach and educate our sellers, we also use our 72 operational offices, as of May 31, 2019, for a Customer Connect program called "Learning Center".

### **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 customer business needs. We also offer call support (+91) 96-9696-9696 to all suppliers and buyers on IndiaMART through our outsourced call centers.

### **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 on IndiaMART called BuyLead
- 2010: launched IndiaMART Premium Number Service on IndiaMART
- 2012: launched IndiaMART mobile website and app
- 2013: launched price discovery service on IndiaMART
- 2015: launched behavioral matchmaking feature on IndiaMART
- 2016: implemented mobile ERP system on IndiaMART
- 2017: launched IndiaMART payment protection program and payment facilitation
- 2018: launched lead management system on IndiaMART

Our product development primarily takes place at our headquarters in Noida, Uttar Pradesh, where substantially all of our engineers are based.

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 LMS applications.** Our multi-tenant CMS and LMS 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 LMS applications are the tools 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.

**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 CRM 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 integrates Navision technology to manage our accounting functions, as well as 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.

#### ***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](mailto: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, as we receive representations from users posting any contents as a condition to using our platform to their authenticity and legality. 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](http://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. 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 and Alibaba 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. 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 and 2019, we had 52.59 and 72.52 million daily unique buyer requests, respectively, of which 52% and 55%, 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 and Bizongo; 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.

## **OUR OTHER BUSINESSES AND MARKETPLACES**

### ***Tolexo***

We own and operate Tolexo ([www.tolexo.com](http://www.tolexo.com)) as an online marketplace for business and industrial goods such as abrasives, tools, fasteners, lab equipment, safety products, electrical goods and hardware. Buyers on Tolexo typically include Indian SMEs and large businesses. Tolexo enables the discovery of goods directly through the marketplace.

### ***Ten Times***

“Ten Times” ([www.10times.com](http://www.10times.com)) is our platform for business events discovery and networking. We earn revenue from Ten Times primarily through marketing fees paid by event organizers when we source and refer attendees to those organizers’ events, such as exhibitions and trade shows in India and abroad. We refer to such revenue as “revenue advertisement and marketing services” in our financial statements. We own and operate Ten Times through our Subsidiary, Ten Times Online Private Limited. We launched our Ten Times business in fiscal 2015 and it accounted for a small portion of our total revenue in fiscal 2019.

## **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) and applied for the registration of certain trademarks including “TRUSTSEAL” (word mark), “INDIAMART TRUST SEAL” (word mark), “PAY WITH INDIAMART” (word mark), and “POORAA” (word mark), which are pending registration, as of the date of this Prospectus. For further details, see “**Government and Other Approvals**” on page 469. We have registered domain names, including www.indiamart.com, www.10times.com, www.tolexo.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 “*Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation by our Company – Civil 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 page 465 and 33.

## EMPLOYEES

As of March 31, 2017, 2018 and 2019, we had 2,713, 2,539 and 2,915 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, 2017, 2018 and 2019:

Particulars	As of March 31,		
	2017	2018	2019
<b>IndiaMART workforce</b>			
Employees .....			
Sales (a) .....	817	488	407
Servicing (b) .....	1,289	1,454	1,842
Product & Tech .....	436	424	520
Corporate .....	171	173	146
<b>Total IndiaMART employees (c)</b> .....	<b>2,713</b>	<b>2,539</b>	<b>2,915</b>
<b>Other workforce</b>			
Tolexo employees (d) .....	25	20	23
Tentimes employees (e) .....	36	50	57
<b>Total employees (f)=c+d+e</b> .....	<b>2,774</b>	<b>2,609</b>	<b>2,995</b>
Outsourced field sales representative (g) .....	532	979	1,067
<b>Total sales and service representative (d)=a+b+g</b> .....	<b>2,638</b>	<b>2,921</b>	<b>3,316</b>

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 March 31, 2019, 18% 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 March 31, 2019, an average age of our employees was 28 years and 25% 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 31.

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 below. For details, see “***History and Certain Corporate Matters – Awards and Accreditations***” on page 180.

## **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 Prospectus, 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 our registered office located at 1<sup>st</sup> Floor 29 Daryaganj, Netaji Subhash Marg, New Delhi and our corporate office located at 7<sup>th</sup> and 8<sup>th</sup> Floors, Advant-Navis Business Park, Plot No. 7, Sector 142, Noida, Uttar Pradesh, covering over approximately 61,000 square feet. In addition, as of May 31, 2019, we have taken on lease the premises on which 69 of our other operational offices located across India and occupy one of our offices as a co-working space. Further, we are in the process of finalizing a lease agreement for a property situated in Noida, Uttar Pradesh and we may, in the future, move our corporate office to such new premises. We have also entered into service agreements/lease agreements for setting up new offices, which are not presently operational.

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.

## KEY REGULATIONS AND POLICIES IN INDIA

The following description is an overview of certain sector-specific relevant laws, rules and regulations in India which are applicable to the business and operations of our Company. The information detailed in this section has been obtained from publications available in the public domain. The description of laws, rules and regulations set out below may not be exhaustive, and is only intended to provide general information to investors, and is neither designed nor intended to substitute professional legal advice. For details of government and other regulatory approvals obtained by us, see "**Government and other Approvals**" on page 469. The statements below are based on the current provisions of the Indian law and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions.

### INFORMATION TECHNOLOGY LAWS

#### *Information Technology Act, 2000 ("IT Act"),*

The IT Act has been enacted with the intention of providing legal recognition to transactions that are undertaken electronically. The IT Act has created a mechanism for authenticating electronic documentation by means of digital signatures and also provides for civil and criminal liability including fines and imprisonment for computer related offences. The IT Act regulates offences relating to unauthorized access to computer systems, unauthorized disclosure of confidential information and frauds emanating from computer applications. By means of an amendment, the IT Act legalized the validity of contracts enforced through electronic means. Additionally, the IT Act creates liability for negligence in dealing with or failure to protect sensitive personal data and gives protection to intermediaries in respect of third party information liability.

#### *IT Intermediaries Rules*

The Government of India has promulgated the Information Technology (Intermediaries Guidelines) Rules, 2011 ("**IT Intermediaries Rules**") in terms of the IT Act. The IT Intermediaries Rules enunciates the due diligence requirements that an intermediary ought to undertake. An intermediary (defined under IT Act) is required to publish rules and regulations, privacy policy and user agreement for access to or usage of intermediary's computer resources by any person. The IT Intermediaries Rules requires an intermediary to ensure that it must not knowingly host or publish, transmit or modify any prohibited information and is further required to disable such information within 36 hours of coming to know about a court order and/or notification issued by the appropriate government or its agency requiring the intermediaries to expeditiously remove or disable access to certain material.

#### *Reasonable Security Practices Rules*

The Department of Information Technology under the Ministry of Communications and Information Technology, GoI has notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**Reasonable Security Practices Rules**"). In accordance with the Reasonable Security Practices Rules, we are required to have security practices and standards in place in respect of sensitive personal data or information (as defined therein). Additionally, we are required to maintain a comprehensive documented information security programme and information security policy containing managerial, technical, operational and physical security control measures commensurate with the information assets procured from the information providers. In the alternative, we are permitted to comply with the requirements of the international standard "IS/ISO/IEC 27001" on "Information Technology -Security Techniques - Information Security Management System – Requirements" or with any codes of best practices for data protection of sensitive personal data or information approved by the GoI and formulated by any industry association of whose membership we hold.

### TELECOMMUNICATIONS LAW

The usage of telecommunications infrastructure in India is regulated and governed by legislations, administrative orders and regulations. The Department of Telecommunications under the Ministry of Communications and Information Technology, Government of India frames and administers policy in matters of telecommunications. The Telecom Regulatory Authority of India ("**TRAI**") established under the Telecom Regulatory Authority of India Act, 1997, is an independent regulator of telecommunication services. TRAI also has the adjudicatory powers to resolve disputes between service providers and matters relating to quality of telecommunication services

and the interest of consumers. As part of our Company's operations we are required to comply with the laws, rules and regulations formulated in relation to the telecommunications infrastructure in India.

## INTELLECTUAL PROPERTY RIGHTS LAWS

Intellectual property in India enjoys protection under both common law and statutory law. Under the statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 ("Copyright Act") and trademark protection under the Trade Marks Act, 1999 ("Trade Marks Act"). These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is a party to several international intellectual property related instruments, including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the International Convention for the Protection of Literary and Artistic Works adopted at Berne in 1886, the Universal Copyright Convention adopted at Geneva in 1952, the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations 1961 and as a member of the World Trade Organization is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995.

### *The Trade Marks Act, 1999*

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. In India, trademarks enjoy protection under both common law and statutory law. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trade Marks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future.

Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trade Mark (Amendment) Act, 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law with international practice.

### *The Copyright Act, 1957*

The Copyright Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films and sound recordings. While copyright registration is not mandatory for acquiring or enforcing a copyright, registration creates a presumption favoring the ownership of the copyright by the registered owner. Copyright protection in artistic work, remains valid until 60 years from commencing from the calendar year, following the year of demise of the author.

## LABOUR RELATED LEGISLATIONS

Shops and establishments legislations are state legislations that seek to govern and regulate the working conditions of workers/ employees employed in commercial establishments or shops, as the case may be, within that state. Every commercial establishment or shop is required to register itself under the relevant state's shops and establishments act in accordance with the procedure laid down therein.

In addition, set forth below is an indicative list of labour laws that is applicable to our business and operations.

- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Child Labour (Prohibition and Regulation) Act, 1986;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employees' State Insurance Act, 1948;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;

- The Equal Remuneration Act, 1976;
- The Workmen's Compensation Act, 1923;
- The Industrial Disputes Act, 1947; and
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated 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 RoC. Our Company received the certificate for commencement of business from the RoC on October 27, 1999. Prior to incorporating our Company, Dinesh Chandra Agarwal, our Managing Director and one of our Promoters, was engaged in the business of operating the website www.indiamart.com through InterMESH Systems, a sole proprietorship firm. Pursuant to an agreement dated January 1, 2000, our Company acquired the assets and liabilities (including the website www.indiamart.com), as appearing in the balance sheet of InterMESH Systems as on December 31, 1999, from Dinesh Chandra Agarwal, for a consideration of ₹100 million, paid in the form of 8,000,000 Equity Shares and 2,000,000 10% non-cumulative redeemable preference shares of our Company issued to Dinesh Chandra Agarwal. For further details, see “*Capital Structure*” on page 93.

### Business and management

For a description of our activities, services, technology, products, market segments, the growth of our Company, the standing of our Company with reference to prominent competitors in connection with our management, major suppliers, environmental issues, geographic segments etc., see “*Our Business*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 153, 122 and 440, respectively. For details of the management of our Company and its managerial competence, see “*Our Management*” on page 186.

### Changes in Registered Office

Details of the changes in the registered office of our Company since incorporation are set forth below.

Effective Date	Details of Change	Reason for Change
January 28, 2015	The address of the registered office of our Company was changed from 408, Ashirwad Enclave, 104, I.P. Extension, Delhi 110 092, India to 1st Floor, 29 Daryaganj, Netaji Subhash Marg, New Delhi 110 002, India	To achieve operational efficiency

### Our Main Objects

The main objects of our Company as contained in our Memorandum of Association are as follows:

1. *To design, develop, host, promote and maintain web pages and websites and to carry on business of Internet and web advertising, web content design and development, web publishing, networking, network integration, e-mail and messaging solution, web enabled automation systems and solutions, Intranet, Extranet, E-business, E-commerce, Electronic Data Interchange (EDI) solutions, Cyber Solutions and all other Internet related products and services.*
2. *To carry on turnkey, on-site, off-shore or subcontract the business of developing, designing, programming, maintenance of software and to buy, sell, import, export, design, develop, implement or undertake projects in the field of computer hardware, system or application software, peripherals, electronic and web enabled devices and to carry on business of management and consultancy services relating to Information Technologies and Electronic Systems.*
3. *To buy, sell, export, import, trade, auction, whole sale through e-commerce, web shopping web auction, mail order, teleshopping, electronic trading, physical trading of any products and services.*

### Amendments to our Memorandum of Association

Set forth below are details of the changes made to our Memorandum of Association since the incorporation of our Company.

Date of Amendment/ Shareholders Resolution	Nature of amendment
December 30, 1999	The authorized share capital increased from ₹ 10,000,000 divided into 1,000,000 equity

<b>Date of Amendment/ Shareholders Resolution</b>	<b>Nature of amendment</b>
	shares of ₹ 10 each to ₹ 130,000,000 comprising 11,000,000 equity shares of ₹ 10 each and 2,000,000 10% non-cumulative preference shares of ₹ 10 each.
January 27, 2004	<p>The objects clause of the MoA was amended to enable our Company to enter the petrochemicals business. Accordingly, a new main objects clause III(A)(4) (which was originally clause III(C)(10) of other objects) was added after the main objects clause III(A)(3) as follows:</p> <p><i>"To manufacture, produce, refine, prepare, store, sell and generally to trade and deal in petroleum and all kinds of mineral oils, all products and by products thereof including wax, paraffin, soap, paint, varnish, lubricants, illuminants, and butter substitutes, oil cloth, candles, glycerene, steaming and in connection therewith to acquire, construct, repair, operate, and use oil and such other refineries, buildings, mills, factories, pumps, oil wells, derricks, distilleries, ghanies, rotaries, expellers, mechanical or hydraulic press."</i></p> <p>The main objects clause III(A)(3) was amended to insert the words "physical trading" after "electronic trading" to enable our Company to trade and open retail outlets for sale and purchase of any products or services. Accordingly, the clause III(A)(3) was amended to the following:</p> <p><i>"To buy sell, export import, trade auction, retail, wholesale through E-commerce, web shopping, web auction, mail order, teleshopping, electronic trading, physical trading of any products and services."</i></p> <p>Clause III(C)(10) of other objects was deleted.</p>
April 8, 2006	The main objects clause III(A)(4) was deleted.
November 10, 2008	<p>The authorized share capital was increased from ₹ 130,000,000 comprising 11,000,000 equity shares of ₹ 10 each and 2,000,000 10% non-cumulative preference shares of ₹ 10 each to ₹ 620,000,184 comprising 11,000,000 equity shares of ₹ 10 each, 2,000,000 10% non-cumulative redeemable preference shares of ₹ 10 each and 1,493,903 0.01% cumulative preference shares of ₹ 328 each.</p>
June 17, 2010	<p>The authorized share capital was reduced from ₹ 620,000,184 comprising 11,000,000 equity shares of ₹ 10 each, 2,000,000 10% non-cumulative redeemable preference shares of ₹ 10 each and 1,493,903 0.01% cumulative preference shares of ₹ 328 each was reduced to ₹ 610,000,184 divided into 11,000,000 equity shares of ₹ 10 each, 1,000,000 10% non-cumulative redeemable preference shares of ₹ 10 each and 1,493,903 0.01% cumulative preference shares of ₹ 328 each.</p> <p>Further, the authorized share capital was increased from ₹ 610,000,184 divided into 11,000,000 equity shares of ₹ 10 each, 1,000,000 10% non-cumulative redeemable preference shares of ₹ 10 each and 1,493,903 0.01% cumulative preference shares of ₹ 328 each to ₹ 620,000,184 comprising 12,000,000 equity shares of ₹ 10 each, 1,000,000 10% non-cumulative preference shares of ₹ 10 each and 1,493,903 0.01% cumulative preference shares of ₹ 328 each.</p>
November 26, 2010	<p>The liability clause of the MoA was re-numbered from Clause 41 to Clause IV of the MoA.</p> <p>Clause III(A)(3) of the main objects was amended to the following:</p> <p><i>"To buy, sell, export, import, trade, auction, whole sale through e-commerce, web shopping web auction, mail order, teleshopping, electronic trading, physical trading of any products and services"</i></p> <p>Further, clause III(C)(41) of other objects was added after clause III(C)(40) as follows:</p> <p><i>"To retail through e-commerce, web shopping web auction, mail order, teleshopping, electronic trading, physical trading of any products and services."</i></p>
September 23, 2015	<p>The heading of Clause III (A) and III (B) were modified as follows, to align them with the Companies Act:</p> <p><b><i>Clause III (A) "THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:"</i></b></p> <p><b><i>Clause III (B) "THE MATTERS WHICH ARE NECESSARY FOR FURTHERENCE OF THE OBJECTS SPECIFIED IN CLAUSE III A ARE:"</i></b></p>

Date of Amendment/ Shareholders Resolution	Nature of amendment
	Further, the MoA was altered in order to align it with the applicable provisions, of the Companies Act.
	The authorized share capital was increased from ₹ 620,000,184 comprising 12,000,000 Equity Shares of ₹ 10 each, 1,000,000 10% non-cumulative preference shares of ₹ 10 each and 1,493,903 0.01% cumulative preference shares of ₹ 328 each to ₹ 700,000,184 comprising 20,000,000 Equity Shares of ₹ 10 each and 1,000,000 10% non-cumulative preference shares of ₹ 10 each and 1,493,903 0.01% cumulative preference shares of ₹ 328 each.
January 20, 2016	The authorized share capital increased from ₹ 700,000,184 comprising 20,000,000 Equity Shares of ₹ 10 each and 1,000,000 10% non-cumulative preference shares of ₹ 10 each and 1,493,903 0.01% cumulative preference shares of ₹ 328 each and reclassified into ₹ 862,204,884 comprising 20,000,000 Equity Shares having face value of ₹ 10 each and 1,493,903 0.01% cumulative preference shares having face value of ₹ 328 each and 1,722,047 compulsorily convertible cumulative preference shares having face value of ₹ 100 each.
March 27, 2017	The authorized share capital of ₹ 862,204,884 comprising 20,000,000 Equity Shares of ₹ 10 each, 1,493,903 0.01% cumulative preference shares of ₹ 328 each and 1,722,047 compulsorily convertible cumulative preference shares of ₹ 100 each was reclassified into ₹ 862,204,884 comprising 18,277,930 Equity Shares of ₹ 10 each, ₹ 1,493,903 0.01% cumulative preference shares of ₹ 328 each and 1,894,254 compulsorily convertible cumulative preference shares of ₹ 100 each
May 7, 2018	The authorized share capital was increased from ₹ 862,204,884 comprising 18,277,930 Equity Shares of ₹ 10 each, 1,493,903 0.01% cumulative preference shares of ₹ 328 each and 1,894,254 compulsorily convertible cumulative preference share of ₹ 100 each to ₹ 979,425,584 comprising 30,000,000 Equity Shares of ₹ 10 each, 1,493,903 0.01% cumulative preference shares of ₹ 328 and 1,894,254 compulsorily convertible cumulative preference shares of ₹ 100 each

### Total number of Shareholders of our Company

As on the date of this Prospectus, our Company has 195 Shareholders. For further details on the shareholding of our Company, see “*Capital Structure*” on page 93.

### Major Events and milestones

The table below sets forth some of the major events in the history of our Company:

Calendar year	Event
1999	Incorporation of our Company
2003	Launched TrustSeal for documentary verification of customers
2007	Received investment from Bennett, Coleman and Company Limited and Times Internet Limited
2008	Received investment from Intel
2015	Achieved 100,000 premium customers milestone
2016	Received investment from Amadeus, Westbridge, AFIM and Intel
2017	Received further investment from Amadeus, Westbridge and AFIM Launched payment protection programmed PayX for the purpose of safe and secure payment gateway

### Awards and Accreditations

Calendar year	Award/Certification/Recognition
2008	Received the ‘Red Herring 100 Asia 2008’ award in the ‘software’ category
2010	Recognized as one of ‘India’s 25 Most Promising Internet Companies’ by The SmartTechie
2013	Received the ‘Manthan’ award, South Asia and Asia Pacific in the e-business and financial inclusion category
2016	Received the ‘Drivers of Digital Summit & Awards 2016’ for ‘best online classified website’ category
2016	Received the ‘Super SME Awards, 2016’ for ‘Special Contribution Award’ at World Association of Small and Medium Enterprises (WASME)
2017	Received the ‘Drivers of Digital Summit & Awards, 2017’ for ‘best online classified website’ category
2017	Received the ‘Global Mobile App Summit Awards, 2017’ for ‘best application in business’ category
2018	Received the ‘Drivers of Digital Summit & Awards, 2018’ for ‘best online classified website’ category

<b>Calendar year</b>	<b>Award/Certification/Recognition</b>
2018	Received the ‘Drivers of Digital Summit & Awards, 2018’ for ‘best online classified application’ category
2019	Received the ‘India Law Awards, 2019’ for ‘Technology, Media and Telecommunication In-House Legal Team’ category
2019	Received the ‘Video Media Awards and Summit, 2019’ for ‘video content in a business website- special mention’ category

***Changes in activities of our Company during the last five years***

In fiscal 2015 we launched Tolexo as an online transaction marketplace for business goods, through our wholly owned subsidiary, TOPL, which business was, pursuant to a scheme of arrangement between TOPL and our Company, demerged and vested in our Company. However, as on the date of this Prospectus, our Company does not undertake the business of operating an online transaction marketplace. For details, see “- **Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc. – Scheme of arrangement between TOPL and our Company**” below.

Further, our Company discontinued our travel related business undertaken through a website ‘www.hellotravel.com’, pursuant to a business purchase agreement dated June 21, 2018 by and between our Company and Hellotravel Online Private Limited (“**HOPL**”), a member of our Promoter Group. For details, see “- **Material Agreements – Other Agreements**” below.

Except as stated herein, there have been no changes in the activities of our Company during the last five years immediately preceding the date of this Prospectus, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

***Capital raising (Equity/ Debt)***

As on the date of this Prospectus we do not have any debt outstanding. For details of our equity issuances see “**Capital Structure**” on page 93.

***Strike and lock-outs***

We have not experienced any strike, lock-outs or labour unrest since incorporation.

***Time/cost overrun***

As our Company does not have any projects, there have been no time/cost overruns pertaining to any projects in respect of our business operations since incorporation.

***Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company***

There have been no defaults or rescheduling of borrowings with financial institutions or banks or any conversion of loans into Equity Shares.

***Injunction or Restraining Order***

Our Company is not operating under any injunction or restraining order as on the date of this Prospectus.

***Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.***

Except as disclosed below, our Company has not undertaken any acquisition of any business or undertaking, or entered into any scheme of merger or amalgamation.

***a. Acquisition of the assets and liabilities of the sole proprietorship firm, InterMESH Systems***

Pursuant to an agreement dated January 1, 2000, our Company acquired the assets and liabilities of the sole proprietorship firm, InterMESH Systems, from Dinesh Chandra Agarwal, our Managing Director and one of our Promoters, for a consideration of ₹ 100.00 million, paid in the form of 8,000,000 Equity Shares and 2,000,000 10% redeemable preference shares of our Company. InterMESH Systems was engaged in the business of

operating the website [www.indiamart.com](http://www.indiamart.com). For more information, see “*- Brief History of our Company*” above and “*Capital Structure*” on page 93.

**b. Scheme of arrangement between TOPL and our Company**

Pursuant to an order dated October 11, 2017, the National Company Law Tribunal, New Delhi sanctioned the scheme of arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, between TOPL, our Subsidiary, and our Company, whereby the online business undertaking of TOPL comprising the online transaction marketplace for trading of business and industrial goods was demerged and vested in our Company. The appointed date is January 1, 2017 and the effective date is October 16, 2017.

In terms of such scheme of arrangement, the entire online business undertaking of TOPL, including properties, rights and powers in relation thereto were transferred to our Company and there was no fresh issuance of Equity Shares or a change in our authorised share capital pursuant to such scheme of arrangement since TOPL is a wholly owned Subsidiary of our Company. However, the amount outstanding in our Company’s securities premium account prior to the effective date of such scheme of arrangement was reduced by ₹ 1,306.82 million. In terms of scheme of arrangement, the face value of TOPL’s equity shares and 0.01% optionally convertible redeemable preference shares (“OCRPS”) was reduced from ₹ 10 each to ₹ 1.30 each. Thereafter, the face value of each equity share and that of each 0.01% OCRPS of TOPL was consolidated to ₹ 10 each and (i) one equity share was issued to the holders of every eight equity shares and (ii) one 0.01% OCRPS was issued to the holders of every eight 0.01% OCRPS. The entire share capital and OCRPS of TOPL are held by our Company. Further, the amount outstanding in the securities premium account of TOPL was reduced to ₹ 105.71 million. An emphasis of matter has been included in our Restated Financial Statements in respect of the accounting treatment adopted for such scheme of arrangement. For further details, see “*Risk Factors – Our Statutory Auditors have included in the past certain modifications to some of the matters required to be included in accordance with the CARO and a matter of emphasis in the Restated Ind AS Unconsolidated Summary Statements in relation to certain fiscal years.*” on page 45.

**Material Agreements**

Except as stated below, as on the date of this Prospectus, our Company is not a party to any other material contract, carried on or intended to be carried on by us or a contract entered into more than two years before the filing of this Prospectus.

**A. Shareholders’ Agreements**

*Amended and Restated shareholders’ agreement dated January 15, 2016, as amended by an amendment agreement dated June 11, 2018, by and among our Company, AFIM, Westbridge, Amadeus, Intel (together with AFIM, Amadeus and Westbridge, the “New Investors”), our Promoters, Dinesh Chandra Agarwal and Brijesh Kumar Agrawal, BCCL and Amadeus EIII LLP (BCCL and Amadeus EIII LLP, together with the New Investors, the “PE Investors”) (“Restated SHA”)*

Pursuant to agreements dated October 25, 2006 entered into by and among our Company, Dinesh Chandra Agarwal and BCCL and TIL, BCCL and TIL subscribed to 426,439 and 213,220 Equity Shares each, respectively for an aggregate consideration of ₹ 99.99 million and ₹ 50.00 million, respectively. Subsequently, our Company, Intel and Dinesh Chandra Agarwal entered into a share subscription agreement and a shareholders’ agreement (to which BCCL and TIL were also parties) (“Intel SHA”), both dated November 10, 2008, pursuant to which Intel subscribed to 100 Equity Shares and 1,493,903 CCPS A for an aggregate consideration of ₹ 490.03 million. For further details, see “*Capital Structure*” on page 93.

Subsequently, pursuant to a Series B share subscription agreement dated January 15, 2016 by and among our Company, the New Investors and our Promoters, (i) AFIM subscribed to 10 Equity Shares and 516,613 CCPS B for an aggregate consideration of ₹ 397.80 million, (ii) Amadeus subscribed to 10 Equity Shares and 516,613 CCPS B, for an aggregate consideration of ₹ 397.80 million, (iii) Intel subscribed to 258,312 CCPS B for an aggregate consideration of ₹ 198.90 million and (iv) Westbridge subscribed to 10 Equity Shares and 430,509 CCPS B for an aggregate consideration of ₹ 331.50 million. Additionally, each of AFIM and Amadeus subscribed to 51,662 CCPS B1 for an aggregate consideration of ₹ 39.78 million and Westbridge subscribed to 43,051 CCPS B1 for an aggregate consideration of ₹ 33.15 million. Subsequently, TIL transferred 106,610 Equity Shares each to Westbridge, on December 21, 2017 and Amadeus EIII LLP, on December 27, 2017, and accordingly ceased to

a party to the Restated SHA. Amadeus EIII LLP executed deeds of accession dated January 4, 2018 to the Restated SHA and agreed to be bound by the terms and conditions of the Restated SHA.

In accordance with the terms of the Restated SHA, which replaced in entirety, the Intel SHA, the Investors have certain rights and obligations, including (i) pre-emptive rights in the event our Company issues any new securities, (ii) a right of first offer in case of any sale of Equity Shares by our Promoters, (iii) exit rights, including through an initial public offering or buy-back of their compulsorily convertible cumulative preference shares and (iv) tag-along rights in the event of certain transfer of shares by our Promoters and (v) certain information rights. Additionally, the New Investors have certain rights to appoint directors and observers to our Board and on the board of directors of our Subsidiary, TOPL and any other Subsidiary that may be considered ‘material’ in terms of the Restated SHA, although such right to nominate directors has not been exercised by the New Investors as on the date of this Prospectus. Further, the Restated SHA includes certain affirmative vote matters such as (i) any amendment to the charter documents of our Company; (ii) approving an initial public offering by our Company, which is not a ‘qualified’ initial public offering under the provisions of the Restated SHA or any initial public offering of securities of our Subsidiaries; (iii) effecting any material change to the key management of our Company; and (iv) changing, modifying or diversifying the principal business of our Company, which require the approval of the nominee director or observer attending the meeting of our Board where such matter is decided on, in addition to a specific written consent from the respective New Investor, which our Company is required to obtain prior to the meeting of our Board or Shareholders, where any such affirmative vote matter is decided upon.

Further, according to the Restated SHA, our Promoters also have certain rights, including the right to jointly nominate up to two directors on our Board as well on the board of directors of each of our material subsidiaries.

In accordance with the terms of the Restated SHA, it will terminate upon listing of the Equity Shares pursuant to an initial public offering of our Company.

#### **B. Other Agreements**

Our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the two years preceding this Prospectus, except as disclosed below.

##### ***Business purchase agreement dated June 21, 2018 entered into by and among our Company and HOPL (“BPA”)***

Pursuant to the BPA, our Company has agreed to transfer our travel marketplace related business carried on primarily through the website ‘[www.hellotravel.com](http://www.hellotravel.com)’, including all related assets, employees and liabilities (except certain liabilities identified as excluded liabilities) pertaining thereto (“**Travel Marketplace Business**”), to HOPL, as a going concern through a slump sale, on an ‘as is where is’ basis, with effect from the date that the conditions precedent agreed under the BPA are satisfied (“**Transfer Date**”). Such conditions precedent include, among others, the assignment/ transfer of all contracts and movable properties pertaining to the Travel Marketplace Business to HOPL. As part of transfer of the Travel Marketplace Business, our Company has also agreed to assign to HOPL, all rights title and interest in the trademarks ‘HELLOTRAVEL’ registered by our Company under classes 35, 39 and 42 under the Trade Marks Act. The consideration for the transfer of the Travel Marketplace Business is ₹ 6.80 million, subject to adjustment of net working capital (i.e., aggregate of current assets and current liabilities of the Travel Marketplace Business) as on the Transfer Date, payable within 60 business days from such date. In terms of the BPA, our Company has agreed to not undertake, directly or indirectly, any business which is in competition with the Travel Marketplace Business and other businesses undertaken by HOPL, for a period of five years.

#### **Holding Company**

As on the date of this Prospectus, our Company does not have a holding company.

#### **Our Subsidiaries**

As on the date of this Prospectus, our Company has five subsidiaries, details of which are set forth below.

##### **1. *Tolexo Online Private Limited***

TOPL was incorporated under the Companies Act on May 28, 2014. Its CIN is U72200DL2014PTC267665. TOPL is presently engaged in the business of building a cloud-based solution for SME businesses to help them manage their business with increased efficiency. The solution will be offered to such SME businesses on a subscription basis, enabling them to use this solution without incurring significant costs and time for implementation.

The authorized share capital of TOPL is ₹ 800.00 million divided into 55,000,000 equity shares of ₹ 10 each and 25,000,000 preference shares of ₹ 10 each. Its paid up share capital is ₹ 164.78 million divided into 7,001,800 equity shares of ₹ 10 each and 9,476,325 0.01% OCCRPS of ₹ 10 each. Our Company (directly and through its nominees) holds 100% of the issued, subscribed and paid up share capital of TOPL.

TOPL does not have any accumulated profits or losses not accounted by our Company.

## **2. *Ten Times Online Private Limited (“TTOPL”)***

Ten Times Online Private Limited was incorporated under the Companies Act, 1956 on February 26, 2014. Its CIN is U72300DL2014PTC265480. TTOPL is engaged in the business of operating [www.10times.com](http://www.10times.com), a platform for business events discovery and networking.

The authorized share capital of TTOPL is ₹ 1.50 million divided into 150,000 equity shares of ₹ 10 each and its paid up share capital is ₹ 623,330 divided into 62,333 equity shares of ₹ 10 each. Our Company (directly and through its nominees) holds 100% of the issued, subscribed and paid up share capital of TTOPL. Further, pursuant to resolutions dated May 3, 2017 and August 16, 2017 of its board of directors and shareholders, TTOPL has instituted the ‘Ten Times Employees Stock Option Scheme’ (“TTESOP”). Under the terms of the TTESOP an aggregate of 82,630 stock options may be granted, convertible into equal number of equity shares of TTOPL on exercise. Pursuant to the TTESOP, TTOPL has executed a key employee engagement agreement dated September 7, 2017 with our Company and two of its directors, Atul Todi and Mayank Chowdhary, in terms of which, each of Atul Todi and Mayank Chowdhary have been granted 37,690 stock options on October 16, 2017. In terms of the key employee engagement agreement, the vesting of all such stock options will be completed at the end of eight years from the date of grant of such options and on exercise, such options will be converted into equity shares aggregating to 52% of the paid-up share capital of TTOPL. Accordingly, TTOPL will cease to be a subsidiary of our Company.

There are no accumulated profits or losses of TTOPL not accounted for by our Company.

## **3. *Hello Trade Online Private Limited***

Hello Trade Online Private Limited (“HTOPL”) was incorporated under the Companies Act, 1956 on July 3, 2008. Its CIN is U51909DL2008PTC180430. HTOPL is currently not actively engaged in any business, however, it is authorized to engage in certain business, including conducting domestic trade and international business facilitation, including sales, marketing, operational, technological, information processing and other trade and business related services.

The authorized share capital of HTOPL is ₹ 0.60 million divided into 60,000 equity shares of ₹ 10 each and its paid up share capital is ₹ 300,000 divided into 30,000 equity shares of ₹ 10 each. Our Company (directly and through its nominee) holds 100% of the issued, subscribed and paid up share capital of HTOPL.

There are no accumulated profits or losses of HTOPL not accounted for by our Company.

## **4. *Tradezeal International Private Limited (“TIPL”)***

TIPL was incorporated under the Companies Act, 1956 on May 31, 2005. Its CIN is U72200DL2005PTC136907. TIPL is currently not actively engaged in any business, however, it is authorized to engage in certain business, including conducting domestic trade and international business facilitation, including sales, marketing, operational, technological, information processing and other trade and business related services.

The authorized share capital of TIPL is ₹ 30.00 million divided into 500,000 equity shares of ₹ 10 each and 25,00,000 preference shares of ₹ 10 each and its paid up share capital is ₹ 19.80 million divided into 110,000 equity shares of ₹ 10 each and 1,870,000 0.01% OCCRPS of ₹ 10 each. Our Company (directly and through its nominee) holds 100% of the issued, subscribed and paid up share capital of TIPL.

There are no accumulated profits or losses of TIPL not accounted for by our Company.

##### **5. Pay With Indiamart Private Limited (“*PWIPL*”)**

PWIPL was incorporated under the Companies Act on February 7, 2017. Its CIN is U74999DL2017PTC312424. PWIPL is engaged in the business of electronic payment facilitation mechanisms through internet based solutions and products and financial intermediation, counseling and services in connection with electronic with electronic payments and receipts, products, technologies, markets.

The authorized share capital of PWIPL is ₹ 51.00 million divided into 2,50,000 equity shares of ₹ 10 each and 48,50,000 preference shares of ₹ 10 each and its paid up share capital is ₹ 22.50 million divided into 100,000 equity shares of ₹10 each and 2,150,000, 0.01% OCCRPS of ₹ 10 each. Our Company (directly and through its nominee) holds 100% of the issued, subscribed and paid up share capital of PWIPL.

There are no accumulated profits or losses of PWIPL not accounted for by our Company.

##### **Associate Companies**

As on the date of this Prospectus, our Company does not have any associate company.

##### **Confirmations**

###### ***Common Pursuits of our Subsidiaries***

As on the date of this Prospectus, except for TOPL, which is authorised to undertake business similar to that of our Company, none of our Subsidiaries are engaged or authorised to engage in the same business as us.

##### ***Listing***

None of our Subsidiaries are listed in India or abroad.

###### ***Sale or purchases exceeding 10% in aggregate of the total sales or purchases of our Company***

Other than as provided in “**Related Party Transactions**” on page 204, there have been no sales or purchases among our Company, Subsidiaries and/or Group Company, which in the aggregate exceed in value 10% of the total sales or purchases of our Company for fiscal 2018.

##### ***Business Interests***

Except as provided in “**Related Party Transactions**” on page 204, none of our Subsidiaries has any business interest in our Company.

##### ***Guarantees given by our Promoters***

Our Promoters have not provided any guarantees to third parties.

##### ***Strategic and financial partnerships***

As on the date of this Prospectus, our Company does not have any strategic or financial partners.

## OUR MANAGEMENT

Under our Articles of Association, our Company is authorized to have a minimum of three and maximum of up to 15 Directors. As on the date of this Prospectus, we have six Directors on our Board, comprising two executive Directors, one non-executive Director and three Independent Directors. Further, we have one woman Director on our Board. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

### **Our Board**

The following table sets forth details regarding our Board as on the date of this Prospectus:

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other Directorships
<b>Dinesh Chandra Agarwal</b>	50	<i>Nil</i>
<i>Designation:</i> Managing Director		
<i>Address:</i> E 46, Sector 30, Noida 201 301, Uttar Pradesh, India		
<i>Occupation:</i> Business		
<i>Nationality:</i> Indian		
<i>Term:</i> Five years from January 8, 2015		
<i>DIN:</i> 00191800		
<b>Brijesh Kumar Agrawal</b>	42	<i>Indian private limited companies</i>
<i>Designation:</i> Whole-time Director		1. Tolexo Online Private Limited
<i>Address:</i> H 41, Sector 27, Noida 201 301, Uttar Pradesh, India		
<i>Occupation:</i> Business		
<i>Nationality:</i> Indian		
<i>Term:</i> Liable to retire by rotation		
<i>DIN:</i> 00191760		
<b>Dhruv Prakash</b>	67	<i>Indian public limited companies</i>
<i>Designation:</i> Non-executive Director		1. Bharat Hotels Limited
<i>Address:</i> A 14, Sector 26, Noida 201 301, Uttar Pradesh, India		<i>Indian private limited companies</i>
<i>Occupation:</i> Professional Consultant		1. SBI Mutual Fund Trustee Company Private Limited
<i>Nationality:</i> Indian		
<i>Term:</i> Liable to retire by rotation		
<i>DIN:</i> 05124958		
<b>Rajesh Sawhney</b>	53	<i>Indian public limited companies</i>
<i>Designation:</i> Independent Director		1. Microland Limited 2. Neilsoft Limited
<i>Address:</i> A/402, The IVY Residential Complex, Sushant Lok, Phase 1, Gurugram 122 001, Haryana, India		<i>Indian private limited companies</i>

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other Directorships
<i>Occupation:</i> Entrepreneur		1. Chintee Software Private Limited 2. Gastrotope Private Limited 3. Indiginus Learning Private Limited 4. Inner Chef Private Limited 5. RRA Media & Entertainment Private Limited
<i>Nationality:</i> Indian		
<i>Term:</i> Five years from September 23, 2015		
<i>DIN:</i> 01519511		
<b>Elizabeth Lucy Chapman</b>	38	<i>Indian private limited companies</i>
<i>Designation:</i> Independent Director		1. Camden Town Technologies Private Limited 2. Chalk Farm Ventures Private Limited
<i>Address:</i> Sonna Mahal CHS, 6th floor, 143, Terrace Apartment, Marine Drive, Mumbai Marine Lines, Mumbai 400 020, Maharashtra, India		<i>Foreign companies</i>
<i>Occupation:</i> Professional		1. Primerose Hill Ventures Pte. Ltd. (Singapore)
<i>Nationality:</i> British		
<i>Term:</i> Five years from September 23, 2015		
<i>DIN:</i> 06459440		
<b>Vivek Narayan Gour</b>	56	<i>Indian public limited companies</i>
<i>Designation:</i> Independent Director		1. Cyient Limited 2. Affle (India) Limited 3. ASK Investment Managers Limited
<i>Address:</i> MG 1203, The Magnolias, DLF Golf Links, DLF City Phase 5, Gurugram 122 009, Haryana, India		<i>Indian private limited companies</i>
<i>Occupation:</i> Service		1. Advait Lakshmi Foundation
<i>Nationality:</i> Indian		<i>Foreign companies</i>
<i>Term:</i> Five years from May 7, 2018		1. MakeMy Trip Limited, Mauritius 2. Affle International Pte. Ltd. Singapore
<i>DIN:</i> 00254383		

In compliance with Section 152 of the Companies Act, not less than two-thirds of our non-Independent Directors are liable to retire by rotation.

#### **Arrangement or understanding with major Shareholders**

None of our Directors have been nominated pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

#### **Brief Profile of our Directors**

**Dinesh Chandra Agarwal**, aged 50 years, is the Managing Director 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 Indian and Mobile Association of India. He has been a Director on our Board since incorporation of our Company. He received the 'Zee Business Dare to Dream Awards, 2018' in the category of 'inspirational leader'.

**Brijesh Kumar Agrawal**, aged 42 years, 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 our Board since incorporation of our Company.

**Dhruv Prakash**, aged 67 years, 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 our Board on May 11, 2012 and resigned from our Board on January 27, 2015 and was subsequently re-appointed on September 1, 2016.

**Rajesh Sawhney**, aged 53 years, 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 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 our Board since January 27, 2011.

**Elizabeth Lucy Chapman**, aged 38 years, 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 our Board since January 27, 2015.

**Vivek Narayan Gour**, aged 56 years, 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 our Board since April 30, 2018.

### **Relationship between Directors**

Apart from Dinesh Chandra Agarwal and Brijesh Kumar Agrawal who are cousins, none of our Directors are related to each other.

### **Terms of Appointment of our Executive Directors**

#### **Dinesh Chandra Agarwal**

Our Board and Shareholders, by their resolutions dated April 30, 2018 and May 7, 2018, respectively, fixed Dinesh Chandra Agarwal's remuneration for a period of three years. Further, our Board by a resolution dated May 11, 2019 has approved an annual increment to his remuneration for fiscal 2020 within the limits prescribed by the above Shareholders' resolution. In terms of such resolution, set forth below are details of remuneration payable to Dinesh Chandra Agarwal for fiscal 2020.

A total compensation of ₹ 48.90 million per annum, which comprises:		
Fixed compensation		₹ 28.34 million per annum
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 Compensation	Linked	Variable
		₹ 19.56 million per annum, which is subject to revision by the Board annually

Perquisites (evaluated as per Income Tax Rules wherever applicable and otherwise at actual cost to the Company)	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 and 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 terms of the Shareholders' resolution dated May 7, 2018, his total compensation is subject to an annual increase, for fiscals 2020 and 2021, up to a maximum limit of 20% of such total compensation. Additionally, he is entitled to receive a commission, as may be decided by our Board, in the event our Company has a profit in fiscals 2019, 2020 and 2021, subject to his re-appointment at the end of his present tenure.

Dinesh Chandra Agarwal's aggregate compensation for fiscal 2019 was ₹ 42.47 million (which included performance linked incentive for fiscal 2019, payable in fiscal 2020).

### **Brijesh Kumar Agrawal**

Our Board and shareholders, by their resolutions dated April 30, 2018 and May 7, 2018, respectively, fixed Brijesh Kumar Agrawal's remuneration for a period three years. Further, our Board by a resolution dated May 11, 2019 has approved an annual increment to his remuneration for fiscal 2020 within the limits prescribed by the above Shareholders' resolution. In terms of such resolutions, set forth below are details of remuneration payable to Brijesh Kumar Agrawal for fiscal 2020.

A total compensation of ₹ 35.72 million per annum, which comprises:		
Fixed compensation	₹ 20.43 million	
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	₹ 14.28 million per annum, which is subject to revision by the Board annually	
Perquisites (evaluated as per Income Tax Rules wherever applicable and otherwise at actual cost to the Company)	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 and 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 terms of the Shareholders' resolution dated May 7, 2018, his total compensation is subject to an annual increase, for fiscals 2020 and 2021, up to a maximum limit of 20% of such total compensation. Additionally, he is entitled to receive a commission, as may be decided by our Board, in the event our Company has a profit in fiscals 2019, 2020 and 2021, subject to his re-appointment at the end of his present tenure.

Brijesh Kumar Agrawal's aggregate compensation for fiscal 2019 was ₹ 30.75 million (which included performance linked incentive for fiscal 2019, payable in fiscal 2020).

### **Compensation paid to our Non-Executive and Independent Directors**

Pursuant to the resolution passed by our Board on June 8, 2015, our non-executive Directors and Independent Directors are entitled to receive a sitting fee of ₹ 50,000 for attending each meeting of our Board or of the Audit Committee or the Nomination and Remuneration Committee. Further, in terms of the resolution dated February 9, 2018 of our Board, they are entitled to receive sitting fees of ₹ 10,000 for attending each meeting of the share allotment committee thereof.

Set forth below are the details of the compensation paid to our non-executive Directors in fiscal 2019.

S. No.	Name of Director	Amount paid (₹ in million)
1.	Dhruv Prakash <sup>#</sup>	2.83
2.	Elizabeth Lucy Chapman	0.30
3.	Mahendra Kumar Chouhan <sup>1</sup>	0.10

S. No.	Name of Director	Amount paid
4.	Rajesh Sawhney	0.85
5.	Vivek Narayan Gour <sup>2</sup>	0.70

<sup>#</sup>Includes ₹ 0.98 million paid towards sitting fees and ₹ 1.85 million paid towards coaching fees. For details see “- **Interest of Directors**” below

<sup>1</sup>Mahendra Kumar Chouhan resigned from our Board on April 30, 2018

<sup>2</sup>Vivek Narayan Gour was appointed with effect from April 30, 2018

### Loans to Directors

No loans that have been availed of by our Directors from our Company are outstanding as on the date of this Prospectus.

None of the sundry debtors or beneficiaries of loans and advances made by our Company are related to our Directors.

### Bonus or profit sharing plan for the Directors

Our Directors, Dinesh Chandra Agarwal and Brijesh Kumar Agrawal, are entitled to receive commission on any profits of our Company for fiscals 2019, 2020 and 2021, as may be decided by our Board of Directors, subject to their re-appointment at the end of their respective present tenures. Additionally, our Independent Directors are entitled to receive commission, as may be decided by our Board and Shareholders. Our Company does not have any other bonus or profit sharing plan for our Directors.

### Shareholding of our Directors

Our Articles of Association do not require our Directors to hold any qualification shares.

Other than as disclosed under “**Capital Structure – Shareholding of our Directors and KMPs in our Company**” on page 111, none of our Directors hold any Equity Shares in our Company as on the date of this Prospectus.

### Service contracts with Directors

There are no service contracts entered into with any Directors, which provide for benefits upon termination of employment.

### Interest of Directors

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration, commission and reimbursement of expenses, if any, payable to them by our Company. For further details, see “- **Terms of Appointment of our Executive Directors**” and “- **Compensation Paid to our Non-Executive and Independent Directors**” above.

Our Directors 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 or that may be subscribed by or allotted to the companies, firms, ventures or trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer. For further details regarding the shareholding of our Directors and the KMPs, see “**Capital Structure – Shareholding of our Directors and KMPs in our Company**” on page 111.

Further, our Directors are not interested in any property acquired by our Company within two years of the date of this Prospectus, or presently proposed to be acquired by it.

Except Dinesh Chandra Agarwal and Brijesh Kumar Agrawal, none of our Directors are interested in the promotion of our Company as promoters, as on the date of this Prospectus. For further details of interests of our executive Directors, who are also our Promoters, see “**Our Promoters and Promoter Group**” on page 198.

Additionally, our non-executive Director, Dhruv Prakash has executed a service agreement with our Company, dated December 10, 2016, for providing services including executive coaching, assessment and development of our senior management and advising on business strategy and management. The consideration paid to him for the

services provided is ₹ 0.10 million for each day of coaching. Further, he is paid ₹ 12,500 per hour for additional consultancy services provided by him and is entitled to be reimbursed for any travel expenses incurred in this regard. The service agreement is valid for a period of three years and Dhruv Prakash is entitled to increase his service fee by giving our Company a notice in advance of 30 days. For details of amounts paid to Dhruv Prakash in the past pursuant to such service contract, see “**Related Party Transactions**” on page 204.

### **Other confirmations**

None of our Directors are, or for the five years prior to the date of filing of the Draft Red Herring Prospectus and until the date of this Prospectus, have been on the board of any listed company whose shares have been/were suspended from being traded on BSE or NSE.

None of our Directors has been or is a director on the board of any listed companies which have been or were delisted from any stock exchange(s).

Except for Vivek Narayan Gour, who is an independent director on the Board of ASK Investment Managers Limited, which is a registered as a portfolio manager with SEBI under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, none of our Directors are associated with the securities market.

### **Changes in our Board during the last three years**

The changes in our Board during the three years immediately preceding the date of this Prospectus are set forth below.

<b>Name of Director</b>	<b>Date of Change</b>	<b>Reasons</b>
Bhavanipratapsinh B. Rana	May 4, 2017	Appointment as a Non-executive Director <sup>1</sup>
Mahendra Kumar Chouhan	April 30, 2018	Resignation
Bhavanipratapsinh B. Rana	April 27, 2018	Resignation
Vivek Narayan Gour	April 30, 2018	Appointment as an Independent Director <sup>2</sup>

<sup>1</sup>Regularised pursuant to the Shareholder's resolution dated November 17, 2017

<sup>2</sup>Regularized pursuant to Shareholder's resolution dated May 7, 2018

### **Borrowing Powers**

Pursuant to our Articles of Association, subject to applicable laws, and pursuant to the special resolution dated June 11, 2018 of our Shareholders, our 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 Prospectus, we have six Directors on our Board, comprising two executive Directors, one non-executive Director and three Independent Directors. Further, we have one woman Director on our Board. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and constitution of committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all the applicable requirements of SEBI Listing Regulations and the Companies Act.

### **Board committees**

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations and the Companies Act:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders' Relationship Committee; and
- (d) Corporate Social Responsibility Committee (“CSR Committee”)

#### ***Audit Committee***

Our Audit Committee was constituted by a resolution of our Board dated November 24, 2009 and was last re-constituted pursuant to resolution of our Board dated April 30, 2018. The Audit Committee currently comprises of:

1. Vivek Narayan Gour, Independent Director (Chairman);
2. Rajesh Sawhney, Independent Director (Member); and
3. Dhruv Prakash, Non-Executive Director (Member)

The Audit Committee is required to meet at least four times in a year, with not more than 120 days between two meetings. The quorum for Audit Committee is at least two Independent Directors or one third of the members of the Audit Committee with at least two Independent Directors. The Company Secretary shall act as the secretary to the Audit Committee.

**Scope and terms of reference:** The terms of reference of the Audit Committee shall include the following:

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee shall include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions; and
  - (g) Modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval of any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors and the adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To Look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To Review the functioning of the whistle blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the utilization of loans and/or advances from/investment by the company in its subsidiary(ies) exceeding ₹ 1,000 million or 10% of the asset size of such subsidiary, whichever lower including existing loans/advances/investments; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- Statement of deviations in terms of the SEBI Listing Regulations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchanges in terms of the SEBI Listing Regulations;
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of the SEBI Listing Regulations.

#### ***Stakeholders' Relationship Committee***

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated June 4, 2018. The Stakeholders' Relationship Committee comprises of:

1. Vivek Narayan Gour, Independent Director (Chairman);
2. Brijesh Kumar Agrawal, Whole Time Director (Member); and
3. Dhruv Prakash, Non-Executive Director, (Member).

Set forth below are the terms of reference of our Stakeholders' Relationship Committee.

- Resolving the grievances of security holders of the Company including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services rendered by the Registrar;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company; and
- Carrying out any other function contained in the SEBI Listing Regulations as and when amended from time to time.

The quorum shall be one-third of the total strength or two members present, whichever is higher. The Stakeholders' Relationship Committee shall meet at least once a year.

#### ***Nomination and Remuneration Committee***

The compensation committee of our Board was constituted on April 15, 2010. It was subsequently re-named as the Nomination and Remuneration Committee pursuant to a resolution of our Board dated June 8, 2015. Our Nomination and Remuneration Committee was last re-constituted pursuant to a resolution of our Board dated October 28, 2015. The Nomination and Remuneration Committee comprises:

1. Elizabeth Lucy Chapman, Independent Director (Chairperson);
2. Rajesh Sawhney, Independent Director (Member); and
3. Dhruv Prakash, Non-executive Director (Member).

Set forth below are the terms of reference of our Nomination and Remuneration Committee.

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance (including independent director);
- Whether to extend or continue the term of appointment of an independent director, on the basis of the report of performance evaluation of directors;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management; and
- Carrying out any other functions required to be undertaken by the Nomination and Remuneration Committee under applicable law.

The quorum shall be two members or one-third of the members of the Nomination and Remuneration Committee, whichever greater, including at least one Independent Director present. The Nomination and Remuneration Committee shall meet at least once a year.

#### ***Corporate Social Responsibility Committee***

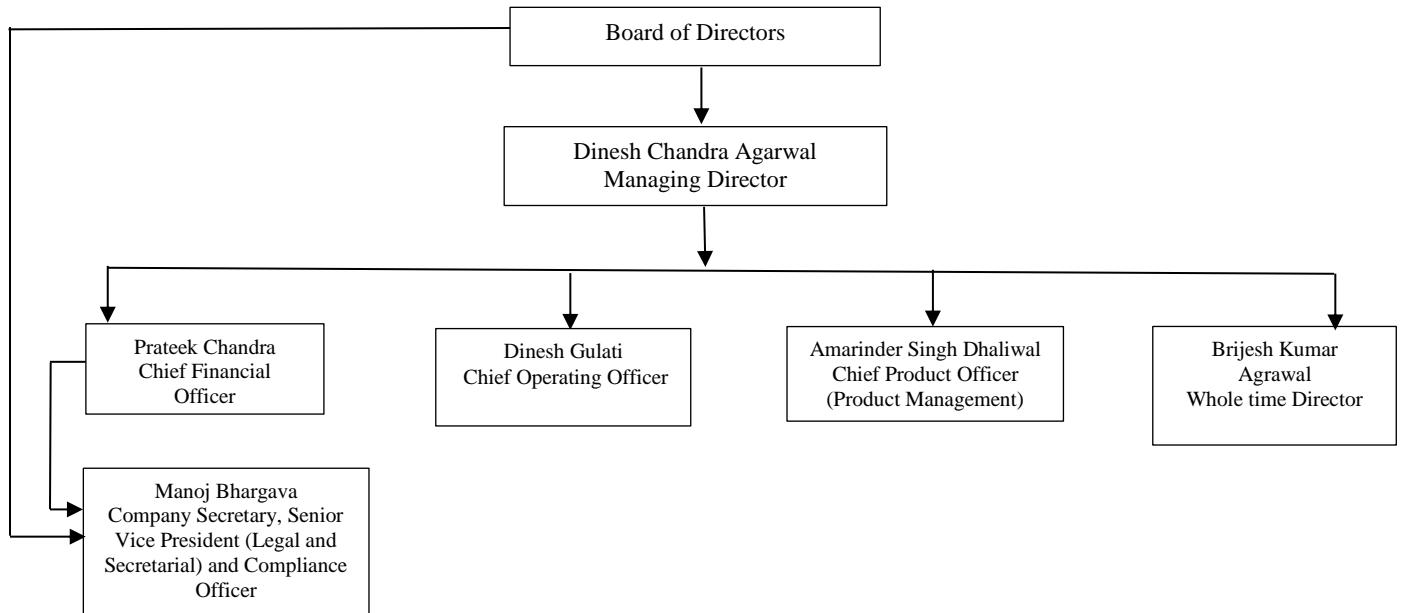
Our CSR Committee was constituted by a resolution dated August 23, 2017 of our Board. Our CSR Committee comprises:

1. Vivek Narayan Gour, Independent Director (Member);
2. Brijesh Kumar Agrawal, Whole-time Director (Member); and
3. Elizabeth Lucy Chapman, Independent Director (Member)

***Scope and terms of reference:*** The terms of reference of the CSR Committee shall include the following:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act and make any revisions therein as and when decided by the Board.
- To recommend the amount of expenditure to be incurred on the activities referred above.
- To monitor the CSR Policy of the company from time to time.
- To do such other acts, deeds and things as may be required to comply with the applicable laws.
- To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act or statutorily prescribed under any other law or by any other regulatory authority.

## Management Organization Structure



## **Key Management Personnel**

In addition to Dinesh Chandra Agarwal, our Managing Director and Brijesh Kumar Agrawal, our whole time Director, whose details are provided in “**- Brief Profile of our Directors**” above, the details of our other KMPs, as on the date of this Prospectus, are set forth below.

**Prateek Chandra**, aged 38 years is the Chief Financial Officer of our Company, appointed with effect from 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. His gross remuneration for fiscal 2019 was ₹ 26.23 million (including performance linked incentive and proportionate expense on stock options or SAR units granted until date).

**Dinesh Gulati**, aged 51 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. His gross remuneration for fiscal 2019 was ₹ 38.75 million (including performance linked incentive and proportionate expense on stock options or SAR units granted until date).

**Amarinder Singh Dhaliwal**, aged 47 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. His gross remuneration for fiscal 2019 was ₹ 13.65 million (including performance linked incentive and proportionate expense on stock options or SAR units granted until date).

**Manoj Bhargava**, aged 43 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. He received a gross remuneration of ₹ 8.73 million in fiscal 2019 (including performance linked incentive and proportionate expense on stock options or SAR units granted until date).

All our KMPs are permanent employees of our Company.

## **Relationship among KMPs**

Except as disclosed under the “**-Relationship between Directors**” above, none of our KMPs are related to each other.

## **Bonus or profit sharing plan for the KMPs**

Except as disclosed under the “**- Bonus or Profit sharing Plan for Directors**” above, there is no profit sharing plan for the KMPs. Additionally, our Company makes bonus payments to KMPs in accordance with their terms of appointment.

## **Shareholding of the KMPs**

Other than as provided under “**Capital Structure – Shareholding of our Directors and KMPs**” on page 111, none of our KMPs hold Equity Shares as on the date of this Prospectus. Further, certain of our KMPs also hold stock options/SAR units granted to them. For details, see “**Capital Structure – Employee Stock Option Scheme**” and “**Capital Structure – Shareholding of our Directors and KMPs**” on pages 97 and 111, respectively.

### **Service contracts with KMPs**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including KMPs is entitled to any benefit upon termination of such officer's employment or superannuation pursuant to any service contracts executed with our Company.

### **Loans to KMPs**

Except loans amounting to ₹ 8.00 million extended to Dinesh Gulati and ₹ 2.00 million extended to Amarinder Singh Dhaliwal, there is no outstanding loan availed by our KMPs from our Company, as on the date of this Prospectus.

### **Interest of KMPs**

Except as disclosed above in relation to our executive Directors and managing Director and except to the extent of the remuneration, benefits, reimbursement of expenses incurred by our KMPs in the ordinary course of business in their respective capacity of our Company and 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 loans extended to them as disclosed above, none of our KMPs have any interest in our Company.

For details regarding the stock options held by our KMPs, as applicable, see “*Capital Structure – Employee Stock Option Scheme*” and “*Capital Structure – Shareholding of our Directors and KMPs*” on pages 97 and 111, respectively.

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 or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

### **Changes in KMPs during the last three years**

Set forth below are the changes in our KMPs in the last three years:

<b>Name and designation</b>	<b>Date</b>	<b>Reason</b>
Amarinder Singh Dhaliwal	June 27, 2016	Appointed as the Chief Product Officer (product management)
Anil Dwivedi	April 30, 2018	Ceased to be the company secretary
Manoj Bhargava	June 4, 2018	Appointed as the Company Secretary and Compliance Officer
Dinesh Gulati	June 22, 2018	Change in designation to Chief Operating Officer

### **Employee Stock Option or Stock Purchase Scheme**

As on the date of this Prospectus, the IndiaMART ESOS 2015 and IndiaMART ESBS 2018 are in place. For details, see “*Capital Structure- Employee Stock Option Scheme*” on page 97.

### **Arrangements and understanding with major shareholders, customers, suppliers or others**

None of our KMPs have been selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or any other person.

### **Payment of Non-Salary Related Benefits to Officers of our Company**

Except for the loans extended to the KMPs as disclosed above, no amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

## OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Dinesh Chandra Agarwal and Brijesh Kumar Agrawal. As on the date of this Prospectus, our Promoters hold, in the aggregate, 15,909,400 Equity Shares which constitute 55.29% of our Company's paid-up Equity Share capital. For details of the build-up of our Promoters' shareholding in our Company, see "*Capital Structure – Notes to Capital Structure*" on page 93.

### I. Details of our Promoters

#### Dinesh Chandra Agarwal



Dinesh Chandra Agarwal, aged 50 years, is our Promoter and Managing Director.

*Residential Address:* E 46, Sector 30, Noida 201 301, Uttar Pradesh, India

*Driving license number:* DL-1320110092494

*Voter identification number:* DCV0789594

For further details in respect of Dinesh Chandra Agarwal, see "*Our Management*" on page 186.

#### Brijesh Kumar Agrawal



Brijesh Kumar Agrawal, aged 42 years, is a Whole Time Director and a Promoter of our Company.

*Residential Address:* H 41, Sector 27, Noida 201 301, Uttar Pradesh, India

*Driving license number:* UP16 20170005615

*Voter identification number:* DCV0789586

For further details in respect of Brijesh Kumar Agrawal, see "*Our Management*" on page 186.

We confirm that our Promoters' PAN, passport number and bank account numbers have been submitted to the Stock Exchanges at the time of submission of the Draft Red Herring Prospectus with them.

### Interest of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company and dividend or other distributions payable thereon, if any, by our Company. For further details of our Promoters' shareholding, see "*Capital Structure – Notes to Capital Structure*" on page 93. Additionally, our Promoters, are also interested to the extent that they are executive Directors of our Company and any commission, remuneration or reimbursement of expenses payable to them in such capacity. For details, see "*Our Management- Terms of Appointment of our Executive Directors*" on page 188. For further details of interest of our Promoters in our Company, see "*Our Management –Interest of Directors*" on page 190. Further, our Promoters are interested to the extent of rent payable to Mansa Enterprises Private Limited ("MEPL") under the lease agreement dated September 30, 2016 between our Company and MEPL, our Group Company and a member of our Promoter Group. For details, see "*Our Group Company - Business interests within the Group*" on page 203.

Except as disclosed above, our Promoters do not have any interest in any property acquired by our Company during the two years preceding the date of filing of the Draft Red Herring Prospectus and until date, or any property

proposed to be acquired by our Company or in any transaction in the acquisition of land, construction of building or supply of machinery. None of our Promoters are interested as members of any firm or any company and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

### **Payments or benefits**

Except as stated above in “- ***Interest of our Promoters***” and “***Related Party Transactions***” on page 204, no amount or benefit has been paid or given to our Promoters, members of our Promoter Group or our Group Company in fiscals 2019 and 2018 nor is any amount or benefit proposed to be paid or given to them as on the date of this Prospectus.

### **Confirmations**

Our Promoters and members of our Promoter Group have not been declared as Wilful Defaulters as defined under the SEBI ICDR Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

As on the date of this Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authorities from accessing the capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority.

None of the sundry debtors or beneficiaries of loans and advances made by our Company are related to our Promoters.

### **Common Pursuits of our Promoters and Promoter Group**

Except for CIPL, a member of our Promoter Group, which operates the website ‘[www.clickindia.com](http://www.clickindia.com)’, a free classifieds website for advertising products, services or talent, none of our Promoters or members of our Promoter Group is involved in or associated with any other company or firm that is engaged in the same line of activity or business as us.

### **Disassociation by our Promoters in the preceding three years**

Our Promoters have not disassociated themselves from any company or firm during the three years immediately preceding the date of the Draft Red Herring Prospectus and until date.

## **II. Promoter Group**

Set forth below is a list of the members forming part of our Promoter Group other than our Promoters, as on the date of this Prospectus:

### **A. Natural persons who are part of the Promoter Group**

Set forth below are the persons forming part of our Promoter Group.

S. No.	Name of member of the Promoter Group	Relationship with the Promoter
<b>Dinesh Chandra Agarwal</b>		
1.	Chetna Agarwal	Spouse
2.	Prakash Chandra Agrawal	Brother
3.	Naresh Chandra Agrawal	Brother
4.	Keshar Devi Agrawal	Mother
5.	Rachna Chhaparia	Sister
6.	Rashmi Rungta	Sister
7.	Amit Agarwal	Son

S. No.	Name of member of the Promoter Group	Relationship with the Promoter
8.	Bharat Agarwal	Son
9.	Ishwar Prasad Jalan	Spouse's father
10.	Vijay Jalan	Spouse's brother
11.	Bela Agarwal	Spouse's sister
12.	Beena Agarwal	Spouse's sister
<b>Brijesh Kumar Agrawal</b>		
1.	Anand Kumar Agrawal	Father
2.	Meena Agrawal	Mother
3.	Gunjan Agarwal	Spouse
4.	Pankaj Agarwal	Brother
5.	Nimisha Agrawal	Sister
6.	Tripti Goswami	Sister
7.	Mohanish Agrawal	Son
8.	Khyati Agrawal	Daughter
9.	Deokinandan Agarwal	Spouse's father
10.	Sadhana Agarwal	Spouse's mother
11.	Gaurav Agarwal	Spouse's brother
12.	Garima Muklania	Spouse's sister
13.	Geetika Agarwal	Spouse's sister

## B. Entities forming part of the Promoter Group:

Set forth below are the entities forming part of our Promoter Group:

S. No.	Name of member of the Promoter Group
<b>Dinesh Chandra Agarwal</b>	
1.	Buddhi Lal Agrawal (HUF)
2.	Atma Ram Agrawal (HUF)
3.	Atma Ram Anand Kumar (HUF)
4.	Dinesh Chandra Agarwal (HUF)
5.	Keshar Devi Dinesh Chandra (HUF)
6.	Prakash Chandra Naresh Chandra (HUF)
7.	Prakash Chandra Dinesh Chandra (HUF)
8.	Prakash Chandra Agrawal (HUF)
9.	Naresh Chandra Dinesh Chandra (HUF)
10.	Naresh Chandra Agrawal (HUF)
11.	Ishwar Prasad Jalan (HUF)
12.	Vijay Jalan (HUF)
13.	Akhil Impex Limited
14.	Mansa Agro Home Private Limited
15.	Mansa Enterprises Private Limited
16.	Indiamart Auto Services Private Limited
17.	Clickindia Infimedia Private Limited
18.	Mother Herbs Private Limited
19.	Alok Trading Co.
20.	Kamadgiri Vastralaya Private Limited
21.	Nanpara Family Trust
22.	Nanpara Business Trust
23.	CBD Advisory Private Limited
24.	CDA Advisory Private Limited
25.	PDK Advisory Private Limited
26.	Naresh Advisory Private Limited
27.	Hellotravel Online Private Limited
<b>Brijesh Kumar Agrawal</b>	
1.	Buddhi Lal Agrawal (HUF)
2.	Atma Ram Anand Kumar (HUF)
3.	Anand Kumar Agrawal (HUF)
4.	Brijesh Agarwal (HUF)
5.	Pankaj Agarwal (HUF)
6.	Anand Kumar Meena Agrawal (HUF)
7.	Gaurav Agarwal (HUF)
8.	Deokinandan Agarwal (HUF)
9.	Clickindia Infimedia Private Limited

S. No.	Name of member of the Promoter Group
10.	Mansa Agro Home Private Limited
11.	Mansa Enterprises Private Limited
12.	Indiamart Auto Services Private Limited
13.	Mother Herbs Private Limited
14.	Alok Trading Co.
15.	Gaurav Enterprises (sole proprietorship)
16.	Priya Traders
17.	Priya Sales
18.	Brijesh Advisory Private Limited
19.	Pankaj Advisory Private Limited
20.	Hellotravel Online Private Limited
21.	Hamirwasia Family Trust
22.	Hamirwasia Business Trust

#### C. Shareholding and other confirmation of our Promoter Group

For details of the shareholding of the members of our Promoter Group in our Company and various confirmations in relation to the members of our Promoter Group, see “*Capital Structure – Shareholding of our Promoters and Promoter Group*” and “*Other Regulatory and Statutory Disclosures*” on pages 106 and 471, respectively.

## OUR GROUP COMPANY

As per the SEBI ICDR Regulations for the purpose of identification of group companies, our Company has considered to include group companies covered under the applicable accounting standard (i.e. Indian Accounting Standard 24 (“**IndAS 24**”) or Accounting Standard 18 (“**AS 18**”), as applicable) and also any other companies as considered material by our Board in terms of the materiality policy for identification of material outstanding litigation, group companies and material creditors, adopted by our Board pursuant to their resolution dated June 6, 2018 (“**Materiality Policy**”). For the purpose of disclosure in connection with the Offer documents, a company shall be considered material and disclosed as a Group Company, in addition to the companies included under IndAS 24 and AS 18, in terms of the Materiality Policy, if such company:

- (1) is a member of our Promoter Group and has entered into one or more transactions with our Company in the most recent audited fiscal or any subsequent period included in the Offer documents which, individually or in the aggregate, exceed 10% of the total restated consolidated income of our Company for such fiscal; or
- (2) which, subsequent to the date of the latest restated consolidated financial statements of our Company disclosed in the Offer documents, would be required to be disclosed for subsequent periods as an entity covered under IndAS 24, in addition to/ other than those companies covered under applicable accounting standards in the latest restated consolidated financial statements of our Company included in the Offer documents.

For avoidance of doubt, it is clarified that the companies consolidated as per the consolidated financial statements of our Company shall not be considered as ‘Group Companies’ for the purpose of disclosure in the Offer documents.

As on the date of this Prospectus, we have one Group Company, the details of which are set forth below.

### **Mansa Enterprises Private Limited**

MEPL was incorporated as a private company under the Companies Act, 1956 on March 10, 2006. Its CIN is U70100DL2006PTC147400 and its registered office is located at 408, Ashirwad Enclave, 104 I.P. Extension, New Delhi 110 092, India. MEPL is currently engaged in the business of purchasing and giving on lease or hire, in any part of India or abroad, all kinds of machinery, industrial and non-industrial plants, lands, semi furnished and furnished office and furniture, among other things.

#### *Financial Information*

Particulars	(₹ in million, except per share data)		
	As on and for the fiscal ended	March 31, 2018	March 31, 2017
Equity share capital	6.00	6.00	6.00
Reserves and surplus (excluding revaluation reserves)	8.58	7.38	6.52
Revenue from operations	5.52	5.31	5.01
Profit/(Loss) for the year	1.20	0.86	1.36
Earnings/(loss) per share (Basic and Diluted) (in ₹)	2.00	1.44	2.26
Net asset value per share* (in ₹)	24.3	22.30	20.87

\*Net asset value per share = Net worth/number of shares as at year end

#### *Significant matters reported by auditors*

There are no significant matters reported by the auditors in relation to the aforementioned financial statements.

### **Interest of our Promoters in Group Company**

Our Promoters hold, in aggregate, 20% of the share capital of MEPL. Our Promoters are interested in our Group Company to the extent of their respective shareholdings in our Group Company and dividend or other distributions payable, if any, by the Group Company.

### **Details of negative net worth and loss-making Group Company**

Our Group Company did not have a negative net worth in fiscal 2018 and it did not make losses in fiscals 2018, 2017 and 2016.

### **Confirmations and disclosures by our Group Company**

As on the date of this Prospectus, our Group Company does not have any interest in the promotion or formation of our Company. Further, except as provided in “**Related Party Transactions**” on page 204, our Group Company does not have any business interest in our Company.

#### *Business interests within the Group*

Our Company has taken on lease certain premises located at E-75, Sector 63, Noida, Uttar Pradesh, from MEPL, pursuant to a lease agreement dated September 30, 2016, for use by our Company as a sales office. This lease agreement is valid until September 30, 2025. The lease agreement dated September 30, 2016 is automatically renewable for period of nine years, unless otherwise communicated through a written notice by either party. In terms of this lease agreement, our Company is required to pay a monthly rent of ₹ 115,000, respectively, plus applicable service tax. The agreement provides for rent escalation, calculated at the rate of 15%, after every three years.

Additionally, our Subsidiary, TTOPL has taken on lease the first floor of the premises situated at E-75, Sector 63, Noida, Uttar Pradesh, from MEPL, pursuant to a lease agreement dated September 30, 2016. The lease agreement is valid until September 30, 2025 and automatically renewable for period of nine years, unless otherwise communicated through a written notice by either party. In terms of such agreement, TTOPL is required to pay a monthly rent of ₹ 115,000 plus applicable service tax to MEPL. Further, the lease agreement provides for rent escalation, calculated at the rate of 15%, after every three years.

For details of business transactions with our Group Company and their significance on our financial performance, see “**Related Party Transactions**” on page 204.

Except as disclosed above, our Group Company does not have any interest in any property acquired by our Company within the two years preceding the date of filing the Draft Red Herring Prospectus and until date or proposed to be acquired by it, or any interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery, etc.

Our Company does not have any sales or purchase transactions with our Group Company exceeding, in the aggregate, 10% of the total sales or purchases of our Company, as per our Restated Financial Statements for fiscal 2019.

#### *Sick or Defunct Companies*

Our Group Company is not sick or defunct, in terms of the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985 and Companies Act, respectively. Further, as on the date of this Prospectus, our Group Company is not under winding up and no application has been made to the RoC for striking off the name of our Group Company during the preceding five years.

#### *Other confirmations/disclosures*

As on the date of this Prospectus, our Group Company has not been declared as a Wilful Defaulter, as defined under the SEBI ICDR Regulations and no violation of securities laws has been committed by the Group Company in the past and no proceedings for violation of securities laws are pending against it.

As on the date of this Prospectus, our Group Company has not been prohibited by the SEBI or any other regulatory or governmental authorities from accessing the capital markets for any reasons.

### **Common Pursuits of our Group Company**

Our Group Company is not engaged or authorised to engage in the same business as us.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, as per the requirements under (i) AS 18 for fiscals 2016 and 2015, and (ii) IndAS 24 for fiscals 2019, 2018 and 2017 and, ‘*Related Party Disclosures*’ issued by the ICAI and as reported in the Restated Financial Statements, see “**Restated Financial Statements – Annexure XXVII – Notes to the Restated Unconsolidated Summary Statement**” on page 315 and “**Restated Financial Statements – Annexure XXV – Notes to the Restated Indian GAAP Consolidated Summary Statement**” on page 431, “**Restated Financial Statements – Annexure XXXI – Notes to Restated IndAS Unconsolidated Summary Statements**” on page 274 and “**Restated Financial Statements – Annexure XXIX – Notes to Restated IndAS Consolidated Summary Statements**” on page 389.

## **DIVIDEND POLICY**

As on the date of this Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with the provisions of our Articles of Association and applicable law, including the Companies Act (together with the applicable rules issued thereunder) and will depend on a number of factors, including but not limited to our profits, capital requirements, contractual obligations, restrictive covenants in financing arrangements and the overall financial condition of our Company. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements.

No dividends have been declared on the Equity Shares by our Company during the last five fiscals and until date.

**SECTION V – FINANCIAL INFORMATION  
RESTATED FINANCIAL STATEMENTS**

<b>Particulars</b>	<b>Page Nos.</b>
Restated Unconsolidated Financial Statements	207 to 323
Restated Consolidated Financial Statements	324 to 439

*[The remainder of this page has intentionally been left blank]*

**Auditors' Report on the restated unconsolidated summary statements of assets and liabilities as at March 31, 2019, 2018, 2017, profits and losses, cash flows and changes in equity for each of the years ended March 31, 2019, 2018 and 2017 of IndiaMART InterMESH Limited (collectively, the "Restated Ind AS Unconsolidated Summary Statements")**

To

The Board of Directors  
IndiaMART InterMESH Limited  
7<sup>th</sup> and 8<sup>th</sup> Floor, Advant Navis Park  
Plot No.-7, Sector- 142, NOIDA.  
Uttar Pradesh – 201305

Dear Sirs,

1. We have examined the attached Restated Ind AS Unconsolidated Summary Statements of IndiaMART InterMESH Limited (the "Company") as at March 31, 2019, 2018 and 2017 and for each of the financial years ended March 31, 2019, 2018 and 2017 annexed to this report and prepared by the Company for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus in connection with its proposed initial public offer ("IPO"). The Restated Ind AS Unconsolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act"); and
  - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

**Management's Responsibility for the Restated Ind AS Unconsolidated Summary Statements**

2. The preparation of the Restated Ind AS Unconsolidated Summary Statements, which are to be included in the Red Herring Prospectus ("RHP") and Prospectus, is the responsibility of the Management of the Company for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Unconsolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the ICDR Regulations.

**Auditors' Responsibilities**

3. We have examined such Restated Ind AS Unconsolidated Summary Statements taking into consideration:
  - a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated April 20, 2018 and service scope letter dated May 15, 2019, requesting us to carry out the assignment, in connection with the proposed IPO of the Company;
  - b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note") and the requirements of Section 26 of the Act and the ICDR Regulations.
  - c. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.

4. The Company proposes to make an initial public offer which comprises an offer for sale made by certain shareholders' of existing, equity shares Rs. 10 each, at an issue price to be arrived at by the book building process (referred to as the "Offer"), as may be decided by the Company's Board of Directors.

**Restated Ind AS Unconsolidated Summary Statements as per audited Unconsolidated financial statements:**

5. The Restated Ind AS Unconsolidated Summary Statements have been compiled by the management of the Company from:
  - a. the audited unconsolidated financial statements of the Company as at and for the year ended March 31, 2019 and 2018, which were prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended, read with Section 133 of the Act ("Ind AS"), issued by the Ministry of Corporate Affairs ('MCA') and which have been approved by the Board of Directors at their meeting held on May 11, 2019 and June 22, 2018 respectively and
  - b. the audited unconsolidated financial statements of the Company as at and for the year ended March 31, 2017 prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") at the relevant time which have been approved by the Board of Directors at their meetings held on October 17, 2017.
6. For the purpose of our examination, we have relied on:
  - a. Auditors' Report issued by us dated May 11, 2019 on the Ind AS Unconsolidated financial statements of the Company as at and for the year ended March 31, 2019 as referred in Para 5(a) above; and
  - b. Auditors' Report issued by us dated June 22, 2018 on the Ind AS Unconsolidated financial statements of the Company as at and for the year ended March 31, 2018 as referred in Para 5(a) above; and
  - c. Auditors' Report issued by us dated October 17, 2017 on the Unconsolidated financial statements of the Company as at and for of the year ended March 31, 2017 as referred in Para 5(b) above;
7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, ICDR Regulations and the Guidance Note, we report that we have examined the following summarised financial statements of the Company contained in Restated Ind AS Unconsolidated Summary Statements, which as stated in the Annexure V to this report have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI – Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements, read with paragraph 7(e) below:
  - a. The Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2019, 2018 and 2017 as set out in Annexure I to this report;
  - b. The Restated Ind AS Unconsolidated Summary Statement of Profit and Losses of the Company for each of the financial years ended March 31, 2019, 2018 and 2017, as set out in Annexure II to this report;
  - c. The Restated Ind AS Unconsolidated Summary Statement of Cash Flows of the Company for each of the financial years ended March 31, 2019, 2018 and 2017, as set out in Annexure III to this report;

- d. The Restated Ind AS Unconsolidated Statement of Changes in Equity of the Company for each of the financial years ended March 31, 2019, 2018 and 2017, as set out in Annexure IV to this report; and
- e. Based on the above and according to the information and explanations given to us, we further report that the Restated Ind AS Unconsolidated Summary Statements of the Company, as attached to this report and as mentioned in paragraphs 7(a) to 7(d) above, read with basis of preparation and respective significant accounting policies given in Annexure V as described in paragraph 1 have been prepared in accordance with the ICDR Regulations and these Restated Ind AS Unconsolidated Summary Statements:
  - i. do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for year ended March 31, 2019 are materially consistent with the policies adopted as at and for the years ended March 31, 2018 and 2017. Accordingly, no adjustments have been made to the audited financial statements of the respective years presented on account of changes in accounting policies;
  - ii. have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;
  - iii. as per requirements of Ind AS, do not contain any extra-ordinary items that need to be disclosed separately in the Restated Ind AS Unconsolidated Summary Statements;
  - iv. There are no qualifications in the auditors' reports on the audited unconsolidated financial statements of the Company as at March 31, 2019, March 31, 2018 and 2017 and for each of the financial years ended March 31, 2019, 2018 and 2017 which require any adjustments to the Restated Ind AS Unconsolidated Summary Statements; and
  - v. Emphasis of Matter included in the auditor's report on the standalone financial statement as at and for the year ended March 31, 2018, which do not require any corrective adjustment in the Restated Ind AS Unconsolidated Summary Statements, are as follows (also refer Note 6 of Annexure XXXI) :

We draw reference to emphasis of matters reported, note 6 of Annexure XXXI to the accompanying summary statements regarding effect of scheme of arrangement to demerge the online business undertaking of Tolexo Online Private Limited, a wholly owned subsidiary of the Company and transferring the same on a going concern basis to the Company has been accounted for as prescribed in the scheme approved by the Hon'ble National Company Law Tribunal ("NCLT") vide order dated October 11, 2017 effective from January 1 2017, the appointed date. The accounting treatment as prescribed in the scheme has been given effect from January 01 2017 which is not in compliance with Ind AS 103.

Our opinion is not modified in respect of the above matter.

- vi. other audit qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order 2016, on the Unconsolidated financial statements for the year each of the years ended March 31, 2019, 2018 and 2017 which do not require any corrective adjustment in the Restated Ind AS Unconsolidated Summary Statements, are as follows:

**A. As at and for the year ended March 31, 2019**

Clause (vii) (c)

According to the records of the Company, the dues outstanding of income-tax, service tax, duty of custom, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Demand (Rs. millions)	Paid * (Rs. millions)	Remaining Amount (Rs. millions)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	6.78	-	6.78	2006-07 to 2011-12	CESTAT
Finance Act, 1994	Service Tax	1.3	-	1.3	2013-14 to 2015-16	Commissioner of GST & Central Excise
Finance Act, 1994	Service Tax	15.38	-	15.38	2013-14 to 2017-18	Commissioner of GST & Central Excise
Income Tax Act, 1961	Income Tax	3.49	3.49	-	2010-11 and 2013-14	Income Tax Appellate Tribunal
	Income Tax	0.29	0.29	-	2012-13	Commissioner of Income Tax Appeals
	Income Tax	3.34	3.34	-	2009-10	High court-Delhi

\*Adjusted with brought forward losses and unabsorbed depreciation

**B. As at and for the year ended March 31, 2018**

Clause (vii) (c)

According to the records of the Company, the dues outstanding of income-tax, service tax, duty of custom, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Demand (Rs. million)	Paid* (Rs. millions)	Remaining Amount (Rs.million)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Finance Act, 1994	Service Tax	1.3	-	1.3	2013-14 to 2015-16	Commissioner of GST & Central Excise

Income Tax Act, 1961	Income Tax	4.58	4.58	-	2010-11, 2011-12 and 2013-14	Income Tax Appellate Tribunal
	Income Tax	0.29	0.29	-	2012-13	Commissioner of Income Tax Appeals
	Income Tax	3.31	3.31	-	2009-10	High court- Delhi

\*Adjusted with brought forward losses and unabsorbed depreciation

### C. As at and for the year ended March 31, 2017

#### Clause (vii) (a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions of value added tax, custom duty and excise duty are not applicable to the company.

#### Clause (vii) (c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise , value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Demand (Rs. In millions)	Paid till date(Rs. In millions)	Amount (Rs. In millions)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	6.68	0.21	6.47	Financial Year 2006-07 to 2010-11	Additional Commissioner of service tax
Finance Act, 1994	Service Tax	0.91	-	0.91	Financial Year 2011-12	Additional Commissioner of service tax
Finance Act, 1994	Service Tax	0.36	-	0.36	Financial Year 2012-13	Additional Commissioner of service tax
Finance Act, 1994	Service Tax	1.30	-	1.30	FY 2013-14 to 2015-16	Office of Deputy Commissioner
The Income Tax Act, 1961	Additional fringe benefit tax & income tax demand	0.02	-	0.02	Assessment Year 2006-07	Commissioner of income tax (appeals)

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2019. Accordingly, we express no opinion on the financial position,

results of operations, cash flows and statement of changes in equity of the Company as of any date or for any period subsequent to March 31, 2019.

### **Other Financial Information:**

9. At the Company's request, we have also examined the following restated Ind AS unconsolidated financial information proposed to be included in the RHP and Prospectus, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at March 31, 2019, 2018 and 2017 and for each of the financial years ended March 31, 2019, 2018 and 2017:
  - i. Restated Unconsolidated Statement of Property, plant and equipment and Intangible assets, enclosed as Annexure VII;
  - ii. Restated Unconsolidated Statement of Investment in Subsidiaries, enclosed as Annexure VIII
  - iii. Restated Unconsolidated Statement of Non-Current and Current Investments, enclosed as Annexure IX;
  - iv. Restated Unconsolidated Statement of Loans, enclosed as Annexure X;
  - v. Restated Unconsolidated Statement of Cash and Bank balances, enclosed as Annexure XI;
  - vi. Restated Unconsolidated Statement of Other financial Assets, enclosed as Annexure XII;
  - vii. Restated Unconsolidated Statement of Deferred Tax Assets (Net), enclosed as Annexure XIII;
  - viii. Restated Unconsolidated Statement of Other Assets, enclosed as Annexure XIV;
  - ix. Restated Unconsolidated Statement of Trade Receivables, enclosed as Annexure XV
  - x. Restated Unconsolidated Statement of Current Tax Assets (Net), enclosed as Annexure XVI
  - xi. Restated Unconsolidated Statement of Share Capital, enclosed as Annexure XVII;
  - xii. Restated Unconsolidated Statement of Share buyback obligation, enclosed as Annexure XVIII;
  - xiii. Restated Unconsolidated Statement of Trade Payables and other Financial Liabilities, enclosed as Annexure XIX;
  - xiv. Restated Unconsolidated Statement of Provisions, enclosed as Annexure XX;
  - xv. Restated Unconsolidated Statement of Contract Liabilities, enclosed as Annexure XXI;
  - xvi. Restated Unconsolidated Statement of Other Liabilities, enclosed as Annexure XXII;
  - xvii. Restated Unconsolidated Statement of Revenue from operations, enclosed as Annexure XXIII;
  - xviii. Restated Unconsolidated Statement of Net (loss)/ Gain on financial assets measured at FVTPL enclosed as Annexure XXIV;
  - xix. Restated Unconsolidated Statement of Other Income, enclosed as Annexure XXV;
  - xx. Restated Unconsolidated Statement of Employee Benefit Expense, enclosed as Annexure XXVI;
  - xxi. Restated Unconsolidated Statement of Other Expenses, enclosed as Annexure XXVII;
  - xxii. Restated Unconsolidated Statement of Accounting Ratios, enclosed as Annexure XXVIII;
  - xxiii. Restated Unconsolidated Statement of Capitalisation, enclosed as Annexure XXIX;
  - xxiv. Restated Unconsolidated Statement of Tax Shelter, enclosed as Annexure XXX;
  - xxv. Notes to the Restated Unconsolidated Summary Statement, enclosed as Annexure XXXI.
10. According to the information and explanations given to us, in our opinion, the Restated Ind AS Unconsolidated Summary Statements and the abovementioned restated Ind AS financial information contained in Annexures I to XXXI accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure VI and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.
11. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the management for inclusion in the Red Herring Prospectus (“RHP”) and Prospectus to be filed with SEBI, National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Delhi in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: **101049W/E300004**

**per Yogesh Midha**  
**Partner**  
**Membership No: 94941**  
**Place: New Delhi**  
**Date: June 03, 2019**

S.No.	Particulars	Annexures	As at		
			31 March 2019	31 March 2018	31 March 2017
	<b>Assets</b>				
<b>A</b>	<b>Non-current assets</b>				
	Property, plant and equipment	VII, XXXI(15)	82.74	71.79	73.63
	Capital work-in-progress	VII	1.77	1.77	1.77
	Goodwill	VII	-	-	1,175.55
	Intangible assets	VII	5.70	7.62	12.03
	Investment in subsidiaries	VIII	4.10	71.62	71.62
	<b>Financial Assets</b>				
	(i) Investments	IX	90.39	65.34	132.95
	(ii) Loans	X	1.22	0.92	1.76
	(iii) Bank deposits	XI	-	302.20	-
	(iv) Others financial assets	XII	33.22	35.03	39.73
	Deferred tax assets (net)	XIII	858.06	1,155.58	-
	Other non-current assets	XIV	7.33	6.78	11.79
	<b>Total non-current assets</b>		<b>1,084.53</b>	<b>1,718.65</b>	<b>1,520.83</b>
<b>B</b>	<b>Current assets</b>				
	<b>Financial assets</b>				
	(i) Investments	IX	6,042.99	3,087.70	1,352.36
	(ii) Trade receivables	XV	3.54	2.79	5.60
	(iii) Cash and cash equivalents	XI	359.13	452.48	173.73
	(iv) Bank balance other than (iii) above	XI	375.48	-	229.96
	(v) Loans	X	16.19	63.20	14.20
	(vi) Others financial assets	XII	152.18	38.85	36.40
	Current tax assets (Net)	XVI	99.98	86.60	82.03
	Other current assets	XIV	53.77	46.13	143.67
	<b>Total current assets</b>		<b>7,103.26</b>	<b>3,777.75</b>	<b>2,037.95</b>
	<b>Total assets (A+B)</b>		<b>8,187.79</b>	<b>5,496.40</b>	<b>3,558.78</b>
	<b>Equity and liabilities</b>				
<b>C</b>	<b>Equity</b>				
	Share capital	XVII	285.92	99.77	91.69
	Other Equity	IV	1,320.90	(3,222.51)	(2,622.97)
	<b>Total equity attributable to equity holders</b>		<b>1,606.82</b>	<b>(3,122.74)</b>	<b>(2,531.28)</b>
<b>D</b>	<b>Liabilities</b>				
	<b>Non-current liabilities</b>				
	Financial liabilities	XVIII	-	3,729.30	2,460.90
	(i) Share buyback obligation	XIX	2.84	2.62	5.36
	(ii) Other financial liabilities	XX, XXXI(15)	93.85	58.36	16.32
	Provisions	XXI	2,297.91	1,660.91	1,213.32
	Contract liabilities (Previous years: Deferred revenue)		2,394.60	<b>5,451.19</b>	<b>3,695.90</b>
<b>E</b>	<b>Current liabilities</b>				
	<b>Financial liabilities</b>				
	(i) Trade payables	XIX, XXXI(15)	-	11.31	-
	(a) total outstanding dues of micro enterprises and small enterprises				
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises				
	(ii) Other financial liabilities	XIX	439.53	401.42	291.66
	Provisions	XX, XXXI(15)	0.48	0.18	0.17
	Contract liabilities (Previous years: Deferred revenue)	XXI, XXXI(15)	51.51	46.85	38.23
	Other current liabilities	XXII	3,553.49	2,573.72	2,037.02
	<b>Total current liabilities</b>		141.36	134.47	27.08
	<b>Total liabilities (D+E)</b>		<b>4,186.37</b>	<b>3,167.95</b>	<b>2,394.16</b>
	<b>Total equity and liabilities (C+D+E)</b>		<b>8,187.79</b>	<b>5,496.40</b>	<b>3,558.78</b>
	<b>Note</b>				
	The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.				

As per our report of even date

**For S. R. Batliboi & Associates LLP**  
Chartered Accountants  
Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of  
**IndiaMart InterMesh Limited**

per Yogesh Midha  
Partner  
Membership No.: 94941

**Dinesh Chandra Agarwal**  
Managing Director  
DIN:00191800

**Brijesh Kumar Agrawal**  
Whole-time Director  
DIN:00191760

S. No.	Particulars	Annexures	For the years ended		
			31 March 2019	31 March 2018	31 March 2017
<b>F</b>	<b>Income</b>	XXIII XXIV XXV	4,972.75	4,035.48	3,086.29
	Revenue from operations		323.86	36.52	118.68
	Net gain on financial assets measured at FVTPL		36.31	28.61	18.50
	<b>Total income</b>		<b>5,332.92</b>	<b>4,100.61</b>	<b>3,223.47</b>
<b>G</b>	<b>Expenses</b>	XXVI VII VII XVIII XXVII	2,217.24	1,887.84	1,805.47
	Employee benefits expense		39.98	27.97	40.16
	Depreciation and amortization expense		-	1,175.55	-
	Impairment of goodwill		652.63	1,228.62	192.79
	Net loss on financial liability designated at FVTPL		1,959.78	1,655.45	1,316.01
	<b>Total expenses</b>		<b>4,869.63</b>	<b>5,975.43</b>	<b>3,354.43</b>
<b>H</b>	<b>Restated profit/loss before tax (F-G)</b>		<b>463.29</b>	<b>(1,874.82)</b>	<b>(130.96)</b>
<b>I</b>	<b>Income tax expense</b>	XIII XIII XIII	-	-	-
	Current Tax		-	-	-
	Adjustment of tax relating to earlier years		337.36	(1,150.41)	-
<b>J</b>	<b>Total tax expenses</b>		<b>337.36</b>	<b>(1,150.41)</b>	<b>-</b>
<b>K</b>	<b>Profit/(Loss) for the year attributable to equity shareholders (H-I)</b>		<b>125.93</b>	<b>(724.41)</b>	<b>(130.96)</b>
<b>L</b>	<b>Other comprehensive income (OCI)</b>	XXXI(2) XIII	(10.47)	(14.80)	(5.23)
	<b>Items not to be reclassified to profit or loss in subsequent years</b>		3.66	5.17	-
	Re-measurement losses on defined benefit plans		(6.81)	(9.63)	(5.23)
	<b>Other comprehensive income for the year, net of tax</b>				
	<b>Total comprehensive income/(loss) for the year attributable to equity shareholders (J + K)</b>		<b>119.12</b>	<b>(734.04)</b>	<b>(136.19)</b>

**Notes:**

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

As per our report of even date

**For S. R. Batliboi & Associates LLP**

Chartered Accountants

Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of

**IndiaMart InterMesh Limited**

**per Yogesh Midha**

Partner

Membership No.: 94941

**Dinesh Chandra Agarwal**

Managing Director

DIN:00191800

**Brijesh Kumar Agrawal**

Whole-time Director

DIN:00191760

Place: Delhi

Date: June 3, 2019

**Prateek Chandra**

Chief Financial Officer

**Manoj Bhargava**

Company Secretary

Place: Noida

Date: June 3, 2019

S. No.	Particulars	Annexures	For the years ended		
			31 March 2019	31 March 2018	31 March 2017
A	<b>Cash flow from operating activities</b>				
	Profit/ (Loss) before tax (as restated)	II	463.29	(1,874.82)	(130.96)
	<b>Adjustments for:</b>				
	Depreciation of property, plant and equipment	VII	36.45	23.16	37.41
	Amortisation of intangible assets	VII	3.53	4.82	2.75
	Interest Income	XXV	(29.43)	(28.08)	(18.51)
	Gain from business transfer arrangement (Refer note 15 of Annexure XXXI)		(6.80)		
	Fair value change in investment in debt instruments of subsidiaries		47.38	124.38	13.70
	Fair value change in investment in mutual funds	XXIV	(319.96)	(88.36)	(113.35)
	Fair value change in share buyback obligations	XVIII	652.63	1,228.62	192.79
	(Gain)/loss on disposal of property, plant and equipment	XXV, XXVII	(0.08)	(0.53)	0.03
	Share-based payment expense	XXVI	84.53	29.87	19.51
	Finance cost	XXVII	-	-	-
	Gain on disposal of mutual fund investments	XXIV	(51.28)	(72.54)	(19.03)
	Impairment of goodwill	VII	-	1,175.55	-
	Impairment loss on investment in subsidiaries	XXVII	70.12	-	5.10
	<b>Operating profit/(loss) before working capital changes</b>		<b>950.38</b>	<b>522.07</b>	<b>(10.56)</b>
	<b>Movement in working capital :</b>				
	(Increase)/decrease in trade receivables	XV	(0.74)	2.83	(0.58)
	(Increase) in other financial assets	X, XII	7.88	(39.39)	(36.46)
	(Increase)/decrease in other assets	XIV	(8.16)	102.53	(117.83)
	Decrease in other financial liabilities	XIX	0.52	(2.73)	(1.30)
	Increase in trade payables	XIX, XXXI(15)	26.80	121.07	53.98
	Increase in other liabilities	XXI, XXII, XXXI(15)	1,630.46	1,091.69	694.74
	Increase/(decrease) in provisions	XX, XXXI(15)	29.67	35.87	15.41
	<b>Cash generated from operations</b>		<b>2,636.81</b>	<b>1,833.94</b>	<b>597.40</b>
	Income tax paid (net)		(49.55)	(4.59)	(9.80)
	<b>Net cash from operating activities</b>		<b>2,587.26</b>	<b>1,829.35</b>	<b>587.60</b>
B	<b>Cash flow from investing activities</b>				
	Proceeds from sale of property, plant and equipment	VII	0.52	1.06	0.02
	Purchase of property, plant and equipment & other intangible assets		(49.50)	(22.25)	(28.84)
	Purchase of mutual fund investments		(5,189.60)	(3,229.70)	(1,586.06)
	Investments in subsidiaries (net of cancellation)*		(75.02)	(56.70)	(538.72)
	Proceeds from sale of mutual fund investments		2,605.56	1,655.25	1,652.38
	Interest received		25.94	21.49	15.66
	Advances paid, recoverable from shareholders		(69.20)	-	-
	Investments in bank deposits (having original maturity of more than three months)		(73.28)	(72.24)	(116.44)
	<b>Net cash used in investing activities</b>		<b>(2,824.58)</b>	<b>(1,703.09)</b>	<b>(602.00)</b>
C	<b>Cash flow from financing activities</b>				
	Proceeds from issues of preference shares under share buyback obligation		-	39.78	72.93
	Proceeds from issues of equity shares on exercise of ESOP		143.97	112.71	-
	Interest paid		-	-	-
	Repayment of short-term borrowings		-	-	-
	<b>Net cash generated from financing activities</b>		<b>143.97</b>	<b>152.49</b>	<b>72.93</b>
D	<b>Net increase/(decrease) in cash and cash equivalents (A +B +C)</b>		<b>(93.35)</b>	<b>278.75</b>	<b>58.53</b>
E	Cash and cash equivalents at the beginning of the year		452.48	173.73	115.20
	<b>Cash and cash equivalents at end of the year (D + E)</b>		<b>359.13</b>	<b>452.48</b>	<b>173.73</b>
	<b>Components of cash and cash equivalents</b>	XI			
	Cash on hand		0.16	1.00	0.14
	Cheques on hand		145.42	121.42	82.36
	With banks - on current account		213.55	330.06	91.23
	<b>Total</b>		<b>359.13</b>	<b>452.48</b>	<b>173.73</b>
	<b>Non-cash investing activities</b>				
	Transactions pursuant to the scheme (refer note 6 in Annexure XXXI)		-	34.80	1,366.63
	- Cancellation of Investment		-	-	1,175.55
	- Recognition of Goodwill		-	-	-
	<b>Non-cash financing activities</b>				
	Conversion of preference shares into equity shares		4,381.93	-	-
	Fair value change in share buyback obligations (Refer Annexure XVIII)		652.63	1,228.62	192.79

\*Pertains to cancellation of investment in subsidiary "Tolexo Online Private Limited" during year ended 31 March 2018 on account of acquisition of its online business undertaking vide order dated 11 October 2017 of National Company Law Tribunal, New Delhi bench.

**Notes:**

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

As per our report of even date

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of  
**IndiaMart InterMesh Limited**

per Yogesh Midha  
Partner  
Membership No.: 94941

**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: Delhi  
Date: June 3, 2019

Place: Noida  
Date: June 3, 2019

Particulars	Equity Share capital	Reserve and surplus				Total reserve and surplus	Total Equity
		Securities premium	General reserve	Employee Share based Payment Reserve {Refer XXXI(4)}	Retained earnings		
<b>Balance as at 1 April 2016</b>	<b>91.69</b>	<b>153.05</b>	<b>8.45</b>	26.61	<b>(2,694.40)</b>	<b>(2,506.29)</b>	<b>(2,414.60)</b>
Loss for the year	-	-	-	-	(130.96)	(130.96)	(130.96)
Other comprehensive loss for the year	-	-	-	-	(5.23)	(5.23)	(5.23)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	<b>(136.19)</b>	<b>(136.19)</b>	<b>(136.19)</b>
Employee stock based payment expense	-	-	-	19.51	-	19.51	19.51
<b>Balance as at 31 March 2017</b>	<b>91.69</b>	<b>153.05</b>	<b>8.45</b>	46.12	<b>(2,830.59)</b>	<b>(2,622.97)</b>	<b>(2,531.28)</b>
Loss for the year	-	-	-	-	(724.41)	(724.41)	(724.41)
Other comprehensive loss for the year	-	-	-	-	(9.63)	(9.63)	(9.63)
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	<b>(734.04)</b>	<b>(734.04)</b>	<b>(734.04)</b>
Equity share capital issued under ESOP	8.08	126.44	-	(21.81)	-	104.63	112.71
Employee share based payment expense	-	-	-	29.87	-	29.87	29.87
<b>Balance as at 31 March 2018</b>	<b>99.77</b>	<b>279.49</b>	<b>8.45</b>	<b>54.18</b>	<b>(3,564.63)</b>	<b>(3,222.51)</b>	<b>(3,122.74)</b>
Profit for the year	-	-	-	-	125.93	125.93	125.93
Other comprehensive loss for the year	-	-	-	-	(6.81)	(6.81)	(6.81)
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	<b>119.12</b>	<b>119.12</b>	<b>119.12</b>
Equity share capital issued under ESOP	15.66	195.61	-	(67.29)	-	128.32	143.98
Bonus issue during the year**	99.77	(99.77)	-	-	-	(99.77)	-
Equity share capital issued on conversion of convertible preference shares (refer Annexure XVII)	70.72	4,311.21	-	-	-	4,311.21	4,381.93
Employee share based payment expense	-	-	-	84.53	-	84.53	84.53
<b>Balance as at 31 March 2019</b>	<b>285.92</b>	<b>4,686.54</b>	<b>8.45</b>	<b>71.42</b>	<b>(3,445.51)</b>	<b>1,320.90</b>	<b>1,606.82</b>

**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 grant date fair value of options issued to employees under Company's employee option plan (ESOP). (refer note 4 of Annexure XXXI)

(d) Retained earnings: Retained earnings represent the amount of accumulated earnings of the Company, and re-measurement gains/losses on defined benefit plans.

**Notes:**

\*\* 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 08 May 2018. The shareholders approved the allotment at general meeting held on 7 May 2018.

1. The above statement of changes in equity should be read in conjunction with the accompanying notes.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

As per our report of even date

**For S. R. Batliboi & Associates LLP**

Chartered Accountants

Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of  
**IndiaMart InterMesh Limited**

**per Yogesh Midha**

Partner

Membership No.: 94941

**Dinesh Chandra Agarwal**

Managing Director

DIN:00191800

**Brijesh Kumar Agrawal**

Whole-time Director

DIN:00191760

**Prateek Chandra**

Chief Financial Officer

**Manoj Bhargava**

Company Secretary

## **1. Corporate Information**

Indiamart Intermesh Limited (“the 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 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 Subhash Marg, New Delhi-110002, India.

The restated financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on June 3, 2019.

## **2. Significant accounting policies**

### **2.1 Basis of preparation**

The restated Summary Statement of Assets and Liabilities of the Company as at 31 March 2019, 2018 and 2017 , the related restated Ind AS Summary Statement of Profit and Loss, Restated Ind AS Summary Statement of changes in equity and Restated Ind AS Summary Statement of Cash Flows for the years ended 31 March 2019, 2018 and 2017, and accompanying annexures to the Financial information (hereinafter collectively referred to as “Restated Ind AS Financial Information”) have been prepared specifically for inclusion in the Red Herring Prospectus(“RHP”) and Prospectus to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) in connection with proposed Initial Public Offering through Offer for Sale (IPO) of its equity shares.

These Restated Ind AS Unconsolidated Financial Information have been prepared to comply in all material respects with the requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended read with rules 4 to 6 of the Rules, and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the SEBI regulations”) as amended from time to time.

The Restated Ind AS Summary Statement have been compiled from:

- a) the audited financial statements of the Company as at and for the year ended March 31, 2019 and 2018, which were prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended, read with Section 133 of the Act (“Ind AS”), issued by the Ministry of Corporate Affairs (‘MCA’) and
- b) the audited financial statements of the Company as at and for the year ended March 31, 2017 prepared in accordance with accounting principles generally accepted in India (“Indian GAAP”) at the relevant time.

As per the requirements of SEBI Circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016, the Company has presented the restated financial statements for the year ended March 31, 2019, March 31, 2018 and March 31, 2017 under Ind AS and year ended March 31, 2016 and March 31, 2015 under Indian GAAP. Financial statements presented under Indian GAAP have been prepared in a separate set of financial statements.

All amounts disclosed in the financial statements and annexures have been rounded off to the nearest INR million as per the requirement of Schedule III, unless otherwise stated.

The financial statements have been prepared on the historical cost basis as explained in the accounting policies below, except for the following:

- a) certain financial assets and liabilities measured at fair value where the Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments);
- b) share-based payments

The preparation of these 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 Company’s

accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in serial no 3 of this annexure.

## **2.2 Summary of significant accounting policies**

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, to all the periods presented in these financial statements.

### **a) Current versus non-current classification**

The Company 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 Company 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 Company has identified twelve months as its operating cycle.

### **b) Fair value measurement**

The Company 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 Company.

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.

**Notes to the Restated Ind AS Unconsolidated Summary Statements -Accounting Policies**  
**Amount in INR million, unless otherwise stated**

---

The Company 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 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 Company's assumptions about pricing by market participants

For assets and liabilities that are recognised in the financial statements on fair value on a recurring basis, the Company 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 Company'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 Company'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 Company'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 Company 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 (Point 5 of this annexure)
- Disclosures for valuation methods and quantitative disclosure of fair value measurement hierarchy (serial 11 of Annexure XXXI)

**c) Revenue from contracts with customers and other income**

Revenue from contracts with customers

The Company 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 Company expects to be 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 company 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 Company apply the practical expedient to recognize advertising revenue in the amount to which the Company has a right to invoice Contract balances

**Trade receivables**

A receivable represents the Company'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 n) Financial instruments.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). The company 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 Company 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 Company 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 Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**d) Property, plant and equipment**

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 Company depreciates them separately based on their specific useful lives.

**Notes to the Restated Ind AS Unconsolidated Summary Statements -Accounting Policies**  
**Amount in INR million, unless otherwise stated**

---

Capital work in progress includes cost of property, plant and equipment under development as at the balance sheet date and is recognised at cost.

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.

**Transition to Ind AS**

On transition to Ind AS, the Company 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 2015 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 estimated useful lives prescribed under Schedule II to Companies Act, 2013. The Company has used the following rates to provide depreciation on its Property, plant and equipment:

<b>Asset</b>	<b>Annual rates</b>
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 estimated 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 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 Company's assets are determined by management at the time the asset is acquired and reviewed at each financial year end.

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

Intangible assets with finite lives are amortised over the estimated 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 estimated 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.

**Notes to the Restated Ind AS Unconsolidated Summary Statements -Accounting Policies**  
**Amount in INR million, unless otherwise stated**

---

Intangible assets (being Goodwill) 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 Company are amortised on a written down value at 40% annually.

Advances paid towards the acquisition of intangible assets 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.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 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 1 April 2015, the Company 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 Company 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 estimated useful life of the asset. However, if there is no reasonable certainty that the Company 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) Investment in subsidiaries**

The Company records the investment in equity instruments of subsidiaries at cost less impairment loss, if any.

On disposal of investment in subsidiary, the difference between net disposal proceeds and the carrying amount is recognised in the Statement of profit and loss.

**h) Impairment of non-financial assets**

The Company 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 Company 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 Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company'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 Company 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.

For assets other than goodwill, 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 Company 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.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

**i) 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.

**Notes to the Restated Ind AS Unconsolidated Summary Statements -Accounting Policies**  
**Amount in INR million, unless otherwise stated**

---

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.

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.

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 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.

**j) Provisions and contingent liabilities**

Provisions

Provisions are recognised when the Company 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 Company 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 Company 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 Company does not recognise a contingent liability but discloses its existence in the financial statements.

**k) 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 Company has no obligation, other than the contribution payable to the provident fund. The Company 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 Company 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

**Notes to the Restated Ind AS Unconsolidated Summary Statements -Accounting Policies**  
**Amount in INR million, unless otherwise stated**

---

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 Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company 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 Company 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 Company 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 Company 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.

**I) Share-based payments**

Employees of the Company also receive remuneration in the form of stock options (ESOP) and stock appreciation rights (SAR) as a share based payment transactions under Company's Employee Stock Option Plan and Employee Stock Benefit Scheme. Both of these are equity settled share based payment transactions. **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 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 Company'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.

**m) 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 Company 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 Annexure XV.

Debt instruments at FVTOCI

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

**Notes to the Restated Ind AS Unconsolidated Summary Statements -Accounting Policies**  
**Amount in INR million, unless otherwise stated**

---

- 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 Company 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 Company 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 Company 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 Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company 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 Company 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 Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- 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

**Notes to the Restated Ind AS Unconsolidated Summary Statements -Accounting Policies**  
**Amount in INR million, unless otherwise stated**

---

The Company 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 Company 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 Company 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 Company 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 Company 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 Company 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.

**Notes to the Restated Ind AS Unconsolidated Summary Statements -Accounting Policies**  
**Amount in INR million, unless otherwise stated**

---

The Company'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 company 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 company 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.

**n) Foreign currency transactions**

The Company's financial statements are presented in INR which is also the Company's functional currency.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company 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.

**Notes to the Restated Ind AS Unconsolidated Summary Statements -Accounting Policies**  
**Amount in INR million, unless otherwise stated**

---

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).

**o) 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.

**p) 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.

**q) 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 Company 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 Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**r) 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 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.

**Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**Operating lease commitments – Company as lessor**

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

**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 Company based its assumptions and estimates on parameters available when the 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 Company. 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 Company 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 Company has recognised deferred tax assets on the unused tax losses (which shall expire during the year 2019-20 to 2025-26) and other deductible temporary differences to the extent 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 Company has tax business and capital losses carried forward amounting to INR 43.32 million (31 March 2018: INR 74.77 million, 31 March 2017: INR 3,840.28million; 31March 2016 proforma: INR 2698.72 million). The Company does not expect sufficient future taxable profit against which such tax losses can be utilised. On this basis, the Company has not recognised deferred tax assets on these carried forward tax losses. Refer Annexure XIII for further details.

**b) Share based payment**

The Company 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 point no 4 of Annexure XXXI.

**c) Revenue from contracts with customers**

The Company 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 Company. The company reviews its estimate at each reporting date.

**d) Impairment of goodwill**

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. 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. These estimates are most relevant to goodwill recognised by the Company. During the current year, the Company has recognised impairment allowance of goodwill amounting to INR 1,175.55 million. The key assumptions used to determine the recoverable amount for the Goodwill and estimates involved in recognition of impairment loss, are disclosed and further explained in point no 5 of Annexure XXIX.

**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 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 point no 2 of Annexure XXXI.

**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 point no 11 of Annexure XXXI 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 Company's assets are determined by management at the time the asset is acquired and reviewed at each financial year end (Refer Note 2.3(d))

**4. Recently issued accounting pronouncements- Issued but not yet effective**

**IND AS 116 Leases**

The Ministry of Corporate Affairs on 30 March,2019 notified the new leasing standard, viz., Ind AS 116 Leases. Ind AS 116 is applicable for the financial year beginning on or after 1 April,2019 for companies preparing their 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 Company is under process to evaluate the impacts of the new standard on financial statements.

Reconciliation of equity as per Indian GAAP and Ind AS for year ended as at March 31, 2017 and as at April 01, 2016 is as under:

Particulars	Notes	31 March 2017	01 April 2016
<b>Restated Equity as per Indian GAAP</b>		163.03	83.16
<b>Effect of transition to Ind AS on account of (Refer Note B below):</b>			
Reclassification of preference shares as financial liabilities	1	(2,460.90)	(2,195.18)
Impact of discounting of security deposit	2	(1.14)	(0.80)
Gain/(loss) on financial assets measured at fair value through profit or loss	3	142.35	35.43
Deferred revenue and contract modification	4	(437.24)	(341.52)
Reversal of goodwill amortisation	5	58.78	-
Investment in subsidiaries- Preference instrument	6	-	-
Capitalisation of advance rent to Leasehold land	7	3.84	4.31
<b>Total</b>		<b>(2,694.31)</b>	<b>(2,497.76)</b>
<b>Restated Equity as per Ind AS</b>		(2,531.28)	(2,414.60)

Reconciliation of Profit/(loss) after tax as previously reported under IGAAP to Ind AS for the year ended March 31, 2017 :

Particulars	Notes	31 March 2017
<b>Restated net profit/(loss) as per Indian GAAP</b>		4.34
<b>Material adjustments on account of restatement</b>		
<b>Proforma Ind AS adjustments (Refer Note B (i) below):</b>		
Gain/(loss) on financial liabilities measured at fair value through profit or loss	1	(192.79)
Rental expense on amortisation of security deposit	2	(3.20)
Finance income on amortisation security deposit	2	(0.37)
Unwinding of discount on security deposits	2	2.85
Gain/(loss) on financial assets measured at fair value through profit or loss	3	106.92
Deferred revenue and contract modification	4	(95.72)
Reversal of amortization of Intangible assets	5	58.78
Depreciation of Tangible assets	7	(0.09)
Fair value adjustment related to Employee stock option plan	8	(16.91)
<b>Total</b>		<b>(140.53)</b>
<b>Restated total comprehensive loss as per Ind AS</b>		<b>(136.19)</b>

B Notes:

**1. Share buyback obligation**

Under Indian GAAP, convertible preference shares issued by the Company 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". 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 2,460.9 mn as at 31 March 2017 ( INR 2195.18 mn 01 April, 2016)

**2. Security deposits**

Under Indian 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).

**3. Fair valuation of investment in mutual funds**

Under Indian 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.

**4. Deferred revenue**

Under Indian 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 Indian 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 separate 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 01 April, 2016) with corresponding adjustment to total equity.

**5. Goodwill**

Under previous GAAP, the Company recognised the goodwill amounting to INR 1,175.55 mn pursuant to the accounting principles prescribed under the scheme of arrangement (refer serial number 6 of Annexure XXXI) and amortised the same over the period of 5 years. While preparing Ind financial statements, the Company continued to follow the accounting principles prescribed under the scheme and accordingly carried the goodwill at amount as initially measured with adjustment of INR 58.78 mn through the statement of profit and loss for the year ended 31 March 2017.

**6. Investment in debt instruments of subsidiary**

Under Indian GAAP, the Company recognised the investment in convertible preference shares of subsidiaries at cost. Under Ind AS, these investments are required to be measured at amortised cost or fair value. These investments have been classified as Investment in debt instruments to be measured at fair value through profit or loss at each reporting date. There is no impact in the equity as at 01 April 2016 and the statement of profit or loss for the year ended 31 March 2017.

**7. Leasehold land**

Under Indian 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 capitalized 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.

**8. Employee Stock Option Plan**

Under Indian GAAP, the company 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 on this account, employee share based payment expense amounting INR 16.91 recognised in the statement of profit or loss for the year ended 31 March 2017. There is no impact on total equity.

**9. Other adjustments**

Under previous GAAP, the Company 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 summarised below:

**10. Other equity**

Other equity as at transition date and as at 31 March 2017 has been adjusted consequent to the above Ind AS adjustments.

**11. Other comprehensive income**

Under Indian GAAP, the company 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.

**12. Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

- A The summary of results of restatement made in the audited previous Ind AS unconsolidated financial statements for the respective years and its impact on the profit or losses of the Company is as follows:

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
<b>Net profit/(loss) as per audited financial statements</b>	119.12	(734.04)	(136.19)
Restatement adjustments		-	-
<b>Net profit/(Loss) as per restated financial statements</b>	<b>119.12</b>	<b>(734.04)</b>	<b>(136.19)</b>

B **Non adjusting items**

Audit qualifications for the respective years, which do not require any adjustments in the restated Ind AS unconsolidated financial information are as follows:

**Annexure to auditor's report for the financial year ended March 31, 2019**

- (i) Clause vii (c)

According to the records of the Company, the dues outstanding of income tax and service tax on account of any dispute, are as follows

Name of the statute	Nature of dues	Demand amount	Paid Amount	Remaining amount	Period to which it relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	6.78	-	6.78	2006-07 to 2011-12	CESTAT
Finance Act, 1994	Service Tax	1.30	-	1.30	2013-14 to 2015-16	Commissioner of GST & Central Excise
Finance Act, 1994	Service Tax	15.38	-	15.38	2013-14 to 2017-18	Commissioner of GST & Central Excise
Income Tax Act, 1961	Income Tax	3.49	3.49	-	2010-11 and 2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	0.29	0.29	-	2012-13	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	3.34	3.34	-	2009-10	High court- Delhi

**Annexure to auditor's report for the financial year ended March 31, 2018**

- (i) Clause vii (c)

According to the records of the Company, the dues outstanding of income tax and service tax on account of any dispute, are as follows

Name of the statute	Nature of dues	Demand amount	Paid Amount	Remaining amount	Period to which it relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1.3	0	1.3	2013-14 to 2015-16	Commissioner of GST & Central Excise
Income Tax Act, 1961	Income Tax	4.58	4.58	0	2010-11, 2011-12 and 2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	0.29	0.29	0	2012-13	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	3.31	3.31	0	2009-10	High court- Delhi

**Annexure to auditor's report for the financial year ended March 31, 2017**

- (i) Clause ix (c)

According to the records of the Company, the dues outstanding of income tax and service tax on account of any dispute, are as follows

Name of the statute	Nature of dues		Amount in million	Period to which it relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax		6.47	Financial years 2006-07 to 2012-13	Additional Commissioner of Service tax
The Finance Act, 1994	Service Tax		0.91	2011-12	Additional Commissioner of Service tax
The Finance Act, 1994	Service Tax		0.36	2012-13	Additional Commissioner of Service tax
The Finance Act, 1994	Service Tax		1.30	2013-14 to 2015-16	Deputy Commissioner of Service tax
The Income Tax Act, 1961	Additional fringe benefits tax and tax demand		0.02	Assessment year 2006-07	Commissioner of Income tax (Appeals)

**Property, plant and equipment**

Particulars	Leasehold Land (refer note 3 below)	Computers	Office Equipments	Furniture and Fittings	Motor Vehicles	Total Property, plant and equipment	Capital work in progress (refer note 1 below)
<b>At 01 April 2016</b>	<b>37.59</b>	<b>47.28</b>	<b>19.62</b>	<b>4.96</b>	<b>1.40</b>	<b>110.85</b>	<b>1.77</b>
Additions	-	16.44	5.60	0.46	-	22.50	
Disposals	-	(0.12)	-	-	-	(0.12)	
<b>At 31 March 2017</b>	<b>37.59</b>	<b>63.60</b>	<b>25.22</b>	<b>5.42</b>	<b>1.40</b>	<b>133.23</b>	<b>1.77</b>
Additions	-	9.56	7.78	0.75	3.75	21.84	
Disposals	-	(0.14)	-	-	(0.95)	(1.09)	
<b>At 31 March 2018</b>	<b>37.59</b>	<b>73.02</b>	<b>33.00</b>	<b>6.17</b>	<b>4.20</b>	<b>153.98</b>	<b>1.77</b>
Additions	-	36.74	10.00	1.07	-	47.81	
Disposals	-	(0.71)	(0.25)	-	-	(0.96)	
<b>At 31 March 2019</b>	<b>37.59</b>	<b>109.05</b>	<b>42.75</b>	<b>7.24</b>	<b>4.20</b>	<b>200.83</b>	<b>1.77</b>
<b>Accumulated depreciation</b>							-
<b>At 01 April 2016</b>	<b>0.46</b>	<b>13.79</b>	<b>6.35</b>	<b>1.25</b>	<b>0.40</b>	<b>22.25</b>	
Charge for the year	0.46	27.84	7.59	1.23	0.29	37.41	
Disposals during the year	-	(0.05)	-	-	-	(0.05)	
<b>At 31 March 2017</b>	<b>0.92</b>	<b>41.57</b>	<b>13.94</b>	<b>2.48</b>	<b>0.69</b>	<b>59.60</b>	
Charge for the year	0.46	14.87	6.65	0.97	0.20	23.15	
Disposals during the year	-	(0.10)	-	-	(0.46)	(0.56)	
<b>At 31 March 2018</b>	<b>1.38</b>	<b>56.35</b>	<b>20.59</b>	<b>3.45</b>	<b>0.43</b>	<b>82.19</b>	
Charge for the year	0.46	25.37	8.70	0.94	0.98	36.45	
Disposals for the year	-	(0.39)	(0.16)	-	-	(0.56)	
<b>At 31 March 2019</b>	<b>1.84</b>	<b>81.33</b>	<b>29.12</b>	<b>4.40</b>	<b>1.40</b>	<b>118.09</b>	-
<b>Net book value</b>							
<b>At 31 March 2017</b>	<b>36.67</b>	<b>22.03</b>	<b>11.28</b>	<b>2.94</b>	<b>0.71</b>	<b>73.63</b>	<b>1.77</b>
<b>At 31 March 2018</b>	<b>36.21</b>	<b>16.68</b>	<b>12.41</b>	<b>2.72</b>	<b>3.77</b>	<b>71.79</b>	<b>1.77</b>
<b>At 31 March 2019</b>	<b>35.75</b>	<b>27.72</b>	<b>13.63</b>	<b>2.85</b>	<b>2.80</b>	<b>82.74</b>	<b>1.77</b>

1. Capital work in progress as on March 31st represents the amount incurred on construction of boundary wall for leasehold land.

2. The Company has elected to avail Ind AS 101 exemption to continue with the carrying value under Indian 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 Company 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 Company is required to complete the construction of building within 5 years from the date of handing over the possession. The Company has obtained extension for construction of building on the leasehold land till 5 October 2019.

**Annexure VII**

**Restated Ind AS Unconsolidated Statement of Property, plant and equipment and Intangible assets**  
**(Amounts in INR millions, unless otherwise stated)**

**Intangible Assets**

Particulars	Goodwill (refer note 1 below)	Software	Unique telephone numbers	Total*
<b>Gross carrying amount</b>				
<b>At 01 April 2016</b>	-	2.32	<b>7.85</b>	<b>10.17</b>
Additions	1,175.55	8.66	-	8.66
<b>At 31 March 2017</b>	<b>1,175.55</b>	10.98	<b>7.85</b>	<b>18.83</b>
Additions	-	0.41	-	0.41
<b>At 31 March 2018</b>	<b>1,175.55</b>	<b>11.39</b>	<b>7.85</b>	<b>19.24</b>
Additions	-	1.66	-	1.66
Disposals	-	(0.08)	-	(0.08)
<b>At 31 March 2019</b>	<b>1,175.55</b>	<b>12.97</b>	<b>7.85</b>	<b>20.82</b>
<b>Accumulated amortisation</b>				
<b>At 01 April 2016</b>	-	<b>0.90</b>	<b>3.15</b>	<b>4.05</b>
Amortisation for the year	-	0.87	1.88	2.75
<b>At 31 March 2017</b>	-	<b>1.77</b>	<b>5.03</b>	<b>6.80</b>
Amortisation for the year	-	3.69	1.13	4.82
Impairment	1,175.55	-	-	-
<b>At 31 March 2018</b>	<b>1,175.55</b>	<b>5.46</b>	<b>6.16</b>	<b>11.62</b>
Amortisation for the year	-	2.85	0.68	3.53
Disposals	-	(0.03)	-	(0.03)
<b>At 31 March 2019</b>	<b>1,175.55</b>	<b>8.28</b>	<b>6.84</b>	<b>15.12</b>
<b>Net book value</b>				
<b>At 31 March 2017</b>	<b>1,175.55</b>	<b>9.21</b>	<b>2.82</b>	<b>12.03</b>
<b>At 31 March 2018</b>	-	<b>5.93</b>	<b>1.69</b>	<b>7.62</b>
<b>At 31 March 2019</b>	-	<b>4.69</b>	<b>1.01</b>	<b>5.70</b>

Depreciation and amortisation expenses	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
<b>Particulars</b>			
Depreciation	36.45	23.15	37.41
Amortisation	3.53	4.82	2.75
<b>Total</b>	<b>39.98</b>	<b>27.97</b>	<b>40.16</b>

\* the total above does not include goodwill

1. During the year ended March 31, 2017, the Company has acquired online business undertaking from its wholly owned subsidiary resulting into Goodwill of INR 1175.55 mn as excess of consideration over net asset acquired (refer Annexure XXXI Note no 5 for details). Goodwill is tested for impairment annually at each reporting date i.e. March 31. Management determines the recoverable amount of goodwill based on value in use calculations of expected benefits over foreseeable future.

As at March 31, 2017, management has estimated cash flows projections of benefits accruing over foreseeable future and discounted the same using an appropriate discount rate and determined that discounted value of such expected benefits were in excess of the carrying value of Goodwill as on that date. As at March 31, 2018, due to certain changes in business and economic conditions, management believes that the expected benefits will take much longer to accrue than anticipated as on March 31, 2017. Therefore, due to uncertainties involved in the market environment the company is not able to determine value of expected benefits with reasonable certainty over the foreseeable future as on March 31, 2018. Accordingly, based on the conservative view, the goodwill has been fully impaired by way of recognition of impairment loss amounting to INR 1175.55 mn during the year ending March 31, 2018. This loss has been disclosed as a separate line item in the statement of Profit and loss.

2. The Company has elected to avail Ind AS 101 exemption to continue with the carrying value under Indian 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 figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

4. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**Investment in subsidiaries**

Particulars	As At					
	No. of Shares (units)			Amount		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
<b>Investment in subsidiaries</b>						
<b>Investment in equity instruments - Unquoted fully paid up</b>						
Tradezeal International Private Limited (refer note 1 below)	110,000	110,000	110,000	3.15	3.15	3.15
Hello Trade Online Private Limited	30,000	20,000	20,000	0.30	0.20	0.20
Ten Times Online Private Limited	62,333	60,000	60,000	3.10	0.60	0.60
Tolexo Online Private Limited (refer note 2 below)	7,001,800	7,001,800	7,001,800	70.02	70.02	70.02
Pay With Indiamart Private Limited	100,000	100,000	100,000	1.00	1.00	1.00
				<b>77.57</b>	<b>74.97</b>	<b>74.97</b>
Less: Impairment allowance in value of investments in Tradezeal International Private Limited, Hello Trade Online Private Limited and Tolexo Online Private Limited				(73.47)	(3.35)	(3.35)
<b>Investment in equity instruments</b>				<b>4.10</b>	<b>71.62</b>	<b>71.62</b>

**Note:**

1. The Company has elected Ind AS 101 exemption and continue with the carrying value of its above investments in subsidiaries as its deemed cost as at the date of transition. The above equity investment in Tradezeal International Private Limited includes includes equity component of Investment in redeemable preference shares, known as deemed equity investment, amounting to INR 2.05 millions(31 March 2018: INR 2.05 mn, 31 March 2017: INR 2.05 mn)
2. Management has estimated cash flows projections of benefits accruing over foreseeable future and discounted the same using an appropriate discount rate and determined that discounted value of such expected benefits were in excess of the carrying value of Investment in debt instruments of Tolexo Online Pvt. Ltd as on that date. As at 31 March 2019, due to certain changes in business and economic conditions, management believes that the expected benefits will take much longer to accrue than anticipated. Therefore, due to uncertainties involved in the market environment the Company is not able to determine value of expected benefits with reasonable certainty over the foreseeable future as on 31 March 2019. Accordingly, based on the conservative view, the Investment in instruments of Tolexo Online Pvt Ltd has been fully impaired by way of recognition of losses in Profit and Loss account amounting to 70.02 millions during the year ended 31 March 2019. The loss has been disclosed as impairment loss for investment in subsidiaries under Other expenses in statement of Profit and Loss.
3. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.
4. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of RestatementAdjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**Non-current Investment**

Particulars	As At					
	No. of Shares (units)			Amount		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
<b>Investment in subsidiaries (fully paid-up)</b>						
<b>Investment in debt instruments of subsidiaries (fully paid-up) - Unquoted (measured at FVTPL)</b>						
Optionally Convertible Redeemable Preference Shares of Rs. 10 each in Toloxo Online Pvt Ltd	7,989,275	3,739,275	639,275	39.95	37.39	6.39
Optionally Convertible Redeemable Preference Shares of Rs. 10 each (including premium of Rs. 90 each) in Toloxo Online Private Limited	1,298,050	1,298,050	1,265,500	6.49	12.98	126.56
Optionally Convertible Redeemable Preference Shares of INR 10 each Tradezeal International Pvt Ltd	1,370,000	1,370,000	1,370,000	-	-	-
Optionally Convertible Redeemable Preference Shares of INR 10 each (including premium of INR 40 each) Toloxo Online Pvt Ltd	189,000	189,000	-	0.95	1.89	-
Optionally Convertible Redeemable Preference Shares of INR 10 each (including premium of INR 10 each) Pay With Indiamart Pvt Ltd	2,150,000	650,000	-	43.00	13.08	-
<b>Total</b>				<b>90.39</b>	<b>65.34</b>	<b>132.95</b>
<b>Unquoted (measured at amortised cost)</b>						
Redeemable Preference Shares of INR 10 each in Tradezeal International Pvt Ltd	500,000	500,000	500,000	2.95	2.95	2.95
<b>Total</b>				<b>2.95</b>	<b>2.95</b>	<b>2.95</b>
Less: Impairment allowance for investments				(2.95)	(2.95)	(2.95)
<b>Total</b>				-	-	-
<b>Total non current investments</b>				<b>90.39</b>	<b>65.34</b>	<b>132.95</b>

**Current Investment**

Particulars	As At					
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
<b>Investment in mutual funds - Quoted (measured at FVTPL)</b>						
HDFC Prudence Fund - Growth						
HDFC Top 200 Fund - Growth	-	47,993	82,414	-	23.28	37.72
HDFC Liquid Fund-Growth	-	30,646	140,545	-	13.15	56.48
IDFC Premier Equity Fund - Growth	-	-	90,917	-	-	290.90
Birla Sun Life Cash Plus-Growth-Regular Plan	-	13,400	899,898	-	1.21	73.72
Birla Sunlife Frontline Equity Fund-Growth Regular Plan	-	-	2,081	-	-	0.54
Adiva Birla Sunlife Short Term Plan-Growth Regular Plan	2,599,874	3,360,316	3,008,967	80.37	96.96	81.64
Adiva Birla Sunlife Corporate Bond Fund - Regular	5,394,385	-	-	386.68	-	-
Adiva Birla Sun Life corporate Bond Fund-Growth-Direct	629,851	-	-	45.45	-	-
HDFC Short Term Plan- Growth	-	3,315,675	391,447	-	114.17	12.69
HDFC Floating Rate Income Fund	-	7,259,251	-	-	218.64	-
Aditya Birla Life Banking & PSU Debt Fund-Grow-Direct Plan	886,783	1,074,783	1,074,783	214.61	241.31	226.07
IDFC ultra short term Fund-Growth	-	18,214,024	4,772,145	-	451.65	98.91
IDFC Bond Fund - Short Term Plan - DGP	5,468,770	5,468,770	5,468,770	216.27	199.92	187.68
IDFC Short Term Debt Fund-Direct Growth Plan	26,794,545	10,359,979	10,359,979	558.15	200.19	187.52
ICICI Prudential Balanced Advantage Fund	-	258,974	130,026	-	8.57	3.93
ICICI Prudential Savings Fund - Growth	81,581	373,280	4,227	29.27	124.35	1.32
HDFC Liquid Fund-Direct Plan Growth Option	-	69,517	-	-	238.02	-
ICICI Prudential Value Discovery Fund-Growth	-	163,952	-	-	22.79	-
Adiva Birla Sunlife short term opportunities fund-Direct	21,181,794	-	-	679.17	-	-
Birla Sun Life Cash Plus-Growth-Direct Plan	-	-	882,080	-	246.38	-
IDFC Low Duration Fund-Growth (Regular Plan)	16,451,049	16,451,049	-	435.91	405.11	-
IDFC Short Term Debt Fund - Regular Plan	8,380,984	1,560,259	-	172.98	29.92	-
IDFC Bond Fund-STP-Regular Fund	408,840	372,699	-	15.57	13.18	-
ICICI Prudential Savings Fund- Direct Plan-Growth	597,544	1,263,533	-	215.81	423.15	-
ICICI Prudential Short Term Fund - Direct	15,854,692	-	-	639.65	-	-
ICICI Prudential Short Term Fund - Growth Option	3,600,276	-	-	139.33	-	-
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	37,122,889	-	-	681.67	-	-
L&T Short Term Bond Fund - Regular Growth	20,066,239	-	-	358.17	-	-
Kotak Corporate Bond Fund - DGP	328,929	-	-	851.30	-	-
<b>Total current investments</b>				<b>6,042.99</b>	<b>3,087.70</b>	<b>1,352.36</b>
<b>Aggregate amount of quoted investments</b>				<b>6,042.99</b>	<b>3,087.70</b>	<b>1,352.36</b>
<b>Aggregate amount of unquoted investments</b>				<b>94.49</b>	<b>136.96</b>	<b>204.57</b>

**Notes:**

- The company has invested in optionally convertible preference shares of its subsidiaries. Based on the terms of OCRPS, these have 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 gain on financial assets measured at FVTPL".
- The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company
- The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**Annexure X****Restated Ind AS Unconsolidated Statement of loans  
(Amounts in INR millions, unless otherwise stated)****Loans to employees (measured at amortised cost)**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Non Current</b>			
Loans to employees considered good- Secured (A)	-	-	-
Loans to employees considered good- Unsecured (B)	1.22	0.92	1.76
Loans to employees which have significant increase in credit risk (C )	-	-	-
Loans to employees credit impaired (D)	-	-	-
<b>Total (A+B+C+D)</b>	<b>1.22</b>	<b>0.92</b>	<b>1.76</b>
<b>Current</b>			
Loans to employees considered good- Secured (A)	-	-	-
Loans to employees considered good- Unsecured (B)	16.19	63.20	14.20
Loans to employees which have significant increase in credit risk (C )	-	-	-
Loans to employees credit impaired (D)	-	-	-
<b>Total (A+B+C+D)</b>	<b>16.19</b>	<b>63.20</b>	<b>14.20</b>
<b>Grand Total</b>	<b>17.41</b>	<b>64.12</b>	<b>15.96</b>

**Notes:**

1. The above loans represents interest free loans to employees, which are recoverable in maximum 24 monthly instalments.
2. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.
3. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

Cash and Bank balances

Particulars	As At					
	Non-current			Current		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
<b>Cash and cash equivalents</b>						
Cash on hand	-	-	-	0.16	1.00	0.14
Cheques on hand	-	-	-	145.42	121.42	82.36
Balance with banks	-	-	-	-	-	-
- On current accounts	-	-	-	213.55	330.06	87.48
- On nodal accounts	-	-	-	-	-	3.75
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>359.13</b>	<b>452.48</b>	<b>173.73</b>
<b>Bank balances other than cash and cash equivalents</b>						
Deposits with						
- Remaining maturity upto twelve months	-	-	-	375.48	-	229.96
- Remaining maturity of more than twelve months	-	302.20	-	-	-	-
	<b>302.20</b>			<b>375.48</b>		<b>229.96</b>
Less: amount disclosed under current bank deposits	-	-	-	(375.48)	-	(229.96)
Less: amount disclosed under Non-current bank deposits		(302.20)	-	-	-	-

**Notes:**

1. Short-term deposits are made for varying periods ranging between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.
2. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.
3. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**Annexure XII**

**Restated Ind AS Unconsolidated Statement of other financial assets**  
**(Amounts in INR millions, unless otherwise stated)**

**Other non-current financial assets**

<b>Particulars</b>	<b>As At</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>Unsecured, considered good unless otherwise stated</b>			
Security deposits	33.22	35.03	39.73
<b>Total</b>	<b>33.22</b>	<b>35.03</b>	<b>39.73</b>

**Other current financial assets**

<b>Particulars</b>	<b>As At</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>Unsecured, considered good unless otherwise stated</b>			
Security deposits	25.90	1.50	1.43
Interest accrued on deposits	-	-	0.46
Other recoverables	69.20	-	-
Amount recoverable from payment gateway banks	57.08	37.35	34.51
<b>Total</b>	<b>152.18</b>	<b>38.85</b>	<b>36.40</b>

**Notes:**

1. Security deposits are non-interest bearing and are generally on term of 3 to 9 years. For credit risk management, refer Note 13 in Annexure XXXI
2. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company
3. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**Reconciliation of tax expense and the accounting profit/(loss) multiplied by statutory income tax rate.**

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
<b>Accounting Profit/(loss) before income tax</b>	<b>463.29</b>	<b>(1,874.82)</b>	<b>(130.96)</b>
Tax expense at statutory income tax rate of 31.20% (March 31, 2018: 30.90%, March 31, 2017: 30.90%)	144.55	(579.32)	(40.47)
<b>Adjustments in respect of current income tax of previous years</b>			
- tax business losses	-	(1,072.95)	-
- unabsorbed depreciation	-	(76.52)	-
- other deductible temporary differences	-	(167.28)	-
Adjustments in respect of differences in current tax rates and deferred tax rates	36.42	10.95	-
Adjustments in respect of differences taxed at lower tax rates	(34.73)	4.79	-
Utilisation of previously unrecognised tax losses	(9.81)	10.20	-
Non-deductible expenses for tax purposes:	-	-	-
Impairment of goodwill	-	363.25	-
Loss on fair valuation of Share buyback obligation	203.62	379.64	59.57
Income non-taxable for tax purposes	(1.09)	(23.15)	-
Other non-deductible expenses	(1.60)	(0.02)	(40.00)
Temporary differences for which no deferred tax was recognised	-	-	20.90
<b>Tax expense/income at the effective income tax rate of 34.94%</b>	<b>337.36</b>	<b>(1,150.41)</b>	<b>-</b>
<b>(March 31, 2018: 34.61%, March 31, 2017: 30.90%)</b>			

**Break up of deferred tax recognised in balance sheet**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Deferred tax assets</b>			
Property, plant and equipment and other intangible assets	8.14	7.43	4.69
Provision for gratuity	35.79	35.82	19.31
Provision for compensated absences	15.00	22.56	16.37
Provision for bonus	-	-	-
Provision for diminution of investments in subsidiaries	31.49	-	-
Re-measurement of investment in debt instruments of subsidiaries to fair value	34.35	24.88	-
Deferred revenue	11.30	44.91	135.11
Tax losses	710.07	1,003.01	948.89
Unabsorbed depreciation	37.26	58.24	67.67
Others	7.67	9.92	9.61
<b>Total</b>	<b>891.07</b>	<b>1,206.77</b>	<b>1,201.65</b>
<b>Total deferred tax assets recognised (A)</b>	<b>891.07</b>	<b>1,206.77</b>	<b>39.62</b>
<b>Deferred tax liabilities</b>			
Re-measurement of investment in mutual funds to fair value	(66.69)	(29.62)	(21.35)
Accelerated deduction for tax purposes	(2.50)	(21.57)	(17.08)
Others	-	-	(1.19)
<b>Total deferred tax liabilities (B)</b>	<b>(69.19)</b>	<b>(51.19)</b>	<b>(39.62)</b>
<b>Net deferred tax assets (C) = (A) - (B)</b>	<b>821.88</b>	<b>1,155.58</b>	<b>-</b>
<b>MAT credit entitlement (D)</b>	<b>36.18</b>	<b>-</b>	<b>-</b>
<b>Total deferred tax Asset (C) + (D)</b>	<b>858.06</b>	<b>1,155.58</b>	<b>-</b>

Notes:

1. The amount of deferred tax assets recognised has been restricted to the amount of deferred tax liability recognised as on 31 March 2017 due to lack of reasonable certainty.

2. During the year ended 31 March 2018, the Company 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.

**Breakup of deferred tax expenses/ (income) recognised in Statement of profit and loss**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Deferred tax expenses / (income) relates to the following:</b>			
Provision for gratuity	(9.60)	(35.81)	-
Provision for compensated absences	(0.90)	(22.56)	-
Provision for diminution of investments in subsidiaries	(24.50)	-	-
Re-measurement of investment in debt instruments to fair value	(9.48)	(24.88)	-
Deferred revenue	33.62	(44.91)	-
Tax losses	292.94	(1,003.01)	-
Unabsorbed depreciation	20.98	(58.24)	-
Re-measurement of investment in mutual funds to fair value	37.07	29.62	-
Accelerated deduction for tax purposes	0.26	21.57	-
Property, plant and equipment and other intangible assets	(0.71)	(7.43)	-
Others	(5.99)	(9.93)	-
<b>Deferred tax expenses / (income)</b>	<b>333.69</b>	<b>(1,155.58)</b>	<b>-</b>

**Reconciliation of Deferred tax asset (Net):**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Opening balance as of 1 April</b>	1,155.58	-	-
Tax (expense)/income during the year recognised in Statement of profit and loss	(337.36)	1,150.41	-
Tax income during the year recognised in OCI	3.66	5.17	-
MAT credit entitlement	36.18	-	-
<b>Closing balance as at end of the year</b>	<b>858.06</b>	<b>1,155.58</b>	-

**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	31 March 2018	31 March 2017
<b>Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:</b>			
- tax business losses	-	-	3,070.83
- unabsoibed depreciation	-	-	219.01
- tax capital losses*	43.32	74.77	79.68
- other deductible temporary differences	-	-	470.76
<b>Closing balance as at end of the year</b>	<b>43.32</b>	<b>74.77</b>	<b>3,840.28</b>

\*The unused tax capital losses will expire up to FY 2019-20.

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.

**Income tax recognised in other comprehensive income (OCI)**

**Deferred tax related to items recognised in OCI during the year**

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
Net loss on remeasurements of defined benefit plans	(3.66)	(5.17)	-

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

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
<b>Current income tax</b>			
Current income tax for the year	-	-	-
Tax relating to earlier years	-	-	-
<b>Deferred tax</b>			
Relating to origination and reversal of temporary differences	337.36	(1,150.41)	
	<b>337.36</b>	<b>(1,150.41)</b>	-

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

Annexure XIV

**Restated Ind AS Unconsolidated Statement of other assets**  
(Amounts in INR millions, unless otherwise stated)

**Other non-current assets**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Unsecured, considered good unless otherwise stated</b>			
Capital advance	0.03	-	-
Prepaid expenses	0.14	0.09	0.08
Deferred rent expense	7.16	6.69	11.71
<b>Total</b>	<b>7.33</b>	<b>6.78</b>	<b>11.79</b>

**Other current assets**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Unsecured, considered good unless otherwise stated</b>			
Advances recoverable	13.73	12.86	19.10
Indirect taxes recoverable	17.96	15.80	103.79
Prepaid expenses	18.93	15.11	17.60
Deferred rent expense	3.15	2.36	3.18
<b>Total</b>	<b>53.77</b>	<b>46.13</b>	<b>143.67</b>

**Notes:**

- The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company
- The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**IndiaMART InterMESH Limited**

CIN: U74899DL1999PLC101534

**Annexure XV**

**Restated Ind AS Unconsolidated Statement of Trade Receivables**

(Amounts in INR millions, unless otherwise stated)

**Trade Receivables**

Particulars	As at		
	31 March 2019	31 March 2018	31 March 2017
Considered good- Secured (A)	-	-	-
Considered good- Unsecured (B)	3.54	2.79	1.99
Trade Receivables which have significant increase in credit risk (C )	-	-	-
Trade Receivables credit impaired (D)	-	-	-
<b>Total (A+B+C+D)</b>			
Receivables from related parties (refer note 10 of Annexure XXXI)	-	-	3.61
<b>Total</b>	<b>3.54</b>	<b>2.79</b>	<b>5.60</b>

**Notes:**

1. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
2. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company
3. For terms and conditions relating to related party receivables, refer Note 10(b) in Annexure XXXI
4. No Trade receivables are due from the directors of the Company or other officers of the Company either severally or jointly
5. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.
6. Following are the amounts due from Directors / Promoter / Promoter Group Companies / Group Companies / Relatives of Promoter /Relatives of Directors / Subsidiary Companies:

Particulars	As at		
	31 March 2019	31 March 2018	31 March 2017
Tolexo Online Pvt. Ltd	-	-	3.61
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3.61</b>

The list of persons / entities classified as 'Promoter' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors.

**IndiaMART InterMESH Limited**

**CIN: U74899DL1999PLC101534**

**Annexure XVI**

**Restated Ind AS Unconsolidated Statement of Current tax assets (net)**

(Amounts in INR millions, unless otherwise stated)

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Current tax assets (net of provisions)</b>			
Advance income-tax	99.98	86.60	82.03
<b>Total</b>	<b>99.98</b>	<b>86.60</b>	<b>82.03</b>

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.
2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**Restated Ind AS Unconsolidated Statement of Share capital  
(Amounts in INR millions, unless otherwise stated)**

**Share capital**

Particulars	Units			As at		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
<b>Authorised equity share capital</b>						
At the beginning of the year	18,277,930	18,277,930	20,000,000	182.78	182.78	200.00
Increase/(decrease) during the year	11,722,070	-	(1,722,070)	117.22	-	(17.22)
<b>At the end of the year</b>	<b>30,000,000</b>	<b>18,277,930</b>	<b>18,277,930</b>	<b>300.00</b>	<b>182.78</b>	<b>182.78</b>
<b>Issued, subscribed and fully paid up equity share capital:</b>						
Equity shares of Rs. 10 each	28,592,006	9,976,805	9,168,989	285.92	99.77	91.69

**(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the year**

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	9,976,805	99.77	9,168,989	9.17	9,168,989.00	91.69
Issued during the year	-	-	-	-	-	-
Bonus issue during the year <sup>1</sup>	9,976,805	99.77	-	-	-	-
Equity share capital issued on exercise of ESOP during the year [refer XXXI(4)]	1,566,630	15.66	807,816	8.08	-	-
Equity share capital issued on conversion of convertible preference shares[refer XXXI(4)] 2	7,071,766	70.72	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>28,592,006</b>	<b>285.92</b>	<b>9,976,805</b>	<b>17.25</b>	<b>9,168,989.00</b>	<b>91.69</b>

\*Notes:

**1 Bonus issue**

The shareholders approved at general meeting held on 7 May 2018, the allotment of one bonus share for every equity share held as on the record date of 08 May 2018. The Company has allotted 9,976,805 bonus shares of INR 10 each amounting to INR 99.77 million, on 9 May 2018 in the ratio of 1:1 to the equity shareholders existing on record date.

**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 INR 328 into 3,334,922 Equity Shares of INR 10 each, 1,722,047 0.01% Series B Cumulative Compulsory Preference Shares of INR 100 into 3,444,094 Equity Shares of INR 10 each, 146,375 0.01% Series B1 Cumulative Compulsory Preference Shares of INR 100 into 292,750 Equity Shares of INR 10 each.

**(b) Terms/ rights attached to equity shares**

- 1) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share.
- 2) In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% equity shares in the company**

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No of Shares	Percentage	No of Shares	Percentage	No of Shares	Percentage
Equity shares of Rs. 10 each fully paid						
Dinesh Chandra Agarwal	9,483,200	33.17%	4,741,600	47.53%	4,741,600	51.71%
Brijesh Kumar Agrawal	6,426,200	22.48%	3,213,100	32.21%	3,213,100	35.04%
Intel Capital (Mauritius) Limited	3,851,746	13.47%	100	0.00%	-	-
Westbridge Crossover Fund, LLC	1,544,154	5.40%	298,517	2.99%	0.00%	10.00

**(d) 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 year, is set out in Note 4 of Annexure XXXI.

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS unconsolidated Summary Statement of Assets and Liabilities of the Company.
2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

IndiaMART InterMESH Limited  
CIN: U74899DL1999PLC101534

Annexure XVIII

Restated Ind AS Unconsolidated Statement of Share Buyback Obligation  
(Amounts in INR millions, unless otherwise stated)

**Share Buyback Obligations**

Particulars	Units			Amount		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
<i>Measured at fair value through profit or loss (FVTPL)</i>						
Non-current						
0.01% Series A cumulative convertible preference shares (CCPS) of INR 328 each	-	1,493,903	1,493,903	-	1,630.00	958.10
0.01% Series B compulsory convertible preference shares (CCPS) of INR 100 each	-	1,722,047	1,722,047	-	1,971.30	1,464.50
0.01% Series B1 compulsory convertible preference shares (CCPS) of INR 100 each	-	146,375	94,713	-	128.00	38.30
<b>Total</b>				-	<b>3,729.30</b>	<b>2,460.90</b>

**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 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:**

Particulars	31 March 2019	31 March 2018	31 March 2017
<b>At the beginning of the year*</b>	<b>3,729.30</b>	<b>2,460.90</b>	<b>2,195.18</b>
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)	652.63	1,228.62	192.79
Conversion of preference shares into equity shares during the year [refer XVII (a) (2)] #	(4,381.93)	-	-
<b>At the end of the year</b>	<b>0.00</b>	<b>3,729.30</b>	<b>2,460.90</b>

\*Represent issue price (including premium) amounting to INR 1,815.98 mn re-measured at fair value of INR 2,195.18 on the date of transition to Ind AS.

# During the year ended 31 March 2019, company converted 1,493,903 Series A 0.01% Cumulative Compulsory Preference Shares of INR 328 into 3,334,922 Equity Shares of INR 10 each, 1,722,047 0.01% Series B Cumulative Compulsory Preference Shares of INR 100 into 3,444,094 Equity Shares of INR 10 each, 146,375 0.01% Series B1 Cumulative Compulsory Preference Shares of INR 100 into 292,750 Equity Shares of INR 10 each.

IndiaMART InterMESH Limited  
CIN: U74899DL1999PLC101534

Annexure XVIII

Restated Ind AS Unconsolidated Statement of Share Buyback Obligation  
(Amounts in INR millions, unless otherwise stated)

**Share Buyback Obligations**

Particulars	Units			As at		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
<b>Authorised preference share capital</b>						
Compulsory Convertible Preference Shares Series A of Rs. 328 each	1,493,903	1,493,903	1,493,903	490.00	490.00	490.00
Compulsory Convertible Preference Shares Series B of Rs. 100 each	1,722,047	1,722,047	1,722,047	172.20	172.20	172.20
Compulsory Convertible Preference Shares Series B1 of Rs. 100 each	172,207	172,207	172,207	17.22	17.22	17.22
<b>Issued, subscribed and fully paid up preference share capital:</b>						
Compulsory Convertible Preference Shares Series A of Rs. 328 each	-	1,493,903	1,493,903	-	490.00	490.00
Compulsory Convertible Preference Shares Series B of Rs. 100 each	-	1,722,047	1,722,047	-	172.20	172.20
Compulsory Convertible Preference Shares Series B1 of Rs. 100 each	-	146,375	94,713	-	14.64	9.47
<b>Total</b>				-	<b>676.84</b>	<b>671.67</b>

**Reconciliation of the number of preference shares outstanding at the beginning and end of the year**

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	1,493,903	490.00	1,493,903	490.00	1,493,903	490.00
Shares converted to equity shares	(1,493,903)	(490.00)	-	-	-	-
Outstanding at the end of the year	-	-	<b>1,493,903</b>	<b>490.00</b>	<b>1,493,903</b>	<b>490.00</b>

**Series B**

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	1,722,047	172.20	1,722,047	172.20	1,722,047	172.20
Shares converted to equity shares	(1,722,047)	(172.20)	-	-	-	-
Outstanding at the end of the year	-	-	<b>1,722,047</b>	<b>172.20</b>	<b>1,722,047</b>	<b>172.20</b>

**Series B1**

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	146,375	14.64	94,713	9.47	-	-
Issued/converted to equity shares during the year	(146,375)	(14.64)	51,662	5.17	94,713	9.47
Outstanding at the end of the year	-	-	<b>146,375</b>	<b>14.64</b>	<b>94,713</b>	<b>9.47</b>

**Details of shareholders holding more than 5% preference shares in the company**

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No of Shares	Percentage	No of Shares	Percentage	No of Shares	Percentage
<b>CCPS of Rs 328 each fully paid up (Series A)</b>						
Intel Capital (Mauritius) Limited	-	-	1,493,303	100.00%	1,493,303	100.00%
<b>CCPS of Rs 100 each fully paid up (Series B)</b>						
Amadeus IV DPF Limited	-	-	516,613	30.00%	516,613	30.00%
Westbridge Crossover Fund LLC	-	-	430,509	26.00%	430,509	26.00%
Accion Frontier Inclusion Mauritius	-	-	516,613	30.00%	516,613	30.00%
Intel Capital (Mauritius) Limited	-	-	258,312	15.00%	258,312	15.00%
<b>CCPS of Rs 100 each fully paid up (Series B1)</b>						
Amadeus IV DPF Limited	-	-	51,662	35.00%	51,662	55.00%
Westbridge Crossover Fund LLC	-	-	43,051	29.00%	43,051	45.00%
Accion Frontier Inclusion Mauritius	-	-	51,662	35.00%	-	-

Restated Ind AS Unconsolidated Statement of Share Buyback Obligation  
(Amounts in INR millions, unless otherwise stated)

**Share Buyback Obligations**

**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 Series A 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
- 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, combination 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 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
- 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, combination 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
- 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.

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS unconsolidated Summary Statement of Assets and Liabilities of the Company
2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**Annexure XIX**

**Restated Ind AS Unconsolidated Statement of Trade payables and other financial liabilities**  
 (Amounts in INR millions, unless otherwise stated)

**Trade payables**

<b>Particulars</b>	<b>As At</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>Current</b>			
Outstanding dues to micro enterprises and small enterprises (refer Note 9 Annexure XXXI )	-	11.31	-
Dues to other than micro enterprises and small enterprises	-	-	-
- outstanding dues to related parties	-	-	-
- others	439.53	401.42	291.66
<b>Total</b>	<b>439.53</b>	<b>412.73</b>	<b>291.66</b>

Trade payables are non-interest bearing and are normally settled on 30-day terms.

**Other Financial liabilities**

<b>Particulars</b>	<b>As At</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>Non-current</b>			
Outstanding dues to micro enterprises and small enterprises			
Dues to other than micro enterprises and small enterprises (refer Note 9 in Annexure XXXI )			
- outstanding dues to related parties	-	-	-
- others	2.84	2.62	5.36
<b>Total</b>	<b>2.84</b>	<b>2.62</b>	<b>5.36</b>
<b>Current</b>			
Payable to employees	0.34	0.04	0.03
Security deposits	0.14	0.14	0.14
<b>Total</b>	<b>0.48</b>	<b>0.18</b>	<b>0.17</b>

**Notes:**

- The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company
- The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**Provisions**

Particulars	As At					
	Non-current			Current		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
<b>Provision for employees benefits*</b>						
For gratuity	93.85	58.36	16.32	8.59	9.27	11.29
For leave encashment	-	-	-	42.92	37.58	26.94
	<b>93.85</b>	<b>58.36</b>	<b>16.32</b>	<b>51.51</b>	<b>46.85</b>	<b>38.23</b>

\*For details of movement in provision for gratuity and leave encashment, refer Note 2 in Annexure XXXI

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company
2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**Contract liabilities\***

<b>Particulars</b>	<b>As At</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>Non- Current</b>			
Deferred revenue	2,297.91	1,660.91	1,213.32
	<b>2,297.91</b>	<b>1,660.91</b>	<b>1,213.32</b>
<b>Current</b>			
Deferred revenue	3,237.29	2,253.52	1,714.22
Advances from customers	316.20	320.20	322.80
	<b>3,553.49</b>	<b>2,573.72</b>	<b>2,037.02</b>
<b>Total</b>	<b>5,851.40</b>	<b>4,234.63</b>	<b>3,250.34</b>

\* Contract liabilities includes consideration received in advance to render web services in future periods.

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the
2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**IndiaMART InterMESH Limited****CIN: U74899DL1999PLC101534****Annexure XXII****Restated Ind AS Unconsolidated Statement of Other Liabilities**

(Amounts in INR millions, unless otherwise stated)

**Other Liabilities**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
Statutory dues			
Tax deducted at source payable	3.97	63.20	23.78
Contribution to provident fund payable	2.54	2.33	2.38
Contribution to ESI payable	0.10	0.22	0.50
GST and Service tax payable	134.47	68.53	0.20
Professional tax payable	0.18	0.11	0.16
Payable for labour welfare fund	0.03	0.01	0.01
Others	0.07	0.07	0.05
<b>Total</b>	<b>141.36</b>	<b>134.47</b>	<b>27.08</b>

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.
2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**Revenue from operations**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
<b>Sale of services</b>			
Income from web services	4,917.83	4,007.68	3,042.41
Advertisement and marketing services	54.92	27.80	43.88
<b>Total</b>	<b>4,972.75</b>	<b>4,035.48</b>	<b>3,086.29</b>

**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:

Particulars	31 March 2019		31 March 2018		31 March 2017	
	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months
Web services	2,296.25	3,549.32	1,656.08	2,570.06	1,212.74	2,036.74
Advertisement and marketing services	1.66	4.17	4.83	3.67	0.58	0.28
	<b>2,297.91</b>	<b>3,553.49</b>	<b>1,660.91</b>	<b>2,573.73</b>	<b>1,213.32</b>	<b>2,037.02</b>

No consideration from contracts with customers is excluded from the amounts presented above.

Particulars	As at 31 March 2019		As at 31 March 2018		As at 31 March 2017	
	Contract liabilities					
Web services		5,845.57		4,226.12		3,249.48
Advertisement and marketing services		5.83		8.51		0.86
	<b>5,851.40</b>		<b>4,234.63</b>		<b>3,250.34</b>	
Non-Current		2,297.91		1,660.91		1,213.32
Current		3,553.49		2,573.72		2,037.02
	<b>5,851.40</b>		<b>4,234.63</b>		<b>3,250.34</b>	

**Significant changes in the contract liability balances during the year are as follows:**

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018		For the year ended 31 March 2017	
	Opening balance at the beginning of the year	Less: Revenue recognised from contract liability balance at the beginning of the year	Add: Amount received from customers during the year	Less: Transfer of contract liability pertaining to Hello travel business	Less: Revenue recognised from amount received during the year	Closing balance at the end of the year
Opening balance at the beginning of the year	4,234.63		3,250.34		2,562.60	
Less: Revenue recognised from contract liability balance at the beginning of the year		(2,748.08)		(2,037.02)		(1,640.64)
Add: Amount received from customers during the year			6,610.33		5,019.77	
Less: Transfer of contract liability pertaining to Hello travel business			(20.81)		-	-
Less: Revenue recognised from amount received during the year				(2,224.67)	(1,998.46)	(1,445.66)
<b>Closing balance at the end of the year</b>	<b>5,851.40</b>			<b>4,234.63</b>		<b>3,250.34</b>

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Profits and Losses of the Company.
2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**Net gain on financial assets measured at FVTPL**

Particulars	For the years ended				
	31 March 2019	31 March 2018	31 March 2017	Nature: Recurring/ non-recurring	Related/Not related to business activity
<b>Net gain on financial assets measured at fair value through profit and loss (FVTPL)</b>					
Net gain on disposal of current investments	51.28	72.54	19.03	Recurring	Not related
Fair value gain on financial assets measured at fair value through profit and loss					
- Investment in mutual funds	319.96	88.36	113.35	Recurring	Not related
- Investment in debt instruments of subsidiaries					
(Refer note 11 (d) of Annexure XXXI)	(47.38)	(124.38)	(13.70)	Recurring	Not related
<b>Total</b>	<b>323.86</b>	<b>36.52</b>	<b>118.68</b>		

**Notes:**

1) The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

2) The amounts disclosed above are based on the restated unconsolidated summary statements of profit and loss of the Company.

3) The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**Other Income**

Particulars	For the years ended				Nature: Recurring/ non-recurring	Related/Not related to business activity
	31 March 2019	31 March 2018	31 March 2017			
<b>Other Income</b>						
Interest income from financial assets measured at amortised costs						
- on bank deposits	25.87	16.43	12.09	Recurring	Not related	
- on security deposits	3.48	6.59	2.85	Recurring	Not related	
Other interest income	0.08	5.06	3.56	Recurring	Related	
Gain from business transfer arrangement (Refer note 15 of Annexure XXXI)	6.80	-	-	Non-Recurring	Not related	
Net gain on disposal of property, plant and equipment	0.08	0.53	-	Non-Recurring	Not related	
<b>Total</b>	<b>36.31</b>	<b>28.61</b>	<b>18.50</b>			

**Notes:**

- 1) The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the
- 2) The amounts disclosed above are based on the restated unconsolidated summary statements of profit and loss of the Company.
- 3) The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**Annexure XXVI****Restated Ind AS Unconsolidated Statement of Employee benefit expense**

(Amounts in INR millions, unless otherwise stated)

**Employee benefit expenses**

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
Salaries, allowance and bonus	1,996.14	1,732.31	1,689.69
Gratuity expenses (refer note 2 of Annexure XXXI)	25.34	25.22	9.12
Leave encashment expense (refer note 2 of Annexure XXXI)	14.97	21.26	13.51
Contribution to provident and other funds	11.98	13.34	13.06
Staff welfare expenses	84.28	65.84	60.58
Employee share based payment expense (refer note 4 of Annexure XXXI)	84.53	29.87	19.51
<b>Total</b>	<b>2,217.24</b>	<b>1,887.84</b>	<b>1,805.47</b>

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Profits and Losses of the Company.
2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**Annexure XXVII****Restated Ind AS Unconsolidated Statement of Other expenses**

(Amounts in INR millions, unless otherwise stated)

**Other expenses**

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
Content development expenses	229.64	233.21	211.54
Buyer engagement expenses	178.47	147.06	127.11
Customer support expenses	245.78	239.83	177.43
Outsourced sales costs	575.64	441.55	212.87
Internet and other online expenses	172.01	115.30	83.07
Rent	148.03	208.33	156.97
Rates and taxes	19.12	1.81	1.95
Communication costs	5.43	8.89	10.19
Outsourced support cost	18.06	13.17	12.22
Advertisement expenses	20.34	28.13	77.62
Power and fuel	29.23	28.61	26.80
Printing and stationery	8.27	8.83	9.84
Repair and maintenance:			
-Plant and machinery	13.43	11.72	9.50
-Others	72.54	64.73	61.02
Travelling and conveyance	43.88	30.90	37.64
Recruitment and training expenses	27.62	16.49	23.29
Legal and professional fees	32.38	16.17	36.89
Directors' sitting fees	2.93	1.67	1.90
Auditor's remuneration	4.78	3.70	1.84
Insurance expenses	22.94	22.04	16.24
Impairment loss for investment in subsidiary	70.12	-	5.10
Collection charges	17.96	12.56	10.40
Miscellaneous expenses	1.18	0.75	4.58
<b>Total</b>	<b>1,959.78</b>	<b>1,655.45</b>	<b>1,316.01</b>

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
<b>As auditor:</b>			
- Audit fee	4.11	3.50	1.73
<b>In other capacity:</b>			
Reimbursement of expenses	0.67	0.20	0.11
<b>Total</b>	<b>4.78</b>	<b>3.70</b>	<b>1.84</b>

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Profits and Losses of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

S.No.	Particulars		31 March 2019	31 March 2018	31 March 2017
	Basic earnings per share (Rs.) (refer note 3(a) below)	A / C	4.87	(37.83)	(7.14)
	Diluted earnings per share (Rs.) (refer note 3(b) below)	B / D	4.78	(37.83)	(7.14)
	Return on Net Worth (%) (refer note 3(c) below)	A / E	7.84%	-23.20%	-5.17%
	Net asset value per equity share (Rs.) (refer note 3(d) below)	E / F	56.20	(313.00)	(276.07)
1	Restated loss after tax, attributable to equity shareholders	A	125.93	(724.41)	(130.96)
	Add: Adjustment for loss on fair valuation of convertible preference shares		-	-	-
	Net Profit/(loss) available for calculation of DEPS	B	125.93	(724.41)	(130.96)
2	Weighted average number of equity shares considered for calculating basic earnings per share	C	25,868,950	19,148,007	18,337,978
	<b>Effect of dilution:</b>				
	Stock option under ESOP (refer note 7 below)		456,999	-	-
	Compulsory convertible preference shares (refer note 7 below)		-	-	-
	Weighted average number of equity shares considered for calculating diluted earnings per share (refer Note 7 below)	D	26,325,949	19,148,007	18,337,978
3	Restated net worth at the end of the year (refer note 5 below)	E	1,606.82	(3,122.74)	(2,531.28)
	Face value per share		10	10	10
	Total number of equity shares outstanding at the end of the year	F	28,592,006	9,976,805	9,168,989
	Weighted average number of equity shares outstanding during the year, after giving the impact of bonus shares, used for diluted earning per share	H	26,325,949	19,148,007	18,337,978

**Notes:**

- 1 The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statements of the Company.  
 2 The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

- 3 The Ratios have been computed as below:

a) Basic Earnings per share (Rs.)

$$\frac{\text{Restated Profit/(loss) after tax, attributable to equity shareholders}}{\text{Weighted average number of equity shares considered for calculating basic earnings per share}}$$

b) Diluted Earnings per share (Rs.)

$$\frac{\text{Net Profit/(loss) available for calculation of DEPS}}{\text{Weighted average number of diluted equity shares}}$$

c) Return on net worth (%)

$$\frac{\text{Restated Profit/(loss) after tax, attributable to equity shareholders}}{\text{Restated Net worth at the end of the year}}$$

d) Net asset value per share (Rs.)

$$\frac{\text{Restated net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year}}$$

- 4 Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

- 5 Net worth includes Equity share capital + Other equity (including Share Premium, General Reserve, Employee share based payment reserve and Retained earnings).

- 6 Earnings per share calculations are in accordance with Ind AS 33 (Earnings per Share).

- 7 Weighted average number of equity shares considered for the computation of diluted Earnings per Share are adjusted for the Dilutive portion of outstanding Employee Stock Options and Compulsory convertible preference shares as applicable. For the years ended March 31, 2018, and March 31, 2017 the impact of employee stock options and Compulsory convertible preference shares is anti-dilutive.

Further, the company has also 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.

- 8 The Company has allotted bonus shares to the existing equity shareholders 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.

**Annexure XXIX**

**Restated Ind AS Unconsolidated Capitalisation Statement as at March 31, 2019**  
**(Amounts in INR millions, unless otherwise stated)**

**Capitalisation Statement**

Particulars	Pre-issue as at March 31, 2019	As adjusted for issue
<b>Debt</b>		
Non current - Share Buyback Obligations	-	-
Current - Share Buyback Obligations	-	
<b>Total debt (A)</b>	-	-
<b>Shareholder's funds</b>		
Share Capital	285.92	-
Reserve and surplus, as restated		
Shares securities premium	4,686.54	-
General Reserve	8.45	-
Employee share based payment reserve	71.42	-
Deficit in the statement of profit and loss account	(3,445.51)	-
<b>Total Shareholder's Fund (B)</b>	<b>1,606.82</b>	-
<b>Total Long term debt/equity (A/B)</b>	-	-

**Notes:**

1. The Company is proposing to have an initial public offering through offer for sale. Hence there will be no change in the shareholder's fund post issue.
2. 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 and considered as debt as above.
3. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Company.
4. The above statement should be read with the notes to the Restated Ind AS Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements appearing in Annexure VI
5. The corresponding post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the book building process and hence, the same have not been provided in the above statement.

	<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>A</b>	Restated profit/(loss) before tax	<b>463.29</b>	<b>(1,874.82)</b>	<b>(130.96)</b>
<b>B</b>	Tax rate (%)	31.20%	30.90%	30.90%
<b>C</b>	Tax thereon at the above rate (A x B)	144.55	(579.32)	(40.47)
<b>D</b>	<b>Adjustments for Permanent differences</b>			
1	Expenses disallowed under Income Tax Act	0.20	-	0.06
2	(Profit)/loss on sale of fixed assets	(0.08)	(0.53)	0.03
3	Interest on late deposit of TDS		0.00	-
4	Gain/(loss) on financial liabilities measured at fair value through profit or loss	652.63	1,228.62	192.79
5	Fair value adjustment related to Employee stock option plan		-	16.91
6	Rental expense on amortisation of security deposit	3.56	6.48	3.20
7	Unwinding of discount on security deposits	(3.48)	(6.59)	(2.85)
8	Impairment of goodwill	(192.86)	1,175.55	(146.94)
9	Capital Gain on redemption of mutual funds	59.79	(74.93)	-
10	share issue expense	1.05	0.00	-
	<b>Total (D)</b>	<b>520.81</b>	<b>2,328.62</b>	<b>63.20</b>
<b>E</b>	<b>Adjustments for Timing Differences</b>			
1	Difference in book depreciation and Depreciation under Income Tax Act 1961 ("I.T. Act")	8.09	6.60	4.21
2	Expenses allowable on payment basis		-	(15.37)
3	Provision for Diminution of Investments in subsidiaries	70.12	-	17.37
4	Provision for gratuity	24.34	25.22	10.20
5	Provision for leave encashment	5.33	11.59	17.81
6	Provision for Bonus	-	-	-
7	Provision for Doubtful advances	-	0.05	-
8	Expenditure on demerger	(0.81)	0.13	2.48
9	Straight line of leases	(0.96)	(2.86)	(0.60)
10	Gain/(loss) on financial assets measured at fair value through profit or loss	(272.58)	69.25	(106.92)
11	Prepayment of advance lease payments	(0.84)	(2.58)	0.47
12	Deferred revenue and contract modification	(96.21)	(308.70)	95.72
14	Provision for contingencies	15.38	-	-
	<b>Total (E)</b>	<b>(248.14)</b>	<b>(201.30)</b>	<b>25.36</b>
<b>F</b>	<b>Net Adjustments (D+E)</b>	<b>272.67</b>	<b>2,127.32</b>	<b>88.56</b>
<b>G</b>	<b>Taxable income/(loss) before set off of losses</b>			
	Taxable Income/(loss) for the year	<b>735.97</b>	<b>252.50</b>	<b>(42.40)</b>
<b>H</b>	Losses/unabsorbed depreciation pursuant to demerger for the current year			(431.37)
<b>I</b>	<b>Total (G+H)</b>	<b>735.97</b>	<b>252.50</b>	<b>(473.77)</b>
<b>J</b>	<b>Net Taxable Income</b>			
<b>K</b>	<b>Tax Expenses</b>			
-Current tax*				
-Deferred tax		(333.70)	<b>1,155.58</b>	
<b>L</b>	<b>Brought forward Losses as per tax return</b>			
- Business Losses		(2,859.13)	(3,070.83)	(2,047.22)
- Unabsorbed depreciation		(369.53)	(365.96)	(183.15)
- Long term capital loss		(74.77)	(74.77)	(79.68)
-Losses pursuant to demerger pertaining to earlier years				
- Financial year 2014-15		-	-	(111.13)
- Financial year 2015-16		-	-	(621.51)

\* Current tax has been setted off agianst the brought forward business losses and unabsorbed depreciation

Notes:

- 1) The aforesaid Statement of Tax Shelters has been prepared as per the restated Ind AS unconsolidated summary statement of profits and losses of the Company.
- 2) The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**1 Segment disclosure**

**Business segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company 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 company falls within a single operating segment "Business to business e-marketplace".

*Information about geographical areas:*

The company'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**

Particulars	for the years ended		
	31 March 2019	31 March 2018	31 March 2017
India	4,940.25	4,011.83	3,056.13
Others	32.50	23.66	30.16
<b>Total</b>	<b>4,972.75</b>	<b>4,035.49</b>	<b>3,086.29</b>

**Non-current assets\***

Particulars	As at		
	31 March 2019	31 March 2018	31 March 2017
India	101.64	159.58	1,346.40
Other	-	-	-
<b>Total</b>	<b>101.64</b>	<b>159.58</b>	<b>1,346.40</b>

\* Non-current assets exclude financial instruments, deferred tax assets and post-employment benefit asset.

**2 Defined benefit plan and other long term employee benefit plan**

The Company 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 Company to actuarial risks, such as longevity risk, interest rate risk and salary risk.

The amount included in the balance sheet arising from the company's obligation in respect of its gratuity plan and leave encasement is as follows:

**Statement of Profit and Loss**

**Net employee benefits expense recognized in Employee Cost**

**Gratuity - defined benefit plan**

Particulars	for the years ended		
	31 March 2019	31 March 2018	31 March 2017
Current service cost	20.06	13.83	8.13
Past service cost	-	9.36	-
Net interest expense	5.28	2.03	0.99
Actuarial (gain) / loss on defined benefit	-	-	-
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>25.34</b>	<b>25.22</b>	<b>9.12</b>
<b>Remeasurement of the net defined benefit</b>			
Actuarial (gain) / loss on plan assets	(0.15)	0.16	(1.23)
Actuarial (gain) / loss on defined benefit	10.62	14.64	6.46
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>10.47</b>	<b>14.80</b>	<b>5.23</b>

**Leave encashment- other long term employee benefit plan**

Particulars	for the years ended		
	31 March 2019	31 March 2018	31 March 2017
Current service cost	11.97	11.68	9.27
Past service cost	-	-	-
Net interest expense	2.93	1.98	1.72
Actuarial (gain) / loss on other long term employee benefit plan	0.07	7.60	2.51
<b>Components of other long term employee benefit costs recognised in profit or loss</b>	<b>14.97</b>	<b>21.26</b>	<b>13.50</b>

**Balance Sheet**

**Benefit asset/liability**

**Gratuity - defined benefit plan**

Particulars	As at		
	31 March 2019	31 March 2018	31 March 2017
Present value of funded defined benefit obligation	123.90	92.18	56.90
Fair value of plan assets	(21.46)	(24.55)	(29.28)
<b>Net liability arising from defined benefit</b>	<b>102.44</b>	<b>67.63</b>	<b>27.62</b>

**Leave encashment - other long term employee benefit plan**

Particulars	As at		
	31 March 2019	31 March 2018	31 March 2017
Present value of other long term employee benefit plan	42.92	37.58	26.94
Fair value of plan assets	-	-	-
<b>Net liability arising from other long term</b>	<b>42.92</b>	<b>37.58</b>	<b>26.94</b>

**Change in the present value of defined benefit obligation for Gratuity:**

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
Balance at the beginning of the year	92.20	56.89	45.15
Defined benefit obligation pursuant to the scheme (refer Annexure XXXI point 6)	(0.99)	-	1.08
Benefits paid	(5.18)	(6.72)	(7.53)
Current service cost	20.06	13.83	8.13
Interest cost	7.19	4.18	3.61
Past service cost	-	9.36	-
Actuarial (gains) / losses recognised in other			
- changes in demographic assumptions	14.53	2.24	(2.96)
- changes in financial assumptions	(6.97)	12.60	4.43
- experience adjustments	3.06	(0.20)	4.99
<b>Balance at the end of the year</b>	<b>123.90</b>	<b>92.18</b>	<b>56.90</b>

**Change in the present value of other long term employee benefit plan for Leave encasement:**

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
Balance at the beginning of the year	37.58	26.94	21.48
other long term employee benefit plan pursuant to the scheme (refer Annexure XXXI point 6)	(0.27)	-	5.24
Benefits paid	(9.36)	(10.62)	(13.28)
Current service cost	11.97	11.68	9.27
Interest cost	2.93	1.98	1.72
Past service cost	-	-	-
Actuarial (gains) losses recognised in other			
- changes in demographic assumptions	7.20	1.47	0.30
- changes in financial assumptions	(5.82)	4.44	1.16
- experience adjustments	(1.31)	1.69	1.05
<b>Balance at the end of the year</b>	<b>42.92</b>	<b>37.58</b>	<b>26.94</b>

**Changes in fair value of planned assets are as follows:**

Gratuity-defined benefit plan

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
Opening fair value of plan assets	24.57	29.29	32.71
Interest income	1.92	2.15	2.62
Remeasurement gain/(loss):		-	-
Actuarial gains/(losses)	0.15	(0.16)	1.23
Contributions from the employer	-	-	0.25
Benefits paid	(5.18)	(6.72)	(7.53)
<b>Closing fair value of planned assets</b>	<b>21.46</b>	<b>24.55</b>	<b>29.28</b>

**Changes in fair value of planned assets are as follows:**

Leave encashment-other long term employee benefit plan

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
Opening fair value of plan assets	-	-	-
Interest income	-	-	-
Remeasurement gain/(loss):	-	-	-
Excess Return on plan assets (excluding amounts	-	-	-
Actuarial gains/(losses)	-	-	-
Contributions from the employer	-	-	-
Benefits paid	-	-	-
<b>Closing fair value of planned assets</b>	<b>-</b>	<b>-</b>	<b>-</b>

Each year the management of the Company reviews the level of funding required as per its risk management strategy

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
The Company expects to contribute to gratuity	30.88	19.45	9.17
<b>The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:</b>			

Funds managed by 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.

**The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:**

Particulars	31 March 2019			31 March 2018			31 March 2017		
	Discount rate	31 March 2019	31 March 2018	31 March 2017	Discount rate	31 March 2019	31 March 2018	31 March 2017	Discount rate
Expected rate of return on assets				7.66%	7.80%	7.35%			
Future salary growth				7.66%	7.80%	7.35%			
Attrition rate				13.00%	8.00%				
Ages	Upto 4 years of service	Above 4 years of service	Upto 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 4 years of service	Above 4 years of service
Upto 30 years	34.54%	12.83%	57.00%	22.00%	75.97%	36.06%			
From 31 to 44 years	30.85%	11.20%	43.00%	14.00%	67.63%	25.43%			
Above 44 years	0.00%	0.00%	0.00%	8.00%	0.00%	0.00%			
Future salary growth	7.00%		12.00%	13.00%	13.00%				
Mortality table				India Assured Life Mortality (2006-08)					

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

**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- defined benefit plan**

Particulars	31 March 2019		31 March 2018		31 March 2017	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (-/+0.5%)	(6.45)	7.12	3.30	3.55	(1.27)	1.29
Salary growth rate (-/+0.5%)	3.58	(3.81)	(2.34)	(2.34)	1.27	(1.26)

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.

The table below summarises the maturity profile and duration of the gratuity liability:

Particulars	As at		
	31 March 2019	31 March 2018	31 March 2017
Within one year	8.59	9.27	11.29
Within one - three years	20.43	20.54	18.04
Within three - five years	17.05	15.25	9.72
Above five years	77.83	47.12	17.85
<b>Total</b>	<b>123.90</b>	<b>92.18</b>	<b>56.90</b>

### 3 Operating Lease

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.

Particulars	for the years ended		
	31 March 2019	31 March 2018	31 March 2017
Lease payments (for non cancellable lease)	74.71	77.54	86.73

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at		
	31 March 2019	31 March 2018	31 March 2017
Within one year	69.64	52.83	129.55
After one year but not more than five years	103.74	54.02	211.02
More than five years	0.81	-	15.44
<b>Total</b>	<b>174.19</b>	<b>106.85</b>	<b>356.01</b>

### 4 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 year. During the year ended 31 March 2019, the following schemes were in operation:

Particulars	Date of grant	Date of Board Approval	Date of Shareholder's approval	Number of options granted	Method of Settlement	Vesting Period (in Days)
ESOP 2010	January 1, 2010	November 24, 2009	November 10, 2008	453,420	Equity	0 to 48 Months
ESOP 2012	March 15, 2012	January 25, 2012	November 10, 2008	645,560	Equity	0 to 48 Months
ESOP 2013	June 30, 2013	October 28, 2013	October 27, 2012	24,000	Equity	0 to 48 Months
ESOP 2015	June 08, 2015	June 08, 2015	September 23, 2015	539,000	Equity	0 to 48 Months
ESOP 2016	July 28, 2016	July 28, 2016	September 23, 2015	276,980	Equity	0 to 48 Months
ESOP 2017	June 02, 2017	May 04, 2017	September 23, 2015	200,730	Equity	0 to 48 Months

The details of activity under ESOP 2010 scheme is as under

Particulars	For the years ended					
	31 March 2019	31 March 2019	31 March 2018	31 March 2018	31 March 2017	31 March 2017
No of options	Weighted average	No of options	Weighted average	No of options	Weighted	
Outstanding at the beginning of the year	63,286	100	364,967	100	364,967	100
Granted during the year	Nil	100	Nil	Nil	Nil	Nil
Forfeited/expired during the year	9210	100	Nil	Nil	Nil	Nil
Expired during the year	Nil	100	Nil	Nil	Nil	Nil
Exercised during the year	54076	100	301,683	100	Nil	Nil
Outstanding at the end of the year	Nil	100	63,286	100	364,967	100
Exercisable at the end of the year	Nil	100	63,286	100	Nil	Nil

The details of activity under ESOP 2012 scheme is as under

Particulars	For the years ended					
	31 March 2019	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017
No of options	Weighted average exercise price	No of options	Weighted average exercise price	No of options	Weighted average exercise	
Outstanding at the beginning of the year	150,136	150	499,859	150	499,859	150
Granted during the year	Nil	150	Nil	Nil	Nil	Nil
Forfeited/expired during the year	4,603	150	Nil	Nil	Nil	Nil
Exercised during the year	145,533	150	349,723	150	Nil	Nil
Outstanding at the end of the year	Nil	150	150,136	150	499,859	150
Exercisable at the end of the year	Nil	150	150,136	150	Nil	Nil

The details of activity under ESOP 2013 scheme is as under

Particulars	For the years ended					
	31 March 2019	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017
No of options	Weighted average exercise price	No of options	Weighted average exercise price	No of options	Weighted average exercise	
Outstanding at the beginning of the year	Nil	Nil	24,000	150	24,000	150
Granted during the year	Nil	Nil	Nil	Nil	Nil	Nil
Forfeited/expired during the year	Nil	Nil	Nil	Nil	Nil	Nil
Exercised during the year	Nil	Nil	24,000	150	Nil	Nil
Outstanding at the end of the year	Nil	Nil	Nil	Nil	24,000	150
Exercisable at the end of the year	Nil	Nil	Nil	Nil	Nil	Nil

The details of activity under ESOP 2015 scheme is as under

Particulars	For the years ended					
	31 March 2019	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017
No of options	Weighted average exercise price	No of options	Weighted average exercise price	No of options	Weighted average exercise	
Outstanding at the beginning of the year	354,100	200	472,000	200	539,000	200
Granted during the year	Nil	200	Nil	Nil	Nil	Nil
Forfeited/expired during the year	3,600	200	12,000	200	67,000	200
Exercised during the year	288,400	200	105,900	200	Nil	Nil
Outstanding at the end of the year	62,100	200	354,100	200	472,000	200
Exercisable at the end of the year	Nil	200	83,500	200	Nil	Nil

\*includes accelerated vesting of 69,600 options

The details of activity under ESOP 2016 scheme is as under

Particulars	For the years ended					
	31 March 2019		31 March 2017		31 March 2017	
	No of options	Weighted average exercise price	No of options	Weighted average exercise price	No of options	Weighted average exercise
Outstanding at the beginning of the year	194,268	200	253,980	200	Nil	Nil
Granted during the year	Nil	200	Nil	276,980	200	
Forfeited/expired during the year	16,200	200	33,200	200	23,000	200
Exercised during the year	136,218	200	26,512	200	Nil	Nil
Outstanding at the end of the year	41,850	200	194,268	200	253,980	200
Exercisable at the end of the year	Nil	200	22,284	200	Nil	Nil

\*includes accelerated vesting of 70,938 options

The details of activity under ESOP 2017 scheme is as under

Particulars	For the years ended					
	31 March 2019		31 March 2017		31 March 2017	
	No of options	Weighted average exercise price	No of options	Weighted average exercise price	No of options	Weighted average exercise
Outstanding at the beginning of the year	197,800	200	Nil	Nil	Nil	Nil
Granted during the year	Nil	200	200,730	200	Nil	Nil
Forfeited/expired during the year	824	200	2,930	200	Nil	Nil
Exercised during the year	159,088	200	Nil	Nil	Nil	Nil
Outstanding at the end of the year	37,888	200	197,800	200	Nil	Nil
Exercisable at the end of the year	Nil	200	Nil	Nil	Nil	Nil

\*includes accelerated vesting of 119,528 options

The details of exercise price for stock options outstanding under ESOP 2010 are as under

Particulars	31 March 2019	31 March 2018	31 March 2017
Range of exercise prices	100	100	100
Number of options outstanding	Nil	63,286	364,967
Weighted average remaining contractual life of options (in years)	NA	1	2
Weighted average exercise price	100	100	100
Weighted average share price for options exercised during the year	NA	300	NA

The details of exercise price for stock options outstanding under ESOP 2012 are as under

Particulars	31 March 2019	31 March 2018	31 March 2017
Range of exercise prices	150	150	150
Number of options outstanding	Nil	150,136	499,859
Weighted average remaining contractual life of options (in years)	NA	1	2
Weighted average exercise price	150	150	150
Weighted average share price for options exercised during the year	NA	300	NA

The details of exercise price for stock options outstanding under ESOP 2013 are as under

Particulars	31 March 2019	31 March 2018	31 March 2017
Range of exercise prices	150	150	150
Number of options outstanding	Nil	Nil	24,000
Weighted average remaining contractual life of options (in years)	NA	1	2
Weighted average exercise price	150	150	150
Weighted average share price for options exercised during the year	NA	300	NA

The details of exercise price for stock options outstanding under ESOP 2015 are as under

Particulars	31 March 2019	31 March 2018	31 March 2017
Range of exercise prices	200	200	200
Number of options outstanding	62,100	354,100	472,000
Weighted average remaining contractual life of options (in years)	0.25	1	2
Weighted average exercise price	200	200	200
Weighted average share price for options exercised during the year	300	300	NA

The details of exercise price for stock options outstanding under ESOP 2016 are as under

Particulars	31 March 2019	31 March 2018	31 March 2017
Range of exercise prices	200	200	200
Number of options outstanding	41,850	194,268	253,980
Weighted average remaining contractual life of options (in years)	1.25	2	3
Weighted average exercise price	200	200	200
Weighted average share price for options exercised during the year	300	300	NA

The details of exercise price for stock options outstanding under ESOP 2017 are as under

Particulars	31 March 2019	31 March 2018	31 March 2017
Range of exercise prices	200	200	NA
Number of options outstanding	37,888	197,800	NA
Weighted average remaining contractual life of options (in years)	1.8	3	NA
Weighted average exercise price	200	200	NA
Weighted average share price for options exercised during the year	300	300	NA

ESOP 2010

Particulars	31 March 2019	31 March 2018	31 March 2017
Weighted average share price	148.39	148.39	148.39
Exercise Price	100	100	100
Expected Volatility	0.00%	0.00%	0.00%
Historical Volatility	0.00%	0.00%	0.00%
Life of the options granted (Vesting and exercise period) in years	7.50	7.50	7.50
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	8.39%

ESOP 2012

Particulars	31 March 2019	31 March 2018	31 March 2017
Weighted average share price	150	150	150
Exercise Price	150	150	150
Expected Volatility	0.00%	0.00%	0.00%
Historical Volatility	0.00%	0.00%	0.00%
Life of the options granted (Vesting and exercise period) in years	8.00	8.00	8.00
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	8.39%

ESOP 2013

Particulars	31 March 2019	31 March 2018	31 March 2017
Weighted average share price	150	150	150
Exercise Price	150	150	150
Expected Volatility	0.00%	0.00%	0.00%
Historical Volatility	0.10%	0.10%	0.10%
Life of the options granted (Vesting and exercise period) in years	8.00	8.00	8.00
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	8.39%

ESOP 2015

Particulars	31 March 2019	31 March 2018	31 March 2017
Weighted average share price	200	200	200
Exercise Price	200	200	200
Expected Volatility	0.00%	0.00%	0.00%
Historical Volatility	0.10%	0.10%	0.10%
Life of the options granted (Vesting and exercise period) in years	7.70	7.70	7.70
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	7.77%	7.77%	7.77%

ESOP 2016

Particulars	31 March 2019	31 March 2018	31 March 2017
Weighted average share price	275.93	275.93	275.93
Exercise Price	200	200	200
Expected Volatility	0.00%	0.00%	0.00%
Historical Volatility	0.10%	0.10%	0.10%
Life of the options granted (Vesting and exercise period) in years	7.70	7.70	7.70
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	7.20%	7.77%	7.77%

ESOP 2017

Particulars	31 March 2019	31 March 2018	31 March 2017
Weighted average share price	280.5	280.5	NA
Exercise Price	200	200	NA
Expected Volatility	0.00%	0.00%	NA
Historical Volatility	0.10%	0.10%	NA
Life of the options granted (Vesting and exercise period) in years	7.70	7.70	NA
Expected dividends	Nil	Nil	NA
Average risk-free interest rate	7.20%	7.20%	NA

(b) Stock appreciation rights (SAR)

The Company has granted stock appreciation rights to its employees during the current financial year. Details are as follows

Particulars	Date of grant	Date of Board Approval	Date of Shareholder's approval	Number of units approved	Method of Settlement	Vesting year (in months)
SAR 2018	October 01, 2018	September 22, 2018	May 07, 2018	800,740	Equity	0 to 48 Months

The details of activity have been summarized below:

Particulars	For the years ended						
	31 March 2019	31 March 2018	31 March 2017	No of SAR units	Weighted average exercise price	No of SAR units	Weighted average exercise price
Outstanding at the beginning of the year	-	-	NA	NA	NA	NA	NA
Granted during the year	800,740	500	NA	NA	NA	NA	NA
Forfeited during the year	21,000	500	NA	NA	NA	NA	NA
Exercised during the year	Nil	Nil	NA	NA	NA	NA	NA
Expired during the year	Nil	Nil	NA	NA	NA	NA	NA
Outstanding at the end of the year	779,740	500	NA	NA	NA	NA	NA
Exercisable at the end of the year	Nil	Nil	NA	NA	NA	NA	NA

Particulars	31 March 2019	31 March 2018	31 March 2017
Range of exercise prices	500	NA	NA
Number of units outstanding	779,740	NA	NA
Weighted average remaining contractual life of	3.50	NA	NA
Weighted average exercise price	500	NA	NA

Particulars	31 March 2019	31 March 2018	31 March 2017
Weighted average share price	597	NA	NA
Exercise Price	500	NA	NA
Expected Volatility	41.00%	NA	NA
Historical Volatility	41.00%	NA	NA
Life of the units granted (Vesting and exercise period) in years	4.00	NA	NA
Expected dividends	Nil	NA	NA
Average risk-free interest rate	7.80%	NA	NA

Effect of the employee share-based payment plans on the statement on profit and loss and on its financial position:

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
Total Employee Compensation Cost pertaining to share-based payment plans (equity settled payment plan)	84.53	29.87	19.51
Total Liability for employee stock options outstanding as at year end	71.42	54.18	46.12

5 Impairment testing of goodwill

During the year ended March 31, 2017, the Company has acquired online business undertaking from its wholly owned subsidiary resulting into Goodwill of INR 1175.55 mn as excess of consideration over net asset acquired (refer Annexure XXXI Note no 6 for details). Goodwill is tested for impairment annually at each reporting date i.e. March 31. Management determines the recoverable amount of goodwill based on value in use calculations of expected benefits over foreseeable future. As at March 31, 2017, management has estimated cash flows projections of benefits accruing over foreseeable future and discounted the same using an appropriate discount rate and determined that discounted value of such expected benefits were in excess of the carrying value of Goodwill as on that date. As at March 31, 2018, due to certain changes in business and economic conditions, management believes that the expected benefits will take much longer to accrue than anticipated as on March 31, 2017. Therefore, due to uncertainties involved in the market environment the company is not able to determine value of expected benefits with reasonable certainty over the foreseeable future as on March 31, 2018. Accordingly, based on the conservative view, the goodwill has been fully impaired by way of recognition of impairment loss amounting to INR 1175.55 mn during the year ending March 31, 2018. This loss has been disclosed as a separate line item in the statement of Profit and loss.

6 Business combination

In accordance with the terms of scheme of arrangement ("Scheme") under sections 230 to 232 read with section 52 and 66 of Companies Act 2013, approved by Hon'ble National Company Law Tribunal ("NCLT"), New Delhi Bench vide order dated October 11, 2017, the online business undertaking of Toloxo online private limited ("transferor company"), a wholly owned subsidiary has been demerged and transferred to the company on going concern basis with effect from January 1 2017, the appointed date. The online business undertaking operates as an e-marketplace for business needs, which acts an interactive hub for domestic buyers and suppliers.

Pursuant to the NCLT order and as per scheme:

- a) Company has recorded asset and liabilities pertaining to the online business undertaking at the respective carrying amounts as appearing in the books of the transferor company as on appointed date;
- b) To the extent of reorganization of share capital of the transferor company, the investment in equity and debt instrument (0.01% convertible redeemable preference share capital) of the transferor company as appearing in the books of account of the company has been cancelled.
- c) Any deficit arising after recording the entries and giving effect to the adjustment contained in clause (a) and (b) above has been recorded as goodwill in the books of accounts of the Company.

d) Further, any investments made by the company in the share capital of the transferor company by subscribing to equity shares or debt instruments (0.01% convertible redeemable preference shares along with the securities premium), after the appointed date and before the order date, has been cancelled in the same manner as followed for investments made before the appointed date.

In absence of any specific provision under Ind AS with respect to court schemes, and the fact that the court schemes are part of the law, accounting prescribed therein (as explained above) will continue to prevail even in the Ind AS financial statements of the Company. The accounting treatment prescribed under the court scheme is not aligned with the accounting principles prescribed in Appendix C to Ind AS 103 "Business combinations". Had the Company followed the principles prescribed under Ind AS, there would be an impact on other equity 31 March 2018: Nil (31 March 2017: INR 1,175.55 mn 1 April 2016: Nil) and financial information of prior years would have been restated as if the business combination has occurred from the beginning of the preceding period presented in the financial statements.

In view of the above,

(i) Assets and Liabilities of online business undertaking as on January 1, 2017 are as under:

**Particulars**

**Assets**

**Non-current assets**

Property, plant and equipment	5.04
Intangible assets	2.27
Financial assets	-
(i) Others financial assets	7.10
<b>Total non-current assets</b>	<b>14.41</b>

**Current assets**

Financial assets	
(i) Cash and cash equivalents	87.07
(ii) Others financial assets	2.28
Other current assets	83.59
<b>Total current assets</b>	<b>172.94</b>

**Total Assets (A)**

**187.35**

**Liabilities**

**Non-current liabilities**

Financial liabilities	
(i) Trade payables	40.74
<b>Total non-current liabilities</b>	<b>40.74</b>

**Current liabilities**

Financial liabilities	
(i) Trade payables	-
Short-term provisions	7.59
Other current liabilities	8.84
<b>Total current liabilities</b>	<b>16.43</b>

**Total liabilities (B)**

**57.17**

(c ) Net assets acquired during the scheme of arrangement (A-B), as explained in (a) above 130.18

(D) Cancellation of Investment in transferor company, as explained in (b) above:  
Equity shares 468.58  
Debt instruments 837.15 1,305.73

(E ) Goodwill (D-C) as explained in (c ) above **1,175.55**

(ii) Cancellation of Investment in transferor company are as under:

made before appointed date	1,305.73
made after appointed date, till 31 March 2017 (refer clause (d) above)	60.90
	<b>1,366.63</b>
made after 1 April 2017 till order date (refer clause (d) above)	34.80
<b>Total</b>	<b>1,401.43</b>

7 Contingent Liabilities

Particulars	31 March 2019	31 March 2018	31 March 2017
<b>Claims against the Company not acknowledged as debt</b>			
Income Tax in respect of Assessment Year 2006-07 in respect of which company has gone on appeal in CIT(A).	-	-	0.02
Based on judicial pronouncements, the company's claim is likely to be accepted by appellate authorities.	-	-	9.04
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 company's claim is likely to be accepted by appellate authorities.	-	-	0.41
Dividend on 0.01% Series A CCPs	-	0.46	0.41
Dividend on 0.01% Series B & B1 CCPs	-	0.04	0.02
<b>Total</b>	<b>-</b>	<b>0.50</b>	<b>9.49</b>

Notes

- 1 In relation to the matters of service tax and income listed above, the Company is contesting the demands from the respective Government Departments. The management, including its tax and legal advisors, believe that its position will likely be upheld in the appellate process. No extra expense has been accrued in the financial statements for these demands raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.
2. 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."

8 Capital and other commitments

Particulars	31 March 2019	31 March 2018	31 March 2017
Estimated amount of contract remaining to be executed on capital account	-	-	-
	-	-	-

The company will provide financial support to wholly owned subsidiaries, so as to meet its liabilities as and when the same is required.

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

Particulars	31 March 2019	31 March 2018	31 March 2017
Principal amount due to micro and small enterprises	-	11.31	-
Interest due on above	-	-	-
<b>Total</b>	<b>-</b>	<b>11.31</b>	<b>-</b>
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	-	-	-

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the notes to the Restated Ind AS Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements appearing in Annexure VI

**10 Related party disclosures**

<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>Related parties where control exists</b>			
Subsidiaries	Hello Trade Online Pvt Ltd	Hello Trade Online Pvt Ltd	Hello Trade Online Pvt Ltd
	Tradezeal International Pvt Ltd	Tradezeal International Pvt Ltd	Tradezeal International Pvt Ltd
	Ten Times Online Pvt Ltd	Ten Times Online Pvt Ltd	Ten Times Online Pvt Ltd
	Tolexo Online Pvt. Ltd	Tolexo Online Pvt. Ltd	Tolexo Online Pvt. Ltd
	Pay With Indiamart Private Limited	Pay With Indiamart Private Limited	Pay With Indiamart Private Limited (w.e.f 08.02.2017)
<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b>	Mansa Enterprises Pvt Ltd	Mansa Enterprises Pvt Ltd	Mansa Enterprises Pvt Ltd
<b>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)</b>			
<b>Managing Director</b>	Mr. Dinesh Chandra Agarwal	Mr. Dinesh Chandra Agarwal	Mr. Dinesh Chandra Agarwal
<b>Whole time director</b>	Mr. Brijesh Kumar Agarwal	Mr. Brijesh Kumar Agarwal	Mr. Brijesh Kumar Agarwal
<b>Chief financial officer</b>	Mr. Prateek Chandra	Mr. Prateek Chandra	Mr. Prateek Chandra
<b>Company Secretary</b>	Mr. Anil Dwivedi (resigned on April 30, 2018)	Mr. Anil Dwivedi (resigned on April 30, 2018)	Mr. Anil Dwivedi
<b>Company Secretary</b>	Mr. Manoj Bhargava (Joined on June 04, 2018)	Mr. Manoj Bhargava (Joined on June 04, 2018)	
<b>Non-executive director</b>	Mr. Dhruv Prakash	Mr. Dhruv Prakash	Mr. Dhruv Prakash
<b>Independent director</b>	Mr. Mahendra Kumar Chauhan (resigned w.e.f. 30 April 2018)	Mr. Mahendra Kumar Chauhan	Mr. Mahendra Kumar Chauhan
<b>Independent director</b>	Mr. Rajesh Sawhney	Mr. Rajesh Sawhney	Mr. Rajesh Sawhney
<b>Independent director</b>	Ms. Elizabeth Lucy Chapman	Ms. Elizabeth Lucy	Ms. Elizabeth Lucy
<b>Independent director</b>	Vivek Narayan Gour (appointed w.e.f 30 April 2018)		
<b>Other related parties*</b>	Indiamart Intermesh Employees Group Gratuity Assurance Scheme (seperately administered Trust to manage post employment defined benefits of employees of the Company)		

\*Refer note 2 of Annexure XXXI for information and transactions in post employment defined benefit plan

**b) 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 related party operates.

**c) Key management personnel compensation**

<b>Particulars</b>	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>	<b>For the year ended 31 March 2017</b>
Short-term employee benefits	102.79	83.24	67.60
Post- employment benefits	(0.57)	0.51	0.08
Other long-term employee benefits	0.47	0.08	0.05
Employee share based payment expense	4.85	1.14	1.04
	<b>107.54</b>	<b>84.97</b>	<b>68.77</b>

Refer note 2 of Annexure XXXI for information and transactions in post employment defined benefits plan

As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to KMP's is not ascertainable separately , and, therefore not included above.

## d) Summary of transactions with the above related parties are as follows:

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b>			
<b>Expenses for rent</b>			
Mansa Enterprises Private Limited	3.26	4.14	4.62
<b>Interest received on Loan to subsidiaries</b>		-	-
Tolexo Online Pvt. Ltd	0.02	0.05	-
<b>Key Management Personnel</b>			
<b>Recruitment and training expenses</b>			
Dhruv Prakash	1.85	2.07	1.02
Director's sitting fees	2.93	1.67	1.90
<b>Investment in subsidiaries</b>			
Tolexo Online Pvt. Ltd	42.50	78.50	710.00
Tradezeal International Pvt. Ltd	-	-	18.70
Hello Trade Online Pvt. Ltd	0.10	-	0.10
Pay With Indiamart Pvt. Ltd	30.00	13.00	1.00
Tentimes Online Pvt. Ltd	2.50		
<b>Cancellation of Investment in subsidiaries</b>			
Tolexo Online Pvt. Ltd (refer Annexure XXXI (s.no. 6))	-	34.80	1,366.63
<b>Loans to subsidiaries</b>		-	-
Tolexo Online Pvt. Ltd	2.50	4.00	-
<b>Services provided to</b>			
Pay With Indiamart Pvt. Ltd	1.09	0.31	-
Tentimes Online Pvt. Ltd	0.08	0.10	-
Tolexo online private limited	-	-	8.07
<b>Services availed from</b>			
Pay With Indiamart Pvt. Ltd	1.93	-	-
<b>Contribution to Trust</b>		-	-
Indiamart Intermesh Employees Group Gratuity Assurance Scheme	-	-	0.25
<b>Balance Receivable at the year end</b>			
<b>Investment in subsidiaries</b>			
Tolexo Online Pvt. Ltd	117.40	122.28	260.50
Tradezeal International Pvt. Ltd	6.10	6.10	6.10
Hello Trade Online Pvt. Ltd	0.30	0.20	0.20
Pay With Indiamart Pvt. Ltd	44.00	14.08	1.00
Tentimes Online Pvt. Ltd	3.10	0.60	0.60
<b>Trade receivable</b>			
Tolexo Online private limited	-	-	3.61
<b>Amount recoverable</b>			
Tolexo Online private limited	1.52	1.52	-

1. The figures disclosed above are based on the Restated Ind AS Standalone Financial Information of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

**11 Fair value measurements**

The following table provides the fair value measurement hierarchy of the Company's financial assets and financial liabilities.

Quantitative disclosures fair value measurement hierarchy as at March 31, 2019:

Particulars	Level	31 March 2019	31 March 2018	31 March 2017
<b>Financial assets</b>				
a) Measured at fair value through profit or loss (FVTPL)				
- Investment in mutual funds	Level 1	6,042.99	3,087.70	1,352.36
- Investment in debt instruments in subsidiaries	Level 3	90.39	65.34	132.95
		<b>6,133.38</b>	<b>3,153.04</b>	<b>1,485.31</b>
b) Measured at Amortised cost				
- Trade receivables	Level 2	3.54	2.79	5.60
- Cash and cash equivalents	Level 1	359.13	452.48	173.73
- Loan to employees	Level 2	16.19	63.20	14.20
- Security deposits	Level 2	59.12	36.53	41.16
- Bank deposits	Level 2	375.48	302.20	229.96
- Other financial assets	Level 2	126.27	37.35	34.51
		<b>939.73</b>	<b>894.55</b>	<b>499.16</b>
<b>Total financial assets</b>		<b>7,073.11</b>	<b>4,047.59</b>	<b>1,984.47</b>
<b>Financial liabilities</b>				
a) Measured at fair value through profit or loss (FVTPL)				
- Share buy back obligation (refer annexure XVIII)	Level 3	-	3,729.30	2,460.90
		-	<b>3,729.30</b>	<b>2,460.90</b>
b) Measured at Amortised cost				
- Trade payables	Level 2	439.53	412.73	291.66
- Security deposits	Level 2	0.14	0.14	0.14
- Other financial liabilities	Level 2	3.32	2.66	5.39
		<b>442.99</b>	<b>415.53</b>	<b>297.19</b>
<b>Total financial liabilities</b>		<b>442.99</b>	<b>4,144.83</b>	<b>2,758.09</b>

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

- i) The carrying value and fair value for the above financial instruments are same.
- ii) 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.
- iii) 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.
- iv) Fair value of quoted mutual funds is based on quoted market prices at the reporting date.
- v) Fair value of debt instruments is estimated based on discounted cash flows valuation technique using the cash flow projections, discount rate and credit risk.
- vi) 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 assets / liabilities as of 31 March, 2019, 31 March 2018, and 31 March 2017:

Financial assets	Valuation technique(s)	Key input(s)	Sensitivity
- Investment in debt instruments of subsidiaries	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**
<b>Financial liabilities</b>			
- Share buy back obligation	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 and financial liabilities included in level 3 have been determined in accordance with generally accepted pricing models based on a discounted cash flow 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 assets and 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 assets and financial liabilities would increase / decrease by 1%.

d) **Reconciliation of level 3 fair value measurements**

Particulars	Investment in debt instruments		
	For the years ended	31 March 2019	31 March 2018
Opening balance		65.34	132.95
Gains or loss recognised in profit or loss*		(47.38)	(124.38)
Additions		72.50	-
Purchases		-	56.77
Disposals		(0.07)	-
Closing balance		<b>90.39</b>	<b>65.34</b>

\* refer note 2 of Annexure VIII

Particulars	Share buy back obligation		
	For the years ended	31 March 2019	31 March 2018
Opening balance		3,729.30	2,460.90
Gains or loss recognised in profit or loss		652.63	1,228.62
Purchases		-	39.78
Conversion of preference shares into equity shares during the year		(4,381.93)	-
Closing balance		<b>0.00</b>	<b>3,729.30</b>

**Notes to Restated Ind AS unconsolidated summary statements**

(Amounts in INR millions, unless otherwise stated)

- e) During the year ended 31 March 2019; 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.

**12 Capital Management**

The Company manages its capital to ensure that the company 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 company consists of net debt (Annexure XVIII) offset by cash and bank balance note (Annexure XI) and total equity of the company.

The Company'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 company 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 restated statement of assets and liabilities).

The gearing ratio at end of the reporting year was as follows :

Particulars	As at		
	31 March 2019	31 March 2018	31 March 2017
Share buyback obligation	-	3,729.30	2,460.90
Less: Cash and cash equivalents	359.13	452.48	173.73
Net debt	-	3,276.82	2,287.17
Total equity	1,606.82	(3,122.74)	(2,531.28)
Net debt to equity ratio	-	-104.93%	-90.36%

**13 Financial risk management objectives and policies**

The Company is exposed to market risk, credit risk and liquidity risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. 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 Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company'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), macro-economic information (such as regulatory changes, government directives, market interest rate).

**Trade receivables**

The Company collects consideration in advance for the services to be provided to the customer. As a result, the Company is not exposed to significant credit risk on trade receivables.

**Cash and cash equivalents, bank deposits and investments in mutual funds**

The Company 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 Company 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 Company's historical experience of dealing with the parties.

**ii) Liquidity risk management**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

Ultimate responsibility for liquidity risk management rests with the board of directors, who has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company 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 Company'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	-	0.00	0.00
Trade payables	439.53	-	439.53
Other financial liabilities	0.48	2.84	3.32
	440.01	2.84	442.85

31 March 2018	Within 1 year	Between 1 and 5 years	Total
Share buyback obligation	-	3,729.30	3,729.30
Trade payables	412.73	-	412.73
Other financial liabilities	0.18	2.62	2.80
	412.91	3,731.92	4,144.83

31 March 2017	Within 1 year	Between 1 and 5 years	Total
Share buyback obligation	-	2,460.90	2,460.90
Trade payables	291.66	-	291.66
Other financial liabilities	0.17	5.36	5.53
	291.83	2,466.26	2,758.09

**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 receivables, 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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company's exposure to unhedged foreign currency risk as at 31 March 2019, 31 March 2018 and 31 March 2017 has been disclosed in note below. Currency risks related to the principal amounts of the Company's US dollar trade receivables.

**Unhedged foreign currency exposure**

Particulars	As at		
	31 March 2019	31 March 2018	31 March 2017
Trade receivable	USD 0.03 (INR 2.40)	USD 0.03 (INR 2.21 mn)	USD 0.03 (INR 1.99 mn)

**Sensitivity**

Particulars	Impact on profit/loss before tax for the years ended		
	31 March 2019	31 March 2018	31 March 2017
<b>USD sensitivity</b>			
INR/USD - increase by 2%	0.05	0.04	0.04
INR/USD - decrease by 2%	(0.05)	(0.04)	(0.04)

**Price risk**

The investments of mutual funds in listed debt securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the price risk through diversification and by placing limits on individual and total instruments. Reports on the portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all investment decisions.

Sensitivity	Impact on profit/loss before tax		
	31 March 2019	31 March 2018	31 March 2017
+ 5% change in NAV of mutual funds	302.15	154.39	67.62
- 5% change in NAV of mutual funds	(302.15)	(154.39)	(67.62)

**14 Events after the reporting year**

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 financial statements as at or for the year ended 31 March 2019.

**15 Sale of disposal group**

The Company has transfer its travel marketplace related business, 'Hello Travel' to Hello travel Online Private Limited ('HOPL'), as a going concern through a lump sale, through a business purchase agreement dated June 21, 2018 (BPA), and such business transfer will be effective from the transfer date, i.e. 1 July 2018.

The consideration for the transfer of Hello Travel is INR 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:**

	Amount
Assets	0.29
Property, plant and equipment (including software)	0.29
<b>Liabilities</b>	
Trade payables	3.70
Provision for gratuity	1.01
Provision for leave encashment	0.27
Deferred revenue	14.64
	<b>19.62</b>
<b>Net liability payable</b>	<b>(19.33)</b>

**16 List of entities controlled by the Company are:**

Name of the Company	Principal activities	Country of Incorporation	Percentage of ownership interest and voting rights as at		
			31 March 2019	31 March 2018	31 March 2017
Hello Trade Online Pvt Ltd	Business facilitation services	India	100%	100%	100%
Tradezeal International Pvt Ltd	Business facilitation services	India	100%	100%	100%
Ten Times Online Pvt Ltd	Business facilitation services	India	100%	96.26%	96.26%
Tolexo Online Private Limited	Ecommerce services	India	100%	100%	100%
Pav With Indiamart Private Limited	Payment gateway and consultancy services	India	100%	100%	100%

**17 Company has reported following function wise results of operations as a Non GAAP disclosure on voluntary basis**

S.No.	Particulars	For the year ended		
		31 March 2019	31 March 2018	31 March 2017
A	Revenue from operations	4,972.75	4,035.48	3,086.29
B	Customer service cost	(1,584.23)	(1,347.19)	(1,129.07)
C	<b>Surplus over customer service cost (A-B)</b>	<b>3,388.52</b>	<b>2,688.29</b>	<b>1,957.22</b>
	Selling & Distribution Expenses	1,004.44	899.98	773.54
	Technology & Content Expenses	1,020.95	811.29	711.82
	Marketing Expenses	47.77	52.02	94.99
	Depreciation & Amortization	39.98	27.97	40.16
	Other operating expenses	519.64	432.81	412.06
D	<b>Total</b>	<b>2,632.78</b>	<b>2,224.07</b>	<b>2,032.57</b>
E	<b>Operating Profit (C-D)</b>	<b>755.74</b>	<b>464.22</b>	<b>(75.35)</b>
	Net (loss)/gain on financial assets/liability measured at FVTPL	(328.76)	(1,192.10)	(74.12)
	Impairment of goodwill	-	(1,175.55)	-
	Other income	36.31	28.61	18.51
F	<b>Total</b>	<b>(292.45)</b>	<b>(2,339.04)</b>	<b>(55.61)</b>
G	<b>Profit/ (Loss) before tax ( E-F)</b>	<b>463.29</b>	<b>(1,874.82)</b>	<b>(130.96)</b>
H	Income tax expense	(337.36)	(1,150.41)	-
I	<b>Profit/(Loss) for the year</b>	<b>125.93</b>	<b>(724.41)</b>	<b>(130.96)</b>

**Below is the basis of classification of various function mentioned above:**

*Customer service cost*

Customer service cost primarily consists of employee benefits expense for employees involved in servicing of our clients; website content charges (included in "Content development expenses" in Annexure XXVII); PNS charges i.e. rental for premium number service provided to our paying suppliers (included in "Buyer Engagement Expenses" in Annexure XXVII); SMS & Email charges i.e. cost of notifications sent to paying suppliers through SMS or email (included in "Buyer Engagement Expenses" in Annexure XXVII); Buy Lead Verification & Enrichment- MP i.e. costs incurred in connection with the verification of RFQs posted by registered buyers on Indiamart and provided to our paying suppliers as a part of our subscription packages (included in "Customer Support Expenses" in Annexure XXVII); other expenses such as rent, power and fuel, repair & maintenance, travelling & conveyance allocated based on employee count; collection charges; domain registration & renewal charges (included in "Internet and other online expenses" in Annexure XXVII) for our clients.

*Selling & Distribution Expenses*

Selling & Distribution Expenses primarily consists of employee benefits expense for employees involved in acquisition of new paying suppliers; Outsourced sales cost i.e. costs incurred in connection with our outsourced telephone sales team and field sales team, other expenses such as rent, power and fuel, repair & maintenance, travelling & conveyance allocated based on employee count.

*Technology & Content Expenses*

Technology and content expenses include employee benefits expense for employees involved in the research and development of new and existing products and services, development, design, and maintenance of our website and mobile application, duration and display of products and services made available on our websites, and digital infrastructure costs; Data Verification & Enrichment i.e. amount paid to third parties to maintain and enhance our database (included in "Content development expenses" in Annexure XXVII); PNS charges i.e. rental for premium number service provided to our free suppliers (included in "Buyer Engagement Expenses" in Annexure XXVII); SMS & Email charges i.e. cost of notifications sent to buyers and free suppliers through SMS or email (included in "Buyer Engagement Expenses" in Annexure XXVII); Buy Lead Verification & Enrichment- MP i.e. costs incurred in connection with the verification of RFQs posted by registered buyers on Indiamart and provided to our free suppliers (included in "Customer Support Expenses" in Annexure XXVII); other expenses such as rent, power and fuel, repair & maintenance, travelling & conveyance allocated based on employee count; Complaint Handling (1-800) Exp. (included in "Customer Support Expenses" in Annexure XXVII); Server Exp. (Web Space for Hosting), Software Expenses, Server Exp. (Google Emails-Employees) & Website Support & Maintenance (included in "Internet and other online expenses" in Annexure XXVII).

*Marketing Expenses*

While most of our branding and marketing is done by our field sales representatives though face to face meetings with potential customers (included in Selling & Distribution Expenses), our branding is aided by our spending on marketing, such as targeted digital marketing, search engine advertisements and offline advertising, and we also engage in advertising campaigns from time to time through television and print media. Employee benefits expense for 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 Annexure XXVII); telephone expenses-branch & employee (included in "Communication Costs" in Annexure XXVII); recruitment and training expenses; legal and professional fees and other miscellaneous operating expenses.

**Auditors' Report on the restated Indian GAAP unconsolidated summary statements of assets and liabilities as at March 31, 2016 and 2015, profits and losses and cash flows for the each of years ended March 31, 2016 and 2015 of IndiaMART InterMESH Limited (collectively, the "Restated Indian GAAP Unconsolidated Summary Statements")**

To  
The Board of Directors  
IndiaMART InterMESH Limited  
7<sup>th</sup> and 8<sup>th</sup> Floor, Advant Navis Park  
Plot No.-7, Sector- 142, NOIDA.  
Uttar Pradesh – 201305

Dear Sirs,

1. We have examined the attached Restated Indian GAAP Unconsolidated Summary Statements of IndiaMART InterMESH Limited (the "Company") as at and for each of the years ended March 31, 2016 and 2015 annexed to this report and prepared by the Company for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus in connection with its proposed initial public offer ("IPO"). The Restated Indian GAAP Unconsolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act"); and
  - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

**Management's Responsibility for the Restated Indian GAAP Unconsolidated Summary Statements**

2. The preparation of the Restated Indian GAAP Unconsolidated Summary Statements, which are to be included in the Red Herring Prospectus ("RHP") and Prospectus, is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Indian GAAP Unconsolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the ICDR Regulations.

**Auditors' Responsibilities**

3. We have examined such Restated Indian GAAP Unconsolidated Summary Statements taking into consideration:
  - a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated April 20, 2018 and our service scope letter dated May 15, 2019, requesting us to carry out the assignment, in connection with the proposed IPO of the Company;
  - b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and
  - c. the requirements of Section 26 of the Act and the ICDR Regulations.
  - d. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.
4. The Company proposes to make an initial public offer which comprises an offer for sale made by certain shareholders' of existing, equity shares of Rs. 10 each, at an issue price to be arrived at by the book building process (referred to as the "Offer"), as may be decided by the Company's Board of Directors.

**Restated Indian GAAP Unconsolidated Summary Statements as per audited unconsolidated financial statements:**

5. The Restated Indian GAAP Unconsolidated Summary Statements have been compiled by the management from the audited financial statements of the Company as at and for each of the years ended March 31, 2016 and 2015 which is prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") at the relevant time, which have been approved by the Board of Directors at their meetings held on July 28, 2016 and July 25, 2015, respectively.
6. For the purpose of our examination, we have relied on the Auditor Report issued by us dated July 28, 2016 and July 25, 2015, respectively on the unconsolidated financial statements of the Company as at and for the year ended March 31, 2016 and 2015 as referred in Para 5 above.
7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, ICDR Regulations and the Guidance Note, we report that we have examined the following summarised financial statements of the Company contained in Restated Indian GAAP Unconsolidated Summary Statements, which as stated in the Annexure IV to this report have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements, read with paragraph 7(d) below:
  - a. The Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2016 and 2015, as set out in Annexure I to this report;
  - b. The Restated Indian GAAP Unconsolidated Summary Statement of Profit and Losses of the Company for each of the years ended March 31, 2016 and 2015, as set out in Annexure II to this report;
  - c. The Restated Indian GAAP Unconsolidated Summary Statement of Cash Flows of the Company for each of the years ended March 31, 2016 and 2015, as set out in Annexure III to this report; and
  - d. Based on the above and according to the information and explanations given to us, we further report that the Restated Indian GAAP Unconsolidated Summary Statements of the Company, as attached to this report and as mentioned in paragraphs 7(a) to 7(c) above, read with basis of preparation and respective significant accounting policies given in Annexure IV as described in paragraph 1 have been prepared in accordance with the ICDR Regulations and these Restated Indian GAAP Unconsolidated Summary Statements:
    - i. do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the years ended March 31, 2016 are materially consistent with the policies adopted as at and for the years ended March 31, 2015. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;
    - ii. have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;
    - iii. as per requirements of Indian GAAP, do not contain any extra-ordinary items that need to be disclosed separately in the Restated Indian GAAP Unconsolidated Summary Statements; and
    - iv. there is no qualifications in the auditor report on the audited unconsolidated financial statements of the Company as at March 31, 2016 and 2015 which require any adjustments to the Restated Indian GAAP Unconsolidated Summary Statements.
    - v. Other audit qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order 2003, as applicable, on the unconsolidated financial statements for each of the years ended March 31, 2016 and 2015, which do not require any corrective adjustment in the Restated Indian GAAP Unconsolidated Summary Statements, are as follows:

**A. As at and for the year ended March 31, 2016**

Clause (vii)(c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	6,568,335	Financial Year 2006-07 to 2011-12	Additional Commissioner of service tax
The Income Tax Act, 1961	Additional fringe benefit tax & income tax demand	819,143	Assessment Year 2006-07	Commissioner of income tax (appeals)

**B. As at and for the year ended March 31, 2015**

Clause (vii) (c)

According to the records of the Company, the due outstanding of income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	6,568,335	Financial Year 2006-07 to 2010-11	Additional Commissioner of service tax
The Income Tax Act, 1961	Additional fringe benefit tax & income tax demand	819,143	Assessment Year 2006-07	Commissioner of income tax (appeals)

Clause (viii)

The Company's accumulated losses at the end of the financial year are more than 50% of its net worth. Further, the company has incurred cash loss during the year and in immediately preceding financial year

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2019. Accordingly, we express no opinion on the financial position, results of operations and cash flows of the Company as of any date or for any period subsequent to March 31, 2019.

**Other Financial Information:**

9. At the Company's request, we have also examined the following Restated Indian GAAP Unconsolidated financial information proposed to be included in the RHP and Prospectus, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for each of the years ended March 31, 2016 and 2015:
- i. Restated Unconsolidated Statement of Share Capital, enclosed as Annexure VI;
  - ii. Restated Unconsolidated Statement of Reserves, enclosed as Annexure VII;
  - iii. Restated Unconsolidated Statement of Long-term and Short-term Borrowings, enclosed as Annexure VIII;

- iv. Restated Unconsolidated Statement of Other Long term Liabilities, enclosed as Annexure IX;
  - v. Restated Unconsolidated Statement of Trade Payables and Other Liabilities, enclosed as Annexure X;
  - vi. Restated Unconsolidated Statement of Provisions, enclosed as Annexure XI;
  - vii. Restated Unconsolidated Statement of Fixed Assets, enclosed as Annexure XII;
  - viii. Restated Unconsolidated Statement of Non-Current Investments, enclosed as Annexure XIII;
  - ix. Restated Unconsolidated Statement of Non-current Loans and Advances, enclosed as Annexure XIV;
  - x. Restated Unconsolidated Statement of Current investments, enclosed as Annexure XV;
  - xi. Restated Unconsolidated Statement of Trade Receivables, enclosed as Annexure XVI;
  - xii. Restated Unconsolidated Statement of Cash and Bank Balances, enclosed as Annexure XVII;
  - xiii. Restated Unconsolidated Statement of Other Assets, enclosed as Annexure XVIII
  - xiv. Restated Unconsolidated Statement of Short term Loans and Advances, enclosed as Annexure XIX
  - xv. Restated Unconsolidated Statement of Revenue from operations, enclosed as Annexure XX;
  - xvi. Restated Unconsolidated Statement of Other Income, enclosed as Annexure XXI;
  - xvii. Restated Unconsolidated Statement of Employee Benefit Expense, enclosed as Annexure XXII;
  - xviii. Restated Unconsolidated Statement of Other Expenses, enclosed as Annexure XXIII;
  - xix. Restated Unconsolidated Statement of Finance Costs, enclosed as Annexure XXIV;
  - xx. Restated Unconsolidated Statement of Accounting Ratios, enclosed as Annexure XXV;
  - xxi. Restated Unconsolidated Statement of Tax Shelter, enclosed as Annexure XXVI;
  - xxii. Notes to the Restated Unconsolidated Summary Statement, enclosed as Annexure XXVII
10. According to the information and explanations given to us, in our opinion, the Restated Indian GAAP Unconsolidated Summary Statements and the abovementioned Restated Indian GAAP financial information contained in Annexures I to XXVII under Indian GAAP accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure IV, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure V and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, the ICDR Regulations and the Guidance Note.
11. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the management for inclusion in the Red Herring Prospectus (“RHP”) and Prospectus to be filed with SEBI, National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Delhi in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per Yogesh Midha  
Partner  
Membership No: 94941  
Place: New Delhi  
Date: June 03, 2019

S.No.	Particulars	Annexure	31 March 2016	31 March 2015
	<b>Equity and Liabilities</b>			
A	<b>Shareholder's Funds</b>			
	Share capital	VI	753.89	581.69
	Reserves and surplus	VII	(670.74)	(1,393.02)
	<b>Total of Shareholders' funds</b>		<b>83.15</b>	<b>(811.33)</b>
B	<b>Non-current liabilities</b>			
	Borrowings	VIII	-	-
	Trade payables			
	(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises."	IX	6.66	7.32
	Other long-term liabilities	IX	794.99	535.35
	<b>Total of Non-current liabilities</b>		<b>801.65</b>	<b>542.67</b>
C	<b>Current liabilities</b>			
	Trade payables			
	(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises."	X	237.67	194.73
	Other current liabilities	X	1,446.32	1,101.92
	Short-term provisions	XI	33.91	43.96
	<b>Total of Current liabilities</b>		<b>1,717.90</b>	<b>1,340.61</b>
	<b>Total (A+B+C)</b>		<b>2,602.70</b>	<b>1,071.95</b>
D	<b>Assets</b>			
	<b>Non-current assets</b>			
	Fixed assets			
	Property, plant and equipment	XII	81.14	45.18
	Intangible assets	XII	6.11	10.02
	Capital work-in-progress		1.77	1.77
	Non-current investments	XIII	860.20	80.70
	Loans and advances	XIV	51.66	42.97
	Other non current Assets	XVIII	113.52	104.53
	<b>Total of Non - current assets</b>		<b>1,114.40</b>	<b>285.17</b>
E	<b>Current assets</b>			
	Current investments	XV	1,250.88	600.08
	Trade receivables	XVI	5.04	4.30
	Cash and bank balances	XVII	115.20	93.23
	Loans and advances	XIX	107.78	89.17
	Other non current Assets	XVIII	9.40	-
	<b>Total of Current assets</b>		<b>1,488.30</b>	<b>786.78</b>
	<b>Total (D+E)</b>		<b>2,602.70</b>	<b>1,071.95</b>

**Notes:**

1. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V.

As per our report of even date

**For S. R. Batliboi & Associates LLP**  
Chartered Accountants  
Firm registration number: 101049W/E300004

For and on behalf of the board of directors of  
**IndiaMART InterMESH Limited**

**per Yogesh Midha**  
Partner  
Membership No.: 94941

**Dinesh Chandra Agarwal**  
Managing Director  
DIN:00191800

**Brijesh Kumar Agrawal**  
Whole-time Director  
DIN:00191760

**Prateek Chandra**  
Chief Financial Officer

**Manoj Bhargava**  
Company Secretary

**Restated Indian GAAP Unconsolidated Summary Statement of Profits and Losses**

(Amount in INR million, unless otherwise stated)

S.No.	Particulars	Annexure	for the years ended	
			31 March 2016	31 March 2015
F	<b>Income:</b>	XX XXI		
	Revenue from operations		2,462.45	1,728.90
	Other income		46.53	118.86
	<b>Total revenue</b>		<b>2,508.98</b>	<b>1,847.76</b>
G	<b>Expenses:</b>	XXII XXIII XII XXIV		
	Employee benefits expense		1,532.17	1,136.97
	Other expenses		1,368.23	866.17
	Depreciation and amortization expenses		26.21	29.91
	Financial costs		10.17	4.50
I	<b>Restated loss before tax</b>		<b>(427.80)</b>	<b>(189.79)</b>
J	<b>Tax expense/(income)</b>			
	Current Tax		-	-
	Tax expense for earlier years		3.71	
	<b>Total tax expenses</b>		<b>3.71</b>	<b>-</b>
K	<b>Restated loss after tax</b>		<b>(431.51)</b>	<b>(189.79)</b>

**Notes:**

1. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V.

As per our report of even date

**For S. R. Batliboi & Associates LLP**

Chartered Accountants

Firm registration number: 101049W/E300004

For and on behalf of the board of directors of

**IndiaMART InterMESH Limited**

**per Yogesh Midha**

Partner

Membership No.: 94941

**Dinesh Chandra Agarwal**

Manging Director

DIN:00191800

**Brijesh Kumar Agrawal**

Whole-time Director

DIN:00191760

**Prateek Chandra**

Chief Financial Officer

**Manoj Bhargava**

Company Secretary

Place: Delhi

Date : June 03, 2019

Place: Noida

Date : June 03, 2019

**IndiaMART InterMESH Limited**  
**CIN: U74899DL1999PLC101534**  
**Annexure III**  
**Restated Indian GAAP Unconsolidated Summary Statement of Cash Flows**  
**(Amount in INR million, unless otherwise stated)**

S.No.	Particulars	31 March 2016	31 March 2015
A	<b>Cash Flow From Operating Activities</b>		
	Restated loss before tax	(427.80)	(189.79)
	Adjustment to reconcile loss before tax to net cash flows		
	Depreciation and amortization	26.21	29.90
	Provision for diminution in value of investment	1.43	-
	Gain on sale of fixed assets	-	(0.00)
	Net (gain) on sale of current investments	(33.98)	(113.25)
	Interest expenses	0.03	0.09
	Interest income	(11.35)	(5.05)
	<b>Operating loss before working capital changes</b>	(445.46)	(278.10)
	<b>Movement in working capital :</b>		
	Increase in other long-term liabilities	259.64	178.74
	Increase in trade payables	42.28	15.56
	Increase in other current liabilities	344.97	233.30
	Increase in short-term provisions	(10.05)	11.51
	Decrease in trade receivables	(0.74)	1.04
	Decrease/ (Increase) in other current assets	(9.40)	-
	(Increase) in long term loans & advances	(46.53)	(44.23)
	<b>Cash generated from/ (used in) operations</b>	<b>134.71</b>	<b>117.82</b>
	Direct taxes paid (net of refund)	17.84	18.02
	<b>Net cash from/(used in) operating activities</b>	<b>152.55</b>	<b>135.84</b>
B	<b>Cash Flow From Investing Activities</b>		
	Purchase of fixed assets including capital work in progress and capital advance	(60.60)	(21.26)
	Proceeds from sale of fixed assets	-	0.03
	Investments in bank deposits (having original maturity of more than three months)	(8.99)	(104.53)
	Investments in subsidiary company	(779.50)	(80.10)
	Purchase of current investments	(2,359.09)	(1,188.03)
	Interest received	11.35	5.05
	Proceeds from sale/maturity of current investments	1,740.85	1,280.72
	<b>Net cash from/(used in) investing activities</b>	<b>(1,455.98)</b>	<b>(108.12)</b>
C	<b>Cash Flow From Financing Activities</b>		
	Repayment of short term borrowings	(0.57)	(0.56)
	Proceeds from issuance of share capital	1,326.00	-
	Interest paid	(0.03)	(0.09)
	<b>Net cash from/(used in) financing activities</b>	<b>1,325.40</b>	<b>(0.65)</b>
D	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>21.97</b>	<b>27.07</b>
E	Cash and cash equivalents at the beginning of the year	93.23	66.16
	<b>Cash and cash equivalents at end of the year (D+E)</b>	<b>115.20</b>	<b>93.23</b>
	<b>Components of cash and cash equivalents</b>		
	Cash on hand	0.02	0.20
	Cheques on hand	94.45	75.53
	With banks - on current account	20.73	17.50
	<b>Total cash and cash equivalents</b>	<b>115.20</b>	<b>93.23</b>
	<b>Cash and cash equivalent in cash flow statement (Annexure XVII)</b>	<b>115.20</b>	<b>93.23</b>

Notes

1. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V.

As per our report of even date

**For S. R. Batliboi & Associates LLP**  
Chartered Accountants  
Firm registration number: 101049W/E300004

For and on behalf of the board of directors of  
**IndiaMART InterMESH Limited**

per Yogesh Midha  
Partner  
Membership No.: 94941

**Dinesh Chandra Agarwal**  
Managing Director  
DIN:00191800

**Brijesh Kumar Agrawal**  
Whole-time Director  
DIN:00191760

Place: Delhi  
Date : June 03, 2019

**Prateek Chandra**  
Chief Financial Officer

**Manoj Bhargava**  
Company Secretary

Place: Noida  
Date : June 03, 2019

---

**1 Company Overview**

Indiamart Intermesh Limited ("the Company") was incorporated on September 13, 1999. The Company is business-to-business e-marketplace, which acts as an interactive hub for domestic and international buyers and suppliers.

**2 Statement of Significant accounting policies**

**a) Basis of preparation**

The Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2016 and March 31, 2015 the related Restated Indian GAAP Unconsolidated Summary Statement of Profit and Loss and Restated Indian GAAP Unconsolidated Summary Statement of Cash Flows for the year ended March 31, 2016 and March 31, 2015 and accompany annexures thereto, (hereinafter collectively referred to as "Restated Indian GAAP Unconsolidated Financial Statements") have been prepared specifically for inclusion in the Red Herring Prospectus("RHP") and Prospectus to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering through Offer for Sale (IPO) of its equity shares.

The Restated Indian GAAP Unconsolidated Summary Statements have been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended read with rules 4 to 6 of the Rules, and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI regulations") as amended from time to time.

The Restated Indian GAAP Unconsolidated Summary Statements of the Company have been prepared using the historical audited general purpose financial statements of the Company as at and for the years ended March 31, 2016 and March 31, 2015 respectively which were prepared under generally accepted accounting principles in India (Indian GAAP) and originally approved by the Board of Directors of the Company at that relevant time.

The financial statements of the company have been prepared in accordance with Indian GAAP. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

As per the requirements of SEBI Circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016, the Company has presented the restated financial statements for the year ended March 31, 2016 and March 31, 2015 under Indian GAAP and year ended March 31, 2019, March 31, 2018 and March 31, 2017 under Ind AS. Financial statements presented under Ind AS have been prepared in a separate set of financial statements.

All amounts disclosed in the financial statements and annexures have been rounded off to the nearest INR million as per the requirement of Schedule III, unless otherwise stated.

These financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013.

**b) Depreciation on fixed assets**

From 1 April 2014, Schedule XIV of the Companies Act, 1956 has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

**(i) Useful lives/ depreciation rates**

Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV of the Companies Act, 1956. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets, to bring them in line with lives prescribed under schedule II of Companies Act 2013. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets. Hence, this change in accounting policy did not have any material impact on financial statements of the company.

On revision of useful lives of the fixed assets, the company has fully depreciated all the fixed assets whose remaining useful lives was nil as on April 1, 2014, and adjusted the written down value by charging the same to the statement of profit and loss.

(ii) Depreciation on assets costing less than Rs.5,000/-

To comply with the requirement as per Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than Rs.5,000. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The residual values and useful lives of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.

**c) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP 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.

**d) Property, plant and equipment**

Fixed assets are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates received are deducted in arriving at the purchase price. Capital work-in-progress is stated at cost

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred

Gains or losses arising from derecognition of fixed assets 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 and loss when the asset is derecognized.

**e) Depreciation on property, plant and equipment**

Leasehold land is amortised over the period of lease to maximum of 90 years.

Depreciation on fixed assets 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 company has used the following rates to provide depreciation on its fixed assets.

Categories	Annual rate (for the year ended March 31, 2016)	Annual rate (for the year ended March 31, 2015)
Computer equipment	63.16%	63.16%
Furniture and fittings	26.89%	26.89%
Office equipments	45.07%	45.07%
Vehicles	25.89%	25.89%
Building	N/A	N/A

Leasehold improvements is amortized on a straight line basis over the primary period of lease or the assessed useful lives of three years whichever is lower.

**f) Impairment of tangible and intangible assets**

The company 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 company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering 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.

Impairment losses, if any, of continuing operations are recognized in the statement of profit and loss. 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 as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit'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, not of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**g) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies. Intangible assets includes cost relating to software licenses are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

i) Unique telephone numbers are capitalised at cost and amortised on a written down value @ 40% annually.

ii) Intangibles being software acquired by the Company which provide long term benefits to the Company are capitalised at cost and amortised on a written down value @ 40% annually.

**h) Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

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.

**i) Borrowing cost**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

**j) Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties, as applicable.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary, in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**k) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

**Income from services**

Revenue from development, hosting and promotion of web catalogs are recognized 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. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

The un accrued amounts are not recognized as revenue till all obligation are fulfilled and are reflected in balance sheet as deferred revenue (income received in advance).

**Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**Dividends**

Revenue is recognised when the shareholders' right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

**l) Foreign currency translation**

**Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**m) Retirement and other employee benefits**

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the year when the services are rendered by the employees. There are no other obligations other than the contribution payable to the Employee's Provident Fund Organisation. If the contribution becomes payable for the service rendered exceeds the contribution already paid is recognized liability or if the contribution paid for the service rendered exceeds contribution becomes assets to the extent of prepayment.

Gratuity liability are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. 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.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. the Company 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.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company 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.

Remeasurements comprising of actuarial gains and losses, 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. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

The Company 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. The Company presents the entire leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred.

**n) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. the Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**o) Employee stock compensation cost**

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognised, together with a corresponding increase in the "Stock options outstanding account" in reserves. 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 Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss 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.

**p) Segment reporting**

The company operates in B2B emarketplace,which is considered to be a single business segment. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**q) Earning per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and related attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**r) Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**s) 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 one or more uncertain future events beyond the control of the Company 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 Company does not recognise a contingent liability but discloses its existence in the financial statements

**t) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less

**Annexure V**

**Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements  
(Amount in INR million, unless otherwise stated)**

- A The summary of results of restatement made in the audited Indian GAAP unconsolidated financial statements for the respective years and its impact on the loss of the Company is as follows:

Particulars	31 March 2016	31 March 2015
<b>Net loss as per audited financial statements</b>	(431.51)	(189.79)
Restatement adjustments	-	-
<b>Net Loss as per restated financial statements</b>	(431.51)	(189.79)

- B Restatement adjustments made in the audited opening balance of net surplus in the statement of profit and loss as at April 01, 2014

Particulars	As at April 01, 2014
Net loss in the Statement of Profit and Loss as at April 01, 2014 as per audited financial statement	(1,382.37)
Restatement adjustments	-
<b>Net loss in the Statement of Profit and Loss as at April 1, 2014 (as restated)</b>	(1,382.37)

C **Non adjusting items**

Audit qualifications for the respective years, which do not require any adjustments in the restated unconsolidated financial information are as follows:

**Annexure to auditor's report for the financial year ended March 31, 2016**

- (i) Clause vii (c)

According to the records of the Company, the dues outstanding of income tax and service tax on account of any dispute, are as follows

Name of the statute	Nature of dues	Amount	Period to which it relates	Forum where dispute is pending
Finance Act, 1994	Service tax	6.57	Financial Year 2006-07 to 2011-12	Additional Commissioner of Service-tax
The Income-tax Act, 1961	Additional fringe benefit tax and income tax demand	0.82	Financial Year 2005-06	Commissioner of income tax appeals

**Annexure to auditor's report for the financial year ended March 31, 2015**

- (i) Clause vii (c)

According to the records of the Company, the dues outstanding of income tax and service tax on account of any dispute, are as follows

Name of the statute	Nature of dues	Amount	Period to which it relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	6.57	Financial years 2006-07 to 2012-13	Additional Commissioner of Service tax
The Income-tax Act, 1961	Additional fringe benefits tax and tax demand	0.82	Assessment year 2006-07	Commissioner of Income tax (Appeals)

- (ii) Clause viii

The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. Further, The Company has incurred cash loss during the year and in immediately preceding financial year.

Particulars	March 31, 2016	March 31, 2015
<b>Authorised shares</b>		
200,000,000 (31 March 2015: 12,000,000) equity shares of Rs. 10 each	200.00	120.00
1,000,000 (31 March 2015: 1,000,000) non cumulative redeemable preference shares of Rs. 10 each	-	10.00
1,493,903 (31 March 2015: 1,493,903) 0.01% Series A cumulative convertible preference shares of Rs. 328 each	490.00	490.00
1,722,047 (31 March 2015: Nil) 0.01% Series B compulsory convertible preference shares of Rs. 100 each	172.20	-
	<b>862.20</b>	<b>620.00</b>
<b>Issued, subscribed and fully paid up:</b>		
9,168,989 (31 March 2015: 9,168,959) equity shares of Rs. 10 each	91.69	91.69
1,493,903 (31 March 2015: 1,493,903) 0.01% Series A CCPS of Rs. 328 each	490.00	490.00
1,722,047 0.01% Series B compulsory convertible preference shares of Rs. 100 each	172.20	-
	<b>753.89</b>	<b>581.69</b>

**a) Reconciliation of the shares outstanding at the beginning and as at the end of the year**

**Equity Shares**

	March 31, 2016		March 31, 2015	
	Number	Amount	Number	Amount
At the beginning of the year	9,168,959	91.69	9,168,959	91.69
Issued during the year	30	0.00	-	-
Outstanding at the beginning of the year	<b>9,168,989</b>	<b>91.69</b>	<b>9,168,959</b>	<b>91.69</b>

**Preference Shares- Series A**

	March 31, 2016		March 31, 2015	
	Number	Amount	Number	Amount
At the beginning of the year	1,493,903	490.00	1,493,903	490.00
Issued during the year	-	-	-	-
Outstanding at the beginning of the year	<b>1,493,903</b>	<b>490.00</b>	<b>1,493,903</b>	<b>490.00</b>

**Preference Shares- Series B**

	March 31, 2016		March 31, 2015	
	Number	Amount	Number	Amount
At the beginning of the year	-	-	-	-
Issued during the year	1,722,047	172.20	-	-
Outstanding at the beginning of the year	<b>1,722,047</b>	<b>172.20</b>	-	-

**b) Terms/ rights attached to equity shares**

- 1) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share.
- 2) In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Terms of conversion/ redemption of Series A -CCPS**

- 1) 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.
- 2) Subject to compliance with applicable laws, each Series A Preference share shall automatically be converted at the Series A Conversion Price (Rs. 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.
- 3) Subject to compliance with applicable laws, each Series A Preference share shall automatically be converted at the Series A Conversion Price (Rs. 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 Series A 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).

**Restated Indian GAAP unconsolidated Statement of Share Capital**  
**(Amount in INR million, unless otherwise stated)**

**c) Terms of conversion/ redemption of Series B -CCPS**

- 1) During the year ended 31 March 2016, the company issued 1,722,047 Series B CCPS of Rs.100 each fully paid-up at a premium of Rs.670 per share. The Series B Preference Shares are cumulative and issued at a preferential dividend rate of 0.01% (zero point zero one percent) per annum (the "Series B Preferential Dividend"). Following the Cut-Off Date, the Series B Preference Shares shall, subject to Applicable Law, carry a dividend of INR 77 (Indian Rupees Seventy Seven only) per Series B Preference Share per annum and calculated from the beginning of the fourth (4th) period from Series B Closing.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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.
- 6) 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).

**(d) Details of shareholders holding more than 5% shares in the company**

	March 31, 2016		March 31, 2015	
	Number	% Holding	Number	% Holding
<b>Equity shares of Rs. 10 each fully paid</b>				
Dinesh Chandra Agarwal	4,741,600	51.71%	4,741,600	51.71%
Brijesh Kumar Agrawal	3,213,100	35.04%	3,213,100	35.04%
<b>CCPS of Rs. 328 each fully paid</b>				
Intel Capital (Mauritius) Limited	1,493,903	100%	1,493,903	100%
<b>CCCPs of Rs. 100 each fully paid</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%	-	-

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

**(e) Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer Annexure XXVII - Serial no 7.

For details of shares reserved for issue on conversion of CCPS, please refer note 3 (c) regarding terms of conversion/ redemption of preference shares.

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP unconsolidated Summary Statement of Assets and Liabilities of the Company.
2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V.

**IndiaMART InterMESH Limited**

**CIN: U74899DL1999PLC101534**

**Annexure VII**

**Restated Indian GAAP Unconsolidated Statement of Reserves and Surplus**

(Amount in INR million, unless otherwise stated)

**Statement of Reserves and Surplus**

Particulars	<b>As At</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
<b>A. Securities Premium Account</b>		
Balance as per last financial statements	153.03	153.03
Add: premium on issue of shares	1,153.79	-
<b>Closing Balance</b>	<b>1,306.82</b>	<b>153.03</b>
<b>B. Employee stock options outstanding</b>	<b>17.66</b>	<b>17.66</b>
<b>C. General Reserve</b>	<b>8.45</b>	<b>8.45</b>
<b>D. Deficit in the statement of profit and loss</b>		
Balance at the beginning of the year	(1,572.16)	(1,382.37)
Add: Loss for the year	(431.51)	(189.79)
<b>Net deficit in the statement of profit and loss</b>	<b>(2,003.67)</b>	<b>(1,572.16)</b>
<b>Total (A+B+C+D)</b>	<b>(670.74)</b>	<b>(1,393.02)</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.
2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V.

**Annexure VIII**

**Restated Indian GAAP Unconsolidated Statement of Long-term and Short-term Borrowings  
(Amount in INR million, unless otherwise stated)**

**(a) Long-term borrowings**

<b>Particulars</b>	<b>As at</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
Vehicle loan - From financial institution (Secured)		
From banks/Financial Institutions	-	-
<b>Total Long term secured loans</b>	<b>-</b>	<b>-</b>

**(b) Short-term borrowings**

<b>Particulars</b>	<b>As at</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
Vehicle loan - From financial institution (Secured)		
From banks/Financial Institutions	-	0.57
<b>The above amount includes</b>		
Current maturities	-	0.57
Less: *Current maturities disclosed under the head "Other Current Liabilities"	-	(0.57)
<b>Total Long term secured loans</b>	<b>-</b>	<b>-</b>

Vehicle loan is secured against hypothecation of related vehicle and payable in 36 months instalments starting from March 2013. The loan is carrying interest rate @ 9.96% per annum.

\* Current maturities of long term borrowings are grouped under "Other current liabilities" in the restated Indian GAAP unconsolidated statement of assets and liabilities, under Annexure X

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company
2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V.

**Restated Indian GAAP Unconsolidated Statement of Other Long-Term Liabilities**

**(Amount in INR million, unless otherwise stated)**

**Other Long-Term Liabilities**

<b>Particulars</b>	<b>As at</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
<b>Other long-term liabilities</b>		
Deferred revenue	794.99	535.35
Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises; (refer annexure XXVII serial no 8), and	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.”	6.66	7.32
<b>Total other long-term liabilities</b>	<b>801.65</b>	<b>542.67</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.
2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V.

**IndiaMART InterMESH Limited**

CIN: U74899DL1999PLC101534

**Annexure X**

**Restated Indian GAAP Unconsolidated Statement of Trade Payables and other Liabilities**

(Amount in INR million, unless otherwise stated)

**Trade Payables and other Liabilities**

Particulars	As at	
	31 March 2016	31 March 2015
<b>Current liabilities</b>		
<b>A. Trade Payables</b>		
(A) total outstanding dues of micro enterprises and small enterprises; (refer annexure XXVII serial no 8), and	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.”	237.67	194.73
<b>B. Other current liabilities</b>		
Current maturities of long-term borrowings (refer annexure VIII)	-	0.57
Deferred revenue	1,224.18	927.64
Advance from customers	201.89	157.43
Payable to employees	0.03	0.47
Security deposits	0.14	0.14
Employee related liabilities	2.35	2.08
Service Tax Payable	1.84	-
Tax deducted at source payable	15.89	13.59
<b>Total other current liabilities (B)</b>	<b>1,446.32</b>	<b>1,101.92</b>
<b>Total current liabilities (A+B)</b>	<b>1,683.99</b>	<b>1,296.65</b>

\* Vehicle loan is secured against hypothecation of related vehicle and payable in 36 months instalments starting from March 2013. The loan is carrying interest rate @ 9.96% per annum.

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company
2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V.

**Restated Indian GAAP Unconsolidated Statement of Provisions**

(Amount in INR million, unless otherwise stated)

**Short-term Provisions**

<b>Particulars</b>	<b>As at</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
<b>Provisions for employee benefits</b>		
Provision for gratuity (refer annexure XXVII, serial no 5)	12.43	24.39
Provision for leave encashment	21.48	19.57
<b>Total</b>	<b>33.91</b>	<b>43.96</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company
2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V.

**Property, plant and equipment Assets**

Particulars	Leasehold Land	Computers	Office Equipments	Furniture & Fittings	Motor Vehicles	Leasehold Improvements	Total
Gross block							
At 31 March 2014	33.39	85.20	21.20	25.73	2.83	27.02	195.36
Additions	-	3.52	6.04	0.06	-	-	9.62
Disposals	-	-	(0.04)	-	-	-	(0.04)
<b>At 31 March 2015</b>	<b>33.39</b>	<b>88.72</b>	<b>27.20</b>	<b>25.79</b>	<b>2.83</b>	<b>27.02</b>	<b>204.94</b>
Additions	-	44.48	11.37	2.23	0.04	-	58.12
Disposals	-	-	-	-	-	-	-
<b>At 31 March 2016</b>	<b>33.39</b>	<b>133.20</b>	<b>38.57</b>	<b>28.02</b>	<b>2.87</b>	<b>27.02</b>	<b>263.06</b>
Depreciation							
At 31 March 2014	2.97	71.08	10.29	21.37	0.90	27.02	133.62
Charge for the year	0.37	14.86	8.68	1.69	0.56	-	26.16
Disposals	-	-	(0.02)	-	-	-	(0.02)
<b>At 31 March 2015</b>	<b>3.34</b>	<b>85.94</b>	<b>18.95</b>	<b>23.06</b>	<b>1.46</b>	<b>27.02</b>	<b>159.76</b>
Charge for the year	0.37	13.78	6.35	1.24	0.42	-	22.16
Disposals	-	-	-	-	-	-	-
<b>At 31 March 2016</b>	<b>3.71</b>	<b>99.72</b>	<b>25.30</b>	<b>24.30</b>	<b>1.87</b>	<b>27.02</b>	<b>181.92</b>
Net block							
At 31 March 2015	30.05	2.78	8.25	2.73	1.37	-	45.18
At 31 March 2016	29.68	33.48	13.27	3.72	1.00	-	81.14

**Intangible assets**

Particulars	Web Portals	Software	Unique telephone numbers	Total
Gross block				
At 31 March 2014	96.04	21.42	-	117.46
Additions	-	1.14	10.50	11.64
Disposals	-	-	-	-
<b>At 1 April 2015</b>	<b>96.04</b>	<b>22.56</b>	<b>10.50</b>	<b>129.10</b>
Additions	-	0.14	-	0.14
Disposals	-	-	-	-
<b>At 31 March 2016</b>	<b>96.04</b>	<b>22.70</b>	<b>10.50</b>	<b>129.24</b>
At 31 March 2014	96.04	19.29	-	115.33
Charge for the year	-	1.10	2.65	3.75
Disposals	-	-	-	-
<b>At 31 March 2015</b>	<b>96.04</b>	<b>20.39</b>	<b>2.65</b>	<b>119.08</b>
Charge for the year	-	0.90	3.15	4.05
Disposals	-	-	-	-
<b>At 31 March 2016</b>	<b>96.04</b>	<b>21.29</b>	<b>5.80</b>	<b>123.13</b>
Net Block				
At 31 March 2015	-	2.17	7.85	10.02
At 31 March 2016	-	1.41	4.70	6.11

**Depreciation and amortisation expenses**

Particulars	31 March 2016	31 March 2015
Depreciation	22.16	26.16
Amortisation	4.05	3.75
<b>Total</b>	<b>26.21</b>	<b>29.91</b>

Notes:

1: The management reassessed the useful life of assets with effect from April 01, 2014. Accordingly the useful lives of certain assets required a change from previous year estimated lives. If the Company had continued with previously assessed useful lives, charge for depreciation for the year would have been lower by the 15.67 mn

2: The Company entered into a lease agreement with Noida authority on 5th October 2006 for a land situated at Sector 73, Noida. The covenants of the lease deed provided that the Company shall construct within 5 years from the execution of lease deed. This covenant was not complied with but management has obtained time extension from Noida authority for completion of construction upto October 05, 2019.

3: Capital work in progress as at March 31, represent the amount incurred on construction of boundary wall for leasehold land.

4: Vehicle loan is secured against hypothecation of related vehicle and payable in 36 months instalments starting from March 2013. The loan is carrying interest rate @ 9.96% per annum.

5. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company

6. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V.

Annexure XIII

Restated Indian GAAP Unconsolidated Statement of Non-Current Investments  
(Amount in INR million, unless otherwise stated)

Non-Current Investments

Particulars	No of shares/units		As at	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Non Current Investments</b>				
<b>Investment in equity instruments (subsidiaries)</b>				
- other than trade				
unquoted (valued at cost, unless otherwise stated)				
Tradezeal International Private Limited, equity shares of Rs. 10 each (fully paid up)	109,900	109,900	1.10	1.10
Tradezeal International Private Limited, redeemable Preference shares of Rs. 10 each (fully paid up)	-	-	-	-
HelloTrade Online Private Limited, equity shares of Rs. 10 each (fully paid up)	9,900	9,900	0.10	0.10
Ten Times Online Private Limited, equity shares of Rs. 10 each (fully paid up)	60,000	60,000	0.60	0.60
Tolexo Online Private Limited, equity shares of Rs. 10 each (fully paid up)	85,960,000	8,010,000	538.60	80.10
Tolexo Online Private Limited, Optionally Convertible Redeemable Preference Shares of Rs. 10 each (fully paid up)	5,750,000	-	57.50	-
Tolexo Online Private Limited, Optionally Convertible Redeemable Preference Shares of Rs. 10 each (fully paid up)	2,635,000	-	263.50	-
<b>Total</b>			<b>861.40</b>	<b>81.90</b>
<b>Less:</b>				
<b>Provision for diminution in Investment in subsidiaries</b>	-	-		
Tradezeal International Private Limited, equity shares of Rs. 10 each (fully paid up)			(1.10)	(1.10)
Ten Times Online Private Limited, equity shares of Rs. 10 each (fully paid up)			(0.10)	(0.10)
<b>Total non current investments</b>			<b>860.20</b>	<b>80.70</b>

**Notes:**

- The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company
- The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V

**Annexure XIV**

**Restated Indian GAAP Unconsolidated Statement of non-current Loans and Advances**  
**(Amount in INR million, unless otherwise stated)**

**Non-current Loans and Advances**

<b>Particulars</b>	<b>As at</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
<b>Non-current loans and advances</b>		
Unsecured, considered good		
Capital advances	2.32	-
Security deposits - Rent	47.20	38.40
<b>Other loans and advances</b>		
Prepaid expenses	1.81	3.24
Loan to employees*	0.33	1.33
<b>Total Long-Term loans and advances</b>	<b>51.66</b>	<b>42.97</b>

\*represents interest free loans to employees, which is recoverable in maximum 24 monthly instalments

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company
2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V

## Restated Indian GAAP Unconsolidated Statement of Current Investments

(Amount in INR million, unless otherwise stated)

## Current Investments

Particulars	Number of units/ shares		Amount	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Current Investments</b>				
Non-trade investments (valued at lower of cost and fair value, unless stated otherwise)				
<b>Quoted investment</b>				
HDFC Prudence Fund - Growth	56,749	16,474	20.70	6.10
HDFC Top 200 Fund - Growth	67,033	11,913	21.50	4.10
HDFC Liquid Fund-Growth	18,085	6,644,814	53.78	182.93
IDFC Premier Equity Fund -Growth	695,136	522,739	37.37	25.08
IDFC Dynamic Bond Fund - Regular Plan	-	295,953	-	4.29
HDFC Gilt Fund Long Term- Growth	-	873,960	-	20.00
Birla Sun Life Cash Plus-Growth-Regular Plan	14,882	777,764	3.59	173.94
Sunlife Frontline Equity Fund-Growth Regular Plan	320,768	173,216	44.60	21.50
Franklin Templeton (I) Short Term income Plan-Growth	-	57,792	-	162.14
Birla Sunlife Short Term Plan-Growth Regular Plan	3,008,967	-	70.00	-
HDFC Short Term Plan- Growth	391,447	-	10.74	-
IDFC Money Manager – Treasury Plan	123,203	-	2.88	-
HDFC Floating Rate Income Fund	8,678,191	-	223.00	-
Birla Sun Life Treasury Plan-Grow-Direct Plan	1,074,783	-	200.00	-
IDFC ultra short term fund	4,272,145	-	90.00	-
IDFC Super Saver Income Fund - Short Term Plan	5,468,770	-	170.00	-
HDFC Short Term Opportunities Fund-Direct Growth Plan	10,359,979	-	170.00	-
Birla Sun Life Treasury Cash Plus-Grow-Direct Plan	183,633	-	44.15	-
Birla Sun Life Floating Rate Fund Short Term Plan Growth	449,425	-	90.00	-
<b>Total</b>			<b>1,252.31</b>	<b>600.08</b>
Less: Provision for diminution in value of Investment in Mutual Funds			1.43	
<b>Total non current investments</b>			<b>1,250.88</b>	<b>600.08</b>

Aggregate amount of quoted investments

**1,250.88****600.08**

Aggregate amount of unquoted investments

**860.20****80.70**

Aggregate provision for diminution in value of investments

## Notes:

1. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company

2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V

**Trade Receivables**

<b>Particulars</b>	<b>As at</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
<b>Trade Receivables (Unsecured)</b>		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
<b>Other receivables, Considered good</b>		
Other receivables	1.73	4.30
Amount recoverable from related party	3.31	-
<b>Total</b>	<b>5.04</b>	<b>4.30</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company
2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V

**Restated Indian GAAP Unconsolidated Statement of Cash and Bank Balances**  
**(Amount in INR million, unless otherwise stated)**

**Cash and Bank Balances**

Particulars	As at			
	Non-Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Cash and Cash equivalent</b>				
Balance with banks				
In current accounts	-	-	20.73	17.50
Cheques on hand	-	-	94.45	75.53
Cash in hand	-	-	0.02	0.20
<b>Total</b>	<b>-</b>	<b>-</b>	<b>115.20</b>	<b>93.23</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.
2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V

**Annexure XVIII****Restated Indian GAAP Unconsolidated Statement of Other assets**

(Amount in INR million, unless otherwise stated)

**Other assets**

Particulars	As at			
	Non-Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Deposits with original maturity for more than 12 months	113.52	104.53	-	-
Amount recoverable from Payment Gateway banks	-	-	9.40	
	<b>113.52</b>	<b>104.53</b>	<b>9.40</b>	-

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V

**Annexure XIX**

**Restated Indian GAAP Unconsolidated Statement of Short-Term Loans and Advances**  
**(Amount in INR million, unless otherwise stated)**

**Short-Term Loans and Advances**

Particulars	<b>As at</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
<b>Short-Term loans and advances</b>		
<b>Unsecured, considered good</b>		
Security deposits	-	-
Advances recoverable in cash or kind or for value to be received	9.03	4.74
<b>Other loans and advances</b>		
Balance recoverable from revenue authorities	3.46	5.18
Advance to employees	9.43	5.45
Advance tax/Tax deducted at source [Net off provision for tax Rs. Nil)	72.21	58.08
Prepaid expenses	13.65	15.72
<b>Total Short-Term loans and advances</b>	<b>107.78</b>	<b>89.17</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.
2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V

**Restated Indian GAAP Unconsolidated Statement of Revenue from operations**

**(Amount in INR million, unless otherwise stated)**

**Revenue from operations**

<b>Particulars</b>	<b>For the years ended</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
<b>Revenue from operations</b>		
Income from web services	2,462.45	1,728.90
<b>Total</b>	<b>2,462.45</b>	<b>1,728.90</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of statements of profit and loss of the Company.
2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V

**Annexure XXI**

**Restated Indian GAAP unconsolidated Summary Statement of Other Income**

(Amount in INR million, unless otherwise stated)

**Other Income**

**Particulars**

	<b>For the years ended</b>		<b>Nature: Recurring/ non-recurring</b>	<b>Related/Not related to business activity</b>
	<b>31 March 2016</b>	<b>31 March 2015</b>		
Interest				
Others	1.20	-	Non-Recurring	Not related
Bank deposits	11.35	5.05	Recurring	Not related
Net gain on sale of current investments (non trade)	33.98	113.25	Recurring	Not related
Excess provision written back	-	0.56	Non-Recurring	Not related
<b>Total</b>	<b>46.53</b>	<b>118.86</b>		

**Notes:**

- 1) The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
- 2) The amounts disclosed above are based on the restated unconsolidated summary statements of profit and loss of the Company.
- 3) The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V.

**Restated Indian GAAP Unconsolidated Statement of Employee benefit expenses**

**(Amount in INR million, unless otherwise stated)**

**Employee benefit expenses**

<b>Particulars</b>	<b>For the years ended</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
Salaries, allowance and bonus	1,443.47	1,060.09
Contribution to provident and other funds	11.92	10.21
Gratuity expenses	13.05	19.02
Staff welfare expenses	63.73	47.65
<b>Total</b>	<b>1,532.17</b>	<b>1,136.97</b>

**Notes:**

1. The amounts disclosed above are based on the restated unconsolidated summary statements of profit and loss of the Company.
  
2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V

**Annexure XXIII**

**Restated Indian GAAP Unconsolidated Statement of Other expenses**

(Amount in INR million, unless otherwise stated)

**Other expenses**

<b>Particulars</b>	<b>For the years ended</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
Content development expenses	211.92	185.54
Buyer Engagement Expenses	117.41	69.58
Customer Support Expenses	175.02	79.54
Outsourced sales cost	141.84	34.60
Internet and other online expenses	63.01	41.79
Rent	127.72	93.32
Rates and taxes	8.21	0.71
Communication costs	10.72	9.02
Advertisement expenses	294.35	200.16
Exhibition expenses	0.01	1.89
Power and fuel	25.80	19.01
Printing and stationery	10.23	7.79
Repairs and maintenance :		
- Plant and machinery	10.54	8.53
- Others	51.71	37.17
Travelling and conveyance	22.89	24.52
Recruitment and training expenses	39.60	30.35
Legal and professional fees	44.30	14.06
Directors' sitting fees	1.66	0.48
Payment to auditor	1.80	1.78
Insurance expenses	7.40	5.62
Provision for diminution in Investment	1.43	-
General expenses	0.66	0.71
	<b>1,368.23</b>	<b>866.17</b>

**Notes:**

1. The amounts disclosed above are based on the restated unconsolidated summary statements of profit and loss of the Company.
2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V

**Restated Indian GAAP Unconsolidated Statement of Finance costs**

**(Amount in INR million, unless otherwise stated)**

**Finance costs**

Particulars	For the year ended	
	<b>31 March 2016</b>	<b>31 March 2015</b>
Interest	0.03	0.09
Bank charges	10.14	4.41
	<b>10.17</b>	<b>4.50</b>

**Notes:**

1. The amounts disclosed above are based on the restated unconsolidated summary statements of profit and loss of the Company.
2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V

**Restated Indian GAAP unconsolidated statement of Accounting Ratios**

(Amount in INR million, unless otherwise stated)

<b>S.No. Particulars</b>		<b>31 March 2016</b>	<b>31 March 2015</b>
1 Restated profit after tax	A	(431.51)	(189.79)
2 Less: Preference dividend for the year including tax thereon	B	-	-
<b>3 Net profit available to equity shareholders</b>	<b>C= A+B</b>	<b>(431.51)</b>	<b>(189.79)</b>
4 Number of equity shares outstanding at the end of the year	D	9,168,989	9,168,959
5 Number of Compulsory convertible preference shares outstanding at the end of the year	E	3,215,950	1,493,903
6 Weighted average number of equity shares considered for calculating basic earnings per share	F	18,337,978	18,337,918
7 Weighted average number of equity shares considered for calculating diluted earnings per share	G	18,337,978	18,337,918
8 Restated net worth (refer note 4 below)	H	83.15	(811.33)
<b>9 Accounting ratios:</b>			
Basic earnings per share (Rs.)	C / F	(23.53)	(10.35)
Diluted earnings per share (Rs.) ( Refer Note 5 below)	A / G	(23.53)	(10.35)
Return on Net Worth (%)	A / H	518.95	(23.39)
Net asset value per equity share (Rs.)	H / D	9.07	(88.49)

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated financial information of the Company.

2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V

3. The Ratios have been computed as below:

a) Basic Earnings per share (Rs.)

$$\frac{\text{Restated Net Profit/ (Loss) after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

b) Diluted Earnings per share (Rs.)

$$\frac{\text{Restated Net Profit/ (Loss) after tax attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares}}$$

c) Return on net worth (%)

$$\frac{\text{Restated Net Profit/ (Loss) after tax attributable to equity shareholders}}{\text{Restated Net worth at the end of the year}}$$

d) Net asset value per share (Rs.)

$$\frac{\text{Restated net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year}}$$

4. Net worth includes Equity share capital + Preference share capital + Reserves and surplus (including Securities Premium, General Reserve and Surplus in statement of Profit and Loss).

5. There are potential equity shares as on 31 March 2016 and 31 March 2015 in the form of CCPS and stock options granted to employees. As these are anti dilutive, 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 coming/(less) per share.

6. Subsequent to the Balance sheet date, the Company has allotted bonus shares to the existing equity shareholders 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.

**IndiaMART InterMESH Limited**

CIN: U74899DL1999PLC101534

**Annexure XXVI**

**Restated Indian GAAP unconsolidated statement of Tax shelter**

(Amount in INR million, unless otherwise stated)

	<b>Particulars</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
<b>A</b>	Restated loss before tax	(427.80)	(189.79)
<b>B</b>	Tax rate	30.90%	30.90%
<b>C</b>	Tax thereon at the above rate (A x B)		
<b>D</b>	<b>Permanent differences</b>		
	Expenses disallowed under Income Tax Act	1.91	0.22
	Exempt income of capital Gain u/s 10(38)	-	(52.21)
	(Profit) on sale of investments	-	-
	Loss/(Profit) on sale of FA	0.00	(0.00)
	Donation	-	-
	Interest on late deposit of TDS	0.72	0.20
	Assets written off	-	-
	Provision written back	-	-
	<b>Total (D)</b>	<b>2.63</b>	<b>(51.79)</b>
<b>E</b>	<b>Timing Differences</b>		
	Difference in book depreciation and Depreciation under Income Tax Act 1961 ("I.T. Act")	(6.91)	15.09
	Expenses allowable on payment basis	(30.85)	(9.06)
	Provision for Disinvestment of Investments in subsidiaries	1.43	-
	Provision for gratuity	12.18	19.02
	Provision for leave encashment	9.52	9.06
	Provision for Bonus	2.71	0.32
	Straight line of leases	1.42	0.44
	<b>Total (E)</b>	<b>(10.50)</b>	<b>34.87</b>
<b>F</b>	<b>Net Adjustments (D +E )</b>	<b>(7.87)</b>	<b>(16.92)</b>
<b>G</b>	<b>Taxable income/(loss) before set off of losses</b>		
	Taxable at normal rate	(435.67)	(206.72)
	Taxable at special rate		
<b>H</b>	<b>Tax Expenses</b>		
	-Current tax	-	-
	-Deferred tax	-	-
<b>I</b>	<b>Brought forward Losses</b>		
	- Business losses	(1,653.67)	(1,463.24)
	- Unabsorbed depreciation	(141.04)	(124.75)
	- Capital losses	(79.68)	(79.68)

Notes:

- 1) The aforesaid Statement of Tax Shelter has been prepared as per the restated unconsolidated financial information of the Company
  
- 2) The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V.

**1. Related party disclosures, as required by notified Accounting Standard 18 - "Related Party Disclosures" are given below**

a)

Particulars	31 March 2016	31 March 2015
<b>Related parties where control exists</b>		
Subsidiaries	Hello Trade Online Pvt Ltd	Hello Trade Online Pvt Ltd
	Tradezeal International Pvt Ltd	Tradezeal International Pvt Ltd
	Ten Times Online Pvt Ltd	Ten Times Online Pvt Ltd (w.e.f 26.02. 2014)
	Tolexo Online Private Limited	Tolexo Online Private Limited
<b>Related parties where transactions have been entered into during the year/ period</b>		
Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
	Mansa Enterprises Pvt Ltd	Mansa Enterprises Pvt Ltd
<b>Key Management Personnel</b>		
	Mr. Dinesh Chandra Agarwal (Managing Director)	Mr. Dinesh Chandra Agarwal (Managing Director)
	Mr. Brijesh Kumar Agrawal (Whole time Director)	Mr. Brijesh Kumar Agrawal (Whole time Director)
	Mr. Prateek Chandra (Chief financial officer w.e.f 30 April 2015)	Mr. Prateek Chandra (Chief financial officer w.e.f 30 April 2015)
	Mr Anil Dwivedi (Company Secretary w.e.f 25 July 2015)	Mr Anil Dwivedi (Company Secretary w.e.f 25 July 2015)
	Mr. Rajesh Sawhney (Director)	Mr. Rajesh Sawhney (Director)
	Mr. Mahendra Kumar Chauhan (Director)	Mr. Mahendra Kumar Chauhan (Director)
<b>Non-Executive director</b>	Mr. Dhruv Prakash (Director)	Mr. Dhruv Prakash (Director)

**IndiaMART InterMESH Limited**

CIN: U74899DL1999PLC101534

**Annexure XXVII**

**Notes to the Restated Unconsolidated Summary Statement**

(Amount in INR million, unless otherwise stated)

b) Summary of transactions with the above related parties are as follows:

S. No.	Particulars	31 March 2016	31 March 2015
1	Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
	<b>Expenses for rent</b>		
	Mansa Enterprises Private Limited	5.01	4.80
2	<b>Key Management Personnel</b>		
	<b>Recruitment and training expenses</b>		
	Dhruv Prakash	0.68	1.43
	<b>Remuneration</b>		
	Salaries, performance linked incentive and perquisites	46.48	38.09
3	<b>Reimbursement of expenses received from</b>		
	<b>Tolexo online private limited</b>	-	2.14
	<b>Amount collected on behalf of and reimbursed to</b>		
	Tolexo online private limited	-	2.39
	<b>Services provided to</b>		
	Tolexo online private limited	3.17	-
4	<b>Director's sitting fee</b>		
	Mr. Mahendra Kumar Chauhan	-	0.16
	Mr. Rajesh Sawhney	-	0.20
	Mr. Dhruv Prakash	-	0.12
5	<b>Balance Receivable at the year end</b>		
	<b>Investment in subsidiaries</b>		
	Hello Trade Online Pvt Ltd	0.10	0.10
	Tradezeal International Pvt Ltd	1.10	1.10
	Ten Times Online Pvt Ltd	0.60	0.60
	Tolexo Online Private Limited	859.60	80.10
	<b>Trade receivable</b>		
	Tolexo Online private limited	3.31	1.10

**IndiaMART InterMESH Limited**

CIN: U74899DL1999PLC101534

**Annexure XXVII****Notes to the Restated Unconsolidated Summary Statement**

(Amount in INR million, unless otherwise stated)

**2. Restated Indian GAAP Unconsolidated Statement of Contingent Liabilities**

<b>Particulars</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
Income Tax in respect of Assessment Year 2006-07 (31 March, 2013: assessment years 2007-08) in respect of which company has gone on appeal in CIT(A). Based on judicial pronouncements, the company's claim is likely to be accepted by appellate authorities.	0.82	0.82
Service Tax in respect of Financial Years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12. Based on judicial pronouncements, the company's claim is likely to be accepted by appellate authorities.	6.57	6.57
Dividend on 0.01% Series A CCPS	0.36	0.31
Dividend on 0.01% Series B CCPS	0.00	-
<b>Total</b>	<b>7.75</b>	<b>7.70</b>

**3. Capital Commitments**

<b>Particulars</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
Estimated amount of contract remaining to be executed on capital account not provided	1.49	-

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the notes to the Restated Indian GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Unconsolidated Financial Statements appearing in Annexure V

**4. Segment disclosure**

**Business segments**

The primary reporting of the Company has been performed on the basis of business segment. The Company has only one reportable 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. Accordingly, the figures appearing in these financial statements relate to the Company's single business segment.

**Geographical Segments**

Secondary Segmental reporting is performed on the basis of the geographical location of customers. The following tables show the distribution of the Company's sales by geographical market, carrying amount of segment assets and addition to segment assets by geographical area in which assets are located:

**Revenue Segment**

Particulars	31 March 2016	31 March 2015
India	2,425.63	1,683.75
Others	36.82	45.15
<b>Total</b>	<b>2,462.45</b>	<b>1,728.90</b>

Assets and additions to Property, plant and equipment and intangible assets by geographical area:

The following table shows the carrying amount of segment assets and addition to segment assets by geographical area in which assets are located:

Particulars	31 March 2016	31 March 2015
India	2,600.97	1,067.65
Other	1.74	4.30
<b>Total</b>	<b>2,602.71</b>	<b>1,071.95</b>

**Particulars**

Particulars	31 March 2016	31 March 2015
India	58.28	21.26
Other	-	-
<b>Total</b>	<b>58.28</b>	<b>21.26</b>

**5 Employee benefit**

The company operates one defined benefit plan, viz., gratuity for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

**Statement of Profit and Loss**

**Net employee benefit expense recognized in Employee Cost**

Particulars	31 March 2016	31 March 2015
Current service cost	7.19	5.61
Interest cost on benefit obligation	2.79	1.43
Expected return on plan assets	(1.04)	(0.24)
Net actuarial (gain) / loss recognized in the period	4.11	12.22
<b>Net benefit expense</b>	<b>13.05</b>	<b>19.02</b>
Actual return on plan assets	0.87	1.35

**Balance Sheet**

Benefit asset/liability

Particulars	31 March 2016	31 March 2015
Present value of defined benefit obligation	45.15	35.98
Fair value of planned assets	(32.72)	(11.59)
Plan (asset)/liability	<b>12.43</b>	<b>24.39</b>

**Changes in the present value of the defined benefit obligation are as follows:**

Particulars	31 March 2016	31 March 2015
Opening defined benefit obligation	35.98	18.51
Current service cost	7.19	5.61
Interest cost	2.79	1.43
Benefits paid	(4.75)	(2.90)
Actuarial (gain) / losses on obligation	3.94	13.33
<b>Closing defined benefit obligation</b>	<b>45.15</b>	<b>35.98</b>

Changes in fair value of planned assets are as follows:

Particulars	31 March 2016	31 March 2015
Opening fair value of planned assets	11.59	2.64
Expected return	1.04	0.24
Contribution by the employer	25.00	10.50
Benefits paid	(4.75)	(2.90)
Actuarial gain / (losses)	(0.17)	1.11
<b>Closing fair value of planned assets</b>	<b>32.71</b>	<b>11.59</b>

Estimated amounts of defined benefits payable within next year are set out in table below:

Particulars	31 March 2016	31 March 2015
Estimated amounts of defined benefits payable within next year	11.14	7.48
	<b>11.14</b>	<b>7.48</b>

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

Particulars	31 March 2016	31 March 2015
Investments with 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. There has been significant change in expected rate of return on assets due to the improved stock market scenario.

The principal assumptions used in determining gratuity obligations for the company's plans are shown below:

Particulars	31 March 2016	31 March 2015
Discount rate	8.00%	7.75%
Expected rate of return on assets	9.00%	9.00%
Future salary increase	7.00%	7.00%
Attrition rate	For Service<4 years and below 75% p.a and below 75% p.a and 17% thereafter and 17% thereafter	For Service<4 years and below 75% p.a and below 75% p.a and 17% thereafter and 17% thereafter

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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. There has been significant change in expected rate of return on assets due to change in the market scenario.

Amounts for the current and previous years are as follows

Particulars	31 March 2016	31 March 2015
<b>Gratuity</b>		
Defined benefit obligation	45.15	35.98
Plan assets	32.71	11.59
Surplus/(deficit)	12.43	24.39
Experience adjustments on plan liabilities: Gain/ (Loss)	3.94	13.33
Experience adjustments on plan assets: Gain/ (Loss)	(0.17)	1.11

**6 Operating Lease**

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.

Particulars	31 March 2016	31 March 2015
Lease payments (for non cancellable lease)	89.39	58.26
Future minimum rentals payable under non-cancellable operating leases are as follows:		
Particulars	31 March 2016	31 March 2015
Within one year	90.19	79.66
After one year but not more than five years	114.78	171.19
More than five years	-	2.59
	<b>204.97</b>	<b>253.44</b>

**7 Employee stock option plans**

The Company has provided various share-based payment schemes to its employees. During the last five years ended March 31, 2016, and 2015, the following schemes were in operation:

Particulars	Date of grant	Date of Board Approval	Date of Shareholder's approval	Number of options granted	Method of Settlement	Vesting Period (in Days)
Plan I	January 1, 2010	November 24, 2009	November 10, 2008	453,420	Equity	0 to 48 Months
Plan II	March 15, 2012	January 25, 2012	November 10, 2008	645,560	Equity	0 to 48 Months
Plan III	July 31, 2013	October 28, 2013	October 27, 2012	24,000	Equity	0 to 48 Months
Plan IV	June 08, 2015	June 08, 2015	September 23, 2015	539,000	Equity	0 to 48 Months

The details of activity under Plan I of ESOP scheme is as under

Particulars	As at			
	31 March 2016 (No of options)	Weighted average exercise price (in Rs)	31 March 2015 (No of options)	Weighted average exercise price (in Rs)
Outstanding at the beginning of the year	364,967	100	364,967	100
Granted during the year	Nil	Nil	Nil	Nil
Forfeited/expired during the year	Nil	Nil	Nil	Nil
Exercised during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	364,967	100	364,967	100
Exercisable at the end of the year	Nil	Nil	Nil	Nil

The details of activity under Plan II of ESOP scheme is as under

Particulars	As at			
	31 March 2016 (No of options)	Weighted average exercise price (in Rs)	31 March 2015 (No of options)	Weighted average exercise price (in Rs)
Outstanding at the beginning of the year	501,059	150	514,182	150
Granted during the year	Nil	Nil	Nil	Nil
Forfeited/expired during the year	1,200	150	13,123	150
Exercised during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	499,859	150	501,059	150
Exercisable at the end of the year	Nil	Nil	Nil	Nil

Notes to the Restated Unconsolidated Summary Statement  
(Amount in INR million, unless otherwise stated)

The details of activity under Plan III of ESOP scheme is as under

Particulars	As at			
	31 March 2016 (No of options)	Weighted average exercise price (in Rs)	31 March 2015 (No of options)	Weighted average exercise price (in Rs)
Outstanding at the beginning of the year	24,000	150	24,000	150
Granted during the year	NA	NA	NA	NA
Forfeited/expired during the year	NA	NA	NA	NA
Exercised during the year	NA	NA	NA	NA
Outstanding at the end of the year	24,000	150	24,000	150
Exercisable at the end of the year	NA	NA	NA	NA

The details of activity under Plan IV of ESOP scheme is as under

Particulars	As at			
	31 March 2016 (No of options)	Weighted average exercise price (in Rs)	31 March 2015 (No of options)	Weighted average exercise price (in Rs)
Outstanding at the beginning of the year	N.A.	N.A.	NA	NA
Granted during the year	539,000	200	NA	NA
Forfeited/expired during the year	Nil	Nil	NA	NA
Exercised during the year	Nil	Nil	NA	NA
Outstanding at the end of the year	539,000	200	NA	NA
Exercisable at the end of the year	Nil	Nil	NA	NA

The details of exercise price for stock options outstanding under plan I are as under

Particulars	31 March 2016	31 March 2015
Range of exercise prices	100	100
Number of options outstanding	364,967	364,967
Weighted average remaining contractual life of options (in years)	1.25	2.25
Weighted average exercise price	100	100

The details of exercise price for stock options outstanding under plan II are as under

Particulars	31 March 2016	31 March 2015
Range of exercise prices	150	150
Number of options outstanding	499,859	501,059
Weighted average remaining contractual life of options (in years)	1.54	2.54
Weighted average exercise price	150	150

The details of exercise price for stock options outstanding under plan III are as under

Particulars	31 March 2016	31 March 2015
Range of exercise prices	150	150
Number of options outstanding	24,000	24,000
Weighted average remaining contractual life of options (in years)	1.5	2.5
Weighted average exercise price	150	150

The details of exercise price for stock options outstanding under plan IV are as under

Particulars	31 March 2016	31 March 2015
Range of exercise prices	200	NA
Number of options outstanding	539,000	NA
Weighted average remaining contractual life of options (in years)	4.5	NA
Weighted average exercise price	200	NA

**Plan I**

Particulars	31 March 2016	31 March 2015
Weighted average share price	148.39	148.39
Exercise Price	100	100
Expected Volatility	0.00%	0.00%
Historical Volatility	0.00%	0.00%
Life of the options granted (Vesting and exercise period) in years	4.25	4.25
Expected dividends	Nil	Nil
Average risk-free interest rate	6.69%	6.69%
Expected dividend rate	0.00%	0.00%

**Plan II**

Particulars	31 March 2016	31 March 2015
Weighted average share price	149.52	149.52
Exercise Price	150	150
Expected Volatility	0.00%	0.00%
Historical Volatility	0.00%	0.00%
Life of the options granted (Vesting and exercise period) in years	4	4
Expected dividends	Nil	Nil
Average risk-free interest rate	8.39%	8.39%
Expected dividend rate	0.00%	0.00%

Particulars	31 March 2016	31 March 2015
Weighted average share price	148.91	148.91
Exercise Price	150	150
Expected Volatility	0.00%	0.00%
Historical Volatility	0.10%	0.10%
Life of the options granted (Vesting and exercise period) in years	5.5	5.5
Expected dividends	Nil	Nil
Average risk-free interest rate	8.36%	8.36%
Expected dividend rate	0.00%	0.00%

Particulars	31 March 2016	31 March 2015
Weighted average share price	148.91	NA
Exercise Price	200	NA
Expected Volatility	0.00%	NA
Historical Volatility	0.10%	NA
Life of the options granted (Vesting and exercise period) in years	5	NA
Expected dividends	Nil	NA
Average risk-free interest rate	7.75%	NA
Expected dividend rate	0.00%	NA

Particulars	31 March 2016	31 March 2015
Total Employee Compensation Cost pertaining to share-based payment plans	Nil	Nil
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	Nil	Nil
Total Liability for employee stock options outstanding as at year end	17.66	17.66
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)	Nil	Nil

**Impact on the reported net profit and earnings per share by applying the fair value based method**

As per the guidance note on 'Accounting for Employees Share Based Payments' issued by the Institute of Chartered Accountants of India, the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements on the reported net profit and earning per share would be as follows:

Particulars	31 March 2016	31 March 2015
Restated Loss as reported	(431.51)	(189.79)
Add: Employee stock compensation under intrinsic value method	-	-
Less: Employee stock compensation under fair value method	11.83	4.19
Proforma profit	(443.33)	(193.98)
Earnings Per Share		
Basic		
- As reported	(47.06)	(20.70)
- Proforma	(48.35)	(21.16)

**8 Details of dues to micro and small enterprises as defined under MSMED Act 2006.**

Particulars	31 March 2016	31 March 2015
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	-	-
- Interest due on above	-	-
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 period 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	-	-

The Company, has during the year, not received any intimation from any of its suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end along with interest paid/payable as required under the said Act have not been given. Based on the information available with the Company there are no principal/interest amounts due to micro and small enterprises.

**9 Expenditure in foreign currency (accrual basis)**

Particulars	31 March 2016	31 March 2015
Internet and other online expenses	34.87	22.93
Content development expenses	5.73	11.32
Buyer engagement expenses	11.75	7.12
Advertisement expenses	21.58	1.39
Recruitment and training expenses	0.78	0.71
Other Expenses	0.08	0.43
	<b>74.79</b>	<b>43.90</b>

**10 Earnings in foreign currency (accrual basis)**

Particulars	31 March 2016	31 March 2015
Web services	36.82	45.15
	<b>36.82</b>	<b>45.15</b>

**11 Previous year figures**

Previous year figure have been regrouped/reclassified, where necessary, to confirm to this year's classification.

**Auditors' Report on the restated consolidated summary statements of assets and liabilities as at March 31, 2019, 2018 and 2017, profits and losses, cash flows and changes in equity for each of the years ended March 31, 2019, 2018 and 2017 of IndiaMART InterMESH Limited (collectively, the "Restated Ind AS Consolidated Summary Statements")**

To  
The Board of Directors  
IndiaMART InterMESH Limited  
7<sup>th</sup> and 8<sup>th</sup> Floor, Advant Navis Park  
Plot No.-7, Sector- 142, NOIDA.  
Uttar Pradesh – 201305

Dear Sirs,

1. We have examined the attached Restated Ind AS Consolidated Summary Statements of IndiaMART InterMESH Limited (the "Company") and its subsidiaries (together referred as the "Group") as at March 31, 2019, 2018 and 2017 and for each of the financial years ended March 31, 2019, 2018 and 2017 annexed to this report and prepared by the Company for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus in connection with its proposed initial public offer ("IPO"). The Restated Ind AS Consolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act"); and
  - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

**Management's Responsibility for the Restated Ind AS Consolidated Summary Statements**

2. The preparation of the Restated Ind AS Consolidated Summary Statements, which is to be included in the Red Herring Prospectus ("RHP") and Prospectus, is the responsibility of the Management of the Company for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the ICDR Regulations.

**Auditors' Responsibilities**

3. We have examined such Restated Ind AS Consolidated Summary Statements taking into consideration:
  - a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated April 20, 2018 and service scope letter dated May 15, 2019, requesting us to carry out the assignment, in connection with the proposed IPO of the Company;
  - b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and the requirements of Section 26 of the Act and the ICDR Regulations.
  - c. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.
4. The Company proposes to make an initial public offer which comprises an offer for sale made by certain shareholders' of existing, equity shares of Rs.10 each, at an issue price to be arrived at by the book building process (referred to as the "Offer"), as may be decided by the Company's Board of Directors.

**Restated Ind AS Consolidated Summary Statements as per audited Consolidated financial statements:**

5. The Restated Ind AS Consolidated Summary Statements have been compiled by the management of the Company from:
  - a. the audited consolidated financial statements of the Company as at and for the year ended March 31, 2019 and 2018, prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended, read with Section 133 of the Act (“Ind AS”), issued by the Ministry of Corporate Affairs ('MCA') and which have been approved by the Board of Directors at their meetings held on May 11, 2019 and June 22, 2018 respectively; and
  - b. the audited consolidated financial statements of the Company as at and for the year ended March 31, 2017 prepared in accordance with accounting principles generally accepted in India (“Indian GAAP”) at the relevant time which have been approved by the Board of Directors at their meetings held on October 17, 2017; and
  - c. the financial information in relation to the Company’s subsidiaries as listed below, which are audited by the other auditors and included in the consolidated financial statements:

Name of the entity	Name of the audit firm	Period
Tolexo Online Private Limited	Pankaj Priti & Associates	As at and for the year ended March 31, 2019 and 2018.
Paywith IndiaMart Private Limited	Pankaj Priti & Associates	As at and for the year ended March 31, 2019 and 2018, As at March 31, 2017 and for the period February 07, 2017 to March 31, 2017.
Ten Times Online Private Limited	Pankaj Priti & Associates	As at and for each of the years ended March 31, 2019, 2018 and 2017.
Tradezeal International Private Limited	Pankaj Priti & Associates	As at and for each of the years ended March 31, 2019, 2018 and 2017.
Hello Trade Online Private Limited	Pankaj Priti & Associates	As at and for each of the years ended March 31, 2019, 2018 and 2017.

6. For the purpose of our examination, we have relied on:
  - a. Auditors’ Report issued by us dated May 11, 2019 on the Ind AS Consolidated financial statements of the Group as at and for the year ended March 31, 2019 as referred in Para 5(a) above; and
  - b. Auditors’ Report issued by us dated June 22, 2018 on the Ind AS Consolidated financial statements of the Group as at and for the year ended March 31, 2018 as referred in Para 5(a) above;
  - c. Auditors’ Report issued by us dated October 17, 2017 on the Consolidated financial statements of the Group as at and for of the year ended March 31, 2017; as referred in Para 5(b) above; and
  - d. As indicated in our audit reports referred to above, we did not audit the financial statements of certain subsidiaries as referred in Para 5(c) above, whose financial statements reflect total assets, total revenues, net cash inflows / (outflows) and net profit for the relevant year as tabulated below and included in the Restated Ind AS Consolidated Summary Statements:

Account Captions	March 31, 2019	March 31, 2018	March 31, 2017
Total Assets	115.76	69.23	16.23
Total revenue	104.51	70.00	49.69
Profit/(Loss) before Tax	56.59	(6.95)	(12.28)
Net Cash Inflow/(outflow)	28.18	11.77	(1.76)

These financial statements have been audited by other firms of Chartered Accountants as listed in Para 5(c) above, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Ind AS Consolidated Summary Statements are based solely on the report of other auditors.

These other auditors, as mentioned in paragraph 5(c) of the subsidiaries, have confirmed that the Restated Ind AS financial information of such subsidiaries:

- i. do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the year ended March 31, 2019 are materially consistent with the policies adopted for each of the years ended March 31, 2018 and 2017 as applicable to such subsidiaries. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;
  - ii. have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate; and
  - iii. as per the requirements of Ind AS do not contain any extra-ordinary items that need to be disclosed separately in the Restated Ind AS Consolidated Summary Statements and do not contain any qualification requiring adjustments.
7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, ICDR Regulations and the Guidance Note, we report that we have examined the following summarised financial statements of the Group contained in Restated Ind AS Consolidated Summary Statements, which as stated in the Annexure V to this report have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI – Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements, read with paragraph 7(e) below:
- a. The Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group as at March 31, 2019, 2018 and 2017, as set out in Annexure I to this report;
  - b. The Restated Ind AS Consolidated Summary Statement of Profit and Losses of the Group for each of the financial years ended March 31, 2019, 2018 and 2017, as set out in Annexure II to this report;
  - c. The Restated Ind AS Consolidated Summary Statement of Cash Flows of the Group for each of the financial years ended March 31, 2019, 2018 and 2017, as set out in Annexure III to this report;
  - d. The Restated Ind AS Consolidated Summary Statement of Changes in Equity of the Group for each of the financial years ended March 31, 2019, 2018 and 2017, as set out in Annexure IV to this report; and
  - e. Based on the above and according to the information and explanations given to us, we further report that the Restated Ind AS Consolidated Summary Statements of the Group, as attached to this report and as mentioned in paragraphs 7(a) to 7(d) above, read with basis of preparation and respective significant accounting policies given in Annexure V as described in paragraph 1 have been prepared in accordance with the ICDR Regulations and these Restated Ind AS Consolidated Summary Statements:
    - i. do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the year ended March 31, 2019 are materially consistent with the policies adopted as at and for each of the years ended March 31, 2018 and 2017. Accordingly, no adjustments have been made to the audited financial statements of the respective years presented on account of changes in accounting policies;
    - ii. have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;
    - iii. as per requirements of Ind AS, do not contain any extra-ordinary items that need to be disclosed separately in the Restated Ind AS Consolidated Summary Statements;

- iv. There are no qualifications in the auditors' reports on the audited consolidated financial statements of the Company as at March 31, 2019, 2018 and 2017 and for each of the financial years ended March 31, 2019, 2018 and 2017 which require any adjustments to the Restated Ind AS Consolidated Summary Statements.
  - 8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2019. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Company as of any date or for any period subsequent to March 31, 2019.
- Other Financial Information:**
- 9. At the Company's request, we have also examined the following restated Ind AS consolidated financial information proposed to be included in the RHP and Prospectus, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Group as at March 31, 2019, 2018 and 2017 and for each of the financial years ended March 31, 2019, 2018 and 2017:
    - i. Restated Consolidated Statement of Property, plant and equipment and Intangible assets, enclosed as Annexure VII;
    - ii. Restated Consolidated Statement of Loans, enclosed as Annexure VIII;
    - iii. Restated Consolidated Statement of Cash and Bank balances, enclosed as Annexure IX;
    - iv. Restated Consolidated Statement of Other financial Assets, enclosed as Annexure X;
    - v. Restated Consolidated Statement of Deferred Tax Assets (Net), enclosed as Annexure XI;
    - vi. Restated Consolidated Statement of Other Assets, enclosed as Annexure XII;
    - vii. Restated Consolidated Statement of Investments, enclosed as Annexure XIII;
    - viii. Restated Consolidated Statement of Trade Receivables, enclosed as Annexure XIV
    - ix. Restated Consolidated Statement of Current Tax Assets, enclosed as Annexure XV
    - x. Restated Consolidated Statement of Share Capital, enclosed as Annexure XVI;
    - xi. Restated Consolidated Statement of Share buyback obligation, enclosed as Annexure XVII;
    - xii. Restated Consolidated Statement of Trade Payable and other Financial Liabilities, enclosed as Annexure XVIII;
    - xiii. Restated Consolidated Statement of Provisions, enclosed as Annexure XIX;
    - xiv. Restated Consolidated Statement of Contract Liabilities, enclosed as Annexure XX;
    - xv. Restated Consolidated Statement of Other Liabilities, enclosed as Annexure XXI;
    - xvi. Restated Consolidated Statement of Revenue from Operations, enclosed as Annexure XXII;
    - xvii. Restated Consolidated Statement of Net gain on financial assets measured at FVTPL, enclosed as Annexure XXIII
    - xviii. Restated Consolidated Statement of Other Income, enclosed as Annexure XXIV;
    - xix. Restated Consolidated Statement of Employee Benefit Expense, enclosed as Annexure XXV;
    - xx. Restated Consolidated Statement of Other Expenses, enclosed as Annexure XXVI;
    - xxi. Restated Consolidated Statement of Accounting Ratios, enclosed as Annexure XXVII;
    - xxii. Restated Consolidated Statement of Capitalisation, enclosed as Annexure XXVIII;
    - xxiii. Notes to the Restated Consolidated Summary Statement, enclosed as Annexure XXIX.
  - 10. According to the information and explanations given to us, in our opinion, the Restated Ind AS Consolidated Summary Statements and the abovementioned restated Ind AS financial information contained in Annexures I to XXIX accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure VI and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, the ICDR Regulations and the Guidance Note.
  - 11. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us or by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to herein.
  - 12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the management for inclusion in the Red Herring Prospectus (“RHP”) and Prospectus to be filed with SEBI, National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Delhi in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per Yogesh Midha  
Partner  
Membership No: 94941  
Place: New Delhi  
Date: June 03, 2019

S.No.	Particulars	Annexures	As At		
			31 March 2019	31 March 2018	31 March 2017
A	<b>Assets</b>				
	<b>Non-Current Assets</b>				
	Property, plant and equipment	VII, XXIX(12)	84.80	72.86	74.80
	Capital work in progress	VII	1.77	1.77	1.77
	Intangible assets	VII, XXIX(12)	5.81	7.80	12.33
	<b>Financial Assets</b>				
	(i) Investments	XIII	-	-	-
	(ii) Loans	VIII	1.22	0.92	1.76
	(iii) Bank deposits	IX	-	302.20	-
	(iv) Others financial assets	X	35.60	35.27	39.74
	Deferred tax assets (net)	XI	858.08	1,155.57	-
	Other non-current assets	XII	7.34	6.78	11.79
	<b>Total Non-current assets</b>		<b>994.62</b>	<b>1,583.17</b>	<b>142.19</b>
B	<b>Current assets</b>				
	<b>Financial assets</b>				
	(i) Investments	XIII	6,074.45	3,110.70	1,362.62
	(ii) Trade receivables	XIV	5.71	6.79	5.31
	(iii) Cash and cash equivalents	IX	401.96	467.11	176.59
	(iv) Bank balances other than (iii) above	IX	375.48	-	229.96
	(v) Loans	VIII	16.77	63.20	14.50
	(vi) Others financial assets	X	157.80	41.44	36.47
	Current tax assets (net)	XV	105.54	91.15	83.07
	Other current assets	XII	75.22	63.57	158.35
	<b>Total current assets</b>		<b>7,212.93</b>	<b>3,843.96</b>	<b>2,066.87</b>
	<b>Total assets (A+B)</b>		<b>8,207.55</b>	<b>5,427.13</b>	<b>2,209.06</b>
C	<b>Equity and liabilities</b>				
	<b>Equity</b>				
	Share capital	XVI	285.92	99.77	91.69
	Other equity	IV	1,312.96	(3,312.46)	(3,992.15)
	<b>Equity attributable to equity holders of the parent</b>		<b>1,598.88</b>	<b>(3,212.69)</b>	<b>(3,900.46)</b>
	Non-controlling interests	IV	-	0.46	0.27
	<b>Total equity</b>		<b>1,598.88</b>	<b>(3,212.23)</b>	<b>(3,900.19)</b>
D	<b>Liabilities</b>				
	<b>Non-current liabilities</b>				
	Financial liabilities	XVII	-	3,729.30	2,460.90
	(i) Share buyback obligation	XVIII	2.84	2.62	5.36
	(ii) Other financial liabilities	XIX, XXIX(12)	96.00	59.31	17.31
	Provisions	XX	2,297.91	1,660.91	1,213.32
	Contract liabilities (Previous year: Deferred revenue)				
	<b>Total Non-current liabilities</b>		<b>2,396.75</b>	<b>5,452.14</b>	<b>3,696.89</b>
E	<b>Current liabilities</b>				
	Financial liabilities	XVIII, XXIX(12)	-	11.31	-
	(i) Trade payables				
	(a) total outstanding dues of micro enterprises and small enterprises				
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises		450.03	407.61	302.40
	(ii) Other financial liabilities	XVIII	0.48	0.18	0.17
	Provisions	XIX, XXIX(12)	53.28	47.94	39.57
	Contract liabilities (Previous year: Deferred revenue)	XX, XXIX(12)	3,561.91	2,583.53	2,041.30
	Other current liabilities	XXI	146.22	136.65	28.92
	<b>Total current liabilities</b>		<b>4,211.92</b>	<b>3,187.22</b>	<b>2,412.36</b>
	<b>Total liabilities (D+E)</b>		<b>6,608.67</b>	<b>8,639.36</b>	<b>6,109.25</b>
	<b>Total equity and liabilities (C+D+E)</b>		<b>8,207.55</b>	<b>5,427.13</b>	<b>2,209.06</b>
<b>Notes:</b>					
The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.					
As per our report of even date					

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of  
IndiaMart InterMesh Limited

per Yogesh Midha  
Partner  
Membership No.: 94941

Dinesh Chandra Agarwal  
Managing Director  
DIN:00191800

Brijesh Kumar Agrawal  
Whole-time Director  
DIN:00191760

Place: Delhi  
Date: June 3, 2019

Prateek Chandra  
Chief Financial Officer

Manoj Bhargava  
Company Secretary

Place: Noida  
Date: June 3, 2019

S. No.	Particulars	Annexures	For the years ended		
			31 March 2019	31 March 2018	31 March 2017
F	<b>Income</b>				
	Revenue from operations	XXII	5,074.17	4,105.08	3,177.63
	Net gain on financial assets measured at FVTPL	XXIII	373.20	161.63	119.14
	Other income	XXIV	36.52	28.55	22.59
	<b>Total income</b>		<b>5,483.89</b>	<b>4,295.26</b>	<b>3,319.36</b>
G	<b>Expenses</b>				
	Employee benefits expense	XXV	2,299.83	1,948.57	2,096.74
	Depreciation and amortization expense	VII	41.27	28.85	46.32
	Net loss on financial liability designated at FVTPL	XVII	652.63	1,228.62	192.79
	Other expenses	XXVI	1,950.93	1,690.19	1,624.95
	<b>Total expenses</b>		<b>4,944.66</b>	<b>4,896.23</b>	<b>3,960.80</b>
H	<b>Restated Profit/ (Loss) before tax</b>		<b>539.23</b>	<b>(600.97)</b>	<b>(641.44)</b>
	<b>Income tax expense</b>				
	Current tax	XI	1.32	1.81	2.02
I	Deferred tax / (income)	XI	337.47	(1,150.37)	-
	<b>Total tax expense</b>		<b>338.79</b>	<b>(1,148.56)</b>	<b>2.02</b>
J	<b>Profit / (Loss) for the year</b>		<b>200.44</b>	<b>547.59</b>	<b>(643.46)</b>
	<b>Other comprehensive income (OCI)</b>				
K	<b>Items that will not be reclassified to profit or loss in subsequent years</b>				
	Re-measurement losses on defined benefit plans	XXIX(2)	(11.17)	(14.36)	(5.60)
L	Income tax effect		3.81	5.20	-
	<b>Other comprehensive loss for the year , net of tax</b>		<b>(7.36)</b>	<b>(9.16)</b>	<b>(5.60)</b>
M	<b>Total comprehensive income / (loss) for the year</b>		<b>193.08</b>	<b>538.43</b>	<b>(649.06)</b>
	<b>Attributable to:</b>				
N	Equity holders of the parent		193.08	538.24	(649.24)
	Non-controlling interests		-	0.19	0.18

**Notes:**

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

Firm registration number: 101049W/ E300004

**For and on behalf of the Board of Directors of  
IndiaMart InterMesh Limited**

**per Yogesh Midha**

Partner

Membership No.: 94941

**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: Delhi

Date: June 3, 2019

Place: Noida

Date: June 3, 2019

S. No.	Particulars	Annexure	31 March 2019	31 March 2018	31 March 2017
<b>A</b>	<b>Cash flow from operating activities:</b> <b>Profit/(Loss) before tax (as restated)</b>	<b>II</b>	<b>539.23</b>	<b>(600.97)</b>	<b>(641.44)</b>
	<b>Adjustments to reconcile profit/(loss) before tax to net cash flow:</b>				
	Depreciation of Property, plant and equipment	VII	37.67	23.91	42.68
	Amortisation of Intangible assets	VII	3.60	4.94	3.64
	Interest Income	XXIV	(29.65)	(28.02)	(22.59)
	Gain from business transfer arrangement (refer serial no 12 of Annexure XXIX )		(6.80)	-	-
	Fair value change in investment in mutual funds	XXIII	(321.86)	(89.09)	(100.11)
	Fair value change in share buyback obligation	XVII	652.63	1,228.62	192.79
	Gain/(loss) on disposal of property, plant and equipment	XXIV, XXVI	(0.08)	(0.53)	0.03
	Share-based payment expense	XXV	94.62	36.83	19.51
	Gain on disposal of mutual fund investments	XXIII	(51.34)	(72.54)	(19.03)
	Allowances for doubtful debts and advances	XXVI	0.81	-	5.00
	<b>Operating profit/(loss) before working capital changes</b>		<b>918.83</b>	<b>503.15</b>	<b>(519.52)</b>
	<b>Movement in working capital :</b>				
	(Increase)/decrease in trade receivables	XIV	0.27	(1.48)	(2.89)
	(Increase)/decrease in other financial assets	X	2.14	(48.38)	(35.13)
	(Increase)/decrease in other assets	XII	(12.18)	99.83	(57.19)
	Increase/(decrease) in other financial liabilities	XVIII	0.53	(2.73)	(1.30)
	Increase/(decrease) in trade payables	XVIII, XXIX(12)	31.12	116.52	(73.96)
	Increase in other liabilities	XX, XXI	1,631.75	1,097.54	684.68
	Increase/(decrease) in provisions	XIX, XXIX(12)	30.85	36.01	11.50
	<b>Cash generated from/ (used in) operations</b>		<b>2,603.31</b>	<b>1,800.46</b>	<b>6.19</b>
	Income tax paid (net)		(51.90)	(9.90)	(12.01)
	<b>Net cash generated from/(used in) operating activities (A)</b>		<b>2,551.41</b>	<b>1,790.56</b>	<b>(5.82)</b>
<b>B</b>	<b>Cash flow from investing activities</b>				
	Proceeds from sale of property, plant and equipment		0.53	1.06	0.02
	Purchase of property, plant and equipment and other intangible assets	VII	(51.70)	(22.92)	(27.01)
	Purchase of mutual fund investments		(5,199.11)	(3,241.70)	(1,599.56)
	Proceeds from sale of mutual fund investments		2,608.56	1,655.25	1,642.41
	Interest received		26.16	28.02	22.59
	Advances paid, recoverable from shareholders		(69.20)	-	-
	<b>Investments in bank deposits (having original maturity of more than three months)</b>		<b>(73.28)</b>	<b>(72.24)</b>	<b>(116.44)</b>
	<b>Net cash used in investing activities (B)</b>		<b>(2,758.04)</b>	<b>(1,652.53)</b>	<b>(77.99)</b>
<b>C</b>	<b>Cash flow from financing activities</b>				
	Proceeds from issues of preference shares under share buyback obligation		-	39.78	72.93
	Aquisition of non-controlling interest		(2.50)	-	-
	Proceeds from issues of equity shares on exercise of ESOP		143.98	112.71	-
	Interest paid		-	-	-
	Repayment of short-term borrowings		-	-	-
	<b>Net cash from financing activities (C)</b>		<b>141.48</b>	<b>152.49</b>	<b>72.93</b>
	<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(65.15)</b>	<b>290.52</b>	<b>(10.88)</b>
	Cash and cash equivalents at the beginning of the year		467.11	176.59	187.47
	<b>Cash and cash equivalents at end of the year</b>		<b>401.96</b>	<b>467.11</b>	<b>176.59</b>
	<b>Components of cash and cash equivalents</b>	<b>IX</b>			
	Cash on hand		0.19	1.03	0.20
	Cheques on hand		145.42	121.42	82.36
	With banks - on current account		256.35	344.66	90.28
	- On nodal accounts		-	-	3.75
	<b>Total</b>		<b>401.96</b>	<b>467.11</b>	<b>176.59</b>
	<b>Non-cash financing activities</b>				
	Fair value change in share buyback obligations		652.63	1228.62	192.79
	Conversion of preference shares into equity shares		4,381.93	-	-

**Notes:**

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
Firm registration number: 101049W/ E300004

**For and on behalf of the Board of Directors of**  
**IndiaMart InterMesh Limited**

**per Yogesh Midha**  
Partner  
Membership No.: 94941

**Dinesh Chandra Agarwal**  
Managing Director  
DIN:00191800

**Brijesh Kumar Agrawal**  
Whole-time Director  
DIN:00191760

Place: Delhi  
Date: June 3, 2019

**Prateek Chandra**  
Chief Financial Officer

**Manoj Bhargava**  
Company Secretary

Place: Noida  
Date: June 3, 2019

Particulars	Equity Share Capital	Reserve and surplus					Total reserve and surplus	Non-controlling interests	Total Other Equity
		Securities premium	General reserve	Employee share based payment reserve [Refer Annexure XXIX(4)]	Capital Reserve	Retained earnings			
<b>Balance as at 1 April 2016</b>	<b>91.69</b>	<b>153.05</b>	<b>8.45</b>	<b>26.63</b>	-	<b>(3,550.55)</b>	<b>(3,362.42)</b>	<b>0.09</b>	<b>(3,362.33)</b>
Loss for the year	-	-	-	-	-	(643.64)	(643.64)	0.18	(643.46)
Other comprehensive loss	-	-	-	-	-	(5.60)	(5.60)	-	(5.60)
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(649.24)</b>	<b>(649.24)</b>	<b>0.18</b>	<b>(649.06)</b>
Employee share based payment expense	-	-	-	19.51	-	-	19.51	-	19.51
<b>Balance as at 31 March 2017</b>	<b>91.69</b>	<b>153.05</b>	<b>8.45</b>	<b>46.14</b>	-	<b>(4,199.79)</b>	<b>(3,992.15)</b>	<b>0.27</b>	<b>(3,991.88)</b>
Profit for the year	-	-	-	-	-	547.40	547.40	0.19	547.59
Other comprehensive loss	-	-	-	-	-	(9.16)	(9.16)	-	(9.16)
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>538.24</b>	<b>538.24</b>	<b>0.19</b>	<b>538.43</b>
<b>Transactions with owners in their capacity as owners:</b>									
Issue of equity shares under "Employee stock option plan" during the year	8.08	126.44		(21.81)	-	-	104.63	-	104.63
Employee share based payment expense	-	-	-	36.82	-	-	36.82	-	36.82
<b>Balance as at 31 March 2018</b>	<b>99.77</b>	<b>279.49</b>	<b>8.45</b>	<b>61.15</b>	-	<b>(3,661.55)</b>	<b>(3,312.46)</b>	<b>0.46</b>	<b>(3,312.00)</b>
Profit for the year	-	-	-	-	-	200.44	200.44	-	200.44
Other comprehensive loss	-	-	-	-	-	(7.36)	(7.36)	-	(7.36)
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>193.08</b>	<b>193.08</b>	<b>-</b>	<b>193.08</b>
<b>Transactions with owners in their capacity as owners:</b>									
Bonus issue during the year #	99.77	(99.77)	-	-	-	-	(99.77)	-	(99.77)
Issue of equity shares under "Employee stock option plan" during the year	15.66	195.61	-	(67.29)	-	-	128.32	-	128.32
Equity share capital issued on conversion of convertible preference shares	70.72	4,311.21	-	-	-	-	4,311.21	-	4,311.21
Acquisition of non-controlling interests (refer annexure XXIX(13))	-	-	-	-	(2.04)	-	(2.04)	(0.46)	(2.50)
Employee share based payment expense	-	-	-	-	94.62	-	94.62	-	94.62
<b>Balance as at 31 March 2019</b>	<b>285.92</b>	<b>4,686.54</b>	<b>8.45</b>	<b>88.48</b>	<b>(2.04)</b>	<b>(3,468.47)</b>	<b>1,312.96</b>	<b>-</b>	<b>1,312.96</b>

**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 serial no 4 of Annexure XXIX).
- (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. (refer serial no 13 of Annexure XXIX )
- (e) **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Group, and re-measurement gains/losses on defined benefit plans.

**Notes:**

- #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 08 May 2018. The shareholders approved the allotment at general meeting held on 7 May 2018.
- The figures disclosed above are based on the Restated Ind AS Consolidated Financial Information of the Group.
- The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

As per our report of even date

**For S. R. Batliboi & Associates LLP**

Chartered Accountants

Firm registration number: 101049W/ E300004

For and on behalf of the Board of Directors of  
**IndiaMart InterMesh Limited**

**per Yogesh Midha**

Partner

Membership No.: 94941

**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: Delhi

Date: June 3, 2019

Place: Noida

Date: June 3, 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 Subhash Marg New Delhi-110002, India.

The restated consolidated financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on June 03, 2019

## **2. Significant accounting policies**

### **2.1 Basis of preparation**

The restated consolidated Summary Statement of Assets and Liabilities of the Group as at 31 March 2019, 2018, and 2017, the related restated Ind AS Summary Statement of Profit and Loss, Restated Ind AS Summary Statement of changes in equity and Restated Ind AS Summary Statement of Cash Flows for the years ended 31 March 2019, 2018 and 2017 and accompanying annexures to the restated consolidated Financial information (hereinafter collectively referred to as “Restated Ind AS Financial Information”) have been prepared specifically for inclusion in the Red Herring Prospectus (“RHP”) and Prospectus to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) in connection with proposed Initial Public Offering through Offer for Sale (IPO) of its equity shares.

These Restated Ind AS Consolidated Financial Information have been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended read with rules 4 to 6 of the Rules, and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the SEBI regulations”) as amended from time to time.

The Restated Ind AS Consolidated Summary Statement have been compiled from:

- a) the audited consolidated financial statements of the Group as at and for the year ended March 31, 2019 and 2018, which were prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended, read with Section 133 of the Act (“Ind AS”), issued by the Ministry of Corporate Affairs ('MCA') and
- b) the audited consolidated financial statements of the Group as at and for the year ended March 31, 2017 prepared in accordance with accounting principles generally accepted in India (“Indian GAAP”) at the relevant time.

As per the requirements of SEBI Circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016, the Group has presented the restated consolidated financial statements for the year ended March 31, 2019, March 31, 2018 and March 31, 2017 under Ind AS and year ended March 31, 2016 and March 31, 2015 under Indian GAAP. Financial statements presented under Indian GAAP have been prepared in a separate set of financial statements.

All amounts disclosed in the financial statements and annexures have been rounded off to the nearest INR million as per the requirement of Schedule III, unless otherwise stated.

The restated 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 restated 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 financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in serial no 3.

## **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:

- 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	Registered Office	Proportion of ownership interest as at 31 March 2019	Proportion of ownership interest as at 31 March 2018
1	Tradezeal International Private Limited (from May 31,2005)	1st Floor, 29-Daryagang, Netaji Subhash Marg New Delhi, India	100.00%	100.00%
2	Hello Trade Online Private Limited (from July 03,2008)	1st Floor, 29-Daryagang, Netaji Subhash Marg New Delhi, India	100.00%	100.00%
3	Ten Times Online Private Limited (from February 26, 2014)	1st Floor, 29-Daryagang, Netaji Subhash Marg New Delhi, India	100.00%	96.26%
4	Tolexo Online Private Limited (from May 28, 2014)	1st Floor, 29-Daryagang, Netaji Subhash Marg New Delhi, india	100.00%	100.00%

5	Pay WithIndiaMART Private Limited (from February 7, 2017)	1st Floor, 29-Daryagang, Netaji Subhash Marg New Delhi, India	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 annexure, 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 annexure summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant annexures.

- Disclosures for significant estimates and assumptions (Serial no3 of this annexure)
- Disclosures for valuation methods and quantitative disclosure of fair value measurement hierarchy (serial no 9 of Annexure XXIX)

**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 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**

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 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 and is recognised at cost.

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 estimated 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 2015 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 estimated 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:

<b>Asset</b>	<b>Annual rates</b>
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 estimated 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 charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed at each financial year end.

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

Intangible assets with finite lives are amortised over the estimated 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 estimated 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 2015 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, 2015, 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 estimated 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.

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 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 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.

**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.

**I) 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 Annexure XIV.

**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.

**Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

**Operating lease commitments – Group as lessor**

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

**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 (which shall expire during the year 2019-20 to 2025-26) and other deductible temporary differences to the extent 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 328.07 million (31 March 2018: INR 318.72 million, 31 March 2017: INR 4,055.10 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 Annexure XI 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 serial no 4 of Annexure XXIX.

**c) Revenue from contracts with customers**

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 serial no 2 of Annexure XXIX.

**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 serial no 9 of Annexure XXIX 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 (Refer Note 2.3(d)).

**4. Recently issued accounting pronouncements-Issued but not yet effective**

**IND AS 116 Leases**

The Ministry of Corporate Affairs on 30 March 2019 notified the new leasing standard, viz., Ind AS 116 Leases. Ind AS 116 is applicable for the financial year beginning on or after 1 April, 2019 for companies preparing their 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.

**Reconciliation of equity as per previous GAAP and Ind AS for year ended March 31, 2017 and as at April 01, 2016 is as under:**

<b>Particulars</b>	<b>Note</b>	<b>31 March 2017</b>	<b>01 April 2016</b>
<b>Total equity under previous GAAP</b>		(1,147.63)	(772.98)
<b>Effect of transition to Ind AS on account of (Refer Note B (i) below):</b>		-	-
Reclassification of certain equity and preference shares as financial liabilities	b	(2,460.90)	(2,195.18)
Impact of discounting of security deposit	a	(1.14)	(0.80)
Gain/(loss) on financial assets measured at fair value through profit or loss	c & e	142.62	35.43
Deferred revenue and contract modification	f	(437.24)	(341.52)
Others	g	3.83	4.32
		(2,752.83)	(2,497.75)
<b>Total equity under Ind AS</b>		(3,900.46)	(3,270.73)

**Reconciliation of losst after tax as previously reported under IGAAP to Ind AS for the year ended March 31, 2017 :**

<b>Particulars</b>	<b>Note</b>	<b>31 March 2017</b>
<b>Net loss as per audited financial statements</b>		(450.01)
<b>Material adjustments on account of restatement</b>		
<b>Proforma Ind AS adjustments (Refer Note B (i) below):</b>		-
Rental expense on amortisation of security deposit	a	(5.00)
Finance income on amortisation security deposit	a	2.85
Gain/(loss) on financial liability measured at fair value through profit or loss	b	(192.79)
Gain/(loss) on financial assets measured at fair value through profit or loss	c & e	108.62
Fair value adjustment related to Employee stock option plan	d	(11.32)
Deferred revenue and contract modification	f	(95.72)
Others	g	(5.71)
<b>Total</b>		(199.07)
<b>Restated total comprehensive income</b>		(649.08)

**Ind AS Consolidated Statement of reconciliation of equity as per previous GAAP and Ind AS**

**(Amounts in INR million, unless otherwise stated)**

---

**a) 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.

**b) Share buyback obligation**

Under previous GAAP, convertible preference shares issued by the parent company 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 2460.90 mn as at 31 March 2017 (INR 2195.18 mn 01 April, 2016)

**c) 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.

**d) 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. 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.

**e) Investment in debt instruments of subsidiary:**

As per Ind AS 32 and Ind AS 109, the Group's investment in OCRPS of a subsidiary company is classified as debt instrument and carried at amortised cost. Related interest and expense are recognised.

**f) Deferred revenue and contract modification:**

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 separate 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 01 April, 2016) with corresponding adjustment to total equity.

**g) 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 capitalized on transition date with corresponding adjustment to retained earnings for the related depreciation of INR 0.9 mn and adjustment to prepaid expenses amounting to INR 2.51 mn.

**h) Other adjustments**

Under previous GAAP, the Group defer the amount of extension charges paid during a year and amortised it over the period of extension. Under Ind AS, these charges are expensed as incurred.

**i) Other equity**

Other equity as at transition date and as at 31 March 2017 has been adjusted consequent to the above Ind AS adjustments.

**j) 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.

**IndiaMART InterMESH Limited**

**CIN: U74899DL1999PLC101534**

**Annexure V**

**Ind AS Consolidated Statement of reconciliation of equity as per previous GAAP and Ind AS**

**(Amounts in INR million, unless otherwise stated)**

---

**k) Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

**Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements**

**(Amounts in INR million, unless otherwise stated)**

- A The summary of results of restatement made in the audited previous Ind AS Consolidated financial statements for the respective years and its impact on the profit/(loss) of the Group is as follows:

Particulars	31 March 2019	31 March 2018	31 March 2017
<b>Net profit/(loss) as per audited financial statements (A)</b>	200.44	547.59	(643.46)
<b>Restatement adjustments:</b>			
a. Material items relating to previous years	-	-	-
<b>Total impact of restatement adjustments (B)</b>	-	-	-
<b>Net profit/(loss) as per restated financial statements (A)-(B)</b>	<b>200.44</b>	<b>547.59</b>	<b>(643.46)</b>

B **Non adjusting items**

There are no audit qualifications which require any adjustments in the restated Ind AS Consolidated financial information for the respective years.

**Property, plant and equipment**

Particulars	Leasehold Land (refer note 3 )	Computers	Office Equipments	Furniture and Fittings	Motor Vehicles	Total Property, plant and equipment	Capital work in progress
<b>Gross carrying amount</b>							
At 01 April 2016	37.59	64.63	21.86	4.96	1.40	130.44	1.77
Additions	-	12.76	6.08	0.46	-	19.30	-
Disposals	-	(0.13)	-	-	-	(0.13)	-
At 31 March 2017	37.59	77.26	27.94	5.42	1.40	149.61	1.77
Additions	-	10.11	7.89	0.75	3.75	22.50	-
Disposals	-	(0.17)	-	-	(1.33)	(1.50)	-
At 31 March 2018	37.59	87.20	35.83	6.17	3.82	170.61	1.77
Additions	-	38.89	10.04	1.09	-	50.02	-
Disposals	-	(0.71)	(0.25)	-	-	(0.96)	-
At 31 March 2019	37.59	125.38	45.62	7.26	3.82	219.67	1.77
<b>Accumulated depreciation</b>							
At 01 April 2016	0.46	22.87	7.23	1.25	0.40	32.21	-
Charge for the year	0.46	31.99	8.71	1.23	0.29	42.68	-
Disposals during the year	-	(0.08)	-	-	-	(0.08)	-
At 31 March 2017	0.92	54.78	15.94	2.48	0.69	74.81	-
Charge for the year	0.46	15.28	6.99	0.97	0.21	23.91	-
Disposals during the year	-	(0.13)	-	-	(0.84)	(0.97)	-
At 31 March 2018	1.38	69.93	22.93	3.45	0.06	97.75	-
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)	-
At 31 March 2019	1.84	95.91	31.69	4.39	1.04	134.87	-
<b>Net book value</b>							
At 31 March 2017	36.67	22.48	12.00	2.94	0.71	74.80	1.77
At 31 March 2018	36.21	17.27	12.90	2.72	3.76	72.86	1.77
At 31 March 2019	35.75	29.47	13.93	2.87	2.78	84.80	1.77

**Intangible Assets**

Particulars					Software	Unique telephone numbers	Total
<b>Gross carrying amount</b>							
At 01 April 2016					5.02	7.85	12.87
Additions					7.71	-	7.71
At 31 March 2017					12.73	7.85	20.58
Additions					0.41	-	0.41
At 31 March 2018					13.14	7.85	20.99
Additions					1.66	-	1.66
Disposals					(0.08)	-	(0.08)
At 31 March 2019					14.72	7.85	22.57
<b>Accumulated amortisation</b>							
At 01 April 2016					1.46	3.15	4.61
Amortisation for the year					1.76	1.88	3.64
At 31 March 2017					3.22	5.03	8.25
Amortisation for the year					3.81	1.13	4.94
At 31 March 2018					7.03	6.16	13.19
Amortisation for the year					2.92	0.68	3.60
Disposals for the year					(0.03)	-	(0.03)
At 31 March 2019					9.92	6.84	16.76
<b>Net book value</b>							
At 31 March 2017					9.51	2.82	12.33
At 31 March 2018					6.11	1.69	7.80
At 31 March 2019					4.80	1.01	5.81

**Depreciation and amortisation expenses**

Particulars					31 March 2019	31 March 2018	31 March 2017
Depreciation					37.67	23.91	42.68
amortisation					3.60	4.94	3.64
<b>Total</b>					41.27	28.85	46.32

**Notes:**

1. Capital work in progress as on March 31st represents 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 Indian 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 2019.
4. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.
5. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

**Loans (measured at amortised cost)**

**Non-current financial assets**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
Loans to employees considered good- Secured (A)	-	-	-
Loans to employees considered good- Unsecured (B)	1.22	0.92	1.76
Loans to employees which have significant increase in credit risk (C )	-	-	-
Loans to employees credit impaired (D)	-	-	-
<b>Total (A+B+C+D)</b>	<b>1.22</b>	<b>0.92</b>	<b>1.76</b>

**Current financial assets**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
Loans to employees considered good- Secured (A)	-	-	-
Loans to employees considered good- Unsecured (B)	16.77	63.20	14.50
Loans to employees which have significant increase in credit risk (C )	-	-	-
Loans to employees credit impaired (D)	-	-	-
<b>Total (A+B+C+D)</b>	<b>16.77</b>	<b>63.20</b>	<b>14.50</b>

The above loans represents interest free loans to employees, which are recoverable in maximum 24 monthly instalments

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.
2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

Particulars	As At					
	Non-current			Current		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
<b>Cash and cash equivalents</b>						
Cash on hand	-	-	-	0.19	1.03	0.20
Cheques on hand	-	-	-	145.42	121.42	82.36
Balance with banks						
- On current accounts	-	-	-	256.35	344.66	90.28
- On nodal accounts	-	-	-	-	-	3.75
<b>Cash and cash equivalents as per statement of cash flows</b>				<b>401.96</b>	<b>467.11</b>	<b>176.59</b>
<b>Bank balances other than cash and cash equivalents</b>						
Deposits with						
- Remaining maturity upto twelve months	-	-	-	375.48	-	229.96
- Remaining maturity for more than twelve months	-	302.20	-	-	-	-
	<b>-</b>	<b>302.20</b>	<b>-</b>	<b>375.48</b>	<b>-</b>	<b>229.96</b>
Less: amount disclosed under current bank deposits				(375.48)	-	(229.96)
				-	-	-

**Notes:**

- 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.
- The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

**IndiaMART InterMESH Limited**

CIN: U74899DL1999PLC101534

**Annexure X**

**Restated Ind AS Consolidated Statement of other financial assets**

(Amounts in INR million, unless otherwise stated)

**Other non-current financial assets**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Unsecured, considered good unless otherwise stated</b>			
Security deposits	35.60	35.27	39.74
<b>Total</b>	<b>35.60</b>	<b>35.27</b>	<b>39.74</b>

**Other current financial assets**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Unsecured, considered good unless otherwise stated</b>			
Security deposits	26.01	1.62	1.45
Amount recoverable from payment gateway banks	62.59	39.82	34.56
Other recoverables	69.20	-	-
Interest accrued on deposits	-	-	0.46
<b>Total</b>	<b>157.80</b>	<b>41.44</b>	<b>36.47</b>

**Notes:**

1. Security deposits are non-interest bearing and are generally on term of 3 to 9 years. For credit risk management, refer serial no 11 of Annexure XXIX
2. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group
3. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

**Break up of deferred tax recognised in balance sheet**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Deferred tax assets</b>			
Property, plant and equipment and other intangible assets	8.42	7.50	4.71
Provision for gratuity	36.36	36.36	19.87
Provision for compensated absences	15.24	24.36	18.25
Provision for bonus	-	-	-
Provision for diminution of investments in subsidiaries	31.49	-	-
Re-measurement of investment in debt instruments in subsidiaries to fair value	34.35	24.88	-
Deferred revenue	11.30	44.91	135.11
Tax losses	776.56	1,074.00	1,010.86
Allowances for doubtful debts	0.21	-	-
Unabsorbed depreciation	39.08	60.34	69.62
Others	7.65	9.93	9.61
<b>Total deferred tax assets (A)</b>	<b>960.66</b>	<b>1,282.28</b>	<b>1,268.03</b>
<b>Total deferred tax assets recognised (A) *</b>	<b>891.70</b>	<b>1,206.90</b>	<b>39.62</b>
<b>Deferred tax liabilities</b>			
Re-measurement of investment in mutual funds to fair value	(67.32)	(29.77)	(21.35)
Property, plant and equipment and other intangible assets	-	-	-
Accelerated deduction for tax purposes	(2.50)	(21.56)	(17.08)
Accelerated depreciation for tax purposes	0.02	(0.00)	-
Others	-	-	(1.19)
<b>Total deferred tax liabilities (B)</b>	<b>(69.80)</b>	<b>(51.33)</b>	<b>(39.62)</b>
<b>Net deferred tax assets (C) = (A) - (B)</b>	<b>821.90</b>	<b>1,155.57</b>	<b>-</b>
<b>MAT credit entitlement (D)</b>	<b>36.18</b>	<b>-</b>	<b>-</b>
<b>Total deferred tax Asset (C) + (D)</b>	<b>858.08</b>	<b>1,155.57</b>	<b>-</b>

Notes:

\* The amount of deferred tax assets recognised has been restricted to the amount of deferred tax liability recognised as on 31 March 2017 due to lack of reasonable certainty.

1. During the year ended March 31, 2019 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.

**Breakup of deferred tax expense / (income) recognised in Statement of profit and loss**

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
<b>Deferred tax expense/(income) relates to the following:</b>			
Provision for gratuity	(9.87)	(35.89)	-
Provision for compensated absences	(0.94)	(22.61)	-
Provision for bonus	(24.50)	-	-
Re-measurement of investment in debt instruments 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)	-	-
<b>Deferred tax expense / (income)</b>	<b>333.67</b>	<b>(1,155.57)</b>	<b>-</b>

**Reconciliation of Deferred tax asset (Net):**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
Opening balance as of 1 April	1,155.57	-	-
Tax (expense)/income during the year recognised in Statement of profit and loss	(337.47)	1,150.37	-
Tax income during the year recognised in OCI	3.81	5.20	-
MAT credit entitlement	36.17	-	-
<b>Closing balance at the end of the year</b>	<b>858.08</b>	<b>1,155.57</b>	<b>-</b>

**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	31 March 2018	31 March 2017
<b>Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:</b>			
- tax business losses (shall expire during financial year 2022-23 to 2025-26)	275.22	229.73	3,271.39
- unabsorbed depreciation	6.99	6.80	225.30
- tax capital losses*	43.32	74.77	79.68
- other deductible temporary differences	2.54	7.42	478.73
	<b>328.07</b>	<b>318.72</b>	<b>4,055.10</b>

\* 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.

Deferred income taxes are not provided on the undistributed reserves of Ten Times Online Private Limited of INR 32.43 million.

**Income tax expenses / (income) recognised in Statement of profit and loss**

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
<b>Current income tax</b>			
Current income tax for the year	1.32	1.81	2.02
Adjustments in respect of current income tax of previous year	-	-	-
	<b>1.32</b>	<b>1.81</b>	<b>2.02</b>
<b>Deferred tax</b>			
Relating to origination and reversal of temporary differences	337.47	(1,150.37)	-
	<b>337.47</b>	<b>(1,150.37)</b>	<b>-</b>
<b>Total income tax expenses/ (income)</b>	<b>338.79</b>	<b>(1,148.56)</b>	<b>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 years ended		
	31 March 2019	31 March 2018	31 March 2017
Net loss on remeasurements of defined benefit plans	(3.81)	(5.19)	-
	<b>(3.81)</b>	<b>(5.19)</b>	<b>-</b>

Restated Ind AS Consolidated Statement of Deferred Tax Assets (Net)

Reconciliation of tax expense and the accounting profit/(loss) multiplied by statutory income tax rate.

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
<b>Profit/(Loss) before tax</b>	539.23	(600.97)	(641.44)
Accounting loss before income tax	<b>539.23</b>	<b>(600.97)</b>	<b>(641.44)</b>
Tax expense at statutory income tax rate of 31.20% (March 31, 2018: 30.90%, March 31, 2017: 30.90%)	168.24	(185.70)	(198.21)
<b>Adjustments in respect of unrecognised deferred tax assets of previous year</b>	-	-	-
Adjustments in respect of current income tax of previous years	-	-	-
- tax business losses	-	(1,072.95)	-
- unabosorbed 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	0.00
Adjustments in respect of differences taxed at lower tax rates	(34.74)	(33.74)	(0.04)
Utilisation of previously unrecognised tax losses	(9.81)	10.20	-
Non-deductible expenses for tax purposes:	-	-	-
Loss on fair valuation of Share buyback obligation	203.62	379.64	59.57
Income non-taxable for tax purposes	(42.44)	(23.15)	-
Other non-deductible expenses	(2.22)	(0.25)	(39.75)
Temporary differences for which no deferred tax was recognised	17.09	10.18	180.45
<b>Tax expense/income at the effective income tax rate of 34.94% (March 31, 2018: 34.61%, March 31, 2017: 30.90%)</b>	<b>338.79</b>	<b>(1,148.56)</b>	<b>2.02</b>

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group
2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

**IndiaMART InterMESH Limited**

CIN: U74899DL1999PLC101534

**Annexure XII**

**Restated Ind AS Consolidated Statement of other assets**

(Amounts in INR million, unless otherwise stated)

**Other non-current assets**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Unsecured, considered good unless otherwise stated</b>			
Capital advance	0.03	-	-
Prepaid expenses	0.14	0.09	0.08
Deferred rent expense	7.17	6.69	11.71
<b>Total</b>	<b>7.34</b>	<b>6.78</b>	<b>11.79</b>

**Other current assets**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Unsecured, considered good unless otherwise stated</b>			
Advances recoverable	14.38	13.16	19.24
Indirect taxes recoverable	38.03	32.46	118.20
Prepaid expenses	19.66	15.59	17.73
Deferred rent expense	3.15	2.36	3.18
<b>Total</b>	<b>75.22</b>	<b>63.57</b>	<b>158.35</b>

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group
2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.
3. There are no amounts due from Directors / Promoter / Promoter Group Companies / Group Companies / Relatives of Promoter / Relatives of Directors / Subsidiary Companies

**IndiaMART InterMESH Limited**  
**CIN: U74899DL1999PLC101534**

**Annexure XIII**  
**Restated Ind AS Consolidated Statement of Investments**  
**(Amounts in INR million, unless otherwise stated)**

**Non-Current Investment**

Particulars	No. of Shares (units)			As at		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
<b>Investment in debt instruments- Unquoted (measured at FVTPL)</b>						
0.001% Optionally Convertible redeemable Preference Shares of Rs. 10 each in Instant Procurement Services Private Limited	12,446	12,446	12,446	-	-	-
0.001% Compulsory Convertible Preference Shares of Rs. 10 each in Instant Procurement Services Private Limited	3,764	3,764	3,764	-	-	-
<b>Total</b>				-	-	-

**Aggregate amount of unquoted investments**

The Group has invested in convertible preference shares . 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 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 fair value through profit and loss".

Annexure XIII  
Restated Ind AS Consolidated Statement of Investments  
(Amounts in INR million, unless otherwise stated)

Current Investment

Particulars	No. of Shares (units)			As at		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
<b>Investment in mutual funds - Quoted (measured at FVTPL)</b>						
HDFC Prudence Fund - Growth	-	47,993	82,414	-	23.28	37.72
HDFC Top 200 Fund - Growth	-	30,646	140,545	-	13.15	56.48
HDFC Liquid Fund-Growth	-	-	90,917	-	-	290.90
IDFC Premier Equity Fund -Growth	-	13,400	899,898	-	1.21	73.72
Birla Sun Life Cash Plus-Growth-Regular Plan	-	-	2,081	-	-	0.54
Birla Sunlife Frontline Equity Fund-Growth Regular Plan	-	75,282	482,849	-	15.75	93.24
Aditya Birla Sun Life Short Term Plan-Growth Regular Plan	2,599,874	3,360,316	3,008,967	80.37	96.96	81.64
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	391,447	-	114.17	12.69
HDFC Floating Rate Income Fund	-	7,229,251	-	-	218.64	-
Aditya Birla Sun Life Banking & PSU Debt Fund-Grow-Direct Plan	886,783	1,074,783	1,074,783	214.61	241.31	226.07
IDFC ultra short term fund	-	18,214,024	4,272,145	-	451.65	98.91
IDFC Bond Fund - Short Term Plan- DGP	5,468,770	5,468,770	5,468,770	216.27	199.92	187.68
HDFC Short Term Debt Fund-Direct Growth Plan	26,794,545	10,359,979	10,359,979	558.15	200.19	187.52
ICICI Prudential Balanced Advantage Fund	-	258,974	130,026	-	8.57	3.93
ICICI Prudential Savings Fund -Growth	81,581	373,280	4,227	29.27	124.35	1.32
HDFC Liquid Fund-Direct Plan Growth Option	-	69,517	-	-	238.02	-
ICICI Prudential Value Discovery Fund-Growth	-	163,952	-	-	22.79	-
Birla Sun Life Cash Plus-Growth-Direct Plan	-	882,080	-	-	246.38	-
IDFC Low Duration Fund-Growth (Regular Plan)	16,451,049	16,451,049	-	435.91	405.11	-
HDFC Short Term Debt Fund - Regular Plan	8,380,984	1,560,259	-	172.98	29.92	-
IDFC Bond Fund-STP-Regular Fund	408,840	372,699	-	15.57	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	1,263,533	-	639.65	423.15	-
HDFC Equity saving fund-regular-growth	140,386	140,386	-	5.17	4.85	-
HDFC Cash management-retail-regular-growth	196,990	196,990	-	7.71	7.21	-
HDFC Liquid fund - Growth	2,329	3,208	3,208	8.52	10.94	10.26
Aditya Birla Sunlife short term opportunities fund-Direct	21,181,794	-	-	679.17	-	-
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	-	-
L&T Short Term Bond Fund - Regular Growth	20,066,239	-	-	358.17	-	-
Kotak Corporate Bond Fund - DGP	328,929	-	-	831.30	-	-
HDFC Hybrid Equity Fund-Regular-Growth	41,348	-	-	2.25	-	-
HDFC Short Term Debt Fund	378,460	-	-	7.81	-	-
<b>Total current investments</b>				<b>6,074.45</b>	<b>3,110.70</b>	<b>1,362.62</b>
<b>Aggregate amount of quoted investments</b>				<b>6,074.45</b>	<b>3,110.70</b>	<b>1,362.62</b>
<b>Aggregate amount of unquoted investments</b>				-	-	-

Notes:

- The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group
- The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

**Annexure XIV**

**Restated Ind AS Consolidated Statement of Trade Receivables**  
**(Amounts in INR million, unless otherwise stated)**

**Trade Receivables**

<b>Particulars</b>	<b>As at</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>Considered good- Secured (A)</b>			
<b>Considered good- Unsecured (B)</b>	<b>5.71</b>	<b>6.79</b>	<b>5.31</b>
<b>Trade Receivables which have significant increase in credit risk</b>	<b>0.81</b>	<b>-</b>	<b>-</b>
<b>Provision for doubtful debts</b>	<b>(0.81)</b>	<b>-</b>	<b>-</b>
<b>Total (C )</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Trade Receivables credit impaired (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C+D)</b>	<b>5.71</b>	<b>6.79</b>	<b>5.31</b>
<b>Current portion</b>	<b>5.71</b>	<b>6.79</b>	<b>5.31</b>
<b>Non-current portion</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes:**

1. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
2. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.
3. For terms and conditions relating to related party receivables, serial no. 8(b) of Annexure XXIX.
4. No Trade receivables are due from the directors of the Company or other officers of the Company either severally or jointly.
5. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.
6. There are no amounts due from Directors / Promoter / Promoter Group Companies / Group Companies / Relatives of Promoter / Relatives of Directors / Subsidiary Companies:
7. The list of persons / entities classified as 'Promoter' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors.

**IndiaMART InterMESH Limited**

CIN: U74899DL1999PLC101534

**Annexure XV****Restated Ind AS Consolidated Statement of Current tax assets**

(Amounts in INR million, unless otherwise stated)

**Current tax assets**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Current tax assets (net of provisions)</b>			
Advance income tax	108.73	94.98	85.09
Less: Provision for income tax	3.19	3.83	2.02
<b>Total</b>	<b>105.54</b>	<b>91.15</b>	<b>83.07</b>
<b>Less: amount disclosed Current tax liabilities (net)</b>	-		
<b>Total Current tax assets (net)</b>	<b>105.54</b>	<b>91.15</b>	<b>83.07</b>

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.
2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

Share Capital

Particulars	Units			As At		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
Authorised share capital						
At the beginning of the year	18,277,930	18,277,930	20,000,000	182.78	182.78	200.00
Increase/ decrease during the year	11,722,070	-	(1,722,070)	117.22	-	(17.22)
At the end of the year	<b>30,000,000</b>	<b>18,277,930</b>	<b>18,277,930</b>	<b>300.00</b>	<b>182.78</b>	<b>182.78</b>
<b>Issued, subscribed and fully paid up shares:</b>						
Equity shares of Rs. 10 each	28,592,006	9,976,805	9,168,989	285.92	99.77	91.69

(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the year

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	9,976,805	99.77	9,168,989	91.69	9,168,989	91.69
Issued during the year	-	-	-	-	-	-
Bonus issue during the year <sup>1</sup>	9,976,805	99.77	-	-	-	-
Equity share capital issued on exercise of ESOP during the year [refer Annexure XXXIX(4)]	1,566,630	15.66	807,816	8.08	-	-
Equity share capital issued on conversion of convertible preference shares[refer Annexure XXXIX(4)] <sup>2</sup>	7,071,766	70.72	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>28,592,006</b>	<b>285.92</b>	<b>9,976,805</b>	<b>99.77</b>	<b>9,168,989</b>	<b>91.69</b>

1. **Bonus issue**

The shareholders approved at general meeting held on 7 May 2018, the allotment of one bonus share for every equity share held as on the record date of 08th May 2018. The Company has allotted 9,976,805 bonus shares of INR 10 each amounting to INR 99.77 million, on 9 May 2018 in the ratio of 1:1 to the equity shareholders existing on record date.

2. **Conversion of convertible preference shares**

During the year ended 31 March 2019, the Company converted 1,493,903 Series A 0.01% Cumulative Compulsory Preference Shares of INR 328 into 3,334,922 Equity Shares of INR 10 each, 1,722,047 0.01% Series B Cumulative Compulsory Preference Shares of INR 100 into 3,444,094 Equity Shares of INR 10 each, 146,375 0.01% Series B1 Cumulative Compulsory Preference Shares of INR 100 into 292,750 Equity Shares of INR 10 each.

(a) **Terms/ rights attached to equity shares**

1) The Group has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share.

2) In event of liquidation of the Group, the holders of equity shares would be entitled to receive remaining assets of the Group, 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% shares in the Company**

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No of Shares	Percentage	No of Shares	Percentage	No of Shares	Percentage
<b>Equity shares of Rs. 10 each fully paid</b>						
Dinesh Chandra Agarwal	9,483,200	33.17%	4,741,600	47.53%	4,741,600	51.71%
Brijesh Kumar Agrawal	6,426,200	22.48%	3,213,100	32.21%	3,213,100	35.04%
Intel Capital (Mauritius) Limited	3,851,746	13.47%	100	0.00%	-	-
Westbridge Crossover Fund, LLC	1,544,154	5.40%	298,517	2.99%	10	0.00%

(c) **Shares reserved for issue under options**

Information relating to the Group's employee option plan (ESOP), including details of options issued, exercised and lapsed during the financial period and options outstanding at the end of the reporting period, is set out in Note 4 of annexure XXIX.

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

**Non-current**

Particulars	Units			Amount		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
<b>Measured at fair value through profit or loss (FVTPL)</b>						
<b>Share buyback obligation of preference shares</b>						
0.01% Series A cumulative convertible preference shares (CCPS) of INR 328 each	-	1,493,903	1,493,903	-	1,630.00	958.10
0.01% Series B compulsory convertible preference shares (CCPS) of INR 100 each	-	1,722,047	1,722,047	-	1,971.30	1,464.50
Series B1 compulsory convertible preference shares (CCPS) of INR 100 each	-	146,375	94,713	-	128.00	38.30
<b>Total</b>				-	<b>3,729.30</b>	<b>2,460.90</b>

The Group has issued 1,493,903 Series A CCPS at price of INR 328 per share amounting to INR 490 mn. The Group 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 1325.98 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 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 fair value through profit and loss".

**Carrying amount of financial liability and gain/loss on subsequent re-measurement is set out below:**

Particulars	Amount		
	31 March 2019	31 March 2018	31 March 2017
At the beginning of the year*	3,729.30	2,460.89	2,195.17
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)	652.63	1,228.62	192.79
Conversion of preference shares into equity shares during the year**	(4,381.93)	-	-
<b>At the end of the year</b>	<b>-</b>	<b>3,729.29</b>	<b>2,460.89</b>

\*\*During the year ended 31 March 2019, the Company converted 1,493,903 Series A 0.01% Cumulative Compulsory Preference Shares of INR 328 into 3,334,922 Equity Shares of INR 10 each, 1,722,047 0.01% Series B Cumulative Compulsory Preference Shares of INR 100 into 3,444,094 Equity Shares of INR 10 each, 146,375 0.01% Series B1 Cumulative Compulsory Preference Shares of INR 100 into 292,750 Equity Shares of INR 10 each.

\*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.

Particulars	Units			As At		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
<b>Authorised preference share capital</b>						
Compulsory Convertible Preference Shares Series A of Rs. 328 each	1,493,303	1,493,303	1,493,303	490.00	490.00	490.00
Compulsory Convertible Preference Shares Series B of Rs. 100 each	1,722,047	1,722,047	1,722,047	172.20	172.20	172.20
Compulsory Convertible Preference Shares Series B1 Shares of Rs. 100 each	172,207	172,207	172,207	17.22	17.22	17.22
	<b>3,387,557</b>	<b>3,387,557</b>	<b>3,387,557</b>	<b>679.42</b>	<b>679.42</b>	<b>679.42</b>
<b>Issued, subscribed and fully paid up preference share capital:</b>						
Compulsory Convertible Preference Shares Series A of Rs. 328 each	-	1,493,303	1,493,303	-	490.00	490.00
Compulsory Convertible Preference Shares Series B of Rs. 100 each	-	1,722,047	1,722,047	-	172.20	172.20
Compulsory Convertible Preference Shares Series B1 of Rs. 100 each	-	146,375	94,713	-	14.64	9.47
	<b>3,361,725</b>	<b>3,310,063</b>	<b>-</b>	<b>676.84</b>	<b>671.68</b>	

**Reconciliation of the number of preference shares outstanding at the beginning and end of the year**

**Series A**

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	1,493,903	490.00	1,493,903	490.00	1,493,903	490.00
Shares converted to equity shares	(1,493,903)	(490.00)	-	-	-	-
Outstanding at the end of the year	-	-	1,493,903	490.00	1,493,903	490.00

**Series B**

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	1,722,047	172.20	1,722,047	172.20	1,722,047	172.20
Issued during the year	(1,722,047)	(172.20)	-	-	-	-
Outstanding at the end of the year	-	-	1,722,047	172.20	1,722,047	172.20

**Series B1**

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	146,375	14.64	94,713	9.47	-	-
Issued during the year	(146,375)	(14.64)	51,662	5.17	94,713	9.47
Outstanding at the end of the year	-	-	146,375	14.64	94,713	9.47

**Details of shareholders holding more than 5% shares in the Company**

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No of Shares	% Holding	No of Shares	% Holding	No of Shares	% Holding
<b>CCPS of Rs 328 each fully paid up (Series A)</b>						
Intel Capital (Mauritius) Limited	-	-	1,493,303	100.00%	1,493,303	100.00%
<b>CCPS of Rs 100 each fully paid up (Series B)</b>						
Amadeus IV DPF Limited	-	-	516,613	30.00%	516,613	30.00%
Westbridge Crossover Fund LLC	-	-	430,509	25.00%	430,509	25.00%
Accion Frontier Inclusion Mauritius	-	-	516,613	30.00%	516,613	30.00%
Intel Capital (Mauritius) Limited	-	-	258,312	15.00%	258,312	15.00%
<b>CCPs of Rs 100 each fully paid up (Series B1)</b>						
Amadeus IV DPF Limited	-	-	51,662	35.00%	51,662	55.00%
Westbridge Crossover Fund LLC	-	-	43,051	29.00%	43,051	45.00%
Accion Frontier Inclusion Mauritius	-	-	51,662	35.00%	-	-

**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-rate, 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.

**Restated Ind AS Consolidated Statement of Share Buyback Obligation**  
**(Amounts in INR million, unless otherwise stated)**

- 
- 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 Series A 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 Group 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 Group 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 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 Group 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
- 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 Group 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 stock split, certain anti dilution protection and combination.
- 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 Group 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 Group 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.

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

**Trade payables**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Current</b>			
Payable to micro, small and medium enterprises (refer serial no 7 Annexure XXIX )	-	11.31	-
Other trade payables	450.03	407.61	302.40
<b>Total</b>	<b>450.03</b>	<b>418.92</b>	<b>302.40</b>

Trade payables are non-interest bearing and are normally settled on 30-day terms.

**Financial liabilities**

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Non-current</b>			
Lease rent equilisation	2.84	2.62	5.36
<b>Total</b>	<b>2.84</b>	<b>2.62</b>	<b>5.36</b>
<b>Current</b>			
Payable to employees	0.34	0.04	0.03
Security deposits	0.14	0.14	0.14
<b>Total</b>	<b>0.48</b>	<b>0.18</b>	<b>0.17</b>
<b>Total</b>	<b>3.32</b>	<b>2.80</b>	<b>5.53</b>

**Notes:**

- The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group
- The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

**Provision for employees benefits**

Particulars	As At					
	Non-current			Current		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
For gratuity	96.00	59.31	17.31	8.88	9.27	11.29
For leave encashment	-	-	-	44.40	38.67	28.28
<b>Total Provision</b>	<b>96.00</b>	<b>59.31</b>	<b>17.31</b>	<b>53.28</b>	<b>47.94</b>	<b>39.57</b>
Total						

\*For details of movement in provision for gratuity and leave encashment, (refer serial no 2 Annexure XXIX )

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group
2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

**Deferred revenue\***

Particulars	As At		
	31 March 2019	31 March 2018	31 March 2017
<b>Non-Current</b>			
Deferred revenue	2,297.91	1,660.91	1,213.32
	<b>2,297.91</b>	<b>1,660.91</b>	<b>1,213.32</b>
<b>Current</b>			
Deferred revenue	3,245.58	2,259.23	1,718.45
Advances from customers	316.33	324.30	322.85
	<b>3,561.91</b>	<b>2,583.53</b>	<b>2,041.30</b>
<b>Total contract liabilities</b>	<b>5,859.82</b>	<b>4,244.44</b>	<b>3,254.62</b>

\*Deferred Revenue includes consideration received in advance to render web services in future periods.

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.
2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

**Annexure XXI**

**Restated Ind AS Consolidated Statement of Other Liabilities**  
**(Amounts in INR million, unless otherwise stated)**

**Current Liabilities**

Particulars	As At		
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
Statutory dues			
Tax deducted at source payable	5.61	64.99	25.59
Contribution to provident fund payable	2.54	2.36	2.42
Contribution to ESI payable	0.11	0.23	0.50
GST & Service tax payable	134.65	68.88	0.20
Professional tax payable	0.18	0.11	0.16
Payable for labour welfare fund	0.03	0.01	0.01
Others	3.10	0.07	0.03
<b>Total</b>	<b>146.22</b>	<b>136.65</b>	<b>28.92</b>

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.
2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

**Revenue from operations**

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
<b>Sale of services:</b>			
Income from web services	5,019.25	4,076.94	3,058.28
Advertisement and marketing services	54.92	28.14	119.35
<b>Total</b>	<b>5,074.17</b>	<b>4,105.08</b>	<b>3,177.63</b>

**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:

Particulars	31 March 2019		31 March 2018		31 March 2017	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Web services	3,557.74	2,296.25	1,656.08	2,579.86	2,041.02	1,212.74
Advertisement and marketing services	4.17	1.66	4.83	3.67	0.28	0.58
<b>Total</b>	<b>3,561.91</b>	<b>2,297.91</b>	<b>1,660.91</b>	<b>2,583.53</b>	<b>2,041.30</b>	<b>1,213.32</b>

No consideration from contracts with customers is excluded from the amounts presented above.

Particulars	As at 31 March 2019		As at 31 March 2018		As at 31 March 2017	
	Contract liabilities		Contract liabilities		Contract liabilities	
Web services		5,853.99		4,235.94		3,253.76
Advertisement and marketing services		5.83		8.50		0.86
<b>Total</b>		<b>5,859.82</b>		<b>4,244.44</b>		<b>3,254.62</b>
Non-Current		2,297.91		1,660.91		1,213.32
Current		3,561.91		2,583.53		2,041.30
<b>Closing balance at the end of the year</b>		<b>5,859.82</b>		<b>4,244.44</b>		<b>3,254.62</b>

**Significant changes in the contract liability balances during the year are as follows:**

Particulars	For the year ended 31 March 2019		
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2017
Opening balance at the beginning of the year	4,240.68	3,254.62	2,570.02
Less: Revenue recognised from contract liability balance at the beginning of the year	(2,754.14)	(2,041.30)	(1,648.06)
Add: Amount received from customers during the year	6,714.12	5,094.91	3,862.23
Less: Transfer of contract liability pertaining to Hello travel business	(20.81)	-	-
Less: Revenue recognised from amount received during the year	(2,320.03)	(2,063.79)	(1,529.57)
<b>Closing balance at the end of the year</b>	<b>5,859.82</b>	<b>4,244.44</b>	<b>3,254.62</b>

Notes:

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Profits and Losses of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

**Restated Ind AS Consolidated Summary Statement of Net gain on financial assets measured at FVTPL**  
(Amounts in INR million, unless otherwise stated)

**Net gain on financial assets measured at fair value through profit and loss**

Particulars	For the years ended				
	31 March 2019	31 March 2018	31 March 2017	Nature: Recurring/ non-recurring	Related/Not related to business activity
Net gain on disposal of current investments	51.34	72.54	19.03	Recurring	Not related
Fair value gain on financial assets measured at fair value through profit and loss					
- Investment in mutual funds	321.86	89.09	100.11	Recurring	Not related
<b>Total</b>	<b>373.20</b>	<b>161.63</b>	<b>119.14</b>		

**Notes:**

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Profits and Losses of the Group.
2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

**Other Income**

<b>Particulars</b>	<b>For the years ended</b>				
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>Nature: Recurring/ non-recurring</b>	<b>Related/Not related to business activity</b>
Interest income from financial assets measured at amortised cost					
- Bank deposits	26.00	16.50	16.07	Recurring	Not related
- on security deposits	3.48	6.50	2.85	Recurring	Not related
Other interest income	0.16	5.02	3.67	Recurring	Not related
Gain from business transfer arrangement (refer serial no 12 of Annexure XXIX )	6.80	-	-	Non-recurring	Not related
Net gain on disposal of property, plant and equipment	0.08	0.53	-	Non-recurring	Not related
<b>Total</b>	<b>36.52</b>	<b>28.55</b>	<b>22.59</b>		

**Notes:**

1. The classification of other income as recurring / non-recurring, related/not-related to business activity is based on the current operations and business activity of the Group as determined by the management.
2. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Profits and Losses of the Group.
3. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements -Annexure VI.

**Employee benefit expenses**

Particulars	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
Salaries, allowance and bonus	2,065.56	1,783.72	1,970.76
Gratuity expenses (refer serial no 2 of Annexure XXIX )	26.13	25.62	10.00
Leave Encashment Expense (refer serial no 2 of Annexure XXIX )	15.52	21.82	17.20
Contribution to provident and other funds	12.18	13.50	14.60
Employee share based payment expense (refer serial no 4 of Annexure XXIX )	94.62	36.82	19.51
Staff welfare expenses	85.82	67.09	64.67
<b>Total</b>	<b>2,299.83</b>	<b>1,948.57</b>	<b>2,096.74</b>

## Notes:

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Profits and Losses of the Group.
2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

## Annexure XXVI

## Restated Ind AS Consolidated Statement of Other expenses

(Amounts in INR million, unless otherwise stated)

## Other expenses

Other expenses	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
Content development expenses	235.48	233.23	208.31
Buyer engagement expenses	185.99	147.06	127.11
Customer support expenses	245.89	240.14	177.43
Outsourced sales cost	575.58	441.55	270.84
Internet and other online expenses	177.11	119.56	101.69
Rent	154.03	210.71	189.67
Rates and taxes	19.63	2.36	6.84
Communication costs	6.31	9.33	11.05
Outsourced support cost	18.06	27.16	27.04
Advertisement expenses	20.99	31.09	173.19
Power and fuel	29.23	28.63	29.01
Printing and stationery	8.44	8.92	10.28
Repair and maintenance:			
-Plant and machinery	13.59	11.89	9.81
-Others	72.77	65.04	63.40
Travelling and conveyance	45.42	32.61	39.38
Recruitment and training expenses	28.00	16.76	23.38
Legal and professional fees	42.34	21.61	42.51
Directors' sitting fees	2.95	1.79	2.09
Insurance expenses	23.73	22.74	18.36
Collection charges	41.43	16.84	10.51
Allowances for doubtful debts and advances	0.81	-	5.00
Packaging charges	-	0.00	5.17
Freight, cartage and payment collection charges	-	0.37	70.72
Miscellaneous expenses	3.15	0.80	2.16
<b>Total</b>	<b>1,950.93</b>	<b>1,690.19</b>	<b>1,624.95</b>

## Notes:

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Profits and Losses of the Group.
2. The above statement should be read with the notes to the Restated Ind AS Consolidated Summary Statements- Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements appearing in Annexure VI

**Accounting Ratios**

S. No	Particulars		31 March 2019	31 March 2018	31 March 2017
	Basic earnings/(loss) per share (Rs.) (refer note 3(a) below)	A / C	7.75	28.60	(35.09)
	Diluted earnings /(loss) per share (Rs.) (refer note 3(b) below)	B / D	7.61	20.22	(35.09)
	Return on Net Worth (%) (refer note 3(c) below)	A / E	12.54%	17.04%	-16.50%
	Net asset value per equity share (Rs.) (refer note 3(d) below)	E / F	55.92	(322.02)	(425.40)
1	Restated profit/(loss) after tax, attributable to equity shareholders	A	200.44	547.59	(643.46)
	Add: Adjustment for loss on fair valuation of convertible preference shares		-	-	-
	Net Profit/(loss)/ available for calculation of DEPS	B	200.44	547.59	(643.46)
2	Weighted average number of equity shares considered for calculating basic earnings per share	C	25,868,950	19,148,007	18,337,978
	<b>Effect of dilution:</b>				
	Potential equity shares in the form of CCPS and stock options granted to employees		456,999	7,935,167	-
	Weighted average number of equity shares considered for calculating diluted earnings per share (refer Note 7)	D	26,325,949	27,083,174	18,337,978
3	Restated net worth (refer note 5 below)	E	1,598.88	(3,212.69)	(3,900.46)
	Face value per share		10.00	10.00	10.00
	Total number of equity shares outstanding at the end of the year	F	28,592,006	9,976,805	9,168,989
	Weighted average number of equity shares outstanding during the year, after giving the impact of bonus shares, used for diluted earning per share	H	26,325,949	27,083,174	18,337,978

**Notes:**

- 1 The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statements of the Group.
- 2 The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.
- 3 The Ratios have been computed as below:
  - a) Basic Earnings per share (Rs.) 
$$\frac{\text{Restated profit / (loss) after tax, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$
  - b) Diluted Earnings per share (Rs.) 
$$\frac{\text{Restated profit / (loss) after tax, attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares}}$$
  - c) Return on net worth (%) 
$$\frac{\text{Restated profit / (loss) after tax, attributable to equity shareholders}}{\text{Restated Net worth at the end of the year}}$$
  - d) Net asset value per share (Rs.) 
$$\frac{\text{Restated profit / (loss) after tax, attributable to equity shareholders}}{\text{Restated net worth at the end of the year}}$$
- 4 Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- 5 Net worth includes Equity share capital + Other equity (including Share Premium, General Reserve, Employee share based payment reserve, capital reserve and retained earnings)
- 6 Earnings per share calculations are in accordance with Ind AS 33 (Earnings per Share).
- 7 Weighted average number of equity shares considered for the computation of diluted Earnings per Share are adjusted for the Dilutive portion of outstanding Employee Stock Options and Compulsory convertible preference shares as applicable. For the year ended March 31, 2017, the impact of employee stock options and Compulsory convertible preference shares is anti-dilutive. Further, the Group has also 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.
- 8 The Group has allotted bonus shares to the existing equity shareholders 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 which has been adjusted while calculating EPS.

**Capitalisation statement as on March 31, 2019**

Particulars	Pre-issue as at March 31, 2019	As adjusted for issue
<b>Debt</b>		
Non current - Share Buyback Obligations	-	-
Current - Share Buyback Obligations	-	-
<b>Total debt (A)</b>	-	-
<b>Shareholder's funds:</b>		
Share Capital	285.92	-
<b>Reserve and surplus, as restated:</b>		
Shares securities premium	4,686.54	-
General Reserve	8.45	-
Employee share based payment reserve	88.48	-
Capital reserve	(2.04)	-
Deficit in the statement of profit and loss account	(3,468.47)	-
<b>Total Shareholder's Fund (B)</b>	<b>1,598.88</b>	-
<b>Long term debt/equity (A/B)</b>	-	-

## Notes:

1. The Group is proposing to have an initial public offering through offer for sale. Hence there will be no change in the shareholder's fund post issue.
2. As per the terms and conditions of issue of CCPS, the Group has given right to the holders of CCPS to require the Group 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 and considered as debt as above.
3. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.
4. The above statement should be read with the notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements appearing in Annexure VI
5. The corresponding post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the book building process and hence, the same have not been provided in the above statement.

**1 Segment disclosure**

**Business segments**

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**

Particulars	for the years ended		
	31 March 2019	31 March 2018	31 March 2017
India	4,978.78	4,043.05	3,124.60
Others	95.39	62.03	53.03
<b>Total</b>	<b>5,074.17</b>	<b>4,105.08</b>	<b>3,177.63</b>

Non-current assets\*

Particulars	As at		
	31 March 2019	31 March 2018	31 March 2017
India	99.72	89.21	100.69
Other	-	-	-
<b>Total</b>	<b>99.72</b>	<b>89.21</b>	<b>100.69</b>

\* Non-current assets exclude financial instruments, deferred tax assets and post-employment benefit assets

**2 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 is as follows:

**Statement of Profit and Loss**

**Net employee benefits expense recognized in Employee Cost**

Particulars	Gratuity- defined benefit plan			Leave encashment- other long term employee benefit plan		
	for the years ended			for the years ended		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
Current service cost	20.78	14.16	8.99	12.57	12.18	12.98
Past service cost	-	9.36	-	-	-	-
Net interest expense	5.35	2.10	1.01	3.02	2.08	2.13
Actuarial (gain) / loss on other long term employee benefit plan	-	-	-	(0.07)	7.56	2.09
Components of defined benefit and other long term employee benefit costs recognised in profit or loss	<b>26.13</b>	<b>25.62</b>	<b>10.00</b>	<b>15.52</b>	<b>21.82</b>	<b>17.20</b>

**Re-measurement of the net defined benefit liability/other long term employee benefit liability :**

Actuarial (gain) / loss on plan assets	(0.15)	0.16	(1.23)	-	-	-
Actuarial (gain) / loss on defined benefit obligation	11.32	14.20	6.83	-	-	-
Components of defined benefit costs recognised in other comprehensive income	<b>11.17</b>	<b>14.36</b>	<b>5.60</b>	-	-	-

**Balance Sheet**

Benefit asset/liability

Particulars	Gratuity- defined benefit plan			Leave encashment- other long term employee benefit plan		
	As at			As at		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
Present value of funded defined benefit obligation /other long term employee benefit plan	126.34	93.14	57.89	44.40	38.67	28.28
Fair value of plan assets	(21.46)	(24.56)	(29.29)	-	-	-
Net liability arising from defined benefit obligation/other long term employee benefit plan	<b>104.88</b>	<b>68.58</b>	<b>28.60</b>	<b>44.40</b>	<b>38.67</b>	<b>28.28</b>

**IndiaMART InterMESH Limited**

CIN: U74899DL1999PLC101534

**Annexure XXIX**

**Notes to Restated Ind AS Consolidated summary statements**

(Amounts in INR million, unless otherwise stated)

Changes in the present value of the defined benefit obligation and other long term employee benefit plan obligation are as follows:

Particulars	Gratuity- defined benefit plan			Leave encashment- other long term employee benefit plan		
	For the years ended			For the years ended		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
Balance at the beginning of the year	93.15	57.90	45.98	38.67	28.30	26.53
Defined benefit obligation and other long term employee benefit plan obligation pursuant to the scheme (refer note 12 below)	(0.99)	-	-	0.04	-	-
Benefits paid	(5.19)	(6.72)	(7.53)	(9.53)	(11.43)	(15.44)
Current service cost	20.78	14.16	8.99	12.27	12.18	12.98
Interest cost	7.27	4.25	3.63	3.02	2.08	2.13
Past service cost	-	9.36	-	-	-	-
Actuarial (gains) / losses recognised in other comprehensive income	-	-	-	-	-	-
- changes in demographic assumptions	14.61	2.24	(2.96)	7.19	1.47	0.30
- changes in financial assumptions	(6.62)	12.58	4.47	(5.60)	4.42	1.21
- experience adjustments	3.33	(0.62)	5.32	(1.66)	1.67	0.59
<b>Balance at the end of the year</b>	<b>126.34</b>	<b>93.15</b>	<b>57.90</b>	<b>44.39</b>	<b>38.69</b>	<b>28.30</b>

Changes in fair value of planned assets are as follows:

Particulars	Gratuity- defined benefit plan			Leave encashment- other long term employee benefit plan		
	For the years ended			For the years ended		
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
Opening fair value of plan assets	24.56	29.29	32.72	-	-	-
Interest income	1.93	2.15	2.62	-	-	-
Actuarial gains/(losses)	0.15	(0.16)	1.23	-	-	-
Contributions from the employer	-	-	0.25	-	-	-
Benefits paid	(5.18)	(6.72)	(7.53)	-	-	-
<b>Closing fair value of planned assets</b>	<b>21.46</b>	<b>24.56</b>	<b>29.29</b>	-	-	-

Each year the management of the Group reviews the level of funding required as per its risk management strategy.

Particulars	31 March 2019	31 March 2018	31 March 2017
The Group expects to contribute Gratuity	25.80	19.95	9.80
The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows: Investments with insurer	100%	100%	100%

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2019	31 March 2018	31 March 2017
Discount rate	7.66%	7.70%	7.35%
Expected rate of return on assets	7.45%	7.70%	7.35%
Future salary growth	-	-	8.00%
Attrition rate	31 March 2019	31 March 2018	31 March 2017
	Upto 4 years of service	Above 4 years of service	Upto 4 years of service
Upto 30 years	34.32%	12.83%	57.00%
From 31 to 44 years	30.77%	11.20%	43.00%
Above 44 years	1.05%	0.00%	1.00%
Future salary growth	7.18%	12.00%	12.81%
Mortality table	India Assured Life Mortality (2006-08)		

The Group regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

**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	31 March 2019					
	31 March 2019	31 March 2018	31 March 2017	31 March 2019	31 March 2018	31 March 2017
Discount rate (+/-0.5%)	(6.50)	7.17	(3.32)	3.57	(1.30)	1.32
Salary growth rate (+/-0.5%)	3.62	(3.85)	2.36	(2.36)	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.

The table below summarises the maturity profile and duration of the gratuity liability:

Particulars	31 March 2019	31 March 2018	31 March 2017
Within one year	8.88	9.27	11.29
Within one - three years	21.09	20.86	18.12
Within three - five years	17.53	15.46	9.67
Above five years	78.84	87.25	77.53
<b>Total</b>	<b>126.34</b>	<b>92.84</b>	<b>56.61</b>

**3 Operating Lease**

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.

Particulars	for the years ended		
	31 March 2019	31 March 2018	31 March 2017
Lease payments (for non cancellable lease)	74.71	77.54	86.73

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at		
	31 March 2019	31 March 2018	31 March 2017
Within one year	69.64	52.83	129.55
After one year but not more than five years	103.74	54.02	211.02
More than five years	-	-	15.44
	<b>173.38</b>	<b>106.85</b>	<b>356.01</b>

**4 Share based payment plans****(a) Employee stock option plans**

The Group has provided various share-based payment schemes to its employees in the preceding financial year. During the year ended 31 March 2019, the following schemes were in operation:

Particulars	Date of grant	Date of Board Approval	Date of Shareholder's approval	Number of options granted	Method of Settlement	Vesting Period (in months)
ESOP 2010	January 1, 2010	November 24, 2009	November 10, 2008	453,420	Equity	0 to 48 Months
ESOP 2012	March 15, 2012	January 25, 2012	November 10, 2008	645,560	Equity	0 to 48 Months
ESOP 2013	July 30, 2013	October 28, 2013	October 27, 2012	24,000	Equity	0 to 48 Months
ESOP 2015	June 08, 2015	June 08, 2015	September 23, 2015	539,000	Equity	0 to 48 Months
ESOP 2016	July 28, 2016	July 28, 2016	September 23, 2015	276,980	Equity	0 to 48 Months
ESOP 2017	June 02, 2017	May 04, 2017	September 23, 2015	200,730	Equity	0 to 48 Months

The details of activity under ESOP 2010 scheme is as under:

Particulars	For the years ended					
	31 March 2019	31 March 2018	31 March 2017	31 March 2016		
No of options	Weighted average exercise price	No of options	Weighted average exercise price	No of options	Weighted average exercise price	
Outstanding at the beginning of the year	63,286	100	364,967	100	364,967	100
Granted during the year	Nil	Nil	Nil	Nil	Nil	Nil
Forfeited/expired during the year	9,210	100	Nil	Nil	Nil	Nil
Expired during the year	Nil	100	Nil	Nil	Nil	Nil
Exercised during the year	54,076	100	301,681	100	Nil	Nil
Outstanding at the end of the year	Nil	100	63,286	100	364,967	100
Exercisable at the end of the year	Nil	100	63,286	100	Nil	Nil

The details of activity under ESOP 2012 scheme is as under:

Particulars	For the years ended					
	31 March 2019	31 March 2018	31 March 2017	31 March 2016		
No of options	Weighted average exercise price	No of options	Weighted average exercise price	No of options	Weighted average exercise price	
Outstanding at the beginning of the year	150,136	150	499,859	150	499,859	150
Granted during the year	Nil	Nil	Nil	Nil	Nil	Nil
Forfeited/expired during the year	4,603	150	Nil	Nil	Nil	Nil
Exercised during the year	145,533	150	349,723	150	Nil	Nil
Outstanding at the end of the year	Nil	Nil	150,136	150	499,859	150
Exercisable at the end of the year	Nil	Nil	150,136	150	Nil	Nil

The details of activity under ESOP 2013 scheme is as under:

Particulars	For the years ended					
	31 March 2019	31 March 2018	31 March 2017	31 March 2016		
No of options	Weighted average exercise price	No of options	Weighted average exercise price	No of options	Weighted average exercise price	
Outstanding at the beginning of the year	Nil	Nil	24,000	150	24,000	150
Granted during the year	Nil	Nil	Nil	Nil	Nil	Nil
Forfeited/expired during the year	Nil	Nil	Nil	Nil	Nil	Nil
Exercised during the year	Nil	Nil	24,000	150	Nil	Nil
Outstanding at the end of the year	Nil	Nil	Nil	Nil	24,000	150
Exercisable at the end of the year	Nil	Nil	Nil	Nil	Nil	Nil

The details of activity under ESOP 2015 scheme is as under

Particulars	For the years ended					
	31 March 2019		31 March 2018		31 March 2017	
	No of options	Weighted average exercise price	No of options	Weighted average exercise price	No of options	Weighted average exercise price
Outstanding at the beginning of the year	354,100	200	472,000	200	539,000	200
Granted during the year	Nil	Nil	Nil	Nil	Nil	Nil
Forfeited/expired during the year	3,600	Nil	12,000	200	67,000	200
Exercised during the year*	288,400	200	105,900	200	Nil	Nil
Outstanding at the end of the year	62,100	200	354,100	200	472,000	200
Exercisable at the end of the year	Nil	Nil	83,500	200	Nil	Nil

\*includes accelerated vesting of 69,600 options

The details of activity under ESOP 2016 scheme is as under

Particulars	For the years ended					
	31 March 2019		31 March 2018		31 March 2017	
	No of options	Weighted average exercise price	No of options	Weighted average exercise price	No of options	Weighted average exercise price
Outstanding at the beginning of the year	194,268	200	253,980	200	Nil	Nil
Granted during the year	Nil	Nil	Nil	Nil	276,980	200
Forfeited/expired during the year	16,200	Nil	33,200	200	23,000	200
Exercised during the year*	136,218	200	26,512	200	Nil	Nil
Outstanding at the end of the year	41,850	200	194,268	200	253,980	200
Exercisable at the end of the year	Nil	Nil	22,284	200	Nil	Nil

\*includes accelerated vesting of 70,938 options

The details of activity under ESOP 2017 scheme is as under

Particulars	For the years ended					
	31 March 2019		31 March 2018		31 March 2017	
	No of options	Weighted average exercise price	No of options	Weighted average exercise price	No of options	Weighted average exercise price
Outstanding at the beginning of the year	197,800	200	Nil	Nil	Nil	Nil
Granted during the year	Nil	Nil	200,730	200	Nil	Nil
Forfeited/expired during the year	824	Nil	2,930	200	Nil	Nil
Exercised during the year	159,088	200	Nil	Nil	Nil	Nil
Outstanding at the end of the year	37,888	200	197,800	200	Nil	Nil
Exercisable at the end of the year	Nil	Nil	Nil	Nil	Nil	Nil

\*includes accelerated vesting of 119,528 options

The details of exercise price for stock options outstanding under ESOP 2010 are as under

Particulars	31 March 2019			31 March 2018	31 March 2017
	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Weighted average share price for the options exercised during the year
Range of exercise prices				100	100.00
Number of options outstanding				Nil	63,286.00
Weighted average remaining contractual life of options (in years)				NA	364,967.00
Weighted average exercise price				100	2.00
Weighted average share price for the options exercised during the year				300	100.00

The details of exercise price for stock options outstanding under ESOP 2012 are as under

Particulars	31 March 2019			31 March 2018	31 March 2017
	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Weighted average share price for the options exercised during the year
Range of exercise prices				150	150.00
Number of options outstanding				Nil	150,136.00
Weighted average remaining contractual life of options (in years)				NA	499,859.00
Weighted average exercise price				150	1.00
Weighted average share price for the options exercised during the year				300	2.00

The details of exercise price for stock options outstanding under ESOP 2013 are as under

Particulars	31 March 2019			31 March 2018	31 March 2017
	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Weighted average share price for the options exercised during the year
Range of exercise prices				150	150.00
Number of options outstanding				Nil	24,000.00
Weighted average remaining contractual life of options (in years)				NA	1.00
Weighted average exercise price				150	2.00
Weighted average share price for the options exercised during the year				NA	300.00

The details of exercise price for stock options outstanding under ESOP 2015 are as under

Particulars	31 March 2019			31 March 2018	31 March 2017
	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Weighted average share price for the options exercised during the year
Range of exercise prices				200.00	200.00
Number of options outstanding				62,100.00	354,100.00
Weighted average remaining contractual life of options (in years)				0.25	1.25
Weighted average exercise price				200.00	200.00
Weighted average share price for the options exercised during the year				300.00	NA

The details of exercise price for stock options outstanding under ESOP 2016 are as under

Particulars	31 March 2019			31 March 2018	31 March 2017
	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Weighted average share price for the options exercised during the year
Range of exercise prices				200	200.00
Number of options outstanding				41,850	194,268.00
Weighted average remaining contractual life of options (in years)				1.25	3.25
Weighted average exercise price				200	200.00
Weighted average share price for the options exercised during the year				300	NA

The details of exercise price for stock options outstanding under ESOP 2017 are as under

Particulars	31 March 2019	31 March 2018	31 March 2017
Range of exercise prices	200	200.00	NA
Number of options outstanding	37,888	197,800.00	NA
Weighted average remaining contractual life of options (in years)	1.80	3.17	NA
Weighted average exercise price	200	200.00	NA
Weighted average share price for the options exercised during the year	300	NA	NA

ESOP 2010	31 March 2019	31 March 2018	31 March 2017
Particulars	31 March 2019	31 March 2018	31 March 2017
Weighted average share price	148.39	148.39	148.39
Exercise Price	100.00	100.00	100.00
Expected Volatility	0.00%	0.00%	0.00%
Historical Volatility	0.00%	0.00%	0.00%
Life of the options granted (Vesting and exercise period) in years	7.50	7.50	7.50
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	8.39%

ESOP 2012	31 March 2019	31 March 2018	31 March 2017
Particulars	31 March 2019	31 March 2018	31 March 2017
Weighted average share price	150.00	150.00	150.00
Exercise Price	150.00	150.00	150.00
Expected Volatility	0.00%	0.00%	0.00%
Historical Volatility	0.00%	0.00%	0.00%
Life of the options granted (Vesting and exercise period) in years	8.00	8.00	8.00
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	8.39%

ESOP 2013	31 March 2019	31 March 2018	31 March 2017
Particulars	31 March 2019	31 March 2018	31 March 2017
Weighted average share price	150.00	150.00	150.00
Exercise Price	150.00	150.00	150.00
Expected Volatility	0.00%	0.00%	0.00%
Historical Volatility	0.10%	0.10%	0.10%
Life of the options granted (Vesting and exercise period) in years	8.00	8.00	8.00
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	8.39%

ESOP 2015	31 March 2019	31 March 2018	31 March 2017
Particulars	31 March 2019	31 March 2018	31 March 2017
Weighted average share price	200.00	200.00	200.00
Exercise Price	200.00	200.00	200.00
Expected Volatility	0.00%	0.00%	0.00%
Historical Volatility	0.10%	0.10%	0.10%
Life of the options granted (Vesting and exercise period) in years	7.70	7.70	7.70
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	7.77%	7.77%	7.77%

ESOP 2016	31 March 2019	31 March 2018	31 March 2017
Particulars	31 March 2019	31 March 2018	31 March 2017
Weighted average share price	275.93	275.93	275.93
Exercise Price	200.00	200.00	200.00
Expected Volatility	0.00%	0.00%	0.00%
Historical Volatility	0.10%	0.10%	0.10%
Life of the options granted (Vesting and exercise period) in years	7.70	7.70	7.70
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	7.20%	7.20%	7.20%

ESOP 2017	31 March 2019	31 March 2018	31 March 2017
Particulars	31 March 2019	31 March 2018	31 March 2017
Weighted average share price	280.50	280.50	NA
Exercise Price	200.00	200.00	200.00
Expected Volatility	0.00%	0.00%	NA
Historical Volatility	0.10%	0.10%	NA
Life of the options granted (Vesting and exercise period) in years	7.70	7.70	NA
Expected dividends	Nil	Nil	NA
Average risk-free interest rate	7.20%	7.20%	NA

## (b) Stock appreciation rights (SAR)

The Company has granted stock appreciation rights to its employees during the current financial year. Details are as follows

Particulars	Date of grant	Date of Board Approval	Date of Shareholder's approval	Number of units granted	Method of Settlement	Vesting Period (in months)
SAR 2018	October 01, 2018	September 22, 2018	May 07, 2018	800,740	Equity	0 to 48 Months

The details of activity have been summarized below:

Particulars	For the years ended						
	31 March 2019	31 March 2018	31 March 2017	No. of units	Weighted average exercise price	No. of units	Weighted average exercise price
Outstanding at the beginning of the year	NA	NA	NA	NA	NA	NA	NA
Granted during the year	800,740	500	NA	NA	NA	NA	NA
Forfeited during the year	21,000	500	NA	NA	NA	NA	NA
Exercised during the year*	Nil	Nil	NA	NA	NA	NA	NA
Expired during the year	Nil	Nil	NA	NA	NA	NA	NA
Outstanding at the end of the year	779,740	500	NA	NA	NA	NA	NA
Exercisable at the end of the year	Nil	Nil	NA	NA	NA	NA	NA

Figures for year ended 31 March 2019 are as follows:

Particulars	31 March 2019	31 March 2018	31 March 2017
Range of exercise prices	500	NA	NA
Number of units outstanding	779,740	NA	NA
Weighted average remaining contractual life of options (in years)	3.50	NA	NA
Weighted average exercise price	500	NA	NA

Particulars	31 March 2019	31 March 2018	31 March 2017
Weighted average share price	597.10	250.00	NA
Exercise Price	500	200.00	NA
Expected Volatility	41.00%	0.00%	NA
Historical Volatility	41.00%	0.10%	NA
Life of the options granted (Vesting and exercise period) in years	4.00	7.70	NA
Expected dividends	Nil	Nil	NA
Average risk-free interest rate	7.80%	7.20%	NA

Effect of the employee share-based payment plans on the statement on profit and loss and on its financial position:

Particulars	31 March 2019	31 March 2018	31 March 2017
Total Employee Compensation Cost pertaining to share-based payment plans (equity settled payment plan)	94.62	36.83	19.51
Total Liability for employee stock options outstanding as at year end	88.48	61.14	46.13

**5 Contingent Liabilities**

Particulars	31 March 2019	31 March 2018	31 March 2017
<b>Claims against the Group not acknowledged as debt</b>			
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
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
Dividend on 0.01% Series A CCPS	-	0.46	0.41
Dividend on 0.01% Series B & B1 CCPS	-	0.04	0.02
Income-tax demand*	73.28	-	-
<b>Total</b>	<b>73.28</b>	<b>0.50</b>	<b>9.49</b>

\*In relation to the matters of Income Tax in respect of Assessment Year 2006-07 (31 March, 2013: assessment years 2007-08) 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.

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 mn to Rs. 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 extra tax expense has been accrued in the financial statements for tax demand raised

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."

**6 Capital and other commitments**

Particulars	31 March 2019	31 March 2018	31 March 2017
Estimated amount of contract remaining to be executed on capital account	-	-	-

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

Particulars	31 March 2019	31 March 2018	31 March 2017
- Principal amount due to micro and small enterprises	-	11.31	-
- Interest due on above	-	-	-
<b>Total</b>	<b>11.31</b>		
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	-	-	-

## 8 Related party disclosures

	Particulars	31 March 2019	31 March 2018	31 March 2017
a)	i) Names of related parties and related party relationship:			
	a) Key Management Personnel (KMP)			
	Managing director	Dinesh Chandra Agarwal	Dinesh Chandra Agarwal	Dinesh Chandra Agarwal
	Whole time director	Brijesh Kumar Agrawal	Brijesh Kumar Agrawal	Brijesh Kumar Agrawal
	Chief financial officer	Prateek Chandra	Prateek Chandra	Prateek Chandra
	Company Secretary	Anil Dwivedi (resigned on April 30, 2018) Manoj Bhargava (appointed on June 04, 2018)	Anil Dwivedi (resigned on April 30, 2018) Manoj Bhargava (appointed on June 04, 2018)	Anil Dwivedi
	Non-executive director	Dhruv Prakash	Dhruv Prakash	Dhruv Prakash
		Mahendra Kumar Chouhan (resigned w.e.f 30 April 2018)	Mahendra Kumar Chouhan (resigned w.e.f 30 April 2018)	Mahendra Kumar Chouhan
		Rajesh Sawhney	Rajesh Sawhney	Rajesh Sawhney
		Elizabeth Lucy Chapman	Elizabeth Lucy Chapman	Elizabeth Lucy Chapman
		Vivek Narayan Gour (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	Mansa Enterprises Private Limited	Mansa Enterprises Private Limited
	c) Other related parties*	Indiamart Intermesh Employees Group Gratuity Assurance Scheme - post employment defined benefit plan	Indiamart Intermesh Employees Group Gratuity Assurance Scheme - post employment defined benefit plan	Indiamart Intermesh Employees Group Gratuity Assurance Scheme - post employment defined benefit plan

\*Refer serial no 2 of Annexure XXIX for information and transactions in post employment defined benefit plan

## b) 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 related party operates.

c) **Key management personnel compensation**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Short-term employee benefits	102.79	83.24	93.28
Post-employment benefits	(0.57)	0.51	0.08
Long-term employee benefits	0.47	0.08	0.05
Employee share based payment expense	4.85	0.79	1.04
	<b>107.54</b>	<b>84.62</b>	<b>94.45</b>

**Notes:**

Refer Serial No 2 in the same annexure for information and transactions in post employment defined benefits plan

d) **Transaction that has been taken place from related parties**

Particulars	for the year ended		
	31 March 2019	31 March 2018	31 March 2017
<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b>			
Expenses for rent			
Mansa Enterprises Private Limited	4.18	5.52	5.31
<b>Director's sitting fees</b>	<b>2.93</b>	<b>1.67</b>	<b>1.90</b>
<b>Key Management Personnel</b>			
<b>Recruitment and training expenses</b>			
Dhruv Prakash	1.85	2.07	1.02

**Notes**

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the notes to the Restated Ind AS Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements appearing in Annexure VI

**9 Fair value measurements**

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities.

Quantitative disclosures fair value measurement hierarchy as at March 31, 2019

Particulars	Level	31 March 2019	31 March 2018	31 March 2017
<b>Financial assets</b>				
a) Measured at fair value through profit or loss (FVTPL)				
- Investment in mutual funds	Level 1	6,074.45	3,110.70	1,362.62
		<b>6,074.45</b>	<b>3,110.70</b>	<b>1,362.62</b>
b) Measured at Amortised cost				
- Trade receivables	Level 2	5.71	6.79	5.31
- Cash and cash equivalents	Level 1	401.96	467.11	176.59
- Loan to employees	Level 2	17.99	64.12	16.26
- Security deposits	Level 2	61.61	36.90	41.18
- Bank deposits	Level 2	375.48	302.20	229.96
- Others financial Assets	Level 2	131.79	39.82	35.03
		<b>994.54</b>	<b>916.94</b>	<b>504.33</b>
<b>Total financial assets</b>		<b>7,068.99</b>	<b>4,027.64</b>	<b>1,866.95</b>
<b>Financial liabilities</b>				
a) Measured at fair value through profit or loss (FVTPL)				
- Share buy back obligation	Level 3	-	3,729.30	2,460.90
		-	<b>3,729.30</b>	<b>2,460.90</b>
b) Measured at Amortised cost				
- Trade payables	Level 2	450.03	418.92	302.40
- Security deposits	Level 2	0.14	0.14	0.14
- Others financial liabilities	Level 2	3.18	2.66	5.39
		<b>453.35</b>	<b>421.72</b>	<b>307.93</b>
<b>Total financial liabilities</b>		<b>453.35</b>	<b>4,151.02</b>	<b>2,768.83</b>

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

- i) The carrying value and fair value for the above financial instruments are same.
- ii) 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.
- iii) 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.
- iv) Fair value of quoted mutual funds is based on quoted market prices at the reporting date.
- v) Fair value of debt instruments is estimated based on discounted cash flows valuation technique using the cash flow projections, discount rate and credit risk.
- vi) 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 assets / liabilities as of 31 March 2019, 31 March 2018, and 31 March 2017 :**

Financial liabilities	Valuation technique(s)	Key input(s)	Sensitivity
- Investment in debt instruments	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**
- Share buy back obligation	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 liabilities included in level 3 have been determined in accordance 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 assets and 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 assets and financial liabilities would increase / decrease by 1%.

d) Reconciliation of level 3 fair value measurements

Particulars	Share buy back obligation		
	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
Opening balance	3,729.30	2,460.90	2,195.18
Gains or loss recognised in profit or loss	652.63	1,228.62	192.79
Purchases	-	39.78	72.93
Disposals	-	-	-
Conversion of preference shares into equity shares during the year	(4,381.93)	-	-
Closing balance	0.00	3,729.30	2,460.90

Particulars	Investment in debt instruments		
	For the years ended		
	31 March 2019	31 March 2018	31 March 2017
Opening balance	-	-	-
Gains or loss recognised in profit or loss	-	-	(13.50)
Purchases	-	-	13.50
Disposals	-	-	-
Closing balance	-	-	-

e) During the year ended 31 March 2019, and for the year ended 31 March 2018 and 31 March 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.

10 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 (Annexure XVII) offset by cash and bank balance note (Annexure IX) and total equity of the Group.

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).

Particulars	As at		
	31 March 2019	31 March 2018	31 March 2017
Share buyback obligation	-	3,729.29	2,460.89
Less: Cash and cash equivalents	401.96	467.11	176.59
Net debt	-	3,262.18	2,284.30
Total equity	1,598.88	(3,212.69)	(3,900.46)
<b>Net debt to equity ratio</b>	<b>-</b>	<b>-101.54%</b>	<b>-58.56%</b>

11 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), macro-economic information (such as regulatory changes, government directives, market interest rate).

*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 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.

**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**

**March 31, 2019**

Particulars	Within 1 year	Between 1 and 5 years	Total
Share buyback obligation	-	-	-
Trade payables	450.03	-	450.03
Other financial liabilities	0.48	2.84	3.32
	<b>450.51</b>	<b>2.84</b>	<b>453.35</b>

**Contractual maturities of financial liabilities**

**March 31, 2018**

Particulars	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
	<b>419.10</b>	<b>3,731.92</b>	<b>4,151.02</b>

**March 31, 2017**

Particulars	Within 1 year	Between 1 and 5 years	Total
Share buyback obligation	-	2,460.90	2,460.90
Trade payables	302.39	-	302.39
Other financial liabilities	0.17	5.36	5.53
	<b>302.56</b>	<b>2,466.26</b>	<b>2,768.82</b>

**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 receivables, 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, and 31 March 2017 has been disclosed below. Currency risks related to the principal amounts of the Group's US dollar trade receivables.

**Unhedged foreign currency exposure**

Particulars	As at		
	31 March 2019	31 March 2018	31 March 2017
Trade receivable	USD 0.04 (INR 2.50)	USD 0.03 (Rs. 2.21)	USD 0.03 (Rs. 1.97)

**Sensitivity**

31 March 2019	Impact on profit/loss before tax		
	for the years ended		
USD sensitivity	31 March 2019	31 March 2018	31 March 2017
INR/USD - increase by 2%	0.05	0.04	0.04
INR/USD - decrease by 2%	(0.05)	(0.04)	(0.04)

**Price risk**

The investments of mutual funds in listed debt securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the price risk through diversification and by placing limits on individual and total instruments. Reports on the portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all investment decisions.

Sensitivity	Impact on profit/loss before tax for the years ended		
	31 March 2019	31 March 2018	31 March 2017
+ 5% change in NAV of mutual funds	303.72	155.54	68.13
- 5% change in NAV of mutual funds	(303.72)	(155.54)	(68.13)

**12 Disposal group held for sale**

The Group has agreed to transfer 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 will be effective from the transfer date, i.e. 1 July 2018.

The consideration for the transfer of Hello Travel is INR 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 its 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:**

	Amount
<b>Assets</b>	<b>0.29</b>
<b>Property, plant and equipment (including software)</b>	<b>0.29</b>
<b>Liabilities</b>	
Trade payables	3.70
Provision for gratuity	1.01
Provision for leave encashment	0.27
Deferred revenue	14.64
	<b>19.62</b>
<b>Net liability payable</b>	<b>(19.33)</b>

**13 Acquisition of non-controlling interests**

**Acquisition of additional interest in Ten Times Online Private Limited**

On 9th 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 INR 2.50 million was paid to non-controlling shareholders. The carrying value of the additional interest acquired at the date of acquisition was INR 0.46 million. Following is a schedule of additional interest acquired in Ten Times Online Private Limited

	Amount
Cash component paid to non-controlling shareholders	2.50
Carrying value of the additional interest in Ten Times Online Private Limited	(0.46)
<b>Difference recognised in capital reserve within equity</b>	<b>2.04</b>

**14 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 financial statements as at or for the period ended 31 March 2019.

**15 List of entities controlled by the Group are:**

Name of the Group	Principal activities	Country of Incorporation	Percentage of ownership interest and voting rights as at		
			31 March 2019	31 March 2018	31 March 2017
Hello Trade Online Pvt Ltd	Business facilitation services	India	100%	100%	100%
Tradezeal International Pvt Ltd	Business facilitation services	India	100%	100%	100%
Ten Times Online Pvt Ltd	Business facilitation services	India	100%	96.25%	96.25%
Tolexo Online Private Limited	Ecommerce services	India	100%	100%	100%
Pay With Indiamart Private Limited	Payment gateway and consultancy services	India	100%	100%	100%

**16. 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	Amount in millions	As % of consolidated other comprehensive income	Amount in millions	As % of total comprehensive income	Amount in millions
<b>Parent</b>								
<b>Indiamart Intermesh Limited</b>								
Balance as at 31 March, 2019	104.76%	1,606.82	-	-	-	-	-	-
Balance as at 31 March, 2018	95.76%	(3,124.27)	-	-	-	-	-	-
Balance as at 31 March, 2017	96.33%	(3,710.44)	-	-	-	-	-	-
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	-	-	105.73%	538.21	105.07%	(9.63)	105.72%	528.58
For the year ended 31 March 2017	-	-	19.88%	(125.25)	93.32%	(5.22)	19.93%	(130.48)
<b>Subsidiaries</b>								
<b>Tolexo Online Private Limited</b>								
Balance as at 31 March, 2019	-5.93%	(90.94)	-	-	-	-	-	-
Balance as at 31 March, 2018	4.45%	(145.12)	-	-	-	-	-	-
Balance as at 31 March, 2017	3.46%	(133.23)	-	-	-	-	-	-
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	-	-	-5.73%	(29.15)	-5.67%	0.52	-5.73%	(28.63)
For the year ended 31 March 2017	-	-	78.49%	(509.43)	5.22%	(0.29)	77.36%	(509.72)
<b>Ten Times Online Private Limited</b>								
Balance as at 31 March, 2019	2.16%	33.06	-	-	-	-	-	-
Balance as at 31 March, 2018	-0.59%	19.14	-	-	-	-	-	-
Balance as at 31 March, 2017	-0.18%	7.11	-	-	-	-	-	-
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	-	-	0.57%	2.90	0.60%	(0.06)	0.57%	2.84
For the year ended 31 March 2017	-	-	-0.72%	4.66	1.46%	(0.08)	-0.70%	4.58
<b>Hello Trade Online Pvt Ltd</b>								
Balance as at 31 March, 2019	0.01%	0.11	-	-	-	-	-	-
Balance as at 31 March, 2018	0.00%	0.03	-	-	-	-	-	-
Balance as at 31 March, 2017	0.00%	0.05	-	-	-	-	-	-
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)
For the year ended 31 March 2017	-	-	0.01%	(0.04)	0.00%	-	0.01%	(0.04)
<b>Tradezeal International Pvt Ltd</b>								
Balance as at 31 March, 2019	-1.28%	(19.63)	-	-	-	-	-	-
Balance as at 31 March, 2018	0.52%	(16.89)	-	-	-	-	-	-
Balance as at 31 March, 2017	0.43%	(16.46)	-	-	-	-	-	-
For the year ended 31 March 2019	-	-	-1.05%	(0.72)	0.00%	-	-1.18%	(0.72)
For the year ended 31 March 2018	-	-	-0.02%	(0.08)	0.00%	-	-0.02%	(0.08)
For the year ended 31 March 2017	-	-	2.92%	(18.98)	0.00%	-	2.90%	(18.98)
<b>Pay with Indiamart Private Limited</b>								
Balance as at 31 March, 2019	0.28%	4.33	-	-	-	-	-	-
Balance as at 31 March, 2018	-0.13%	4.36	-	-	-	-	-	-
Balance as at 31 March, 2017	-0.03%	0.97	-	-	-	-	-	-
For the year ended 31 March 2019	-	-	-24.33%	(16.52)	0.00%	-	-27.28%	(16.51)
For the year ended 31 March 2018	-	-	-0.55%	(2.80)	0.00%	-	-0.56%	(2.80)
For the year ended 31 March 2017	-	-	0.00%	(0.03)	0.00%	-	0.00%	(0.03)

**Auditors' Report on the restated Indian GAAP consolidated summary statements of assets and liabilities as at March 31, 2016 and 2015, profits and losses and cash flows for the years ended March 31, 2016 and 2015 of IndiaMART InterMESH Limited (collectively, the "Restated Indian GAAP Consolidated Summary Statements")**

To  
The Board of Directors  
IndiaMART InterMESH Limited  
7<sup>th</sup> and 8<sup>th</sup> Floor, Advant Navis Park  
Plot No.-7, Sector- 142, NOIDA.  
Uttar Pradesh – 201305

Dear Sirs,

1. We have examined the attached Restated Indian GAAP Consolidated Summary Statements of IndiaMART InterMESH Limited (the "Company") and its subsidiaries (together referred as the "Group") as at and for each of the years ended March 31, 2016 and 2015 annexed to this report and prepared by the Company for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus in connection with its proposed initial public offer ("IPO"). The Restated Indian GAAP Consolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act"); and
  - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

**Management's Responsibility for the Restated Indian GAAP Consolidated Summary Statements**

2. The preparation of the Restated Indian GAAP Consolidated Summary Statements, which are to be included in the Red Herring Prospectus ("RHP") and Prospectus, is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Indian GAAP Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the ICDR Regulations.

**Auditors' Responsibilities**

3. We have examined such Restated Indian GAAP Consolidated Summary Statements taking into consideration:
  - a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated April 20, 2018 and our service scope letter dated May 15, 2019, requesting us to carry out the assignment, in connection with the proposed IPO of the Company;
  - b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and
  - c. the requirements of Section 26 of the Act and the ICDR Regulations.
  - d. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.
4. The Company proposes to make an initial public offer which comprises an offer for sale made by certain shareholders' of existing, equity shares of Rs.10 each, at an issue price to be arrived at by the book building process (referred to as the "Offer"), as may be decided by the Company's Board of Directors.

**Restated Indian GAAP Consolidated Summary Statements as per audited Consolidated financial statements:**

5. The Restated Indian GAAP Consolidated Summary Statements have been prepared by the management of the Company from:
  - a. the audited consolidated financial statement of the Company as at and for the year ended March 31, 2016 and March 31, 2015, which is prepared in accordance with accounting principles generally accepted in India (“Indian GAAP”) at the relevant time which have been approved by the Board of Directors at their meetings held on July 28, 2016 and July 25, 2015; and
  - b. the financial information in relation to the Company’s subsidiaries as listed below, which are audited by the other auditors and included in the consolidated financial statements:

Name of the entity	Name of the audit firm	Period covered
Ten Times Online Private Limited	Pankaj Priti & Associates	As at and for the year ended March 31, 2016 and 2015
Tradezeal International Private Limited	Pankaj Priti & Associates	As at and for the year ended March 31, 2016 and 2015
Hello Trade Online Private Limited	Pankaj Priti & Associates	As at and for the year ended March 31, 2016 and 2015

6. For the purpose of our examination, we have relied on:
  - a. Auditor Report issued by us dated July 28, 2016 and July 25, 2015 on the Consolidated financial statements of the Group as at and for the year ended March 31, 2016 and 2015; and
  - b. As indicated in our audit reports referred to above, we did not audit the financial statements of certain subsidiaries as referred in Para 5(b) above, whose financial statements reflect total assets, total revenues, net cash inflows / (outflows) and net profit for the relevant year as tabulated below and included in the Restated Indian GAAP Consolidated Summary Statements:

Account captions	As at and for the year ended (Amounts in INR Million) March 31, 2016	As at and for the year ended (Amounts in INR Million) March 31, 2015
Total Assets	5.74	3.13
Total revenue	36.69	29.16
Net Cash outflow	1.80	1.22
Profit/(Loss) before tax	2.51	0.29

These financial statements have been audited by other firms of Chartered Accountants as listed in Para 5(b) above, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Indian GAAP Consolidated Summary Statements are based solely on the report of other auditors.

These other auditors, as mentioned in paragraph 5(b) of the subsidiaries, have confirmed that the Restated Indian GAAP financial information of such subsidiaries:

- i. do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the year ended March 31, 2016 and are materially consistent with the policies adopted for the year ended March 31, 2015 as applicable to such subsidiaries. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;

- ii. have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate; and
  - iii. as per the requirements of Indian GAAP do not contain any extra-ordinary items that need to be disclosed separately in the Restated Indian GAAP Consolidated Summary Statements and do not contain any qualification requiring adjustments.
7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, ICDR Regulations and the Guidance Note, we report that we have examined the following summarised financial statements of the Group contained in Restated Indian GAAP Consolidated Summary Statements, which as stated in the Annexure IV to this report have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements, read with paragraph 7(d) below:
- a. The Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the Group as at March 31, 2016 and 2015, as set out in Annexure I to this report;
  - b. The Restated Indian GAAP Consolidated Summary Statement of Profit and Losses of the Group for each of the years ended March 31, 2016 and 2015, as set out in Annexure II to this report;
  - c. The Restated Indian GAAP Consolidated Summary Statement of Cash Flows of the Group for each of the years ended March 31, 2016 and 2015, as set out in Annexure III to this report; and
  - d. Based on the above and according to the information and explanations given to us, we further report that the Restated Indian GAAP Consolidated Summary Statements of the Group, as attached to this report and as mentioned in paragraphs 7(a) to 7(c) above, read with basis of preparation and respective significant accounting policies given in Annexure IV as described in paragraph 1 have been prepared in accordance with the ICDR Regulations and these Restated Indian GAAP Consolidated Summary Statements:
    - i. do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the year ended March 31, 2016 are materially consistent with the policies adopted as at and for the year ended March 31, 2015. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;
    - ii. have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;
    - iii. as per requirements of Indian GAAP, do not contain any extra-ordinary items that need to be disclosed separately in the Restated Indian GAAP Consolidated Summary Statements;
    - iv. there are no qualifications in the auditor report on the audited consolidated financial statements of the Company as at March 31, 2016 and 2015 which require any adjustments to the Restated Indian GAAP Consolidated Summary Statements; and
    - v. Other audit qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order 2003, as applicable, on the consolidated financial statements for the year ended March 31, 2015, which does not require any corrective adjustment in the Restated Indian GAAP unconsolidated Summary Statements, as reported in IndiaMART InterMESH Limited, are as follows:

### **A. As at and for the year ended March 31, 2015**

#### Clause (vii) (c)

According to the records of the Company, the due outstanding of income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	6,568,335	Financial Year 2006-07 to 2012-13	Additional Commissioner of service tax
The Income Tax Act, 1961	Additional fringe benefit tax & income tax demand	819,143	Assessment Year 2006-07	Commissioner of income tax (appeals)

#### Clause (viii)

The Company's accumulated losses at the end of the financial year are more than 50% of its net worth. Further, the company has incurred cash loss during the year and in immediately preceding financial year

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2019. Accordingly, we express no opinion on the financial position, results of operations and cash flows of the Company as of any date or for any period subsequent to March 31, 2019.

#### **Other Financial Information:**

9. At the Company's request, we have also examined the following Restated Indian GAAP consolidated financial information proposed to be included in the RHP and Prospectus, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Group as at and for the each of the years ended March 31, 2016 and 2015:

- i. Restated Consolidated Statement of Share Capital, enclosed as Annexure VI;
- ii. Restated Consolidated Statement of Reserves, enclosed as Annexure VII;
- iii. Restated Consolidated Statement of Long-term and Short-term Borrowings, enclosed as Annexure VIII;
- iv. Restated Consolidated Statement of Other Long term Liabilities, enclosed as Annexure IX
- v. Restated Consolidated Statement of Trade Payables and Other Liabilities, enclosed as Annexure X;
- vi. Restated Consolidated Statement of Provisions, enclosed as Annexure XI;
- vii. Restated Consolidated Statement of Fixed Assets, enclosed as Annexure XII;
- viii. Restated Consolidated Statement of Non-current Loans and Advances, enclosed as Annexure XIII;
- ix. Restated Consolidated Statement of Other Assets, enclosed as Annexure XIV
- x. Restated Consolidated Statement of Current investments, enclosed as Annexure XV;
- xi. Restated Consolidated Statement of Trade Receivables, enclosed as Annexure XVI;
- xii. Restated Consolidated Statement of Cash and Bank Balances, enclosed as Annexure XVII;
- xiii. Restated Consolidated Statement of Short term Loans and Advances, enclosed as Annexure XVIII;
- xiv. Restated Consolidated Statement of Revenue from operations, enclosed as Annexure XIX;
- xv. Restated Consolidated Statement of Other Income, enclosed as Annexure XX;
- xvi. Restated Consolidated Statement of Employee Benefit Expense, enclosed as Annexure XXI;
- xvii. Restated Consolidated Statement of Other Expenses, enclosed as Annexure XXII;
- xviii. Restated Consolidated Statement of Finance Costs, enclosed as Annexure XXIII;
- xix. Restated Consolidated Statement of Accounting Ratios, enclosed as Annexure XXIV;

xx. Notes to the Restated Consolidated Summary Statement, enclosed as Annexure XXV.

10. According to the information and explanations given to us, in our opinion, the Restated Indian GAAP Consolidated Summary Statements and the abovementioned Restated Indian GAAP financial information contained in Annexures I to XXV accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure IV, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure V and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, the ICDR Regulations and the Guidance Note.
11. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us or by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the management for inclusion in the Red Herring Prospectus (“RHP”) and Prospectus to be filed with SEBI, National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Delhi in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**per Yogesh Midha**  
Partner  
Membership No: 94941  
Place: New Delhi  
Date: June 03, 2019

S.No.	Particulars	Annexure	As at	
			March 31, 2016	March 31, 2015
	<b>Equity and Liabilities</b>			
A	<b>Shareholder's Funds</b>			
	Share capital	VI	753.89	581.69
	Reserves and surplus	VII	(1,526.87)	(1,521.54)
	Minority interest		0.09	0.03
	<b>Total Shareholder's fund</b>		<b>(772.89)</b>	<b>(939.82)</b>
B	<b>Non-current liabilities</b>			
	Borrowings	VIII	-	-
	Trade payables	IX	-	-
	(A) total outstanding dues of micro enterprises and small enterprises; and	IX	6.66	7.32
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	IX	794.99	535.36
	Other long-term liabilities	IX	<b>801.65</b>	<b>542.68</b>
C	<b>Current liabilities</b>			
	Trade payables	X	-	-
	(A) total outstanding dues of micro enterprises and small enterprises; and	X	376.35	267.79
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	X	1,462.51	1,108.54
	Other current liabilities	XI	39.89	45.59
	Short-term provisions	XI	<b>1,878.75</b>	<b>1,421.92</b>
	<b>Total of Current liabilities</b>			
	<b>Total (A+B+C)</b>		<b>1,907.51</b>	<b>1,024.78</b>
D	<b>Assets</b>			
	<b>Non-current assets</b>			
	Fixed assets			
	Property, plant and equipment	XII	90.79	51.24
	Intangible assets	XII	8.26	10.36
	Capital work-in-progress		1.77	1.77
	Loans and advances	XIII	52.72	44.19
	Other non current Assets	XIV	113.52	104.53
	<b>Total of Non - current assets</b>		<b>267.06</b>	<b>212.09</b>
E	<b>Current assets</b>			
	Current investments	XV	1,250.87	600.35
	Trade receivables	XVI	1.96	4.30
	Cash and bank balances	XVII	187.48	102.95
	Loans and advances	XVIII	183.35	100.51
	Other Current Assets	XIV	16.79	4.58
	<b>Total of Current assets</b>		<b>1,640.45</b>	<b>812.69</b>
	<b>Total (D+E)</b>		<b>1,907.51</b>	<b>1,024.78</b>

**Notes:**

- The above statement should be read with the notes to the Restated IGAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited IGAAP Consolidated Financial Statements appearing in Annexure V.

As per our report of even date

**For S. R. Batliboi & Associates LLP**  
Chartered Accountants  
Firm registration number: 101049W/E300004

For and on behalf of the board of directors of  
**IndiaMART InterMESH Limited**

per Yogesh Midha  
Partner  
Membership No.: 94941

**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: Delhi  
Date : June 03, 2019

Place: Noida  
Date : June 03, 2019

Annexure II

## **Restated IGAAP Consolidated Summary Statement of Profits and Losses**

(Amount in INR million, unless otherwise stated)

S.No.	Particulars	Annexure	For the years ended	
			31 March 2016	31 March 2015
F	<b>Income:</b>	XIX XX		
	Revenue from operations		2,542.89	1,760.72
	Other income		47.46	119.55
	<b>Total revenue</b>		<b>2,590.35</b>	<b>1,880.27</b>
G	<b>Expenses:</b>	XXI XXII XII XXIII		
	Employee benefits expense		1,812.73	1,190.09
	Other expenses		1,885.06	973.91
	Depreciation and amortization expenses		36.72	30.21
	Financial costs		10.36	4.72
	<b>Total expenses</b>		<b>3,744.87</b>	<b>2,198.93</b>
H	<b>Restated loss before tax</b>		(1,154.52)	(318.66)
I	<b>Tax expense</b>			
	Current year		0.83	0.18
	Tax expenses for earlier years		3.71	-
	<b>Total tax expenses</b>		<b>4.54</b>	<b>0.18</b>
J	<b>Loss for the year</b>		(1,159.06)	(318.84)
K	<b>Less: Minority interest - share of Loss</b>		0.06	0.01
	<b>Restated loss for the year attributable to shareholders of parent</b>		<b>(1,159.12)</b>	<b>(318.85)</b>

## Notes:

1. The above statement should be read with the notes to the Restated IGAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited IGAAP Consolidated Financial Statements appearing in Annexure V.

As per our report of even date

**For S. R. Batliboi & Associates LLP**

## Chartered Accountants

Firm registration number: 101049W/E300004

per Yogesh Midha

Partner

Membership No.: 94941

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: Delhi

Date : June 03, 2019

Place: Noida  
Date : June 03, 2019

**Restated IGAAP Consolidated summary statement of Cash Flows**  
**(Amount in INR million, unless otherwise stated)**

S.No.	Particulars	For the years ended	
		31 March 2016	31 March 2015
A	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Restated Loss before tax	(1,154.52)	(318.66)
	Adjustment to reconcile loss before tax to net cash flows		
	Depreciation and amortization	36.72	30.21
	Provision for diminution in value of Investment	1.43	-
	Provision for advances	0.44	0.57
	Gain on sale of fixed assets	-	(0.00)
	Net (gain) on sale of current investments	(34.13)	(113.25)
	Interest expenses	0.03	0.09
	Interest (income)	(13.33)	(5.74)
	<b>Operating loss before working capital changes</b>	<b>(1,163.36)</b>	<b>(406.78)</b>
	<b>Movement in working capital :</b>		
	Increase in other long-term liabilities	259.63	178.74
	Increase in trade payables	107.91	88.57
	Increase in other current liabilities	354.10	239.36
	Increase in short-term provisions	(5.71)	13.14
	Decrease in trade receivables	2.35	1.03
	Decrease in other current assets	(12.21)	(4.58)
	Decrease in long term loans and advances	(113.04)	(57.33)
	<b>Cash generated from operations</b>	<b>(570.33)</b>	<b>52.15</b>
	Direct taxes paid (net of refund)	19.44	18.38
	<b>Net cash from operating activities</b>	<b>(550.89)</b>	<b>70.53</b>
B	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets including CWIP and capital advance	(76.49)	(27.98)
	Proceeds from sale of fixed assets	-	0.03
	Redemption of bank deposit (having original maturity of more than three months)	138.11	-
	Investments in bank deposits (having original maturity of more than three months)	(208.65)	(108.02)
	Purchase of current investments	(2,359.09)	(1,188.02)
	Interest received	13.33	5.74
	Proceeds from sale/maturity of current investments	1,741.26	1,280.73
	<b>Net cash (used in) investing activities</b>	<b>(751.53)</b>	<b>(37.52)</b>
C	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from issue of equity share capital	1,326.00	0.02
	Repayment of short term borrowings	(0.57)	(0.56)
	Interest paid	(0.03)	(0.09)
	<b>Net cash (used in) financing activities</b>	<b>1,325.40</b>	<b>(0.63)</b>
D	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>22.98</b>	<b>32.38</b>
E	Cash and cash equivalents at the beginning of the year	99.46	67.08
	<b>Cash and cash equivalents at end of the year (D+E)</b>	<b>122.44</b>	<b>99.46</b>
	<b>Components of cash and cash equivalents</b>		
	Cash on hand	0.12	0.39
	Cheques on hand	98.13	76.15
	With banks - on current account	24.19	22.92
	<b>Total cash and cash equivalents</b>	<b>122.44</b>	<b>99.46</b>
	<b>Cash and cash equivalent in cash flow statement (Annexure XVII)</b>	<b>122.44</b>	<b>99.46</b>

Notes

1. The above statement should be read with the notes to the Restated IGAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited IGAAP Consolidated Financial Statements appearing in Annexure V.

As per our report of even date

**For S. R. Batliboi & Associates LLP**  
Chartered Accountants  
Firm registration number: 101049W/E300004

For and on behalf of the board of directors of  
**IndiaMART InterMESH Limited**

per Yogesh Midha  
Partner  
Membership No.: 94941

**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: Delhi  
Date : June 03, 2019

Place: Noida  
Date : June 03, 2019

**1 Group Overview**

Indiamart Intermesh Limited (hereinafter referred to as "the Group" or "the parent Company") and its consolidated subsidiaries (hereinafter referred to as "the Group) are engaged in business-to-business e-marketplace for business needs, which acts as an interactive hub for domestic and international buyers and suppliers. The parent Company was incorporated on September 13, 1999.

**2.1 Statement of Significant accounting policies**

**a) Basis of preparation**

The Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2016 and March 31, 2015 the related Restated Indian GAAP Consolidated Summary Statement of Profit and Loss and Restated Indian GAAP Consolidated Summary Statement of Cash Flows for the year ended March 31, 2016 and March 31, 2015 and accompany annexures thereto (hereinafter collectively referred to as "Restated Indian GAAP Consolidated Financial Statements") have been prepared specifically for inclusion in the Red Herring Prospectus ("RHP") and Prospectus to be filed by the Group with the Securities and Exchange Board of India ("SEBI") in connection with proposed initial public offering through offer for sale ("IPO") of its equity shares.

The Restated Indian GAAP Consolidated Summary Statements have been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended read with rules 4 to 6 of the Rules, and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI regulations") as amended from time to time.

The Restated Indian GAAP Consolidated Summary Statements of the Company have been prepared using the historical audited general purpose financial statements of the Company as at and for the years ended March 31, 2016 and March 31, 2015 respectively which were prepared under generally accepted accounting principles in India (Indian GAAP) and originally approved by the Board of Directors of the Company at that relevant time.

The financial statements of the company have been prepared in accordance with Indian GAAP. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

As per the requirements of SEBI Circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016, the company has presented the restated financial statements for the year ended March 31, 2016 and March 31, 2015 under Indian GAAP and year ended March 31, 2019, March 31, 2018 and March 31, 2017 under Ind AS.

Financial statements presented under Ind AS have been prepared in a separate set of financial statements.

All amounts disclosed in the financial statements and annexures have been rounded off to the nearest INR million as per the requirement of Schedule III, unless otherwise stated.

These Consolidated financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013.

The subsidiaries considered in the preparation of the CFS and the shareholding of the Parent Company in these companies are as follows:

S. No.	Name of Subsidiaries and date of shareholding	Date of Incorporation	Holding Percentage	
			Year ended 31 Mar 2016	Year ended 31 Mar 2015
1	Tradezeal International Private Limited (from July 31, 2009)	31 May, 2005	99.91%	99.91%
2	HelloTrade Online Private Limited (from July 31, 2009)	03 July, 2008	99.00%	99.00%
3	Ten Times Online Private Limited (from February 26, 2014)	26 Feb, 2014	96.26%	96.26%
4	Tolexo India Private Limited (from May 28, 2014)	28 May, 2014	100.00%	100.00%

**b) Depreciation on fixed assets**

From 1 April 2014, Schedule XIV of the Companies Act, 1956 has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

**(i) Useful lives/ depreciation rates**

Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV of the Companies Act, 1956. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets, to bring them in line with lives prescribed under schedule II of Companies Act 2013. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets. Hence, this change in accounting policy did not have any material impact on financial statements of the Group.

On revision of useful lives of the fixed assets, the company has fully depreciated all the fixed assets whose remaining useful lives was nil as on April 1, 2014, and adjusted the written down value by charging the same to the statement of profit and loss.

**(ii) Depreciation on assets costing less than Rs.5,000/-**

To comply with the requirement as per Schedule II to the Companies Act, 2013, the Group has changed its accounting policy for depreciations of assets costing less than Rs.5,000. As per the revised policy, the Group is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The residual values and useful lives of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.

**c) Principles of consolidation**

The consolidated financial statements has been prepared using uniform accounting policies and on the following basis:

Subsidiary companies are those in which the Group, directly or indirectly, has an interest of more than one half of the voting power or otherwise has power to exercise control over the composition of the Board of the Directors of such Companies. Subsidiaries are consolidated from the date on which effective control is transferred to the Group until the date of cessation of the parent subsidiary relationship. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Group.

The financial statements of the Companies are drawn up to the same reporting date .i.e. for the year ended March 31 every years since its acquisition/ formation and have been used for the purpose of consolidation.

The excess of the cost to the Company of its investment in a subsidiary over the Company's portion of equity of the subsidiary, at the date on which the investment in the subsidiary is made, is accounted as goodwill; when the cost to the Company of its investment in the subsidiary is less than the Company's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, the difference is accounted as capital reserve

Minority interest in the net assets of subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments are made by the Company in the subsidiary companies

**d) Use of estimates**

The preparation of consolidated financial statements in conformity with Indian GAAP 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.

**e) Tangible assets**

Fixed assets are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates received are deducted in arriving at the purchase price. Capital work-in-progress is stated at cost

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets 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 and loss when the asset is derecognized.

**f) Depreciation on fixed assets**

Leasehold land is amortised over the period of lease to maximum of 90 years.

Depreciation on fixed assets 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 fixed assets.

<b>Categories</b>	<b>Annual rate (for the year ended March 31, 2016)</b>	<b>Annual rate (for the year ended March 31, 2015)</b>
Computer equipment	63.16%	63.16%
Furniture and fittings	26.89%	26.89%
Office equipments	45.07%	45.07%
Vehicles	25.89%	25.89%
Building	N/A	N/A

Leasehold improvements is amortized on a straight line basis over the primary period of lease or the assessed useful lives of three years whichever is lower.

**g) Impairment of tangible 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) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering 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.

Impairment losses, if any, of continuing operations are recognized in the statement of profit and loss. 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 as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit'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 and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**h) Intangible Assets**

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

The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Group amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition 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 and loss when the asset is derecognized.

- i) Unique telephone numbers are capitalized at cost and amortised on a written down value @ 40% annually.
- ii) Intangibles being Software acquired by the Group which provide long term benefits to the group are capitalized at cost and amortised on a written down value @ 40% annually.

**i) Leases**

*Where the group is lessee*

Finance leases, which effectively transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the 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 recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. 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.

**j) Borrowing cost**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**k) Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties, as applicable.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary, in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**l) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

*Income from web services*

Revenue from development, hosting and promotion of web catalogs are recognized 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. The Group collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the group. Hence, it is excluded from revenue.

The unaccrued amount is not recognised as revenue till all obligation are fulfilled and are reflected in balance sheet as deferred revenue (income received in advance).

*Interest*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

*Dividends*

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

*Income from Marketing Fees*

Revenue from marketing fees on sale of product is recognised on delivery. The Group collects service tax on commission income on behalf of government and, therefore, it is not economic benefits flowing to the group. Hence it is excluded from revenue.

*Income from Exhibition services*

The group provided services of marketing exhibitions, trade shows and concerts for the clients. Revenue is recognised on the basis of services provided to the client. The Group collects service tax on behalf of government and, therefore, it is not economic benefits flowing to the group. Hence it is excluded from revenue.

**m) Foreign currency translation**

**Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Group at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**n) Retirement and other employee benefits**

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 expenditure, 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 only one defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for plan using the projected unit credit method. Actuarial gain or loss for defined benefit plan is recognized in full in the period in which it occurs, in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 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 gains/losses are immediately taken to the statement of profit and loss and are not deferred. The group presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred.

**o) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. the Group writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**p) Employee stock compensation cost**

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountant of India. The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expenses are amortized over the vesting period of the option on a straight line basis.

**q) Segment reporting**

*Identification of segments:*

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.

**r) Earning per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and related attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**s) Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**t) 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 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 financial statements

**u) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less

**Annexure V**

**Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements**  
**(Amount in INR million, unless otherwise stated)**

- A The summary of results of restatement made in the audited Indian GAAP Consolidated financial statements for the respective years and its impact on the profit of the group is as follows:

Particulars	31 March 2016	31 March 2015
<b>Net loss as per audited financial statements</b>	(1,159.06)	(318.84)
Restatement adjustments		
Material items relating to previous years		-
<b>Net loss as per restated financial statements</b>	(1,159.06)	(318.84)

- B Restatement adjustments made in the audited opening balance of net surplus in the statement of profit and loss as at April 01, 2014

Particulars	As at April 01, 2014
Net loss in the statement of Profit and Loss as at April 01, 2014 as per audited financial statement	(1,381.83)
Restatement adjustments	-
Net loss in the statement of profit and Loss as at April 01, 2014 (as restated)	(1,381.83)

C **Non adjusting items**

Audit qualifications for the respective years, which do not require any adjustments in the restated Consolidated financial information are as follows:

**Annexure to auditor's report for the financial year ended March 31, 2015**

- (i) Clause vii (c)

According to the records of the group, the dues outstanding of income tax and service tax on account of any dispute, are as follows

Name of the statute	Nature of dues	Amount	Period to which it relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	6.57	Financial years 2006-07 to 2012-13	Additional Commissioner of Service tax
The Income-tax Act, 1961	Additional fringe benefits tax and tax demand	0.82	Assessment year 2006-07	Commissioner of Income tax (Appeals)

- (ii) Clause viii

The group's accumulated losses at the end of the financial year are more than fifty percent of its net worth. Further, The group has incurred cash loss during the year and in immediately preceding financial year.

**Annexure VI**

**Restated Indian GAAP Consolidated Statement of Share Capital  
 (Amount in INR million, unless otherwise stated)**

**Share Capital**

<b>Particulars</b>		<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>Authorised shares</b>			
200,000,000 (31 March 2015: 12,000,000) equity shares of Rs. 10 each		200.00	120.00
1,000,000 (31 March 2015: 1,000,000) non cumulative redeemable preference shares of Rs. 10 each		-	10.00
1,493,903 (31 March 2015: 1,493,903) 0.01% Series A cumulative convertible preference shares of Rs. 328 each		490.00	490.00
1,722,047 (31 March 2015: Nil) 0.01% Series B compulsory convertible preference shares of Rs. 100 each		172.20	-
		<b>862.20</b>	<b>620.00</b>
<b>Issued, subscribed and fully paid up:</b>			
9,168,989 (31 March 2015: 9,168,959) equity shares of Rs. 10 each		91.69	91.69
1,493,903 (31 March 2015: 1,493,903) 0.01% Series A CCPS of Rs. 328 each		490.00	490.00
1,722,047 0.01% Series B compulsory convertible preference shares of Rs. 100 each		172.20	-
		<b>753.89</b>	<b>581.69</b>

**a) Reconciliation of the shares outstanding at the beginning and as at the end of the year**

**Equity shares**

	<b>March 31, 2016</b>		<b>March 31, 2015</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
At the beginning of the year	<b>9,168,959</b>	<b>91.69</b>	<b>9,168,959</b>	<b>91.69</b>
Issued during the year	<b>30</b>	<b>0.00</b>	-	-
Outstanding at the beginning of the year	<b>9,168,989</b>	<b>91.69</b>	<b>9,168,959</b>	<b>91.69</b>

**Preference Shares- Series A**

	<b>March 31, 2016</b>		<b>March 31, 2015</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
At the beginning of the year	<b>1,493,903</b>	<b>490.00</b>	<b>1,493,903</b>	<b>490.00</b>
Issued during the year				
Outstanding at the beginning of the year	<b>1,493,903</b>	<b>490.00</b>	<b>1,493,903</b>	<b>490.00</b>

**Preference Shares- Series B**

	<b>March 31, 2016</b>		<b>March 31, 2015</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
At the beginning of the year			-	-
Issued during the year	<b>1,722,047</b>	<b>172.20</b>		
Outstanding at the beginning of the year	<b>1,722,047</b>	<b>172.20</b>	-	-

**b) Terms/ rights attached to equity shares**

- 1) The group has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share.
- 2) In event of liquidation of the group, the holders of equity shares would be entitled to receive remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Terms of conversion/ redemption of Series A -CCPS**

- 1) 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.
- 2) Subject to compliance with applicable laws, each Series A Preference share shall automatically be converted at the Series A Conversion Price (Rs. 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.
- 3) Subject to compliance with applicable laws, each Series A Preference share shall automatically be converted at the Series A Conversion Price (Rs. 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).

**c) Terms of conversion/ redemption of Series B -CCPS**

**Restated Indian GAAP Consolidated Statement of Share Capital**  
**(Amount in INR million, unless otherwise stated)**

- 1) During the year ended 31 March 2016, the company issued 1,722,047 Series B CCPS of Rs.100 each fully paid-up at a premium of Rs.670 per share. The Series B Preference Shares are cumulative and issued at a preferential dividend rate of 0.01% (zero point zero one percent) per annum (the “Series B Preferential Dividend”). Following the Cut-Off Date, the Series B Preference Shares shall, subject to Applicable Law, carry a dividend of INR 77 (Indian Rupees Seventy Seven only) per Series B Preference Share per annum and calculated from the beginning of the fourth (4th) period from Series B Closing.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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.
- 6) 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).

**(d) Details of shareholders holding more than 5% shares in the group**

	March 31, 2016		March 31, 2015	
	Number	% Holding	Number	% Holding
<b>Equity shares of Rs. 10 each fully paid</b>				
Dinesh Chandra Agarwal	4,741,600	51.71%	4,741,600	51.71%
Brijesh Kumar Agrawal	3,213,100	35.04%	3,213,100	35.04%
<b>CCPS of Rs. 328 each fully paid</b>				
Intel Capital (Mauritius) Limited	1,493,903	100%	1,493,903	100%

	March 31, 2016		March 31, 2015	
	Number	% Holding	Number	% Holding
<b>CCCPs of Rs. 100 each fully paid</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%	-	-

As per records of the group, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

**(e) Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note XXV, serial no 6)

For details of shares reserved for issue on conversion of CCPS, please refer note 3 (c) above regarding terms of conversion/ redemption of preference shares.

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the group.
2. The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**Annexure VII****Restated Indian GAAP Consolidated Statement of Reserves**

(Amount in INR million, unless otherwise stated)

**Reserves**

Particulars	As on	
	31 March 2016	31 March 2015
<b>A. Securities Premium Account</b>		
Balance as per last financial statements	153.03	153.03
Add: premium on issue of shares	1,153.79	-
<b>Closing Balance</b>	<b>1,306.82</b>	<b>153.03</b>
<b>B) Employee stock options outstanding</b>	<b>17.66</b>	<b>17.66</b>
<b>C) General Reserve</b>	<b>8.45</b>	<b>8.45</b>
<b>D) Deficit in the statement of profit and loss</b>		
Balance at the beginning of the year	(1,700.68)	(1,381.83)
Add: Loss for the year	(1,159.12)	(318.85)
<b>Net deficit in the statement of profit and loss</b>	<b>(2,859.80)</b>	<b>(1,700.68)</b>
<b>Total</b>	<b>(1,526.87)</b>	<b>(1,521.54)</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the group.
2. The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**Annexure VIII**

**Restated Indian GAAP Consolidated Statement of Long-term and Short-term Borrowings**  
**(Amount in INR million, unless otherwise stated)**

**(b) Long-term borrowings**

<b>Particulars</b>	<b>As at</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
Vehicle loan - (Secured)		
From financial institutions	-	-
<b>Total Long term secured loans</b>	-	-

**(b) Short-term borrowings**

<b>Particulars</b>	<b>As at</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
Vehicle loan - (Secured)		
From financial institutions	-	0.57
<b>The above amount includes</b>		
Current maturities	-	0.57
Less: * Current maturities disclosed under the head "Other Current Liabilities"	-	(0.57)
<b>Total Long term secured loans</b>	-	-

Vehicle loan is secured against hypothecation of related vehicle and payable in 36 months installments starting from March 2013. The loan is carrying interest rate @ 9.96% per annum.

\* Current maturities of long term borrowings are grouped under "Other current liabilities" in the restated Indian GAAP Consolidated statement of assets and liabilities, under Annexure IX

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the group
2. The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**IndiaMART InterMESH Limited**

CIN: U74899DL1999PLC101534

**Annexure IX****Restated Indian GAAP Consolidated Statement of Other Long-Term Liabilities**

(Amount in INR million, unless otherwise stated)

**Other Long-Term Liabilities**

Particulars	As at	
	31 March 2016	31 March 2015
Deferred revenue	794.99	535.36
Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	6.66	7.32
<b>Total other long-term liabilities</b>	<b>801.65</b>	<b>542.68</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the group.
2. The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**Annexure X**

**Restated Indian GAAP Consolidated Statement of Trade Payables and other Liabilities**

(Amount in INR million, unless otherwise stated)

**Current liabilities**

Particulars	As on	As on
	March 31, 2016	March 31, 2015
<b>A. Trade Payables</b>		
(A) Total outstanding dues of micro enterprises and small enterprises	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises. (refer annexure XXV, serial no 7)	376.35	267.79
<b>B. Other current liabilities</b>		
Current maturities of long-term debt	-	0.57
Deferred revenue	1,224.18	927.64
Advance from customers	209.32	159.35
Payables to employees	0.03	0.51
Capital creditors	-	1.95
Security deposits	0.14	0.14
Employee related liabilities	2.77	2.43
Service tax payable	1.84	-
Tax deducted at source payable	24.23	15.95
<b>Total other current liabilities (B)</b>	<b>1,462.51</b>	<b>1,108.54</b>
<b>Total current liabilities (A+B)</b>	<b>1,838.86</b>	<b>1,376.33</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the group
2. The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**Annexure XI**

**Restated Indian GAAP Consolidated Statement of Provisions  
(Amount in INR million, unless otherwise stated)**

**Short-term Provisions**

Particulars	As at	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>Provisions for employee benefits</b>		
Provision for gratuity (refer annexure XXV, serial no 4)	13.26	24.67
Provision for leave encashment	26.53	20.92
Provision for tax	0.10	
<b>Total</b>	<b>39.89</b>	<b>45.59</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the group
2. The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**IndiaMART InterMESH Limited**  
CIN: U74899DL1999PLC101534

**Annexure XII**

**Restated Indian GAAP Consolidated Statement of Fixed Assets**  
(Amount in INR million, unless otherwise stated)

**Tangible Assets**

Particulars	Leasehold Land	Computers	Office Equipments	Furniture & Fittings	Motor Vehicles	Leasehold Improvements	Total
<b>Gross Block</b>							
At 01 April 2014	33.38	85.20	21.21	25.72	2.82	27.02	195.35
Additions	-	8.64	7.30	0.06	-	-	16.00
Disposals	-	-	(0.04)	-	-	-	(0.04)
At 31 March 2015	33.38	93.84	28.47	25.78	2.82	27.02	211.31
During the Year	-	56.98	12.41	2.23	0.04	-	71.66
Disposals	-	-	-	-	-	-	-
At 31 March 2016	33.38	150.82	40.88	28.01	2.86	27.02	282.97
<b>Depreciation</b>							
At 01 April 2014	2.96	71.08	10.30	21.36	0.90	27.02	133.62
Charge for the year	0.37	15.11	8.73	1.69	0.56	-	26.46
Disposals	-	-	0.01	-	-	-	0.01
At 31 March 2015	3.33	86.19	19.02	23.05	1.46	27.02	160.07
Charge for the year	0.37	22.87	7.22	1.25	0.40	-	32.11
Disposals	-	-	-	-	-	-	-
At 31 March 2016	3.70	109.06	26.24	24.30	1.86	27.02	192.18
<b>Net block</b>							
At 31 March 2015	30.05	7.65	9.45	2.73	1.36	-	51.24
At 31 March 2016	29.68	41.76	14.64	3.71	1.00	-	90.79

**Intangible assets**

Particulars	Web Portals	Software	Unique telephone numbers	Total
<b>Gross block</b>				
At 31 March 2014	96.03	21.42	-	117.46
Additions	-	1.48	10.50	11.98
Disposals	-	-	-	-
At 1 April 2015	96.03	22.90	10.50	129.44
Additions	-	2.51	-	2.51
Disposals	-	-	-	-
At 31 March 2016	96.03	25.41	10.50	131.95
<b>Amortization</b>				
At 31 March 2014	96.04	19.29	-	115.33
Charge for the year	-	1.10	2.65	3.75
Disposals	-	-	-	-
At 31 March 2015	96.04	20.39	2.65	119.08
Charge for the year	-	1.46	3.15	4.61
Disposals	-	-	-	-
At 31 March 2016	96.04	21.85	5.80	123.69
<b>Net Block</b>				
At 31 March 2015	(0.01)	2.51	7.85	10.36
At 31 March 2016	(0.01)	3.56	4.70	8.26

**Depreciation and amortisation**

Particulars	March 31, 2016	March 31, 2015
Depreciation	32.11	26.46
Amortisation	4.61	3.75
Total	36.72	30.21

**Notes:**

1: The management reassessed the useful life of assets with effect from April 01, 2014. Accordingly the useful lives of certain assets required a change from previous year estimated lives. If the group had continued with previously assessed useful lives, charge for depreciation for the year would have been lower by the INR 15.67 mn

2: The group entered into a lease agreement with Noida authority on 5th October 2006 for a land situated at Sector 73, Noida. The covenants of the lease deed provided that the group shall construct within 5 years from the execution of lease deed. This covenant was not complied with but management has obtained time extension from Noida authority for completion of construction upto October 05, 2019.

3: Capital work in progress as at March 31, represent the amount incurred on construction of boundary wall for leasehold land.

4: Vehicle loan is secured against hypothecation of related vehicle and payable in 36 months installments starting from March 2013. The loan is carrying interest rate @ 9.96% per annum.

5. The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the group

6. The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**Annexure XIII**

**Restated Indian GAAP Consolidated Statement of non-current Loans and Advances**

**(Amount in INR million, unless otherwise stated)**

**Non-current loans and advances**

<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Unsecured, considered good		
Capital advances	2.32	-
Security deposits - Rent	48.27	39.62
Prepaid expenses	1.80	3.24
Loan to employees*	0.33	1.33
<b>Total Long-Term loans and advances</b>	<b>52.72</b>	<b>44.19</b>

\* represents interest free loan to employees which is recoverable in maximum 24 monthly instalments

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the group
  
2. The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**Other assets**

Particulars	As At			
	Non-Current		Current	
	31 March 2016	March 31, 2015	31 March 2016	March 31, 2015
Interest accrued on fixed deposits	-	-	0.21	0.02
Unbilled receivables			0.46	-
Receivable from logistics partners and payment gateways	-	-	16.12	4.56
	-	-	<b>16.79</b>	<b>4.58</b>

Particulars	Non-Current		Current	
	31 March 2016	March 31, 2015	31 March 2016	March 31, 2015
Non-current bank balances	113.52	104.53	-	-
	<b>113.52</b>	<b>104.53</b>	-	-

**Notes:**

- The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the group.
- The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**Annexure XV**

**Restated Indian GAAP Consolidated Statement of Current Investments**  
**(Amount in INR million, unless otherwise stated)**

**Current Investments**

Particulars	Units		As at	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Current Investments</b>				
Investments (valued at lower of cost and fair value, unless stated otherwise)				
<b>Quoted investment</b>				
HDFC Prudence Fund - Growth	56,749	16,474	20.70	6.10
HDFC Top 200 Fund - Growth	67,033	11,931	21.50	4.10
HDFC Liquid Fund-Growth	18,085	6,644,814	53.78	182.93
IDFC Premier Equity Fund -Growth	695,136	522,739	37.37	25.08
IDFC Dynamic Bond Fund - Regular Plan	-	295,953	-	4.29
HDFC Gilt Fund Long Term- Growth	-	873,960	-	20.00
Birla Sun Life Cash Plus-Growth-Regular Plan	14,882	777,664	3.59	173.94
Sunlife Frontline Equity Fund-Growth Regular Plan	320,768	173,216	44.60	21.50
Franklin Templeton (I) Short term income Plan-Growth	-	57,792	-	162.14
HDFC High Interest Fund- Short term plan-Growth	-	14,472	-	0.27
Birla Sunlife Short Term Plan-Growth Regular Plan	3,008,967	-	70.00	-
391,447 Units HDFC Short Term Plan- Growth	391,447	-	10.74	-
IDFC Money Manager – Treasury Plan	123,203	-	2.88	-
HDFC Floating Rate Income Fund	8,678,191	-	223.00	-
Birla Sun Life Treasury Plan-Grow-Direct Plan	1,074,783	-	200.00	-
IDFC ultra short term fund	4,272,145	-	90.00	-
IDFC Super Saver Income Fund - Short Term Plan	5,468,770	-	170.00	-
HDFC Short Term Opportunities Fund-Direct Growth Plan	10,359,979	-	170.00	-
Birla Sun Life Treasury Cash Plus-Grow-Direct Plan	183,633	-	44.14	-
Birla Sun Life Floating Rate Fund Short Term Plan Growth	449,425	-	90.00	-
			<b>1,252.30</b>	<b>600.35</b>
Less: Provision for diminution in value of Investment in Mutual Funds			1.43	-
<b>Total Current investments</b>			<b>1,250.87</b>	<b>600.35</b>

Aggregate amount of quoted investments

**1,250.87**

Aggregate amount of unquoted investments

**600.35**

**Notes:**

- The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the group
- The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**Annexure XVI****Restated Indian GAAP Consolidated Statement of Trade Receivables**

(Amount in INR million, unless otherwise stated)

**Trade Receivables**

Particulars	As at	
	31 March 2016	March 31, 2015
<b>Trade Receivables (Unsecured)</b>		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
<b>Other receivables</b>		
Considered good	1.96	4.30
<b>Total</b>	<b>1.96</b>	<b>4.30</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the group
2. The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**Cash and Bank Balances**

Particulars	As At			
	Non-Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Cash and Cash equivalent</b>				
Balance with banks				
In current accounts	-	-	21.87	22.92
On nodal accounts			2.32	-
Cheques on hand	-	-	98.13	76.15
Cash in hand	-	-	0.12	0.39
	-	-	<b>122.44</b>	<b>99.46</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 3 months but less than 12 months	-	-		3.49
Deposits with original maturity for more than 12 months	113.52	104.53	65.04	-
	<b>113.52</b>	<b>104.53</b>	<b>65.04</b>	<b>3.49</b>
Amount disclosed under non-current assets	(113.52)	(104.53)	-	-
	-	-	<b>187.48</b>	<b>102.95</b>

**Notes:**

- The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the group.
- The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**Annexure XVIII**

**Restated Indian GAAP Consolidated Statement of Short-Term Loans and Advances**  
**(Amount in INR million, unless otherwise stated)**

**Short-Term loans and advances**

<b>Particulars</b>	<b>As at</b>	
	<b>31 March 2016</b>	<b>March 31, 2015</b>
<b>Unsecured, considered good</b>		
Security deposits	1.35	-
Advances recoverable in cash or kind or for value to be received	15.32	6.42
<b>Doubtful</b>		
Security deposits		
Advances recoverable in cash or kind or for value to be received	0.43	0.57
Provision for doubtful advances	(0.43)	(0.57)
<b>Other loans and advances</b>	-	-
Statutory dues with government	67.98	13.73
Loan to employees	9.71	5.52
Advance tax/tax deducted at source [Net off provision for tax Rs. Nil)	73.17	58.27
Prepaid expenses	15.82	16.57
<b>Total Short-Term loans and advances</b>	<b>183.35</b>	<b>100.51</b>

**Notes:**

- The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the group.
- The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.
- Amounts due from Directors / Promoters / Promoter Group Companies / Relatives of Promoters / Relatives of Directors / Subsidiary Companies

<b>Particulars</b>	<b>Amount</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>

- The list of persons / entities classified as 'Promoter' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors.

**Annexure XIX**

**Restated Indian GAAP Consolidated Statement of Revenue from operations**

**(Amount in INR million, unless otherwise stated)**

**Revenue from operations**

<b>Particulars</b>	<b>For the year ended</b>	
	<b>31 March 2016</b>	<b>March 31, 2015</b>
Income from web services	2,459.29	1,728.91
Revenue from exhibitions	36.47	29.16
Income from Service Fees	10.56	-
Revenue from marketing Fees	36.57	2.65
<b>Total</b>	<b>2,542.89</b>	<b>1,760.72</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Profits and Losses of the group.
2. The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**Other Income**

Particulars	For the year ended			
	March 31, 2016	March 31, 2015	Nature: Recurring/ non-recurring	Related/Not related to business activity
Interest				
Others	1.21	0.68	Non-Recurring	Not related
Bank deposits	12.12	5.05	Recurring	Not related
Net gain on sale of current investments (non trade)	34.13	113.25	Recurring	Not related
Miscellaneous Income	0.00	0.01	Non-Recurring	Not related
Profit on sale of fixed assets	-	0.00	Non-Recurring	Not related
Excess provision written back	-	0.56	Non-Recurring	Not related
<b>Total</b>	<b>47.46</b>	<b>119.55</b>		

**Notes:**

1) The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the group as determined by the management.

2) The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Profits and Losses of the group.

**Restated Indian GAAP Consolidated Statement of Employee Benefit Expense**

(Amount in INR million, unless otherwise stated)

**Employee Benefit Expense**

<b>Particulars</b>	<b>For the year ended</b>	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Salaries, allowances and bonus	1,715.72	1,110.17
Contribution to provident and other funds	13.53	10.23
Gratuity expenses	13.59	19.31
Staff welfare expenses	69.89	50.38
<b>Total</b>	<b>1,812.73</b>	<b>1,190.09</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Profits and Losses of the group.
2. The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**Restated Indian GAAP Consolidated Statement of Other expenses**

(Amount in INR million, unless otherwise stated)

**Other expenses**

<b>Particulars</b>	<b>For the year ended</b>	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Content development expenses	225.05	200.37
Buyer engagement expenses	117.42	72.54
Customer support expenses	194.67	80.91
Outsourced sales cost	206.93	34.60
Internet and other online expenses	96.99	46.32
Rent	156.20	96.14
Rates and taxes	15.54	2.14
Communication costs	13.73	9.50
Advertisement expenses	459.28	254.53
Exhibition expenses	0.01	1.89
Power and fuel	28.94	19.20
Printing and stationery	11.92	7.96
Repairs and maintenance :		
- Plant and machinery	11.15	8.62
- Others	54.34	37.71
Travelling and conveyance	24.73	25.15
Recruitment and training expenses	45.07	33.84
Legal and professional fees	51.67	20.26
Directors' sitting fees	1.69	0.48
Insurance expenses	9.20	5.77
Business promotion	8.82	1.73
Provision for doubtful advances	0.43	0.57
Provision for diminution in value of Investment	1.43	-
General expenses	0.69	0.78
Packing Charges	7.59	0.97
Freight and cartage	141.47	11.91
Exchange Differences (net)	0.10	0.02
<b>Total</b>	<b>1,885.06</b>	<b>973.91</b>

**Notes:**

- The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Profits and Losses of the group.
- The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**Annexure XXIII**

**Restated Indian GAAP Consolidated Statement of Finance costs**

**(Amount in INR million, unless otherwise stated)**

**Finance costs**

<b>Particulars</b>	<b>For the year ended</b>	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Interest	0.03	0.09
Bank charges	10.33	4.63
<b>Total</b>	<b>10.36</b>	<b>4.72</b>

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Consolidated Summary Statement of Profits and Losses of the group.
2. The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

## Restated Indian GAAP consolidated statement of Accounting Ratios

(Amount in INR million, unless otherwise stated)

S. No	Particulars		31 March 2016	31 March 2015
1	Restated loss after tax	A	(1,159.06)	(318.84)
2	Less: preference dividend for the year including tax thereon	B	-	-
3	<b>Net profit available to equity shareholders</b>	C=A+B	(1,159.06)	(318.84)
4	Number of equity shares outstanding at the end of the year	D	9,168,989	9,168,959
5	Number of Compulsory convertible preference shares outstanding at the end of the year	E	3,215,950	1,493,903
6	Weighted average number of equity shares considered for calculating basic earnings per share	F	18,337,978	18,337,918
7	Weighted average number of equity shares considered for calculating diluted earnings per share	G	18,337,978	18,337,918
8	Restated net worth (refer note 4 below)	H	(772.89)	(939.82)
9	<b>Accounting ratios:</b>			
	Basic earnings per share (Rs.)	C / F	(63.21)	(17.39)
	Diluted earnings per share (Rs.) (Refer Note 5 below)	A / G	(63.21)	(17.39)
	Return on Net Worth (%)	A / H	149.96	33.93
	Net asset value per equity share (Rs.)	H / D	(84.29)	(102.50)

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP consolidated financial information of the Group
2. The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

3. The Ratios have been computed as below:

a) Basic Earnings per share (Rs.)

$$\frac{\text{Restated Net Profit/ (Loss) after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

b) Diluted Earnings per share (Rs.)

$$\frac{\text{Restated Net Profit/ (Loss) after tax attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares}}$$

c) Return on net worth (%)

$$\frac{\text{Restated Net Profit/ (Loss) after tax attributable to equity shareholders}}{\text{Restated Net worth at the end of the year}}$$

d) Net asset value per share (Rs.)

$$\frac{\text{Restated net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year}}$$

4. Net worth includes Equity share capital + Preference share capital + Reserves and surplus (including Securities Premium, General Reserve and Surplus in statement of Profit and Loss).

5. There are potential equity shares as on 31 March 2016 and 31 March 2015 in the form of CCPS and stock options granted to employees. As these are anti dilutive, 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/(less) per share.

6. Subsequent to the Balance sheet date, the Company has allotted bonus shares to the existing equity shareholders 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.

**1. Related party disclosures, as required by notified Accounting Standard 18 - "Related Party Disclosures" are given below**

a) Particulars	31 March 2016	31 March 2015
<b>Related parties where transactions have been entered into during the year/ period</b>		
Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
	Mansa Enterprises Pvt Ltd	Mansa Enterprises Pvt Ltd
<b>Key Management Personnel</b>	Mr. Dinesh Chandra Agarwal (Managing Director)	Mr. Dinesh Chandra Agarwal (Managing Director)
	Mr. Brijesh Kumar Agrawal (Whole time Director)	Mr. Brijesh Kumar Agrawal (Whole time Director)
	Mr. Prateek Chandra (Chief financial officer w.e.f 30 April 2015)	Mr. Prateek Chandra (Chief financial officer w.e.f 30 April 2015)
	Mr Anil Dwivedi (Company Secretary w.e.f 25 July 2015)	Mr Anil Dwivedi (Company Secretary w.e.f 25 July 2015)
	Mr. Rajesh Sawhney (Director)	Mr. Rajesh Sawhney (Director)
	Mr. Mahendra Kumar Chauhan (Director)	Mr. Mahendra Kumar Chauhan (Director)
<b>Non-executive director</b>	Mr. Dhruv Prakash	Mr. Dhruv Prakash

*(This space has been intentionally left blank)*

b) Summary of transactions with the above related parties are as follows:

S. No.	Particulars	31 March 2016	31 March 2015
<b>1</b>	Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
	<b>Expenses for rent</b>		
	Mansa Enterprises Private Limited	5.01	4.80
<b>2</b>	<b>Key Management Personnel</b>		
	<b>Recruitment and training</b>		
	Dhruv Prakash	0.68	1.58
	<b>Legal and Professional fees</b>		
	Dhruv Prakash		
	<b>Remuneration</b>		
	Salaries, performance linked incentive and perquisites	46.48	38.09
	<b>Director's sitting fees</b>		
	Mr. Rajesh Sawhney	-	0.20
	Mr. Mahendra Kumar Chauhan	-	0.16
	Mr. Dhruv Prakash	-	0.12

**Notes to the Restated Indian GAAP Consolidated Summary Statement**

**(Amount in INR million, unless otherwise stated)**

---

**2. Restated Indian GAAP Consolidated Statement of Contingent Liabilities**

<b>Particulars</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
Income Tax in respect of Assessment Year 2006-07 (31 March, 2013: assessment years 2007-08) 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.	0.82	0.82
Service Tax in respect of Financial Years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13. Based on judicial pronouncements, the group's claim is likely to be accepted by appellate authorities.	6.57	6.57
Dividend on 0.01% Series A CCPS	0.36	0.31
Dividend on 0.01% Series B CCPS	0.00	-
<b>Total</b>	<b>7.75</b>	<b>7.70</b>

**Capital and other commitments**

<b>Particulars</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
Estimated amount of contract remaining to be executed on capital account not provided	2.47	-

**Notes:**

1. The figures disclosed above are based on the Restated Indian GAAP Consolidated financial information of the group
  
2. The above statement should be read with the notes to the Restated Indian GAAP Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Indian GAAP Consolidated Financial Statements appearing in Annexure V.

**3. Segment disclosure**

**Business segments**

The primary reporting of the Group has been performed on the basis of business segment. The Group has only one reportable 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. Accordingly, the figures appearing in these financial statements relate to the Group's single business segment.

**Geographical Segments**

Secondary Segmental reporting is performed on the basis of the geographical location of customers. The following tables show the distribution of the Group's sales by geographical market, carrying amount of segment assets and addition to segment assets by geographical area in which assets are located:

**Revenue Segment**

Particulars	31 March 2016	31 March 2015
India	2,486.72	1,695.62
Others	56.17	65.10
<b>Total</b>	<b>2,542.89</b>	<b>1,760.72</b>

Assets and additions to Tangible and intangible fixed assets by geographical area:

The following table shows the carrying amount of segment assets and addition to segment assets by geographical area in which assets are located:

Particulars	31 March 2016	31 March 2015
India	1,905.79	1,020.47
Other	1.74	4.30
<b>Total</b>	<b>1,907.53</b>	<b>1,024.77</b>

**Particulars**

Particulars	31 March 2016	31 March 2015
India	74.17	27.98
Other	-	-
<b>Total</b>	<b>74.17</b>	<b>27.98</b>

**4. Employee benefit**

The Group operates one defined benefit plan, viz., gratuity for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance Group in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

**Statement of Profit and Loss**

**Net employee benefit expense recognized in Employee Cost**

Particulars	31 March 2016	31 March 2015
Current service cost	7.89	5.90
Interest cost on benefit obligation	2.81	1.43
Expected return on plan assets	(1.04)	(0.24)
Net actuarial (gain) / loss recognized in the period	3.93	12.22
<b>Net benefit expense</b>	<b>13.59</b>	<b>19.31</b>
Actual return on plan assets	0.87	1.35

**Balance Sheet**

Benefit asset/liability

Particulars	31 March 2016	31 March 2015
Present value of defined benefit obligation	45.97	36.27
Fair value of planned assets	(32.71)	(11.60)
Plan (asset)/liability	<b>13.26</b>	<b>24.67</b>

**Changes in the present value of the defined benefit obligation are as follows:**

Particulars	31 March 2016	31 March 2015
Opening defined benefit obligation	36.27	18.51
Current service cost	7.71	5.90
Interest cost	2.79	1.43
Benefits paid	(4.75)	(2.90)
Actuarial (gain) / losses on obligation	3.95	13.33
<b>Closing defined benefit obligation</b>	<b>45.97</b>	<b>36.27</b>

Changes in fair value of planned assets are as follows:

<b>Particulars</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
Opening fair value of planned assets	11.60	2.64
Expected return	1.04	0.24
Contribution by the employer	25.00	10.50
Benefits paid	(4.75)	(2.90)
Actuarial gain / (losses)	(0.17)	1.35
<b>Closing fair value of planned assets</b>	<b>32.72</b>	<b>11.83</b>

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

<b>Particulars</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
Investments with insurer	100%	100%

The group expects to contribute Rs 12.29 mn (March 31, 2015: Rs 7.48 mn) to gratuity fund during the annual period beginning after balance sheet date

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. There has been significant change in expected rate of return on assets due to the improved stock market scenario.

**The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:**

<b>Particulars</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
Discount rate	8.00%	7.75%
Expected rate of return on assets	7.91%	9.00%
Future salary increase	7.23%	7.02%
Attrition rate	For Service:4 years and below 75% p.a below 71% p.a. 17% and 17% thereafter thereafter	

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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. There has been significant change in expected rate of return on assets due to change in the market scenario.

Amounts for the current and previous years are as follows

<b>Particulars</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
<b>Gratuity</b>		
Defined benefit obligation	45.97	36.27
Plan assets	32.71	11.83
Surplus/(deficit)	13.26	24.43
Experience adjustments on plan liabilities: Gain/ (Loss)	3.95	13.33
Experience adjustments on plan assets: Gain/ (Loss)	(0.17)	1.11

**5. Lease**

The group has office premises under operating lease agreements. 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 under operating lease recognised for the year are Rs 96.61 mn (March 31, 2015 - Rs 59.40 mn)

Future minimum rentals payable under non-cancellable operating leases are as follows:

<b>Particulars</b>	<b>For the year ended</b>	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Within one year	99.01	83.33
After one year but not more than five years	134.83	171.19
More than five years	-	2.59
	<b>233.84</b>	<b>257.11</b>

**6. Employee stock option plans**

The Group has provided various share-based payment schemes to its employees. During the years ended March 31, 2016 and 2015, the following schemes were in operation:

Particulars	Date of grant	Date of Board Approval	Date of Shareholder's approval	Number of options granted	Method of Settlement	Vesting Period (in Days)
Plan I	January 1, 2010	November 24, 2009	November 10, 2008	453,420	Equity	0 to 48 Months
Plan II	March 15, 2012	January 25, 2012	November 10, 2008	645,560	Equity	0 to 48 Months
Plan III	July 31, 2013	October 28, 2013	October 27, 2012	24,000	Equity	0 to 48 Months
Plan IV	June 08, 2015	June 08, 2015	September 23, 2015	539,000	Equity	0 to 48 Months

The details of activity under Plan I of ESOP scheme is as under

Particulars	As at			
	31 March 2016 (No of options)	Weighted average exercise price (in Rs)	31 March 2015 (No of options)	Weighted average exercise price (in Rs)
Outstanding at the beginning of the year	364,967	100	364,967	100
Granted during the year	Nil	Nil	Nil	Nil
Forfeited/expired during the year	Nil	Nil	Nil	Nil
Exercised during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	364,967	100	364,967	100
Exercisable at the end of the year	Nil	Nil	Nil	Nil

The details of activity under Plan II of ESOP scheme is as under

Particulars	As at			
	31 March 2016 (No of options)	Weighted average exercise price (in Rs)	31 March 2015 (No of options)	Weighted average exercise price (in Rs)
Outstanding at the beginning of the year	501,059	150	514,182	150
Granted during the year	Nil	Nil	Nil	Nil
Forfeited/expired during the year	1,200	150	13,123	150
Exercised during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	499,859	150	501,059	150
Exercisable at the end of the year	Nil	Nil	Nil	Nil

The details of activity under Plan III of ESOP scheme is as under

Particulars	As at			
	31 March 2016 (No of options)	Weighted average exercise price (in Rs)	31 March 2015 (No of options)	Weighted average exercise price (in Rs)
Outstanding at the beginning of the year	24,000	150	24,000	150
Granted during the year	NA	NA	NA	NA
Forfeited/expired during the year	NA	NA	NA	NA
Exercised during the year	NA	NA	NA	NA
Outstanding at the end of the year	24,000	150	24,000	150
Exercisable at the end of the year	NA	NA	NA	NA

The details of activity under Plan IV of ESOP scheme is as under

Particulars	As at			
	31 March 2016 (No of options)	Weighted average exercise price (in Rs)	31 March 2015 (No of options)	Weighted average exercise price (in Rs)
Outstanding at the beginning of the year	N.A	N.A	NA	NA
Granted during the year	539,000	200	NA	NA
Forfeited/expired during the year	Nil	Nil	NA	NA
Exercised during the year	Nil	Nil	NA	NA
Outstanding at the end of the year	539,000	200	NA	NA
Exercisable at the end of the year	Nil	Nil	NA	NA

The details of exercise price for stock options outstanding under plan I are as under

Particulars	31 March 2016	31 March 2015
Range of exercise prices	100	100
Number of options outstanding	364,967	364,967
Weighted average remaining contractual life of options (in years)	1.25	2.25
Weighted average exercise price	100	100

The details of exercise price for stock options outstanding under plan II are as under

Particulars	31 March 2016	31 March 2015
Range of exercise prices	150	150
Number of options outstanding	499,859	501,059
Weighted average remaining contractual life of options (in years)	1.54	2.54
Weighted average exercise price	150	150

The details of exercise price for stock options outstanding under plan III are as under

Particulars	31 March 2016	31 March 2015
Range of exercise prices	150	150

**IndiaMART InterMESH Limited**

CIN: U74899DL1999PLC101534

**Annexure XXV**

(Amount in INR million, unless otherwise stated)

**Notes to the Restated Indian GAAP Consolidated Summary Statement**

Range of exercise prices	150	150
Number of options outstanding	24,000	24,000
Weighted average remaining contractual life of options (in years)	2.5	3.5
Weighted average exercise price	150	150

The details of exercise price for stock options outstanding under plan IV are as under

Particulars	31 March 2016	31 March 2015
Range of exercise prices	200	NA
Number of options outstanding	539,000	NA
Weighted average remaining contractual life of options (in years)	4.5	NA
Weighted average exercise price	200	NA

Particulars	31 March 2016	31 March 2015
The weighted average fair value of stock options granted during the year. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:	Nil	Nil
<b>Plan I</b>		
Particulars	31 March 2016	31 March 2015
Weighted average share price	148.39	148.39
Exercise Price	100	100
Expected Volatility	0.00%	0.00%
Historical Volatility	0.00%	0.00%
Life of the options granted (Vesting and exercise period) in years	4.25	4.25
Expected dividends	Nil	Nil
Average risk-free interest rate	6.69%	6.69%
Expected dividend rate	0.00%	0.00%
<b>Plan II</b>		
Particulars	31 March 2016	31 March 2015
Weighted average share price	149.52	149.52
Exercise Price	150	150
Expected Volatility	0.00%	0.00%
Historical Volatility	0.00%	0.00%
Life of the options granted (Vesting and exercise period) in years	4	4
Expected dividends	Nil	Nil
Average risk-free interest rate	8.39%	8.39%
Expected dividend rate	0.00%	0.00%
<b>Plan III</b>		
Particulars	31 March 2016	31 March 2015
Weighted average share price	148.91	148.91
Exercise Price	150	150
Expected Volatility	0.00%	0.00%
Historical Volatility	0.10%	0.10%
Life of the options granted (Vesting and exercise period) in years	5.5	5.5
Expected dividends	Nil	Nil
Average risk-free interest rate	8.36%	8.36%
Expected dividend rate	0.00%	0.00%
<b>Plan IV</b>		
Particulars	31 March 2016	31 March 2015
Weighted average share price	148.91	NA
Exercise Price	200	NA
Expected Volatility	0.00%	NA
Historical Volatility	0.10%	NA
Life of the options granted (Vesting and exercise period) in years	5	NA
Expected dividends	Nil	NA
Average risk-free interest rate	7.75%	NA
Expected dividend rate	0.00%	NA
<b>Effect of the employee share-based payment plans on the statement on profit and loss and on its financial position:</b>		
Particulars	31 March 2016	31 March 2015
Total Employee Compensation Cost pertaining to share-based payment plans	Nil	Nil
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	Nil	Nil
Total Liability for employee stock options outstanding as at year end	17.66	17.66
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)	Nil	Nil
<b>Impact on the reported net profit and earnings per share by applying the fair value based method</b>		
As per the guidance note on 'Accounting for Employees Share Based Payments' issued by the Institute of Chartered Accountants of India, the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements on the reported net profit and earning per share would be as follows:		
Particulars	31 March 2016	31 March 2015
Restated loss as reported	(1,159.06)	(318.84)
Add: Employee stock compensation under intrinsic value method	-	-
Less: Employee stock compensation under fair value method	11.83	4.19
Proforma profit	(1,170.88)	(323.02)
Earnings Per Share		
Basic		
- As reported	(126.41)	(34.77)
- Proforma	(127.70)	(35.23)

**7. Details of dues to micro and small enterprises as defined under MSMED Act 2006.**

Particulars	31 March 2016	31 March 2015
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	-	-
- Interest due on above	-	-
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.	<hr/> <hr/>	<hr/> <hr/>
The amount of interest due and payable for the period 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	<hr/> <hr/>	<hr/> <hr/>

The Group , has during the year, not received any intimation from any of its suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end along with interest paid/payable as required under the said Act have not been given. Based on the information available with the Company there are no principal/interest amounts due to micro and small enterprises.

- 8** As at the year ending on March 31, 2016 and March 31, 2015, the Group is having net deferred tax assets primarily comprising of unabsorbed depreciation and carry forward Losses under tax laws. However in the absence of virtual certainty as to its realization of Deferred Tax Assets (DTA), DTA has not been created.

**9 Unhedged Foreign Currency Exposure**

Particulars	31 March 2016	31 March 2015
Trade Receivable	USD 0.03 (Rs.1.74)	USD 0.07 mn (Rs 4.30 Mn)

**10 Previous year figures**

Previous year figure have been regrouped/reclassified, where necessary, to confirm to this year's classification.

## **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 “Summary Financial Information” on page 70, and our restated consolidated financial statements as of and for fiscal years ended March 31, 2015, 2016, 2017, 2018 and 2019 along with the related schedules thereto and the reports thereon, included in “Restated Financial Statements” on page 206. Unless otherwise stated, references in this section to “we”, “our”, “us” or “the Group” are to our Company and our Subsidiaries.*

*The restated consolidated financial statements (the “**Restated IndAS Consolidated Summary Statements**”) of the Company and Subsidiaries, which comprise of the restated consolidated Statements of Assets and Liabilities as at March 31, 2017, 2018 and 2019, the restated Consolidated Statements of Changes in Equity as at March 31, 2017, 2018 and 2019, the restated Consolidated Statements of Profit and Loss (including other comprehensive income) and the restated consolidated statements of cash flows for the years ended March 31, 2017, 2018 and 2019 and accompanying annexures thereto, included in this Prospectus 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 and restated in accordance with the SEBI ICDR Regulations, SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016.*

*The restated consolidated financial statements (the “**Restated Indian GAAP Consolidated Summary Statements**”) of the Company and Subsidiaries, which comprise the restated Consolidated Statements of Assets and Liabilities as at March 31, 2015 and 2016, the restated Consolidated Statements of Profit and Loss and the restated Consolidated Statements of Cash Flows for the years ended March 31, 2015 and 2016 and accompanying annexures thereto included in this Prospectus have been prepared in accordance with Indian GAAP notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules 2014, Companies (Accounting Standards) Amendment Rules, 2016 and restated in accordance with the SEBI ICDR Regulations, SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016.*

*We have included various operational and financial performance indicators in this Prospectus, including certain non-GAAP financial measures, some of which may not be derived from our Restated IndAS Consolidated Summary Statements or otherwise subjected to an audit or review by our auditors. 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 Restated IndAS Consolidated Summary Statements, the Restated Indian GAAP Consolidated Summary Statements and other information relating to our business and operations included in this Prospectus.*

*IndAS differs in certain respects from Previous GAAP, 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 Prospectus will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the prospective investor’s familiarity with Indian accounting standards. Any references to “fiscal” are to our fiscal 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 Restated IndAS Consolidated Summary Statements, Restated Indian GAAP Consolidated Summary 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 17 and*

19, 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 KPMG Report. We commissioned the KPMG 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 information in the KPMG 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 KPMG Report when making their investment decision. For further details, see “**Risk Factors**”, “**Industry Overview**” and “**Our Business**” on pages 10, 122 and 153 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 2017, according to the KPMG Report. We primarily operate through our product and supplier discovery marketplace, [www.indiamart.com](http://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. IndiaMART had an aggregate of 325.8 million, 552.6 million and 723.5 million visits in fiscals 2017, 2018 and 2019, respectively, of which 204.8 million, 396.9 million and 550.3 million comprised mobile traffic, or 63%, 72% and 76% of total traffic, respectively.

We refer to sellers of products and services listed on our 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 March 31, 2019, we had 82.70 million registered buyers and we had 5.55 million supplier storefronts in India. These Indian supplier storefronts had listed 60.73 million products as of March 31, 2019 of which 76% of goods comprised products and 24% 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 156.84 million, 289.98 million and 448.97 million business enquiries were delivered to IndiaMART suppliers in fiscals 2017, 2018 and 2019, respectively. For the year ended March 31, 2018 and March 31, 2019, we had 52.59 million and 72.52 million daily unique buyer requests, respectively, of which 52% and 55% 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 containing the supplier’s product and service listings, or a “supplier storefront”, or by posting requests for quotes called “RFQs” or “BuyLeads”. Our marketplace offerings from which buyers can search for and view product and service listings cover a widespread range of industries spread across India, rather than relying on a single target industry or type of geography. As of March 31, 2019, we had organized our listings across 54 industries. For a complete list of industry categories on our marketplace, see “—**IndiaMART—Our Product Listings**”.

We believe that IndiaMART provides an effective and trusted platform to help businesses leverage the power of the Internet to increase their market reach and conduct commerce. According to the KPMG Report, the growth in internet penetration across India is helping companies move their businesses online and reach out to a larger customer base. We believe that our online marketplace is particularly relevant in India, which, unlike many other countries, has no major multi-brand or multi-category offline retailer of scale for business products and services. Furthermore, according to the KPMG Report, the growing B2C E-commerce market has led to a large number of sellers bringing their businesses online, which is leading to the B2B e-commerce market gaining traction as well. Given the ticket sizes associated with B2B and wholesale transactions, the opportunity for B2B e-commerce is even higher as compared to B2C E-commerce market, according to the KPMG Report. Our online marketplace capitalizes on this opportunity by helping buyers gain access to a national 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 supplier/buyer behavior and preferences data, we are able to deploy analytics to implement behavioral data based algorithmic matchmaking on our platform, thereby ensuring much more relevant discovery of products and services. We believe this leads to an increase of repeat buyers on our platform. For the year ended March 31, 2019 we had 55% repeat buyers calculated on the basis of the past 90 days. In addition, as 39% of the suppliers as of March 31, 2019 on our platform have acted as buyers of other products and services in the last 12 months, a virtuous cycle of user engagement is established, leading to a self-sustained traction in trade enquiries.

Our online marketplace is accessible through desktop and mobile-optimized platforms and apps on personal computing and mobile devices. Our IndiaMART mobile website, together with our IndiaMART mobile app, accounted for 63%, 72% and 76% of total traffic to IndiaMART for fiscals 2017, 2018 and 2019, respectively. Buyers can make business enquiries on IndiaMART through telephone, SMS, email or by posting RFQs. Also, as of March 31, 2019, 76% 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, 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 lead management system, integrated access to third party online payment gateways and access to RFQs. We also earn revenue through advertising on our IndiaMART desktop and mobile-optimized platforms and IndiaMART mobile app, payment facilitation service and from the sale of “RFQ credits”.

In fiscals 2017, 2018 and 2019, 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 2017, 2018 and, 2019. 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 therefore seek to improve margins by increasing the average revenue per customer through selling higher tier subscription packages to suppliers 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, Gold and platinum subscriptions are available for purchase on a monthly basis, annually or for multiple years. Our longer-term subscription packages offer discounts relative to our short-term subscriptions. For further details of our paid subscriptions, see “***Our Business—Paid services for suppliers—Paid subscriptions***” on page 165. 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 premium number service, (iv) lead management solutions and (v) IndiaMART payment gateway service. 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 ₹127.11 million, ₹147.06 million and ₹185.99 million, in fiscal 2017, 2018 and 2019, 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 and March 31, 2019, IndiaMART provided 59.81 million and 82.70 million registered buyers, respectively, with access to 4.72 million and 5.55 million supplier storefronts in India, respectively, and a total of 289.98 million and 448.97 million tracked business enquiries, were delivered to suppliers in fiscal 2018 and fiscal 2019, 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 and 10.84 million times, as of March 31, 2018 and March 31, 2019, respectively, and our mobile website and app together accounted for 72% and 76% of total traffic to IndiaMART as of March 31, 2018 and March 31, 2019, respectively, compared to only 63% in fiscal 2017. 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 37 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 2,774 as of March 31, 2017 to 2,995 as of March 31, 2019.

Our employee benefits expense was ₹2,096.74 million and ₹1,948.57 million and ₹2,299.83 million in fiscal 2017, 2018 and fiscal 2019, respectively, which as a percentage of total income was 63.17%, 45.37% and 41.94%, respectively. A major component of our employee benefits expense was salaries, wages and bonus and all of which have increased on account of an increase in fixed salaries and incentives paid to our employees. Our salaries, allowance and bonus payments have increased by 4.81% from fiscal 2017 to fiscal 2019 while the number of our employees increased by 7.97% over the same period. Our salaries, allowance and bonus for fiscal 2019 were ₹2,065.56 million.

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 servicing to telephone based servicing from December 2014 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 and Internet-based tools for customer acquisition and servicing. For example, to achieve cost efficiency and scalability, we outsource call center operations to third parties who provide call center staffing.

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 KPMG 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 recency 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 field sales representatives through face to face meetings 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 ₹173.19 million, ₹31.09 million and ₹20.99 million for fiscals 2017, 2018 and 2019, 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 May 31, 2019, we have a national sales force spread across 72 operational offices in 37 cities across India. 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) 71 of our operational offices are leased premises with rental and maintenance expenses and we occupy one operational office pursuant to 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. However, 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 used in the preparation of our financial statements. For more information on each of these or our other accounting policies, see “**Restated Financial Statements**” on page 206.

### ***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 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 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).

#### **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.

##### 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.

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

Intangible assets with finite lives are amortised over the estimated 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 estimated 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 April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### ***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.

### ***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.

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.

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 recognises 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

### ***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

### ***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.

#### *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.

#### ***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.

#### ***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 1 April, 2019 for companies preparing their 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.

## **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 subsidiary, TTOPL (referred to as revenue from marketing exhibitions), (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, 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 that include monthly RFQ credits accounted for a substantial portion of our total revenue in fiscals, 2017, 2018 and 2019. Revenue from the sale of RFQ credits, advertising and marketing services accounted for a small portion of our total revenue in fiscals, 2017, 2018 and 2019.

We also generate 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 revenue on account of net gain on financial assets measured at FVTPL by ₹119.14 million, ₹161.63 million and ₹373.20 million for fiscals, 2017, 2018 and 2019, respectively.

### ***Other income***

The 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 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 at least five years 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 and amortization of intangible assets.

### ***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.

### ***Other expenses***

Our other expenses consist primarily of:

- *Outsourced sales cost:* Costs incurred in connection with our fully outsourced sales team, which is 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. The service provider will seek to call such registered buyers to verify the genuineness of the RFQ and learn more about their business enquiry to better tailor the RFQ for their needs.
- *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.* Primarily includes expense incurred on lease undertaken with respect to registered office, corporate office and other offices of the Company.
- *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, and domain name expenses for our own use as well as that of our suppliers, all of which we recognize as “Internet and other online expenses” in our financial statements; and
- *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:

### **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 indicated.

	Fiscal ended March 31					
	2017		2018		2019	
	(₹ in millions)	(% ) of total income	(₹ in millions)	(% ) of total income	(₹ in millions)	(% ) of total income
<b>Income:</b>						
Revenue from operations .....	3,177.63	95.7%	4,105.08	95.6%	5,074.17	92.5%
Net gain on financial assets measured at FVTPL .....	119.14	3.6%	161.63	3.8%	373.20	6.8%
Other income .....	22.59	0.7%	28.55	0.7%	36.52	0.7%
<b>Total income .....</b>	<b>3,319.36</b>	<b>100.0%</b>	<b>4,295.26</b>	<b>100.0%</b>	<b>5,483.89</b>	<b>100.0%</b>
<b>Expenses:</b>						
Employee benefits expense .....	2,096.74	63.2%	1,948.57	45.4%	2,299.83	41.9%
Depreciation and amortization expense .....	46.32	1.4%	28.85	0.7%	41.27	0.8%
Net loss on financial liability designated at FVTPL...	192.79	5.8%	1,228.62	28.6%	652.63	11.9%
Other expenses .....	1,624.95	49.0%	1,690.19	39.4%	1,950.93	35.6%

	Fiscal ended March 31					
	2017		2018		2019	
	(₹ in millions)	(% ) of total income	(₹ in millions)	(% ) of total income	(₹ in millions)	(% ) of total income
Total expenses.....	3,960.80	119.3%	4,896.23	114.0%	4,944.66	90.2%
Restated Profit (Loss) before tax.....	(641.44)	-19.3%	(600.97)	-14.0%	539.23	9.8%
Income tax expense / (income)						
Current tax.....	2.02	0.1%	1.81	0.0%	1.32	0.0%
Deferred tax / (credit) .....	0.00	0.0%	(1,150.37)	-26.7%	337.47	6.2%
Total tax expense / (income).....	2.02	0.1%	(1,148.56)	-26.7%	338.79	6.2%
Profit / (Loss) for the year.....	(643.46)	-19.4%	547.59	12.7%	200.44	3.6%

### 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. 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. 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.** Our other income totaled ₹36.52 million in fiscal 2019, a 27.95% 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 43.01% 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. For further details see Annexure XVII of the Restated IndAS Consolidated Summary Statements.
- **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.

- *Restated Profit / (Loss) before tax.* As a result of the factors outlined above, our restated 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 restated profit before tax, increased to 9.8% in fiscal 2019 from negative 13.99% in fiscal 2018.

*Profit / (Loss) for the year.* As a result of the factors outlined above, and also as a result of current tax of ₹1.32 million and deferred tax of ₹337.47 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 restated profit was ₹200.44 million in fiscal 2019, as compared to a 547.59 million in fiscal 2018.

#### ***Fiscal 2018 compared to fiscal 2017***

*Total income.* We had total income of ₹4,295.26 million in fiscal 2018, an increase of 29.40% over our total income of ₹3,319.36 million in fiscal 2017. This increase in total income was primarily due to an increase in revenue from operations in fiscal 2018 over fiscal 2017.

- *Revenue from operations.* Our revenue from operations totaled ₹4,105.08 million in fiscal 2018, an increase of 29.19% from ₹3,177.63 million in fiscal 2017. The increase in revenue from operations was primarily on account of (i) an increase in the number of subscription customers on IndiaMART to 108,347 in fiscal 2018 from 96,025 in fiscal 2017, and (ii) an increase in the amount received per paying supplier on IndiaMART in fiscal 2018 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 ₹161.63 million in fiscal 2018, an increase of 35.66% from ₹119.14 million in fiscal 2017. This increase was primarily due to an increase in net gain on disposal of current investments of ₹72.54 million in fiscal 2018 from ₹19.03 million in fiscal 2017.
- *Other income.* Our other income totaled ₹28.55 million in fiscal year 2018, a 26.38% increase over our other income of ₹22.59 million in fiscal 2017. This increase was primarily due to an increase in interest income from financial assets in fiscal 2018.

*Total expenses.* Our total expenses totaled ₹4,896.23 million in fiscal 2018, a 23.62% increase over our total expenses of ₹3,960.80 million in fiscal 2017. This increase in total expenses was primarily due to increase in net losses on financial liability designated at FVTPL in fiscal 2018. As a percentage of our total revenue, our total expenses decreased to 113.99% in fiscal 2018 from 119.32% in fiscal 2017.

- *Employee benefits expense.* Our employee benefits expense totaled ₹1,948.57 million in fiscal 2018, a 7.07% decrease over our employee benefits expense of ₹2,096.74 million in fiscal 2017, which was primarily attributable to a decrease in the number of our IndiaMART employees from 2,774 as at March 31, 2017 to 2,609 as at March 31, 2018 and corresponding decrease in salaries, allowance and bonus. Our number of IndiaMART employees decreased primarily due to the ongoing cost optimization initiatives of shifting to telephone based servicing which started in fiscal 2015 and outsourcing of our sales functions starting in fiscal 2017.
- *Depreciation and amortization expense.* Depreciation and amortization expense totaled ₹28.85 million in fiscal 2018, a 37.72% decrease from depreciation and amortization expense of ₹46.32 million in fiscal 2017, primarily due to addition of property, plant and equipment of ₹19.3 million in fiscal 2017 compared to addition of property, plant and equipment of ₹22.50 million in fiscal 2018, which primarily comprised addition of property, plant and equipment in the last quarter ended March 31, 2018, resulting in lower depreciation in fiscal 2018.

- *Net loss on financial liability designated at FVTPL.* Our net loss on financial liability designated at FVTPL totaled ₹1,228.62 million in fiscal 2018, an increase of 537.28% from ₹192.79 million in fiscal 2017. This represent gain or loss on designating CCPS, which have been classified as Financial Liability, at the fair value on March 31, 2018.
- *Other expenses.* Our other expenses totaled ₹1,690.19 million for fiscal year 2018, a 4.02% increase over our other expenses of ₹1,624.95 million in fiscal 2017, which was primarily attributable to increases in (i) outsourced sales costs from ₹270.84 million in fiscal 2017 to ₹441.55 million in fiscal 2018 due to increased outsourced sales operations to cater for an increase in customers from 96,027 in fiscal 2017 to 108,347 in fiscal 2018, (ii) customer support expenses from ₹177.43 million in fiscal 2017 to ₹240.14 million in fiscal 2018 due to an increase in support services we had to provide for an increased number of subscription suppliers in fiscal 2018 and an increase in the number of RFQs posted by registered buyers which required enrichment, (iii) content development expenses from ₹208.31 million in fiscal 2017 to ₹233.23 million in fiscal 2018 due to an increase in the number of supplier storefronts from 3.16 million supplier storefronts in fiscal 2017 to 4.72 million supplier storefronts in fiscal 2018, (iv) buyer engagement expenses from ₹127.11 million in fiscal 2017 to ₹147.06 million in fiscal 2018 due to an increase in the number of suppliers to whom we allotted premium numbers, and (v) rent from ₹189.67 million in fiscal 2017 to ₹210.71 million in fiscal 2018 due to the expansion of our office in fiscal 2018.

*Restated Loss before tax.* As a result of the factors outlined above, our restated loss before tax decreased to ₹600.97 million in fiscal 2018 from ₹641.44 million in fiscal 2017. As a percentage of total income, our restated loss before tax, decreased to 13.99% in fiscal 2018 from 19.32% in fiscal 2017. Income Tax expense represents benefit arising out of recognition of deferred tax asset primarily on brought forward losses and unabsobered depreciation as per tax laws on March 31, 2018.

*Profit / (Loss) for the year.* As a result of the factors outlined above, and also as a result of a significant increase in our deferred tax in fiscal 2018, our profit was ₹547.59 million in fiscal 2018, as compared to a loss of ₹643.46 million in fiscal 2017.

Our deferred tax credit in fiscal 2018 was ₹1,150.37 million. While we had unused tax losses and other deductible temporary difference of ₹1,091.95 million and ₹1,268.03 million as of March 31, 2016 and 2017, respectively, we have recognized deferred tax assets restricted to the amount of deferred tax liability as of March 31, 2017 and 2016 due to lack of reasonable certainty about recoverability of such unused tax losses and other deductible temporary difference against sufficient estimated future taxable income as of the respective dates. However, based on the financial performance in fiscal 2018 and future business plans as of March 31, 2018, it was probable to recover such unused tax losses and other deductible temporary difference using the future estimated taxable income leading to recognition of net deferred tax asset of ₹1,155.57 million.

## 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 March 31, 2019, we had total cash and cash equivalents of ₹401.96 million, bank deposits of ₹375.48 million and investments of ₹6,074.45 million. As of March 31, 2019, 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. In accordance with Ind AS, we recognize revenue from the sale of subscription packages. 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 net worth 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 achieve positive net worth.”* on page 20.

Our liquidity needs primarily arise from working capital requirements and the funding of capital expenditure. 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.

### **Investments and cash and bank balances**

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

	<b>As at March 31</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
Investments.....	1,362.62	3,110.70	6,074.45
Cash and cash equivalents .....	176.59	467.11	401.96
Bank deposits .....	229.96	302.20	375.48
<b>Total.....</b>	<b>1,769.17</b>	<b>3,880.01</b>	<b>6,851.89</b>

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

	<b>Fiscal ended March 31</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
Net cash from/(used in) operating activities.....	(5.82)	1,790.56	2,551.41
Net cash from/(used in) investing activities .....	(77.99)	(1,652.53)	(2,758.04)
Net cash from/(used in) financing activities.....	72.93	152.49	141.48
Net increase/(decrease) in cash and cash equivalents .....	(10.88)	290.52	(65.15)
Cash and cash equivalents at end of the year .....	176.59	467.11	401.96

#### ***Net cash from/(used in) operating activities***

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.

In fiscal 2017, net cash used in operating activities was ₹5.82 million, primarily attributable to income tax paid (net) of ₹12.01 million, partially offset by cash generated from operations of ₹6.19 million. Movement in working capital comprised primarily of increases in other liabilities of ₹684.68 million partially offset by a decrease in trade payables of ₹73.96 million, and increase in other assets of ₹57.19 million, and increase in other financial assets of ₹35.13 million.

The net increase in movement in working capital during fiscal 2018 as compared to fiscal 2017 was driven by increases in other liabilities, increases in trade payables and decreases in other assets. Other liabilities were higher in fiscal 2018 as compared to fiscal 2017 due to an increase in deferred revenue as a result of increased subscription collections for subscription packages. Trade payables were higher in fiscal 2018 as compared to fiscal 2017 due to an increase in rent payable, in line with overall growth of our business. Decreases in other assets were higher in fiscal 2018 as compared to fiscal 2017 due to unutilized cenvat credit from our subsidiary Tolexo on account of its demerger.

#### ***Net cash from/(used in) investing activities***

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.

For fiscal 2017, our net cash used in investing activities was ₹77.99 million, primarily as a result of purchase of mutual funds of ₹1,599.56 million and investments in bank deposits having original maturity of more than three months of ₹116.44 million, substantially offset by proceeds from sale of mutual funds investment of ₹1,642.41 million and interest received of ₹22.59 million.

#### ***Net cash from/(used in) financing activities***

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.

For fiscal 2017, our net cash from financing activities was ₹72.93 million, due to proceeds from issues of preference shares under share buyback obligations of ₹72.93 million and the appreciation in the value of such preference shares.

#### **Borrowings**

As of March 31, 2019, 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 ended March 31,		
	2017	2018	2019
	(₹ in millions)		
Purchase of property plant and equipment and other intangible assets .....	27.01	22.92	51.70

#### **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 “***Our Business—Technology, Infrastructure and Product Development***” on page 169.

#### **Contractual Obligations**

Following are the contractual obligations as at March 31, 2019:

Contractual Obligations	Total
Trade payables .....	450.03
Other financial liabilities .....	3.32
<b>Total .....</b>	<b>453.35</b>

Our operating lease obligations are substantially all related to the 72 operational office premises, including our

Registered Office and Corporate Office, which we had on lease in 37 cities in India as of May 31, 2019. Our lease terms are typically for three years and are typically 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 March 31, 2019 as per Ind AS 37 were as follows:

	<b>Total</b> (₹ in millions)
Dividend on 0.01% Series A compulsorily convertible preference shares	-
Dividend on 0.01% Series B & B1 compulsorily convertible preference shares	-
Income tax demand .....	73.28
<b>Total</b> .....	<b>73.28</b>

For details on income tax matters and service tax matters under dispute, see “*Outstanding Litigation and Material Developments*” on page 462.

### Non-GAAP Financial Measures

In evaluating our business, we consider and use non-GAAP financial measures such as EBITDA and EBITDA Margin 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. EBITDA and EBITDA Margin 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 EBITDA and EBITDA Margin 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. EBITDA and EBITDA Margin 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 EBITDA and EBITDA Margin 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 Restated IndAS Consolidated Summary Statements or Restated Indian GAAP Consolidated Summary Statements included in this Prospectus. Investors should read this information in conjunction with the Restated IndAS Consolidated Summary Statements and Restated Indian GAAP Consolidated Summary Statements included elsewhere in this Prospectus.

The following table sets forth our EBITDA and EBITDA Margin for the periods indicated therein:

	<b>Fiscal ended March 31,</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
	(₹ in million)		
EBITDA .....	(544.06)	466.32	823.41
EBITDA Margin (%) .....	(17%)	11%	16%

### Reconciliation of EBITDA and Computation of EBITDA Margin

	<b>Fiscal ended March 31,</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
	(₹ in million)		
<b>Total comprehensive income / (loss) for the period/ year.....</b>	(649.06)	538.43	193.08
<i>Adjustments:-</i>			
<i>Add:-</i>			
Total Tax Expenses .....	2.02	(1,148.56)	338.79
Depreciation and Amortization Expenses.....	46.32	28.85	41.27
Net loss on financial liability designated at FVTPL .....	192.79	1,228.62	652.63
<i>Less:-</i>			
Other comprehensive loss for the year, net of tax .....	5.60	9.16	7.36

	Fiscal ended March 31,		
	2017	2018	2019
	(₹ in million)		
Other income .....	(22.59)	(28.55)	(36.52)
Net gain on financial assets measured at FVTPL.....	(119.14)	(161.63)	(373.20)
<b>EBITDA<sup>(1)</sup> .....</b>	<b>(544.06)</b>	<b>466.32</b>	<b>823.41</b>
Revenue from operations.....	3,177.63	4,105.08	5,074.17
EBITDA Margin (%) <sup>(2)</sup> .....	(17%)	11%	16%

Notes:

- (1) EBITDA is a non-GAAP financial measure that represents earnings before interest, taxes, depreciation and amortization expenses.  
(2) EBITDA Margin is EBITDA as a percentage of revenue from operations.

### ***Convertible preference shares***

We have issued 1,493,903 Series A CCPS at a price of ₹328 per share amounting to ₹490.00 million. We have further issued 1,722,047 and 146,375 Series B and Series B1 preference share at price of ₹770 per share amounting to ₹1,325.98 million and ₹112.71 million, respectively. Pursuant to the terms and conditions of issue of CCPS, in the event an IPO does not occur for a specific period, we have given right to the holders of CCPS to require us to buy back such shares at reasonable approximation of Fair Market Value. In accordance with our accounting policy, these CCPS have 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. Corresponding gain or loss arising on designating these at Fair Value has been recognized in the statement of Profit or Loss of the respective period.

During the year ended 31 March 2019, we have converted 1,493,903 Series A 0.01% CCPS of ₹328 into 3,334,922 equity shares of ₹ 10 each, 1,722,047 0.01% Series B CCPS of ₹ 100 into 3,444,094 equity shares of ₹ 10 each, 146,375 0.01% Series B1 CCPS of ₹ 100 into 292,750 equity shares of ₹ 10 each.

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 40.

### **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, 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 relate 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 wages 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 Prospectus, 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 19 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 “**Restated Financial Statements**” on page 206.

##### ***New product or business segments***

Other than as described in the section entitled “**Our Business**” elsewhere in this Prospectus 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 March 31, 2019 that May Affect Our Future Results of Operations**

On May 15, 2019, certain stock options granted to our employees under the IndiaMART employee stock option plan in 2015 were accelerated and vested such that on May 27, 2019 an aggregate of 182,814 Equity Shares were issued to such employees.

To our knowledge, except as disclosed in this Prospectus, there is no subsequent development after the date of our financial statements contained in this Prospectus 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.

## **SECTION VI – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*Except as stated in this section, there are no (i) outstanding criminal proceedings involving our Company, Subsidiaries, Group Company, Promoters or Directors; (ii) outstanding actions taken by statutory or regulatory authorities involving our Company, Subsidiaries, Group Company, Promoters or Directors; (iii) outstanding claims involving our Company, Subsidiaries, Group Company, Promoters or Directors for any direct and indirect tax liabilities; (iv) outstanding dues to creditors of our Company as determined to be material by our Board of Directors as per the Materiality Policy in accordance with the SEBI ICDR Regulations; (v) pending defaults or non-payment of statutory dues by our Company; (vi) outstanding dues to micro, small and medium enterprises and other creditors; and (vii) outstanding litigations involving our Company, Subsidiaries, Group Company, Promoters or Directors as determined to be material by our Board of Directors as per the Materiality Policy in accordance with the SEBI ICDR Regulations. Further, there are no pending proceedings initiated for economic offences or defaults against our Company in respect of dues payable.*

*Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors on June 6, 2018 for the purposes of disclosure, any other pending litigation involving our Company, Subsidiaries, Group Company, Promoters or Directors other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered ‘material’ if the monetary amount of claim made by or against our Company, Subsidiaries, Group Company, Promoters or Directors, 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 2019, or ₹ 10.00 million, whichever is lower or any such litigation, an adverse outcome of which would materially and adversely affect our Company’s business, prospects, operations, financial position or reputation, irrespective of the amount involved in such litigation.*

*Notices received by our Company, Subsidiaries, Group Company, Promoters or Directors, 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.*

*Unless stated to the contrary, the information provided below is as of the date of this Prospectus.*

### **LITIGATION INVOLVING OUR COMPANY**

#### **Litigation against our Company**

##### ***Criminal proceedings***

1. Ranjit Bose filed a first information report (“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. Ramjee Lal Sharma filed an FIR dated August 3, 2016 against Dinesh Chandra Agarwal (in the capacity of our Managing Director) and Nanada, a supplier listed on our marketplace, at the Police Station Sadar, Kotwali Bhagalpur, Bihar, for non-receipt of certain product from Nanada in respect of which, Ramjee Lal Sharma had placed an order and made an advance payment of ₹ 0.02 million. Dinesh Chandra Agarwal filed a criminal writ petition (Cr. W.J.C. No. 347/ 2018) before the Patna High Court seeking to quash the FIR dated August 3, 2016. Pursuant to the order dated May 2, 2018, the Patna High Court dismissed the application. Subsequently, on July 6, 2018, Dinesh Chandra Agarwal filed a special leave petition before the Supreme Court of India (SLP no. 5476/ 2018), challenging the order dated May 2, 2018 of the Patna High Court and to stay the effect and operation of such order and further proceedings pursuant to the FIR dated August 3, 2016. By an order dated July 19, 2018, the Supreme Court directed that no coercive steps be taken against Dinesh Chandra Agarwal until further orders.

3. 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 (the “**Petitioners**”) 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.

#### *Actions taken against our Company by statutory/regulatory authorities*

We have received a notice dated May 22, 2018 issued by the Senior Facilitator, Shops and Establishment Department, Brihanmumbai Mahanagarpalika, Mumbai to our Company, Dinesh Chandra Agarwal, our Managing Director and Brijesh Kumar Agrawal, our whole-time Director (together, the “**Accused**”), requiring us to be present before the Metropolitan Magistrate, Dadar, Mumbai on June 4, 2018. Such notice refers to Section 7(2A) of the Bombay Shops and Establishments Act, 1948, which requires an employer to submit an application for renewal of the shops and establishments registration not less than 15 days prior to expiry of the previous registration. The Inspector, Shops and Establishment Department, Municipal Corporation of Greater Mumbai filed an application dated February 4, 2019 before the Metropolitan Magistrate, Shindewadi, Dadar Mumbai (“**MM**”) alleging that the Accused had not been present before the MM despite issue of summons and sought for issue of bailable warrant against the Accused. The MM passed an order issuing bailable warrants, against i) our Company; ii) Dinesh Chandra Agarwal; and iii) Brijesh Kumar Agrawal and the matter was listed for hearing on March 25, 2019. In response, i) Dinesh Chandra Agarwal and Brijesh Kumar Agrawal; and ii) our Company, filed two separate criminal revision applications (Cr. Revision Application 450/2019 and Cr. Revision Application 478/2019, respectively) before the Sessions Court, Greater Bombay, Mumbai (“**Sessions Court**”) seeking, amongst others, a stay on the bailable warrant and proceedings before the MM. The Sessions Court passed an order dated April 25, 2019 staying the execution of the bailable warrant issued against Dinesh Chandra Agarwal and Brijesh Kumar Agrawal. Subsequently, the MM issued a memo dated May 6, 2019 staying the warrant, which is currently valid, until June 24, 2019. By an order dated June 20, 2019, the Sessions Court allowed the criminal revision applications filed by our Company, Dinesh Chandra Agarwal and Brijesh Kumar Agrawal. Further, the Sessions Court dismissed the complaint and set aside the original order of the Additional Chief Metropolitan Magistrate issuing process, pursuant to which the MM had passed the order dated February 4, 2019 issuing bailable warrants against our Company and Promoters.

#### *Tax proceedings*

Set forth below are the details of direct and indirect tax claims against our Company as on the date of this Prospectus.

Nature of tax	Number of Cases	Amount involved (to the extent ascertainable) (₹ in million)
<b>A. Direct tax</b>		
Income tax	5	20.38
<b>Total (A)</b>	<b>5</b>	<b>20.38</b>
<b>B. Indirect tax</b>		
Service tax	3	23.46
<b>Total (B)</b>	<b>3</b>	<b>23.46</b>
<b>Total (A+B)</b>	<b>8</b>	<b>43.84</b>

#### *Civil and other material proceedings*

From time to time, we are impleaded in civil proceedings, which as on the date of this Prospectus, 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.

- FRHI Hotels & Resorts S.a.r.l. (“**FRHI**”) filed a commercial suit (C.S. (COMM.) No. 652 of 2018), before the Delhi High Court, against Abdul Razzak Ahmed Chunawala, Fairmont Constructions Private Limited (a supplier listed on our website), Fairmont Infrastructure LLP, Fairmont Lifespaces LLP, and our Company, alleging unauthorized use of FRHI’s trademark ‘FAIRMONT’. FRHI has sought for (i) permanent injunction against the use of the trademark ‘FAIRMONT’, (ii) an order to immediately withdraw the trademark application filed by Fairmont Constructions Private Limited for registration of the mark ‘FAIRMONT’ and or registration of any other mark identical or confusingly deceptive or similar to the mark ‘FAIRMONT’, (iii) directions to our Company to remove any advertisements from our websites and ensure that such suppliers do not advertise or solicit business of other defendants in the matters on our website, (iv) award of damages amounting to approximately ₹ 10.00 million along with any additional costs of the damages suffered by FRHI, (v) an order or decree for destruction of all packaging materials, advertising and promotional material, other literature, signage, and signboards, among other things, bearing the mark ‘FAIRMONT’. The Delhi High Court, by an order dated February 26, 2018, restrained the defendants in the suit from using, advertising, promoting or displaying certain trade names and domain names containing the ‘FAIRMONT’ or any other name or mark which is identical or deceptively similar to such trademark, including as part of a trade or domain name or name of any real estate project, until further orders. Our Company filed an interim application dated April 24, 2018, and its written statement dated June 1, 2018, seeking to delete our name from the list of parties and claiming that no cause of action arose against us as we are an intermediary in terms of the IT Act and are in no manner using FRHI’s trademark. By an order dated May 1, 2018, the Delhi High Court directed for the interim orders to continue. Pursuant to such order our Company has removed the alleged infringing listing.
- Shreeji Enterprises, (“**Shreeji**”) filed a commercial suit (no. 205 of 2018) 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.
- Sony Corporation, filed a commercial suit (CS (COMM) no. 1196 of 2018) against our Company and Sudeep Srimanth Rao Kale, (together, the “**Defendants**”) a supplier listed on our website, before the Delhi High Court, alleging infringement of its well-known trade mark and trade name, “SONY” and seeking, amongst 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, such supplier from passing off their products under such trade mark and trade names; and (iii) damages amounting to ₹ 20.00 million. The Delhi High Court passed an order dated October 25, 2018 issuing summons to the defendants to file a written statement and granting an interim injunction restraining the defendants from using, advertising, promoting and displaying in any manner whatsoever the trademark and trade name “SONY”. Our Company has removed and disabled the alleged infringing listing. Further, pursuant to a written statement dated December 21, 2018, our Company has, among others, sought for deletion of our Company from the array of parties for being an intermediary.
- Steelcase Inc, (‘**Plaintiff**’) filed a commercial suit (CS (COMM) no. 11180 of 2018) 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 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.

5. Reckitt Benckiser India Private Limited (“**Reckitt**”), filed a commercial suit (CS (COMM) no. 122 of 2019) against our Company and Surekhaben L Jain and Darshan Jain, suppliers listed on our website, before the Delhi High Court, alleging infringement of its i) trade mark “COLIN”; and ii) shape mark “HARPIC” along with bottle and cap packaging, seeking to obtain, among others, a perpetual injunction against such suppliers from alleged colorable imitation or substantial reproduction of their products under such trade and shape mark and sought damages amounting to ₹ 20.00 million. Pursuant to written statement dated April 26, 2019, our Company has sought for deletion of our Company from the array of parties for being an intermediary.
6. Exxon Mobil Corporation, filed a commercial suit (CS (COMM) no. 159 of 2019) against our Company and Vajubhai Balar, a supplier listed on our website (together, the “**Defendants**”), before the Delhi High Court, alleging infringement of its trade mark “EXXON” and its trade name and seeking to obtain, among others, i) a perpetual injunction against us and such supplier from using their trademark and tradename and damages amounting to ₹ 20.00 million and ii) removal of advertisement of the supplier from our marketplace. 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.
7. Inspirelabs Solutions Private Limited, filed a commercial suit (CS (COMM) no. 149 of 2019) against our Company and GrabOnRent Internet Private Limited, a supplier listed on our website, before the Delhi High Court, alleging infringement of its trade mark “GrabOn” and seeking, among others, to obtain a perpetual injunction against us and such supplier from using their trademark and copyright and has also sought damages amounting to ₹ 20.00 million. The Delhi High Court passed an order dated May 10, 2019 and referred the matter to the Delhi High Court Mediation and Conciliation Centre, New Delhi for settlement.
8. Saregama India Limited (“**Saregama**”), filed a commercial suit (CS (COMM) no. 289 of 2019) against our Company, Narang Laptop Solutions and Others (the “**Defendants**”), 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 (the “**Impugned 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 till further orders and authorised search and seizure of all Impugned Products at the premises of the Defendants.

## **Litigation by our Company**

### *Criminal proceedings*

1. Our Company filed a criminal complaint (Ct. Cases/ 054222/ 2016) 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 Shrikant 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 (Ct. Cases/ 3649/ 2019) 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.

#### ***Civil proceedings***

Our Company filed a civil suit (G. A. no. 1020 of 2018 with C.S. No. 78 of 2018) 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 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 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.

### **LITIGATION INVOLVING OUR SUBSIDIARIES**

#### **Tolexo Online Private Limited**

##### **Litigation against TOPL**

###### ***Criminal proceedings against TOPL***

Kundan Trading Company through Arvind Singh filed an FIR dated January 4, 2019 at the Kamla Market police station, Central Delhi 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.

#### ***Tax proceedings***

Set forth below are the details of direct tax claims against TOPL as on the date of this Prospectus.

			(₹ in million)
Nature of tax	Number of Cases	Amount involved (to the extent ascertainable)	
<b>A. Direct tax</b>			
Income tax	1	237.15	
<b>Total (A)</b>	<b>1</b>	<b>237.15</b>	

## **Litigation by TOPL**

### ***Criminal proceedings initiated by TOPL***

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.

## **LITIGATION INVOLVING OUR DIRECTORS**

### **A. Dinesh Chandra Agarwal**

#### ***Criminal proceedings against Dinesh Chandra Agarwal***

For details of criminal proceeding initiated against Dinesh Chandra Agarwal, see “- ***Litigation involving our Company – Litigation against our Company – Criminal proceedings***” above.

#### ***Action taken against Dinesh Chandra Agarwal by a statutory/regulatory authority***

For details of action taken by any statutory/regulatory authority against Dinesh Chandra Agarwal, see “- ***Litigation involving our Company – Action taken against our Company by a statutory/regulatory authority***” above.

### **B. Brijesh Kumar Agrawal**

#### ***Criminal proceedings against Brijesh Kumar Agrawal***

For details of criminal proceeding initiated against Brijesh Kumar Agrawal, see “- ***Litigation involving our Company – Litigation against our Company – Criminal proceedings***” above.

#### ***Action taken against Brijesh Kumar Agrawal by a statutory/regulatory authority***

For details of action taken by any statutory/regulatory authority against Brijesh Kumar Agrawal, see “- ***Litigation involving our Company – Action taken against our Company by a statutory/regulatory authority***” above.

## **LITIGATION INVOLVING OUR PROMOTERS**

### **A. Dinesh Chandra Agarwal**

#### ***Criminal proceedings against Dinesh Chandra Agarwal***

For details of criminal proceeding initiated against Dinesh Chandra Agarwal, see “- ***Litigation involving our Company – Litigation against our Company – Criminal proceedings***” above.

#### ***Action taken against Dinesh Chandra Agarwal by a statutory/regulatory authority***

For details of action taken by any statutory/regulatory authority against Dinesh Chandra Agarwal, see “- ***Litigation involving our Company – Action taken against our Company by a statutory/regulatory authority***” above.

### **B. Brijesh Kumar Agrawal**

#### ***Criminal proceedings against Brijesh Kumar Agrawal***

For details of criminal proceeding initiated against Brijesh Kumar Agrawal, see “- ***Litigation involving our Company – Litigation against our Company – Criminal proceedings***” above.

#### ***Action taken against Brijesh Kumar Agrawal by a statutory/regulatory authority***

For details of action taken by any statutory/regulatory authority against Brijesh Kumar Agrawal, see “- ***Litigation involving our Company – Action taken against our Company by a statutory/regulatory authority***” above.

## **LITIGATION INVOLVING OUR GROUP COMPANY**

As on date of this Prospectus, there is no outstanding litigation involving our Group Company.

## **OUTSTANDING DUES TO CREDITORS AND SMALL SCALE UNDERTAKINGS**

As on March 31, 2019, we had 25 creditors to whom an aggregate outstanding amount of ₹ 8.40 million was due. For further details, see [investor.indiamart.com/list-of-creditors](http://investor.indiamart.com/list-of-creditors).

As per the Materiality Policy, creditors to whom amounts exceeding 5.00% of the total consolidated trade payables as on the date of the latest restated consolidated financial statements, being an amount exceeding ₹ 22.50 million, outstanding, were considered ‘material’ creditors. Based on the above, there were no material creditors of our Company as on March 31, 2019.

Based on information available with our Company, there are no dues outstanding to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as of March 31, 2019.

*Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our websites, [www.indiamart.com](http://www.indiamart.com), [www.10times.com](http://www.10times.com), [www.tolexo.com](http://www.tolexo.com) and [www.hellotrade.com](http://www.hellotrade.com) would be doing so at their own risk.*

## **MATERIAL DEVELOPMENTS SINCE THE MOST RECENT FINANCIAL STATEMENTS**

Except as stated in “***Management’s Discussion and Analysis of Financial Condition and Results of Operation***” on page 440, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

## **GOVERNMENT AND OTHER APPROVALS**

*Our businesses require various approvals, licenses, registrations and permits under different rules and regulations. We have set out below an indicative list of material approvals obtained by us for the purposes of undertaking our businesses. In view of this, our Company can undertake the Offer and its current business activities. In the event that any of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we make applications for their renewal from time to time. For details in connection with the regulatory and legal framework within which we operate, see the section titled “Key Regulations and Policies in India” on page 175.*

### **I. Incorporation Details of our Company**

1. Certificate of incorporation dated September 13, 1999 issued to our Company by the RoC.
2. Certificate for commencement of business dated October 27, 1999 issued to our Company by the RoC.

### **II. Approvals Related to the Offer**

For details of corporate and other approvals in relation to the Offer, see “**Other Regulatory and Statutory Disclosures – Authority for the Offer - Corporate Approvals**” on page 471.

### **III. Approvals in relation to operations of our Company**

We require various approvals to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements as disclosed below. We have received the following approvals pertaining to our business:

#### **A. Importer exporter code**

The importer exporter code of our Company is 0599048301.

#### **B. Labour related approvals**

- (i) We have obtained one-time registration with the relevant provident fund commission under the EPF Act, and our Company is required to make regular contribution to the employees’ provident fund within the respective jurisdiction.
- (ii) Our offices which are required to be registered under the ESI Act have duly obtained one time registration in the relevant jurisdiction. Our Company is required to make regular contribution to the employees’ state insurance corporation within the respective jurisdiction.
- (iii) Shops and establishment legislations are state legislations that seek to govern and regulate the working conditions of workers/ employees employed in shops and commercial establishments within that state. As of May 31, 2019, we have 72 operational offices, of which, registration for 69 offices, under the relevant state specific shops and establishment related statutes have been obtained and are valid as on the date of this Prospectus. We have made an application to register our office located at Jaipur (Rajasthan) under the relevant shops and establishments legislation and are in the process of renewing our registration in respect of our offices located in Nagpur (Maharashtra) and Ludhiana (Punjab) under the relevant shops and establishment legislations, all of which are currently pending.

#### **C. Intellectual property approvals**

As on the date of this Prospectus, our Company and its Subsidiaries currently use and own the following intellectual property registrations in India:

##### **(i) Domain names**

We have registered the domain names (i) www.indiamart.com, (ii) www.10times.com, (iii) www.tolexo.com and (iv) www.hellotrade.com which are valid as on the date of this Prospectus.

## **(ii) Copyright**

Our Company has obtained a certificate of registration (A-78668/2007) dated March 20, 2007 in respect of a copyright for an artistic work 'India MART'.

## **(iii) Trademarks**

Our Company has obtained trade mark registrations including for (i) INDIAMART (device and word mark), (ii) indiamart.com (label and device mark), (iii)'M'(label and device mark), (iv) TRUST SEAL (label and word mark), (v) STAR SUPPLIER (word mark), (vi) INTERMESH (word mark), (vii) BUY LEAD (word mark), (viii) INDIAMART BUY LEAD (word mark), (ix) INDIAMART PRIME (word mark), (x) INDIAMART LEADING SUPPLIER (word mark) under different classes specified under the Trade Marks Act, which are valid as on date of this Prospectus.

In addition our Subsidiaries have obtained trade mark registrations including for (i) TOLEXO (word mark), (ii) TRADEZEAL (word mark), (iii) TEN TIMES (word mark), (iv) CONNECTING OPPORTUNITIES (word mark), (v) 10 times (device), (vi) 10TIMES.com (device), (vii) TENTIMES.com (device), (viii) TEN TIMES (word mark) and (ix) 10 TIMES (word mark), under various classes specified under the Trade Marks Act, which are valid as on date of this Prospectus.

### *Pending Applications*

Our Company has filed applications in respect of trademarks including (i) TRUSTSEAL (under classes 35 and 42), (ii) INDIAMART TRUST SEAL (under class 42), (iii) PAY WITH INDIAMART (under class 35) and (iv) POORAA (under class 9), which are pending registration, as on the date of this Prospectus.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### **Authority for the Offer**

#### *Corporate Approvals*

- Our Board of Directors has, pursuant to its resolution dated June 4, 2018 authorized the Offer.

#### *Approvals from the Selling Shareholders*

The Selling Shareholders have severally and not jointly, specifically confirmed and approved the Offer of their respective proportion of Offered Shares as set out below.

S. No.	Name of Selling Shareholder	Maximum no. of Offered Shares	Date of resolution by board/committee of directors	Date of consent letter
1.	Intel Capital (Mauritius), Limited	2,590,000	May 30, 2018 and June 3, 2019	June 20, 2018, as amended by consent dated June 5, 2019
2.	Amadeus IV DPF Limited	255,753	June 15, 2018 and June 5, 2019	June 28, 2018, as amended by consent dated June 5, 2019
3.	Accion Frontier Mauritius	475,000	June 19, 2018	June 27, 2018
4.	Dinesh Chandra Agarwal	852,453	N.A.	June 28, 2018
5.	Brijesh Kumar Agrawal	577,656	N.A.	June 28, 2018
6.	Praveen Kumar Goel	25,000	N.A.	May 22, 2018
7.	Surat Singh Bhati	50,000	N.A.	May 18, 2018
8.	Sanjeev Kumar	50,000	N.A.	May 18, 2018
9.	Lalit Masta	2,000	N.A.	May 18, 2018
10.	Anubha Gupta	2,000	N.A.	May 18, 2018
11.	Neelima Gupta	8,000	N.A.	May 22, 2018
<b>Total</b>				<b>4,887,862</b>

Each Selling Shareholder, severally and not jointly, specifically confirms in respect of itself or himself only that, as required under Regulation 26(6) of the SEBI ICDR Regulations, it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus or issued pursuant to a bonus issue of Equity Shares out of the securities premium account, against Equity Shares held by such Shareholder for a period exceeding one year; and further, in case of the Investor Selling Shareholders, to the extent such Equity Shares have not been held for a period of one year prior to the date of the Draft Red Herring Prospectus, they have resulted from the conversion of compulsorily convertible cumulative preference shares, which have been held by such Investor Selling Shareholder for a period exceeding one year prior to the date of the Draft Red Herring Prospectus. Therefore, the Equity Shares offered by each Selling Shareholder in the Offer for Sale are eligible to be offered for sale in the Offer.

#### *In-principle Listing Approvals*

Our Company has received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated August 7, 2018 and August 3, 2018, respectively.

### **Prohibition by the SEBI, the RBI or Governmental Authorities**

None of our Company, our Promoters, our Promoter Group, our Directors, our Group Company and persons in control of our Company are or have ever been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other governmental authorities. Neither our Promoters, nor any of our Directors or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Each of the Selling Shareholders, severally and not jointly, specifically confirms in respect of itself or himself only that it/he has not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other governmental authority in India. Further, each of the Selling Shareholders, severally and not jointly, specifically confirms that it/he has not been classified as a Wilful Defaulter, as defined under the SEBI ICDR Regulations and there are no violations of securities laws committed by it in the past and no such proceedings are currently pending against any of it.

The listing of securities of our Company has never been refused at any time by any stock exchange in India or abroad.

Except for Vivek Narayan Gour, who is an independent director on the Board of ASK Investment Managers Limited, which is a registered as a portfolio manager with SEBI under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, none of our Directors are in any manner associated with the securities market, including securities market related business. There has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

None of our Company, Subsidiaries, Promoters, members of our Promoter Group, Group Company, Directors, or the relatives (as per the Companies Act, 2013, as amended) of our Promoters, are or have been declared as wilful defaulters, as defined under the SEBI ICDR Regulations.

### **Eligibility for the Offer**

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 26(2) of the SEBI ICDR Regulations, and as is in compliance with the conditions specified therein in the following manner:

- Our Company does not satisfy any of the conditions as stipulated under Regulation 26(1) of the SEBI ICDR Regulations; and
- Our Company is making the Offer through the book-building process and further, undertakes to allot, at least 75% of the Net Offer, to QIBs, failing which, it shall refund the full subscription money.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees in the Offer shall be not less than 1,000, failing which, the entire application money will be refunded. If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders. In case of any delay in refund within the timelines prescribed under applicable laws, interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period by our Company and the respective Selling Shareholders. However, subject to applicable law, the Selling Shareholders shall not be liable to reimburse any expenses towards refund or pay any interest thereon with respect to Allotment of their respective proportion of the Offered Shares or otherwise, unless the failure or default or delay, as the case may be, is solely on account of such Selling Shareholder.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations to the extent applicable.

Other than (i) listing fees, which shall be solely borne by our Company; and (ii) fees for counsel to the Investor Selling Shareholders, which shall be solely borne by the Investor Selling Shareholders, upon commencement of listing and trading of our Equity Shares on the Stock Exchanges pursuant to the Offer, the fees and expenses relating to the Offer shall be borne by the Selling Shareholders, on a pro-rata basis, in proportion to the Offered Shares sold by each Selling Shareholder pursuant to the Offer, in accordance with applicable law.

### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING ICICI SECURITIES LIMITED,**

EDELWEISS FINANCIAL SERVICES LIMITED AND JEFFERIES INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, AND EACH SELLING SHAREHOLDER, SEVERALLY AND NOT JOINTLY, WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF AND ITS RESPECTIVE PORTION OF THE OFFERED SHARES IN THE OFFER FOR SALE. THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE. THE BOOK RUNNING LEAD MANAGERS, BEING ICICI SECURITIES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND JEFFERIES INDIA PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 29, 2018, WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:
  - A. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS ETC., FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - C. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, TO THE EXTENT APPLICABLE, THE COMPANIES ACT, 2013, AS AMENDED, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND TILL DATE SUCH REGISTRATION IS VALID – COMPLIED WITH AND NOTED FOR COMPLIANCE;
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE;
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS'

CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS - COMPLIED WITH AND NOTED FOR COMPLIANCE;

6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS - COMPLIED WITH AND NOTED FOR COMPLIANCE;
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER - NOT APPLICABLE;
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION - NOT APPLICABLE;
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER SECTION 40(3) OF THE COMPANIES ACT 2013, AS NOTIFIED;
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE - NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALISED FORM ONLY;
11. WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION - COMPLIED WITH;
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS: - COMPLIED WITH

- a. AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
  - b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED WHILE MAKING THE OFFER - NOTED FOR COMPLIANCE;
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. - COMPLIED WITH;
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY- COMPLIED WITH;
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR- COMPLIED WITH;
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, AS PER ACCOUNTING STANDARD 18 OR INDIAN ACCOUNTING STANDARD 24, AS APPLICABLE, IN THE FINANCIAL STATEMENTS INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AND AS CERTIFIED BY GROVER LALLA & MEHTA, CHARTERED ACCOUNTANTS, BY WAY OF CERTIFICATE DATED JUNE 25, 2018.
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS. (IF APPLICABLE). – NOT APPLICABLE.

THE FILING OF THIS PROSPECTUS DOES NOT, HOWEVER, ABSOLVE ANY PERSON WHO HAS AUTHORISED THE ISSUE OF THIS PROSPECTUS FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE OFFER HAVE BEEN COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE ROC IN TERMS OF SECTION 32 OF THE COMPANIES ACT. ALL LEGAL REQUIREMENTS PERTAINING TO THE OFFER WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THIS PROSPECTUS WITH THE ROC IN TERMS OF SECTIONS 26, 30, 32, 33(1) AND 33(2) OF THE COMPANIES ACT.

**Price Information of Past Issues handled by the BRLMs**

**ICICI Securities Limited**

1. Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by ICICI Securities Limited

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	Matrimony.Com Limited	4,974.79	985.00 <sup>(1)</sup>	21-Sep-17	985.00	-12.28%, [+0.62%]	-7.64%, [+3.37%]	-16.55%, [-0.27%]
2	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	27-Sep-17	651.10	+3.62%, [+6.25%]	+18.97%, [+8.17%]	+15.36%, [+4.06%]
3	SBI Life Insurance Company Limited	83,887.29	700.00 <sup>(2)</sup>	03-Oct-17	735.00	-7.56%, [+5.89%]	-0.07%, [+5.84%]	-2.30%, [+3.57%]
4	Newgen Software Technologies Limited	4,246.20	245.00	29-Jan-18	254.10	-0.20%, [-5.18%]	+2.51% [-3.51%]	-2.00%, [+1.33%]
5	Galaxy Surfactants Limited	9,370.90	1,480.00	8-Feb-18	1,525.00	+1.14%, [-3.31%]	-0.85% [+1.33%]	-14.68%, [+7.66%]
6	Aster DM Healthcare Limited	9,801.40	190.00	26-Feb-18	183.00	-13.66%, [-3.77%]	-5.39%, [+1.00%]	-8.16%, [+9.21%]
7	Sandhar Technologies Limited	5,124.80	332.00	02-Apr-18	346.10	+19.59% [+4.96%]	+15.41%, [+4.36%]	-4.20%, [+7.04%]
8	HDFC Asset Management Company Limited	28,003.31	1,100.00	06-Aug-18	1,726.25	+58.04%, [+1.17%]	+29.60%, [-7.58%]	+23.78%, [-4.33%]
9	Creditaccess Grameen Limited	11,311.88	422.00	23-Aug-18	390.00	-21.16%, [-3.80%]	-14.90%, [-8.00%]	-5.71%, [-8.13%]
10	Aavas Financiers Ltd	16,403.17	821.00	08-Oct-18	750.00	-19.32%, [+1.76%]	+2.39%, [+4.09%]	+38.82%, [+12.74%]

(1) Discount of Rs. 98 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of Rs. 985.00 per equity share.

(2) Discount of Rs. 68 per equity share offered to Eligible Employees. All calculations are based on Issue Price of Rs. 700.00 per equity share.

#### Notes:

- All data sourced from [www.nseindia.com](http://www.nseindia.com)
- Benchmark index considered is NIFTY
- 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day is a holiday, in which case we have considered the closing data of the next trading day

2. Summary Statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by ICICI Securities Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018-19	4	60,843.16	-	-	2	1	-	1	-	-	2	-	1	1
2017-18	9	208,306.61	-	-	5	1	-	3	-	-	5	1	2	1

\*The information is as on the date of this document

#### Edelweiss Financial Services Limited

1. Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by Edelweiss Financial Services Limited

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	Polycab India Limited	13,452.6	538.00	April 16, 2019	633.00	15.36% [-5.35%]	Not Applicable	Not Applicable

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
2	Aavas Financiers Limited	16,403.17	821.00	October 8, 2018	750.00	-19.32% [1.76%]	2.42% [3.67%]	38.82% [12.74%]
3	Fine Organic Industries Limited	6,001.69	783.00	July 2, 2018	815.00	5.72% [6.56%]	35.20% [2.56%]	50.21% [1.90%]
4	ICICI Securities Limited	34,801.16	520.00	April 4, 2018	435.00	-27.93% [5.44%]	-37.26% [5.22%]	-44.39% [7.92%]
5	Galaxy Surfactants Limited	9,370.88	1,480.00	February 8, 2018	1,525.00	1.14% [-3.31%]	-0.85% [1.33%]	-14.68% [7.66%]
6	Amber Enterprises India Limited	6,000.00	859.00 <sup>***</sup>	January 30, 2018	1,175.00	27.15% [-5.04%]	24.98% [-3.23%]	10.58% [2.07%]
7	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	3.50% [3.00%]	6.91% [-1.86%]	-5.20% [4.13%]
8	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-4.17% [3.37%]	-11.51% [0.75%]	-28.51% [4.93%]
9	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	31.52% [0.48%]	48.93% [2.11%]	74.66% [5.04%]
10	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	3.61% [-3.19%]	5.91% [2.95%]	-4.21% [1.59%]

Source: [www.nseindia.com](http://www.nseindia.com)

\*\*\* Amber Enterprises India Limited - employee discount of ₹ 85 per equity share to the offer price was offered to the eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹ 859 per equity share

#### Notes

- Based on date of listing.
- % of change in closing price on 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> calendar day from listing day.
- Wherever 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
- The Nifty 50 index is considered as the benchmark index
- Not Applicable. – Period not completed
- Disclosure in Table-1 restricted to 10 issues.

#### 2. Summary Statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by Edelweiss Financial Services Limited

Fiscal Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20*	1	13,452.6	-	-	-	-	-	1	-	-	-	-	-	-
2018-19	3	57,206.02	-	1	1	-	-	1	-	1	-	1	1	-
2017-18	11	218,549.76	-	-	1	1	5	4	-	1	3	3	1	3

The information is as on the date of the document

- Based on date of listing.
- Wherever 30<sup>th</sup> and 180<sup>th</sup> calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
- The Nifty 50 index is considered as the Benchmark Index.

\*For the financial year 2019-20 – 1 issues have been completed. 1 issues have completed 30 days.

## **Jefferies India Private Limited**

1. Price information of past issues (during the current financial year and three financial years preceding the current financial year) handled by Jefferies India Private Limited

Sr. No.	Issue Name	Issue Size (₹mn)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Newgen Software Technologies Limited	4,246.21	245.00	29-Jan-18	254.10	-0.20%, [-5.18%]	2.51%, [-3.51%]	-2.00%, [1.33%]
2.	BSE Limited	12,434.32	806.00	3-Feb-17	1,085.00	17.52%, [2.55%]	24.41%, [6.53%]	34.43%, [15.72%]
3.	Laurus Labs Limited	13,305.10	428.00*	19-Dec-16	489.90	11.44%, [3.62%]	23.29%, [12.62%]	41.43%, [18.31%]

\*- Discount of Rs.40 per equity share offered to Eligible Employees bidding in the Employee Reservation Portion. All calculations are based on issue price of Rs. 428.00 per equity share

**Notes:**

1. All data sourced from [www.nsceindia.com](http://www.nsceindia.com)
  2. Benchmark index considered is NIFTY
- 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day is a holiday, in which case we have considered the closing data of the next trading day

2. Summary Statement of price information of past issues (during the current financial year and the three financial years preceding the current financial year) handled by Jefferies India Private Limited

Financial Year	Total no. of IP Os	Total amount of funds raised (₹ mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2018-19	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2017-18	1	4,246.21	-	-	1	-	-	-	-	-	1	-	-	-
2016-17	2	25,739.42	-	-	-	-	-	-	2	-	-	-	-	2

\* The information is as on the date of the document

## **Track records of past issues handled by the BRLMs**

For details regarding the track record of the BRLMs, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the websites of the BRLMs, given below.

Name of the BRLM	Website
I-Sec	<a href="http://www.icicisecurities.com">www.icicisecurities.com</a>
Jefferies	<a href="http://www.jefferies.com">www.jefferies.com</a>
Edelweiss	<a href="http://www.edelweissfin.com">www.edelweissfin.com</a>

## **Caution – Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs**

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our websites, [www.indiamart.com](http://www.indiamart.com), [www.tolexo.com](http://www.tolexo.com), [www.hellotrade.com](http://www.hellotrade.com), [www.10times.com](http://www.10times.com) or the websites of any of our Promoters, Promoter Group and Group Company or any affiliate of our Company or Selling Shareholder, would be doing so at his or her own risk. It is clarified that neither the Selling Shareholders, nor their respective directors, affiliates, associates and officers, accept and/ or undertake any responsibility for any statements made or undertakings provided other than those specifically made by such Selling Shareholder in relation to themselves and/or to the Equity Shares offered by them respectively, through the Offer for Sale.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the Bidders and public at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centers or elsewhere.

Neither our Company, the Selling Shareholders nor any member of the Syndicate shall be liable to the Bidders for any failure in (i) uploading the Bids, due to faults in any software or hardware system, or otherwise or (ii) blocking of application amount by the SCSBs (including on receipt of instruction from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI mechanism).

The BRLMs and their respective associates may engage in transactions with, and perform services for our Company, the Promoters, members of the Promoter Group, Group Company, the Selling Shareholders, and their respective affiliates or associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company, the Selling Shareholders, our Group Company or our respective affiliates or associates for which they have received, and may in future receive compensation.

Bidders that bid in the Offer were required to confirm, and were deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire our Equity Shares.

#### **Disclaimer in respect of Jurisdiction**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India, Hindu Undivided Families (“HUFs”), companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under the applicable trust laws, and who are authorized under their constitution to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, NBFC-SI, venture capital funds, permitted insurance companies and pension funds and, to permitted non-residents including Eligible NRIs, Alternative Investment Funds (“AIFs”), Foreign Portfolio Investors registered with SEBI (“FPIs”) and QIBs. The Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at New Delhi, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus was filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, 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 U.S. state securities laws. The Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance upon section 3(c) (7) thereof. 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 (“**Rule 144A**”) and referred to in this Prospectus 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 Prospectus as **QIBs**) in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, that are also “qualified purchasers” (as defined under the U.S. Investment Company Act) in reliance upon section 3(c)(7) of the U.S. Investment Company Act and (ii) outside the United States to non-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 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 or such jurisdiction.

### **Eligibility and Transfer Restrictions**

**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, unless so registered, 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 this Prospectus 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 Prospectus as QIBs) and “qualified purchasers” (as defined under the U.S. Investment Company Act and referred to in this Prospectus 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 the BSE or the 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 jurisdiction.**

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) 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.

### ***Eligible Investors***

The Equity Shares are 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;
- iii. 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 this Offer within the United States, by its acceptance of this Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company and the BRLMs that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer 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;
- (3) 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 a U.S. QIB and a QP, with respect to which it exercises sole investment discretion;
- (4) 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 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;
- (5) 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;
- (6) the purchaser understands that, subject to certain exceptions, to be a QP, entities must have U.S.\$25 million in “investments” (as defined in Rule 2a51-1 of the U.S. Investment Company Act);
- (7) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (8) the purchaser is not a participant-directed employee plan, such as a 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;
- (9) 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;
- (10) 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;
- (11) 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 other securities of the Company;
- (12) 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;

- (13)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 such partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are both QIBs and QPs;
- (14)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 QIBs and QPs);
- (15)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 Prospectus 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 the BSE or the NSE. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;
- (16)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;
- (17)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;
- (18)the purchaser will not deposit or cause to be deposited such Equity Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository 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;
- (19)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;
- (20)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 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 US 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.

- (21) 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;
- (22) 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;
- (23) the purchaser understands and acknowledges that our Company may be considered a "covered fund" for 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 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;
- (24) 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
- (25) the purchaser acknowledges that the Company, the BRLMs, 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 this Offer***

Each purchaser that is a non-U.S. Person and acquiring the Equity Shares sold pursuant to this Offer outside the United States, by a declaration included in the Bid cum Application Form and its acceptance of this Prospectus and of the Equity Shares sold pursuant to this Offer, will be deemed to have acknowledged, represented to and

agreed with the Company and the BRLMs that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Equity Shares sold pursuant to this Offer in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares issued pursuant to this Offer 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);
- (3) the purchaser is purchasing the Equity Shares issued pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;
- (4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares issued pursuant to this Offer, 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;
- (5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (6) 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 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 the 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;
- (7) 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;
- (8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine 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 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. 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 US 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.

- (9) 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;
- (10) 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;
- (11) 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;
- (12) the purchaser understands and acknowledges that our Company may be considered a "covered fund" for 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 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
- (13) the purchaser acknowledges that the Company, the BRLMs, 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.

In relation to each European Economic Area State that has implemented the Prospectus Directive (Directive 2003/71/EC) each, a Relevant Member State, an offer to the public of any Equity Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of the BRLMs; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Equity Shares shall result in a requirement for the Company or any BRLM to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in the Red Herring Prospectus will be deemed to have represented, warranted and agreed to with the BRLMs and the Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on 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, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the offering have not been acquired on a non-discretionary basis on behalf of, nor have they been 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 in a Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, other than their offer or resale to qualified investors or in circumstances in which the prior consent of the BRLMs has been obtained to each such proposed offer or resale.

The Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

#### **Disclaimer Clause of the BSE**

As required, a copy of the Draft Red Herring Prospectus was submitted with the BSE. The disclaimer clause as intimated by the BSE to us after scrutiny of the Draft Red Herring Prospectus is as set forth below.

*“BSE Limited (“the Exchange”) has given vide its letter dated August 07, 2018 permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purposes of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -*

- (a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- (b) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- (c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

*and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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.”*

#### **Disclaimer Clause of the NSE**

As required, a copy of the Draft Red Herring Prospectus was submitted with the NSE. The disclaimer clause as intimated by the NSE to us after scrutiny of the Draft Red Herring Prospectus is as set forth below.

*“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/232 dated August 03, 2018 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any*

*responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.*

*Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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 any other reason whatsoever.”*

### **Filing**

A copy of the Draft Red Herring Prospectus has been filed with the SEBI situated at Corporation Finance Department, Securities and Exchange Board of India, SEBI Bhawan, C – 4A, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India. Further, the soft copy of the DRHP in “.PDF” format has been uploaded on the SEBI Intermediary Portal at <https://siportal.sebi.gov.in>, in line with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the documents required to be filed, were delivered for registration to the RoC in accordance with Section 32 of the Companies Act, and a copy of this Prospectus is required to be filed under Section 26 of the Companies Act will be delivered for registration to the RoC situated at the address mentioned below.

*The Registrar of Companies, National Capital Territory of Delhi and Haryana  
4<sup>th</sup> Floor, IFCI Tower  
61, Nehru Place  
New Delhi 110 019  
India*

### **Listing**

Applications will be made to the Stock Exchanges for obtaining permission for listing of the Equity Shares being issued and sold in the Offer and NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with the applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders. In case of any delay in refund within the timelines prescribed under applicable laws, an interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period by our Company and the respective Selling Shareholders. However, subject to applicable law, the Selling Shareholders shall not be liable to reimburse any expenses towards refund or pay any interest thereon in respect to Allotment of their respective proportion of the Offered Shares or otherwise, unless the failure or default or delay, as the case may be, is solely on account of such Selling Shareholder.

Each of the Selling Shareholders, severally and not jointly, specifically undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company and the BRLMs, to the extent such support and cooperation is required from such Selling Shareholder to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

The Selling Shareholders specifically undertake to extend cooperation, as may be reasonably required and necessary as a selling shareholder in accordance with applicable law and as may be requested by our Company and BRLMs, only in relation to its portion of the Offered Shares, to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act which is reproduced below:

*"Any person who –*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under section 447."*

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term not less than six months, extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount. Further, the liability for fraud involving an amount less than ₹ 1 million or 1% of the turnover of the Company, whichever is lower, and not involving public interest, includes imprisonment for a term extend to five years or with fine which may extend up to ₹ 5 million or with both.

### **Consents**

Consents in writing of: (a) the Selling Shareholders, our Directors, the Chief Financial Officer, the Company Secretary and Compliance Officer, the legal counsels, the bankers to our Company, the Bankers to the Offer, industry sources, third party chartered accountants, the BRLMs and Registrar to the Offer have been obtained; and (b) the BRLMs, the Escrow Banks, the Syndicate Members, Public Offer Account Bank and Refund Bank to act in their respective capacities to act in their respective capacities, have been obtained and were filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act. Further, such consents were not withdrawn up to the time of delivery of the Red Herring Prospectus and will not be withdrawn up to the time of delivery of this Prospectus with the RoC, respectively.

### **Expert**

Our Company has received a written consent from the Statutory Auditors namely, S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act read with the SEBI ICDR Regulations, and as "experts", as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as an auditor and in respect of their (a) examination reports dated June 3, 2019 on our Restated Financial Statements, and their (b) report dated June 3, 2019 on the Statement of Tax Benefits included in this Prospectus, and such consent has not been withdrawn as on the date of this Prospectus. However, they should not be construed as "experts" as defined under U.S. Securities Act.

Additionally, our Company has received a written consent from AARK & Co. LLP, Chartered Accountants, to include their name in this Prospectus as an "expert", as defined under Section 2(38) read with Section 26 of the Companies Act, in connection with their certification on certain operational key performance indicators and certain other information included in this Prospectus.

### **Offer expenses**

For details of the Offer related expenses, see "***Objects of the Offer – Offer Related Expenses***" on page 115.

### **Fees, Brokerage and Selling Commission**

The total fees payable to the members of the Syndicate (including underwriting, commissions, brokerage and selling commissions), and reimbursement of their out of pocket expenses, will be as stated in the Syndicate Agreement to be executed among our Company, the Selling Shareholders and the members of the Syndicate,

copies of which were made available for inspection at our Registered Office, from 10.00 a.m. to 4.00 p.m. on Working Days from the date of filing the Red Herring Prospectus until the Bid/Offer Closing Date.

#### **Fees Payable to the Registrar to the Offer**

The fees payable to the Registrar to the Offer including fees for processing of Bid cum Application Forms, data entry, printing of Allotment Advice, refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Registrar Agreement, a copy of which were made available for inspection at our Registered Office on Working Days from 10.00 a.m. to 4.00 p.m. from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

#### **Particulars regarding Public or Rights Issues during the Last Five Years**

There have been no public or rights issues undertaken by our Company during the five years preceding the date of this Prospectus.

#### **Commission or Brokerage on Previous Issues**

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares since our incorporation.

#### **Previous Issues Otherwise than for Cash**

Except as disclosed in “*Capital Structure*” on page 93, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **Capital Issues in the Preceding Three Years**

Except as disclosed in “*Capital Structure*” on page 93, our Company has not made any capital issues during the three years preceding the date of this Prospectus. Our Group Company has not made any capital issues during the three years preceding the date of this Prospectus.

#### **Performance vis-à-vis Objects**

Our Company has not completed any public or rights issue in the 10 years immediately preceding the date of the Draft Red Herring Prospectus and until date.

#### **Performance vis- à-vis Objects: Last Issue of Group Company**

None of our Subsidiaries and our Group Company have undertaken any public or rights issues in the 10 years preceding the date of the Draft Red Herring Prospectus and until date.

#### **Outstanding Debentures, Bonds or Redeemable Preference Shares**

Our Company does not have any outstanding debentures, bonds or preference shares. For details of options outstanding under the ESOP Schemes of our Company, see “*Capital Structure – Employee Stock Option Scheme*” on page 97.

#### **Partly Paid-Up Shares**

As on the date of this Prospectus, there are no partly paid up Equity Shares of our Company.

#### **Stock Market Data of the Equity Shares**

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Prospectus, and accordingly, no stock market data is available for the Equity Shares.

#### **Mechanism for Redressal of Investor Grievances by our Company**

The Registrar Agreement, provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Investors may contact any of the BRLMs for any complaint pertaining to the Offer. All grievances other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders DP' ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of the ASBA Bidders. Our Company, the BRLMs and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

#### **Disposal of Investor Grievances by our Company**

We estimate that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Manoj Bhargava, our Company Secretary and Senior Vice President (Legal and Secretarial), as the Compliance Officer, who may be contacted in case of any pre-Offer or post-Offer related problems, at the following address:

#### ***Manoj Bhargava***

7th & 8th Floors, Advant-Navis Business Park  
Plot No-7, Sector-142  
Noida 201 301, Uttar Pradesh, India  
Tel: +91 (120) 6777 800  
Fax: +91 (120) 4873 101  
Email: cs@indiamart.com  
Website: www.indiamart.com

The Selling Shareholders have authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective portion of the Offered Shares.

Further, our Board has constituted a Stakeholders' Relationship Committee comprising our Directors, Vivek Narayan Gour (chairman), Brijesh Kumar Agrawal and Dhruv Prakash, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "***Our Management***" on page 186.

Our Company has not received any investor grievances during the three years preceding the date of this Prospectus and as on date, there are no investor complaints pending.

#### **Disposal of investor grievances by listed Group Company**

As on the date of this Prospectus, our Group Company is not listed on any stock exchange, and therefore there are no investor complaints pending against them.

### **Changes in Auditors**

There has been no change in our statutory auditors during the three years immediately preceding the date of this Prospectus.

In accordance with Section 139(2) of the Companies Act the term of our Statutory Auditor will expire with effect from the conclusion of our AGM to be held in fiscal 2020. Accordingly, we will appoint a new statutory auditor in such AGM, in compliance with Section 139 of the Companies Act.

### **Capitalization of Reserves or Profits**

Except as disclosed in “*Capital Structure*” on page 93, we have not capitalized our reserves or profits at any time during the five years preceding the date of this Prospectus.

### **Revaluation of Assets**

Our Company has not revalued its assets at any time during the last five years preceding the date of filing this Prospectus.

## SECTION VII – OFFER RELATED INFORMATION

### OFFER STRUCTURE

The Offer of 4,887,862\* Equity Shares of face value ₹ 10 each, at an Offer Price of ₹ 973 per Equity Share for cash aggregating to ₹ 4,755.89 million and made through the Book Building Process, through an Offer for Sale of 3,320,753\* Equity Shares by the Investor Selling Shareholders; of 1,430,109\* Equity Shares by the Promoter Selling Shareholders and 137,000\* Equity Shares on by the Other Selling Shareholders. The offer includes a reservation of 10,000 Equity Shares, for subscription by Eligible Employees, (constituting 0.04% of the post-offer Equity Share capital of our Company).The Offer and the Net Offer constitute 16.99% and 16.95% of the post-Offer paid-up Equity Share capital of our Company, respectively.

*\*Subject to finalisation of Basis of Allotment*

The Offer is being made through Book Building Process.

	<b>Eligible Employees</b>	<b>QIBs*</b>	<b>Non-Institutional Investors</b>	<b>Retail Individual Investors</b>
Number of Equity Shares available for allocation**	Up to 10,000 Equity Shares	Not less than 3,658,397 Equity Shares	Not more than 731,679 Equity Shares or Net Offer less allocation to QIBs and Retail Individual Investors	Not more than 487,786 Equity Shares or Net Offer less allocation to QIBs and Non-Institutional Investors
Percentage of Offer size available for allocation	The Employee Reservation Portion constituted 0.04% of the post-Offer paid-up Equity Share capital of our Company	Not less than 75% of the Net Offer size shall be Allotted to QIBs. 5% of the net QIB Category (excluding the Anchor Investor Portion) was made available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion were also eligible for allocation in the remaining balance QIB Category	Not more than 15% of the Net Offer or the Net Offer less allocation to QIBs and Retail Individual Investors	Not more than 10% of the Net Offer or the Net Offer less allocation to QIBs and Non Institutional Investors
Basis of Allotment if respective category is oversubscribed	Proportionate; the value of allocation to an Eligible Employee shall not exceed ₹ 200,000.	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to 73,168 Equity Shares were available for allocation on a proportionate basis to Mutual Funds only; and (b) 1,463,359 Equity Shares were available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate, subject to minimum Bid Lot. For details, see “Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIIs” on page 545.
Mode of Bidding		Through ASBA process only (other than Anchor Investors)		

	<b>Eligible Employees</b>	<b>QIBs*</b>	<b>Non-Institutional Investors</b>	<b>Retail Individual Investors</b>
Minimum Bid	15 Equity Shares	Such number of Equity Shares in multiples of 15 Equity Shares so that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of 15 Equity Shares so that the Bid Amount exceeds ₹ 200,000	15 Equity Shares
Maximum Bid	Such number of Equity Shares and in multiples of 15 Equity Shares so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹ 500,000, less Employee Discount	Such number of Equity Shares in multiples of 15 Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of 15 Equity Shares so that the Bid does not exceed the Offer (excluding the QIB Category), subject to applicable limits	Such number of Equity Shares in multiples of 15 Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	15 Equity Shares and in multiples of 15 Equity Shares thereafter	15 Equity Shares and in multiples of 15 Equity Shares thereafter		
Allotment Lot	15 Equity Shares and in multiples of one Equity Share thereafter		15 Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Category	
Trading Lot	One Equity Share			
Who can Apply***	Eligible Employees such that the Bid Amount does not exceed ₹ 500,000	Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than category III FPIs), scheduled commercial banks, mutual funds registered with the SEBI, venture capital funds registered with SEBI, FVCIs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial development corporations, NBFC-SI, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts and any category III FPIs registered with SEBI	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs

<b>Eligible Employees</b>	<b>QIBs*</b>	<b>Non-Institutional Investors</b>	<b>Retail Individual Investors</b>
	the GoI, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India		
Terms of Payment****	<b>In case of Anchor Investors:</b> Full Bid Amount was payable by the Anchor Investors at the time of submission of their Bids  <b>In case of all other Bidders:</b> Full Bid Amount was required be blocked by the SCSBs in the bank account of the Bidders, or by the Sponsor Bank through the UPI Mechanism (other than Anchor Investors) that was specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form		

\*Our Company, in consultation with the BRLMs allocated up to 60% of the QIB Category to Anchor Investors at the price at which allocation was made to Anchor Investors, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor was required to make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation was made to Anchor Investors, which price was determined by the Company in consultation with the BRLMs.

\*\*This Offer is made in accordance with Rule 19(2)(b) of the SCRR, through the Book Building Process wherein at least 75% of the Net Offer will be Allotted to QIBs on a proportionate basis, provided that the Anchor Investor Portion has been allocated on a discretionary basis. Further, not more than 15% of the Net Offer was made available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. Further, not more than 10% of the Net Offer was made available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations 2018, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws.

\*\*\*If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

\*\*\*\*Full Bid Amount was payable by the Anchor Investors at the time of submission of the Bid cum Application Form, provided that any difference between the price at which Equity Shares were allocated to the Anchor Investors and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

Bidders were required to confirm and have been deemed to have represented to our Company, the respective Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

## Employee Discount

The (i) Employee Discount was offered to Eligible Employees bidding in the Employee Reservation Portion, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion were required to ensure payment at the Cap Price, less Employee Discount, as applicable, at the time of making a Bid.

## Withdrawal of the Offer

Our Company and the Selling Shareholders in consultation with the BRLMs, reserve the right to not proceed with the Offer at any time after the Bid/Offer Opening Date but before Allotment. If our Company and the Selling Shareholders withdraw the Offer, our Company will issue a public notice within two days from the Bid/Offer Closing Date or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, will instruct the SCSBs or the Sponsor Bank, as the case may be, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If the Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, a

fresh draft red herring prospectus will be filed and/or submitted with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within six Working Days of the Bid/Offer Closing Date; and (ii) the final RoC approval of this Prospectus after it is filed and/or submitted with the RoC and the Stock Exchanges.

## **TERMS OF THE OFFER**

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations and the SEBI ICDR Regulations 2018 to the extent applicable, the SCRA, the SCRR, the MoA, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and this Prospectus, the Bid cum Application Form, the Revision Form, the CAN, the abridged prospectus and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and offer for sale and listing and trading of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as maybe prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

### **Ranking of Equity Shares**

The Equity Shares being offered and transferred in the Offer will be subject to the provisions of the Companies Act, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respect with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company. For more information, see "**Main Provisions of the Articles of Association**" on page 556.

### **Mode of Payment of Dividend**

Our Company will pay dividend, if declared, to our Shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared, after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale) in this Offer, will be received by the Allotees, in accordance with applicable law. For more information, see "**Dividend Policy**" and "**Main Provisions of our Articles of Association**" on pages 205 and 556, respectively.

### **Face Value and Price Band**

The face value of each Equity Share is ₹ 10. At any given point of time there will be only one denomination for the Equity Shares. The Floor Price of the Equity Shares is ₹ 970 and the Cap Price of the Equity Shares is ₹ 973.

The (i) Price Band was decided by our Company in consultation with the Selling Shareholders and the BRLMs and (ii) the minimum Bid Lot and Employee Discount was decided by our Company in consultation with the BRLMs, and were published at least two Working Days prior to the Bid/Offer Opening Date, in all editions of 'The Financial Express'(a widely circulated English national daily newspaper) and all editions of 'Jansatta'(a widely circulated Hindi national daily newspaper, Hindi also being the regional language in the place where our Registered Office is located), and were made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price were required to be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchanges.

### **Rights of the Equity Shareholder**

Subject to applicable law and our Articles of Association, the equity Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;

- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our MoA and Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see “*Main Provisions of the Articles of Association*” on page 556.

### **Market Lot and Trading Lot**

In terms of Section 29 of the Companies Act, the Equity Shares will be Allotted only in dematerialized form. The trading of our Equity Shares will only be in dematerialized form.

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of 15 Equity Shares. For the method of Basis of Allotment, see “*Offer Procedure*” on page 500.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

### **Nomination Facility**

In accordance with Section 72 of the Companies Act, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder’s death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, will, on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

### **Bid/Offer Period**

<b>BID/OFFER OPENED ON*</b>	June 24, 2019 (Monday)
<b>BID/OFFER CLOSED ON</b>	June 26, 2019 (Wednesday)
<b>FINALIZATION OF BASIS OF ALLOTMENT</b>	On or about July 1, 2019 (Monday)
<b>INITIATION OF REFUNDS</b>	On or about July 2, 2019 (Tuesday)

<b>CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS</b>	On or about July 3, 2019 (Wednesday)
<b>COMMENCEMENT OF TRADING</b>	On or about July 4, 2019 (Thursday)

\* The Anchor Investor Bidding Date was one Working Day prior to the Bid/Offer Opening Date, i.e., June 21, 2019.

This timetable, is indicative in nature and does not constitute any obligation or liability on our Company, the respective Selling Shareholders or the members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, the timetable may be subject to change for various reasons, including extension of Bid/Offer Period by our Company, due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc.

**The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. Each Selling Shareholder, severally and not jointly, specifically confirms that it shall extend reasonable cooperation as required by our Company and the BRLMs, in accordance with applicable law, for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (in relation to the Equity Shares offered by such Selling Shareholders in the Offer for Sale) at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.**

Except in relation to Anchor Investors, Bids and any revision in Bids were accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Offer Period at the Bidding Centers, except that on the Bid/Offer Closing Date, Bids were accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) for Bids by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. or such extended time as permitted by the Stock Exchanges (Indian Standard Time) in case of Bids by Retail Individual Investors and Eligible Employees bidding in the Employee Reservation Portion. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors and Eligible Employees bidding in the Employee Reservation Portion after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges.

Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders were advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that if a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected. Our Company, the respective Selling Shareholders and the members of Syndicate will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids were accepted only on Working Days. Investors may please note that as per letters dated July 3, 2006 and July 6, 2006, issued by the BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

### **Minimum Subscription**

As the Offer is entirely through Offer for Sale, the requirement of 90% minimum subscription under the SEBI ICDR Regulations 2018 is not applicable to the Offer. In the event our Company fails to ensure that the number of Bidders to whom the Equity Shares are Allotted in the Offer is more than 1,000, our Company shall forthwith refund the entire subscription amount received within the timelines prescribed under applicable laws, failing which, our Directors, who are officers in default (jointly and severally) and the respective Selling Shareholders shall be liable to repay that money with interest at the rate of 15% per annum. This is further subject to the compliance with Rule 19(2)(b) of the SCRR. Further, if at least 75% of the Net Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.

### **Arrangement for Disposal of Odd Lots**

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

### **Restriction on Transfer of Shares**

Except for lock-in of the pre-Offer Equity Shares, Promoter's minimum contribution and Anchor Investor lock-in in the Offer as detailed in "***Capital Structure***" on page 93, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. For details, see "***Main Provisions of the Articles of Association of Our Company***" on page 556.

### **Option to receive Equity Shares in Dematerialized Form**

In terms of Section 29 of the Companies Act, Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

## OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016, circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, each notified by SEBI ("General Information Document") included below under sub-section titled "**– Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and the SEBI ICDR Regulations 2018 and provisions of the Companies Act, to the extent applicable to a public issue and any other enactments and regulations. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, each notified by SEBI, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 ("UPI Circular") has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, has been made effective along with the existing process and existing timeline of T+6 days ("UPI Phase I"). Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds will be discontinued and only the UPI Mechanism with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Investors ("UPI Phase III"), as may be prescribed by SEBI.

**The Offer was undertaken under UPI Phase I.**

Our Company, the respective Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.

## PART A

### **Book Building Procedure**

The Offer was made through the Book Building Process in compliance with Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Net Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company in consultation with the BRLMs have allocated 60% of the QIB Category to Anchor Investors on a discretionary basis, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the price at which allocation was made to Anchor Investors. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category (other than Anchor Investor Portion). Further, 5% of the QIB Category (excluding the Anchor Investor Portion) was made available for allocation on a proportionate basis to Mutual Funds only, and

the remainder of the QIB Category was made available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Offer was made available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer was made available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations 2018, subject to valid Bids being received at or above the Offer Price. Further, 10,000 Equity Shares, aggregating up to ₹ 9.73 million were made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or over the Offer Price.

Any unsubscribed Equity Shares in the Employee Reservation Portion shall be added to the Net Offer to the public. Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which did not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, and UPI ID (for Retail Individual Investors, each Bidding through the UPI Mechanism), were treated as incomplete and were liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus were made available with the Designated Intermediaries at relevant Bidding Centers and at our Registered Office and Corporate Office. The Bid cum Application Forms were also made available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)) and the BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Offer Opening Date. The Bid cum Application Forms for Eligible Employees Bidding in the Employee Reservation Portion were made available only at our Registered Office.

For Anchor Investors, the Bid cum Application Forms were made available at the offices of the BRLMs.

Bidders (other than Anchor Investors) were required to compulsorily use the ASBA process to participate in the Offer. Anchor Investors were not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and Retail Individual Investors Bidding using the UPI Mechanism) were required to provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that did not contain such detail were liable to be rejected.

Retail Individual Investors Bidding using the UPI Mechanism were required to provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that did not contain the UPI ID were liable to be rejected.

Further, Bidders were required to ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms not bearing such specified stamp maybe liable for rejection. Bidders were required to ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount could be blocked therein.

Retail Individual Investors using UPI Mechanism, were required to submit their ASBA Forms with Syndicate Members, Registered Brokers, CRTA or CDPs, in the manner set out in “**– Part B - Payment instructions for Bidders (other than Anchor Investors)**” on page 527.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis <sup>^</sup>	White
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions <sup>^</sup>	Blue
Anchor Investors**	White
Eligible Employees Bidding in the Employee Reservation Portion***	Pink

\* Excluding electronic Bid cum Application Forms

\*\*Bid cum Application Forms for Anchor Investors were made available at the office of the BRLMs.

\*\*\* The Bid cum Application Forms for Eligible Employees were made available only at our Registered Office.

<sup>^</sup> Electronic Bid cum Application forms were also made available for download on the website of the NSE ([www.nseindia.com](http://www.nseindia.com)) and the BSE ([www.bseindia.com](http://www.bseindia.com)).

**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, unless so registered, 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 U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Prospectus 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 Prospectus as QIBs) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States 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 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.**

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms (except Bid cum Application Forms submitted by Retail Individual Investors, Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For Retail Individual Investors using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such Retail Individual Investors for blocking of funds.

### **Who can Bid?**

In addition to the category of Bidders set forth under the sub-section “- **Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue**” on page 519, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- scientific and/or industrial research organisations authorized in India to invest in the Equity Shares; and
- any other persons eligible to Bid in the Offer under the laws, rules, regulations, guidelines and policies applicable to them.

### **Participation by associates and affiliates of the BRLMs and the Syndicate Members, Promoters, Promoter Group and persons related to Promoter/Promoter Group**

The BRLMs and the Syndicate Members are not allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members are permitted to purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, have been treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs (except Category III FPIs) sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLM, its

respective associates or any person related to the Promoters or the Promoter Group could apply in the Offer under the Anchor Investor Portion. For details, see “*- Bids by Anchor Investors*” on page 506.

However, the Promoters have participated in the Offer to the extent that they are offering their Equity Shares in the Offer for Sale.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason therefor. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Eligible NRIs applying on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) accounts, and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form.

Eligible NRIs Bidding on a repatriation basis were advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Eligible NRIs Bidding on non-repatriation basis were advised to use the Bid cum Application Form for residents (white in colour).

In terms of the applicable FEMA regulations and pursuant to a Board resolution dated June 4, 2018 and resolution of the shareholders of our Company dated June 11, 2018 the aggregate limit for investments by NRIs has been increased to 24% of our paid-up Equity Share capital.

### **Bids by FPIs**

In terms of the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2014 (“**SEBI FPI Regulations**”), investment in the Equity Shares by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) shall be below 10% of our post-Offer Equity Share capital.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

In terms of applicable FEMA regulations and the SEBI FPI Regulations, investments by FPIs in the capital of an Indian company is subject to certain limits, i.e. the individual holding of an FPI is restricted to below 10% of the capital of the company and the aggregate limit for FPI investment is capped at 24% of the capital of the company. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard

and our Company and the investor will be required to comply with applicable reporting requirements. Further, the aggregate limit for FPI investment in a company can be increased up to the applicable sectoral cap by passing a board resolution, followed by a special resolution by the Shareholders, subject to prior intimation to the RBI. Our Company has, pursuant to a Board resolution dated June 4, 2018 and resolution of the shareholders of our Company dated June 11, 2018, increased the aggregate limit for investments by FPIs to 49% of our paid-up Equity Share capital.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

### **Bids by SEBI registered Alternative Investment Funds and Venture Capital Funds**

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, the venture capital funds which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “**Banking Regulation Act**”), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank’s own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank’s interest on loans/investments made to a company.

### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered

SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“**IRDA Investment Regulations**”), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLMs, may deem fit.

### **Bids by Eligible Employees**

The Bid must be for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 on a net basis. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (which will be less Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be allocated on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be less Employee Discount). Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (*i.e.* pink colour form).
- (b) The Bid must be for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹ 500,000 on a net basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.
- (c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.

- (d) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion and the Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.
- (e) Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category.
- (f) Eligible Employees can also Bid in the Net Offer to the Public and such Bids shall not be treated as multiple Bids.
- (g) In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.
- (h) Eligible Employee shall not Bid through the UPI mechanism
- (i) If the aggregate demand in this category is less than or equal to 10,000 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (j) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer. In case of under-subscription in the Net Offer, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion.

For the method of proportionate basis of allocation, see “*Offer Procedure – Part B – Allotment Procedure and Basis of Allotment*” on page 545.

#### **Bids by Anchor Investors**

Except for Mutual Funds, AIFs or FPIs (except Category III FPIs) sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLM, its respective associates or any person related to the Promoters or the Promoter Group can apply in the Offer under the Anchor Investor Portion.

A QIB who has any of the following rights shall be deemed to be a person related to the Promoters or members of Promoter Group: (a) rights under a shareholders’ agreement or voting agreement entered into with promoters or promoter group; (b) veto rights; and (c) right to appoint any nominee on the board of the issuer company.

Further, an Anchor Investor shall be deemed to be an “associate of the BRLM” if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

For details in relation to Bids by Anchor Investors, see the section entitled “*Offer Procedure – Part B – General Information Document for Investing in Public Issues*” on page 515.

#### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.

**The above information is given for the benefit of the Bidders. Our Company, the respective Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Prospectus.**

**In accordance with RBI regulations, OCBs cannot participate in the Offer.**

#### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, our Company, after registering the Red Herring Prospectus with the RoC, published a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of 'The Financial Express' (a widely circulated English national daily newspaper) and all editions of 'Jansatta' (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in the place where our Registered Office is located).

#### **Signing of Underwriting Agreement and filing of Prospectus with the RoC**

Our Company and the Selling Shareholders have entered into an Underwriting Agreement with the Underwriters, and immediately after execution of the Underwriting Agreement, the Company is filing this Prospectus with the RoC. This Prospectus contains details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and is complete in all material respects.

#### **General Instructions**

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors were permitted to revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

##### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;
4. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
5. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
6. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. Retail Individual Investors using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, CRTA or CDPs and should ensure that the Bid cum Application Form contains the stamp of such Designated Intermediary;
8. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;

9. If the first Bidder is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be). Bidders (except Retail individual Investors Bidding using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form. Retail Individual Investors Bidding using the UPI Mechanism should ensure that they have mentioned the correct UPI-linked bank account number and their correct UPI ID in the Bid cum Application Form;
10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
12. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form from the concerned Designated Intermediary;
13. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
14. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;
20. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
21. Bidders (except Retail individual Investors Bidding using the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors Bidding using the UPI Mechanism, should ensure that you approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

22. Note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
23. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
24. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
25. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor may be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
26. Retail Individual Investors Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
27. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her ASBA Account maintained with the SCSB and subsequent debit of funds in case of allotment in a timely manner; and
28. Bids by Eligible NRIs, HUFs and Category III FPIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;

7. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company or at a location other than the Bidding Centers;
8. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
12. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
13. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders) and ₹ 500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
14. Do not submit the General Index Register (GIR) number instead of the PAN;
15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
16. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
17. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
18. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
19. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;
20. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
21. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
22. Do not submit more than one Bid cum Application Form per ASBA Account;
23. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;
24. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism); and
25. Do not submit ASBA Bids to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>) In case of Retail Individual Investors Bidding through the UPI Mechanism, do not submit the Bid cum Application Form directly with SCSBs.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

### **Payment into Escrow Account**

Our Company in consultation with the BRLMs, in their absolute discretion, decided the list of Anchor Investors to whom the CAN has been sent, pursuant to which the details of the Equity Shares allocated to them in their respective names have been notified to such Anchor Investors. Anchor Investors were not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors were required to transfer the Bid Amount (through direct credit, RTGS or NEFT). The payment instruments for payment into the Escrow Accounts were required to be drawn in favour of:

- (i) In case of resident Anchor Investors: "INDIAMART INTERMESH – IPO – ANCHOR – R"
- (ii) In case of non-resident Anchor Investors: "INDIAMART INTERMESH – IPO – ANCHOR – NR"

Anchor Investors were required to note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

### **Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among the Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated June 23, 2015 among NSDL, the Company and the Registrar to the Offer.
- Agreement dated May 29, 2015 among CDSL, the Company and Registrar to the Offer.

### **Undertakings by our Company**

Our Company undertakes the following:

- (i) That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (ii) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;
- (iii) That all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other timeline as may be prescribed by SEBI;
- (iv) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by the Company;
- (v) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/ Offer Closing Date, or such time period as specified by SEBI, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- (vi) That, except for any allotment of Equity Shares to employees of our Company pursuant to exercise of stock options granted under the IndiaMART ESOS 2015, no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;

- (vii) That if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- (viii) That if our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company or the Selling Shareholders subsequently decides to proceed with the Offer;
- (ix) That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;
- (x) That adequate arrangements shall be made to collect all Bid cum Application Forms; and
- (xi) That our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

#### **Undertakings by each of the Promoter Selling Shareholders and Other Selling Shareholders**

Each of the Promoter Selling Shareholders, severally and not jointly, and each of the Other Selling Shareholders, severally and not jointly, undertakes and confirms the following:

- (i) The Equity Shares being sold by him/her pursuant to the Offer (i) are fully paid-up; (ii) have been held by him for a minimum period of one year prior to the filing of the Draft Red Herring Prospectus with SEBI, such period determined in accordance with Regulation 26 (6) of the SEBI ICDR Regulations or issued pursuant to a bonus issue of Equity Shares out of our securities premium account, against Equity Shares held by such Selling Shareholder for a period exceeding one year; (iii) shall be transferred in the Offer free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrance or transfer restrictions, both present and future, with good, marketable and valid title to such Equity Shares, in a manner prescribed under applicable law in relation to the Offer, without any demurral on allocation and in accordance with the instructions of the Registrar to the Offer; and (iv) have been transferred to an escrow demat account in dematerialized form prior to the filing of the Red Herring Prospectus with the Registrar of Companies by the Promoter Selling Shareholders and prior to filing the Draft Red Herring Prospectus by the Other Selling Shareholders, each in accordance with the Share Escrow Agreement;
- (ii) He/she is the legal and beneficial owner and has full title to the Equity Shares being offered by him in the Offer;
- (iii) He/she shall not access the proceeds from the Equity Shares offered by him in the Offer, until the receipt of final listing and trading approvals from the Stock Exchanges;
- (iv) He/she has authorized the Company Secretary and Compliance Officer and the Registrar to the Offer to redress complaints, if any, in relation to the Equity Shares held by him and being offered pursuant to the Offer, and he shall extend reasonable assistance to our Company and the BRLMs in this regard;
- (v) Upon listing of the Equity Shares on the Stock Exchanges pursuant to the Offer, each of the Promoter Selling Shareholders and Other Selling Shareholders, further severally agree that they shall reimburse the Company pro-rata for any expenses incurred on behalf of the respective each of the Promoter Selling Shareholders and Other Selling Shareholders towards refund of the money raised in the Offer, in respect of their respective proportion of the Offered Shares together with any proportionate interest thereon, to the Bidders if required to do so under applicable law;
- (vi) He/she shall provide such reasonable support and extend such reasonable assistance as may be required or reasonably requested by the Company and/or the BRLMs in completion of necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days of the Bid/Offer Closing Date;

- (vii) He/she shall not further transfer the Equity Shares offered in the Offer during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/to be Allotted pursuant to the Offer and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by him in the Offer;
- (viii) He/she shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the Offer, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes a Bid in the Offer.
- (ix) In case of delay, interest as per applicable law shall be paid by the Promoter Selling Shareholder / Other Selling Shareholders, as applicable, in proportion to his Offered Shares;
- (x) The Other Selling Shareholders shall provide reasonable assistance to our Company and the BRLMs in taking all steps as may be required for completion of the necessary formalities for listing and commencement of trading of the Equity Shares on the Stock Exchanges, including in respect of the dispatch of refund orders or Allotment Advice or communications to the Bidders in relation to electronic refunds; and
- (xi) He/she shall comply with all applicable laws, in India, in relation to the Offer and the transfer of his respective Offered Shares pursuant to the Offer.

#### **Undertakings by the Investor Selling Shareholders**

Each Investor Selling Shareholder, severally and not jointly, confirms and undertakes specifically the following in respect of itself as a Selling Shareholder and the Equity Shares being offered by it pursuant to the Offer:

- (i) That it is the legal and beneficial owner of its portion of the Offered Shares;
- (ii) The Equity Shares offered pursuant to the Offer for Sale are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or encumbrances and have been held by the Investor Selling Shareholders for a period of at least one year prior to the date of the Draft Red Herring Prospectus or issued pursuant to a bonus issue of Equity Shares out of our securities premium account, against Equity Shares held by such Investor Selling Shareholder for a period exceeding one year, provided that, to the extent such Equity Shares have not been held for a period of one year prior to the date of the Draft Red Herring Prospectus, they have been resulted from the conversion of compulsorily convertible cumulative preference shares, which have been held the Investor Selling Shareholders for a period exceeding one year prior to the date of the Draft Red Herring Prospectus;
- (iii) That it shall not have recourse to the proceeds of the Offer for Sale until approval for trading of the Equity Shares is received from all Stock Exchanges where listing is sought;
- (iv) That it will deposit the Equity Shares offered by it in the Offer in an escrow account opened with the Registrar to the Offer at least two Working Days prior to filing of the Red Herring Prospectus with the RoC or any other date as may be mutually agreed in terms of the Share Escrow Agreement;
- (v) That it shall take such steps as may normally be required to ensure that its portion of the Offered Shares are available for transfer to successful Bidders in the Offer for Sale;
- (vi) That it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company, the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer; and
- (vii) That it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the Offer, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes a Bid in the Offer.

Each of the respective Promoter Selling Shareholders, the Investor Selling Shareholders and Other Selling Shareholders, along with the Company, severally and not jointly, specifically confirm and declare in respect of itself or himself only that all monies received from the Offer for Sale shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights certain key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR, SEBI ICDR Regulations for all the Draft Red Herring Prospectus filed prior to November 10, 2018 to the extent applicable and SEBI ICDR Regulations 2018. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus and this Prospectus before investing in the Offer.*

*SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 (“UPI Circular”) has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, has been made effective along with the existing process and existing timeline of T+6 days (“UPI Phase I”). Thereafter, for applications by Retail Individual Investors through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds will be discontinued and only the UPI Mechanism with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI.*

*The procedure set forth in this section is based on the assumption that the Offer will be under UPI Phase I. However, if the Bid/ Offer Opening Date falls after UPI Phase II becomes applicable in accordance with any circulars issued by SEBI from time to time, the Offer will be undertaken in accordance with the framework made applicable by SEBI through such circulars, including, among others, Bidding by Retail Individual Investors using the UPI Mechanism.*

*This Prospectus has been prepared in accordance with provisions and disclosure requirements of the SEBI ICDR Regulations except that the issue procedure including in relation to Bid/Offer Period, submission of Bid Cum Application Forms, Payment of Bid Amount, Allocation, Allotment, Refund of Bid Amount, if any and listing of the Equity Shares as described in the section “Offer Procedure” on page 500 including this General Information Document for Investing in Public Issues (each read with “Glossary and Abbreviations” on page 550), has been prepared in accordance with SEBI ICDR Regulations 2018.*

### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations and SEBI ICDR Regulations 2018.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus (“RHP”)/ Prospectus filed by the Issuer with the RoC. Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP and the Prospectus, the disclosures in this RHP and the Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Offer and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section “Glossary and Abbreviations”.

## **SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs**

### **2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

### **2.2 Further public offer (FPO)**

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

### **2.3 Other Eligibility Requirements:**

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, SEBI ICDR Regulations 2018 (to the extent applicable), the Companies Act (to the extent notified and in effect), the SCRR, industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

### **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Offer Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Offer (“**Fixed Price Issue**”).

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-offer advertisement was given at least two Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Offer Opening Date, in case of an FPO and determine the Offer Price at a later date before registering the Prospectus with the Registrar of Companies.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to this RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

### **2.5 OFFER PERIOD**

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the

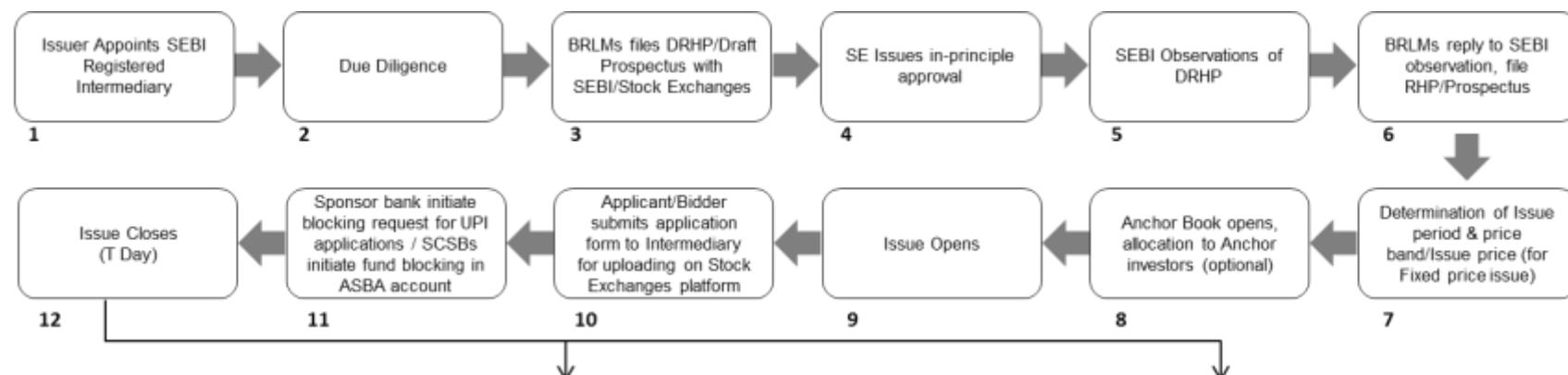
Floor Price or Price Band in Book Built Issues the Bid/Offer Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard. In case of force majeure, banking strike or similar circumstances, the Issuer may, for reasons to be recorded in writing, extend the bidding (Issue) period for a minimum period of three working days, subject to the total Bid/Offer Period not exceeding 10 Working Days.

## **2.6 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Offer other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7 : Determination of Offer Date and Price
  - ii. Step 10: Applicant submits Bid cum Application Form with Designated Intermediaries.

### Flow chart of Timeline for Phase I



S.no	Day	Retail applications with UPI	Retail applications without UPI and QIB/NII applications
13	T+1	<ul style="list-style-type: none"> <li>Sponsor Bank to initiate request for blocking of funds to investor for any balance applications</li> <li>Sponsor Bank may not accept bid details from stock exchange post T+1</li> </ul>	<ul style="list-style-type: none"> <li>Intermediaries to forward a schedule as per requisite format and application forms to SCSBs for blocking of funds</li> <li>Designated branches of SCSBs may not accept schedule and application post T+1</li> </ul>
14	T+2	<ul style="list-style-type: none"> <li>Applicant to accept mandate request for blocking of funds prior to cut off-time of 12:00 p.m.</li> <li>Sponsor Bank to send Final Certificate to the registrar through stock exchange by end of the day</li> </ul>	<ul style="list-style-type: none"> <li>SCSBs to send Final Certificate to the registrar by end of the day</li> </ul>
15	T+2	<ul style="list-style-type: none"> <li>Registrar to reconcile the compiled data received from the stock exchanges, all SCSBs and Sponsor Bank</li> <li>Registrar to undertake "Technical Rejection"</li> </ul>	
16	T+3	<ul style="list-style-type: none"> <li>Approval of Basis of allotment by designated stock exchange</li> <li>Registrar and merchant banker to issue funds transfer instructions to SCSBs and Sponsor Bank</li> </ul>	
17	T+4	<ul style="list-style-type: none"> <li>SCSBs and Sponsor Bank to credit the funds in public issue account of the issuer</li> <li>Registrar / Issuer to initiate corporate action for credit of shares to successful allottees</li> <li>Issuer and registrar to file allotment details with designated stock exchange(s)</li> <li>Registrar to send bank-wise data of allottees, amount due and balance amount to be unblocked to SCSBs / Sponsor Bank.</li> </ul>	
18	T+5	<ul style="list-style-type: none"> <li>Registrar to receive confirmation of demat credit from depositories</li> <li>Issuer to make a listing application to stock exchanges</li> <li>Stock exchanges to issue commencement of trading notice</li> </ul>	
19	T+6	<ul style="list-style-type: none"> <li><b>Trading commences</b></li> </ul>	

### **SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE**

**Each Bidder/Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits or in specific sectors as specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to hold and invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares; Scientific and/or industrial research organisations in India, authorised to invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

### **SECTION 4: APPLYING IN THE ISSUE**

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus and advertisement(s) in newspapers. For Anchor Investors, Bid cum Application Forms shall be available at the offices of the BRLM.

**Fixed Price Issue:** Applicants should only use the specified Bid cum Application Form bearing the stamp of the Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus and advertisement(s) in newspapers.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FPIs on a repatriation basis	Blue

<b>Category</b>	<b>Colour of the Bid cum Application Form</b>
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to Allotment.

#### **4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM**

Bidders/Applicants may note that Bid Cum Application forms not filled completely or correctly as per instructions provided in this GID, the RHP/Prospectus and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

## Application Form – For Residents

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC OFFER - R</b> <small>Registered Office: _____ Tel: _____ Fax: _____  Corporate Office: _____ Tel: _____ Fax: _____  Contact Person: _____ Tel: _____ Fax: _____ E-mail: _____ Website: _____  Circular Reference Number: _____ Date: _____</small>			<b>FOR RESIDENT INDIAN INVESTORS, INCLUDING RESIDENT QIBs, NON-INSTITUTIONAL BIDDERS, RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE NRIs APPLYING ON A NON-BREPATENT BASIS</b>
<b>LOGO</b> To, The Board of Directors <b>XYZ LIMITED</b>	<b>100% BOOK BUILT OFFER</b> <b>ISIN : XXXXXXXXX</b>	<b>Bid cum Application Form No.</b>		
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b> REGISTERED BROKER'S STAMP & CODE		<b>I. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>		
<b>SUB-BROKER'S SUB-AGENT'S STAMP &amp; CODE</b> SCSB BRANCH STAMP & CODE		Mr. /Ms. /M/s _____ Address _____ Email _____ Tel. No. (with STD code) / Mobile _____		
<b>BANK BRANCH SERIAL NO.</b> SCSB SERIAL NO.		<b>2. PAN OF SOLE / FIRST BIDDER</b>		
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		<b>B. INVESTOR STATUS</b>		
<small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small>		<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB		
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>		<b>C. CATEGORY</b>		
<b>Bid Options</b>  <input type="checkbox"/> Option 1 <input type="checkbox"/> (OR) Option 2 <input type="checkbox"/> (OR) Option 3	<b>No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)</b>		<b>Price per Equity Share (₹)/ "Cut-off" (Prices in multiples of ₹ 1/- only) (in Figures only)</b>	
	<input type="checkbox"/> Bid Price	<input type="checkbox"/> Retail Discount	<input type="checkbox"/> Net Price	<input type="checkbox"/> "Cut-off" (Max. ✓ Min.)
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>5. PAYMENT DETAILS (IN CAPITAL LETTERS)</b>		<b>F. PAYMENT OPTION</b> <input type="checkbox"/> FULL PAYMENT <input type="checkbox"/> PART PAYMENT		
Amount blocked (₹ in figures) _____ (₹ in words) _____				
<b>G. ASBA</b> Bank A/c No. _____ Bank Name & Branch _____ OR UPI Id (Maximum 45 characters) _____				
<b>H. SIGNATURE OF SOLE / FIRST BIDDER</b>  Date: _____, 2018		<b>I. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORD)</b> I enclose the SCSB to do all acts at its necessary to make the application in the Offer 1) 2) 3)		<b>J. SYNDICATE MEMBER / REGISTERED BROKER / SCSCB / CDP / RTA</b> I acknowledge upload of bid in Stock Exchange system
<b>TEAR HERE</b>				
<b>LOGO</b>	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC OFFER - R</b>		<b>Bid cum Application Form No.</b>	
<b>PAN of Sole / First Bidder</b>				
<b>DPID / CLID</b>				
Amount blocked (₹ in figures) _____ ASBA Bank A/c No./UPI Id _____		<b>Stamp &amp; Signature of SCSB Branch</b>		
Bank Name & Branch _____				
Received from Mr. /Ms. /M/s _____				
Telephone / Mobile _____ Email _____				
<b>TEAR HERE</b>				
<b>XYZ LIMITED - INITIAL PUBLIC OFFER - R</b>	<b>Stamp &amp; Signature of Syndicate Member / Registered Broker / SCSCB / CDP / RTA</b>		<b>Name of Sole / First Bidder</b>  <b>Acknowledgement Slip for Bidder</b>	
<b>Stamp &amp; Signature of Syndicate Member / Registered Broker / SCSCB / CDP / RTA</b>				
ASBA Bank A/c No./UPI Id _____ Bank Name & Branch _____		<b>Bid cum Application Form No.</b>		
<b>XYZ LIMITED</b>				

Important Note: Application made using third party UPI ID or ASBA Bank A/c is liable to be rejected.

## Application Form – For Non – Residents

<b>COMMON BID CUM APPLICATION FORM</b>		<b>XYZ LIMITED - INITIAL PUBLIC OFFER - NR</b> <small>Registered Office: _____ Tel: _____ Fax: _____ Corporate Office: _____ Tel: _____ Fax: _____ Corporate Address: _____ Tel: _____ Fax: _____ Corporate Identity Number: _____</small>		<small>FOR NON-RESIDENTS INCLUDING ELIGIBLE NRI, FVCI, FPI AND REGISTERED BIILATERAL AND MULTI-LATERAL DEVELOPMENT FINANCIAL INSTITUTIONS APPLYING ON A REPATRIATION BASIS</small>					
<small>TEAR HERE →</small>		<b>LOGO</b> <b>To,</b> <b>The Board of Directors</b> <b>XYZ LIMITED</b>	<b>100% BOOK BUILT OFFER</b> <b>ISIN : XXXXXXXXX</b>	<b>Bid cum</b> <b>Application</b> <b>Form No.</b>					
<b>SYNDICATE MEMBER/STAMP &amp; CODE</b> <input type="checkbox"/>		<b>REGISTERED BROKER/BRANCH STAMP &amp; CODE</b> <input type="checkbox"/>		<b>I. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr. /Ms. /M/s _____ <input type="checkbox"/> Address _____ <input type="checkbox"/> Email _____ <input type="checkbox"/> Tel. No. (with STD code) / Mobile _____ <input type="checkbox"/>					
<b>SUB-BROKER/SUB-AGENT STAMP &amp; CODE</b> <input type="checkbox"/>		<b>SCSB BRANCH STAMP &amp; CODE</b> <input type="checkbox"/>		<b>2. PAN OF SOLE / FIRST BIDDER</b> <input type="checkbox"/>					
<b>BANK BRANCH SERIAL NO.</b> <input type="checkbox"/>		<b>SCSB SERIAL NO.</b> <input type="checkbox"/>							
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDR <input type="checkbox"/> CDSL <input type="checkbox"/>									
<small>For NSDR, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small>									
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>		<b>No. of Equity Shares Bid (in Figures)</b> <small>(Bids must be in multiples of Bid Lot as advertised)</small>		<b>Price per Equity Share (₹)/ "Cut-off"</b> <small>(Price in multiples of ₹/- only) (in Figures only)</small>					
<b>Bid Options</b>  <input type="checkbox"/> Option 1 <input type="checkbox"/> (OR) Option 2 <input type="checkbox"/> (OR) Option 3	Bid Price <small>9 8 7 6 5 4 3 2 1</small>		Retail Discount <small>9 8 7 6 5 4 3 2 1</small>		Net Price <small>"Cut-off" Price ✓ ₹/lot</small>				
						<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>			
								<input type="checkbox"/> <input type="checkbox"/>	
<b>5. PAYMENT DETAILS (IN CAPITAL LETTERS)</b>		<b>PAYMENT OPTION</b> <input type="checkbox"/> FULL PAYMENT <input type="checkbox"/> PART PAYMENT							
Amount Blocked (₹ in figures) _____ <small>(₹ in words)</small>									
ASBA _____ Bank A/c No. _____ Bank Name & Branch _____									
CIB _____ UPI (Maximum 45 characters) _____									
<b>AA. SIGNATURE OF SOLE / FIRST BIDDER</b> <small>Date: _____, 2018</small>			<b>BB. SIGNATURE OF ASHA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORD)</b> <small>I/We authorise the SCSB to do all acts at its necessary to make the application in the Offer</small> 1) 2) 3)						
<small>TEAR HERE</small>			<b>C. PAN OF Sole / First Bidder</b> <small>ASHA Bank A/c No./UPI _____</small>						
<b>LOGO</b> <b>XYZ LIMITED</b> <b>INITIAL PUBLIC OFFER - NR</b>		<b>Acknowledgement Slip for Syndicate Member/Registered Broker/SCSB/CDP/RTA</b>		<b>Bid cum Application Form No.</b>					
DPID / CLID _____									
Amount blocked (₹ in figures) _____ Bank Name & Branch _____		ASHA Bank A/c No./UPI _____		<b>Stamp &amp; Signature of SCSB Branch</b> <input type="checkbox"/>					
Received from Mr./Ms./M/s _____ Telephone / Mobile _____ Email _____									
<small>TEAR HERE</small>									
<b>XYZ LIMITED - INITIAL PUBLIC OFFER - NR</b>		<b>Stamp &amp; Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA</b>		<b>Name of Sole / First Bidder</b> <input type="checkbox"/> <input type="checkbox"/>					
ASHA Bank A/c No./UPI _____ Bank Name & Branch _____				<b>Acknowledgement Slip for Bidder</b> <input type="checkbox"/>					
<small>Important Note: Application made using third party UPI or ASHA Bank A/c are liable to be rejected.</small>				<b>Bid cum Application Form No.</b>					
<b>XYZ LIMITED</b>									

Specific instructions for filing various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below:

#### **4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications(including letters notifying the unblocking of the bank accounts of Bidders (other than Anchor Investors) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act which is reproduced below:

***“Any person who:***

- (a) ***makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
- (b) ***makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***
- (c) ***otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***

***shall be liable for action under Section 447.”***

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term not less than six months, extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount. Further, the liability for fraud involving an amount less than ₹ 1 million or 1% of the turnover of the Company, whichever is lower, and not involving public interest, includes imprisonment for a term extend to five years or with fine which may extend up to ₹ 5 million or with both.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

#### **4.1.2 FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

- (a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose sole name or first name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("**PAN Exempted Bidders/Applicants**"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of PAN Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

#### **4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice or unblocking of ASBA Account or for any correspondence(s) related to an Offer.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

#### **4.1.4 FIELD NUMBER 4: BID OPTIONS**

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation at the place where the Issuer's registered office is located, at least two Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs

undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders in the Shareholder Reservation portion (if any) can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs are liable to be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The Allotment of specified securities to each RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.
- In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at ‘Cut-off Price’.
- (d) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII’s cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- (e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹.10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

- (g) A Bid cannot be submitted for more than the Offer size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e)).

#### **4.1.4.2 Multiple Bids**

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.  
Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:
  - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
  - i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.
  - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - iii. Bids by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### **4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS**

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Offer are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

- (d) The SEBI ICDR Regulations, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- (a) Bidders are required to enter either the ASBA bank account details or the UPI ID in this field. In case the Bidder doesn't provide any of the ASBA bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Bidder providing both, the ASBA bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.
- (b) The full Bid Amount (net of any discount, as applicable) shall be blocked based on the authorization provided in the Bid cum Application Form. If the discount is applicable in the Offer, the RIIs and Retail Individual Shareholders (if any) should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be blocked for the Bid Amount net of discount. Only in cases where the RHP/ Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (c) RIIs bidding at Cut-off price, the amount shall be blocked based on the Cap Price.
- (d) All Bidders (other than Anchor Investors) can participate in the Offer only through the ASBA mechanism.
- (e) RIIs submitting their applications through Designated Intermediaries (other than the SCSBs) can participate in the Issue through UPI Mechanism, through their UPI ID linked with their bank account.
- (f) Bid Amount cannot be paid in cash, cheque, demand draft, through money order or through postal order.

##### **4.1.7.1. Instructions for Anchor Investors:**

- (a) Anchor Investors may submit their Bids only with a Book Running Lead Manager.
- (b) Payments should be made either by direct credit, RTGS, NACH or NEFT.
- (c) The Anchor Escrow Bank(s) shall maintain the monies in the Anchor Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

##### **4.1.7.2. Payment instructions for Bidders (other than Anchor Investors)**

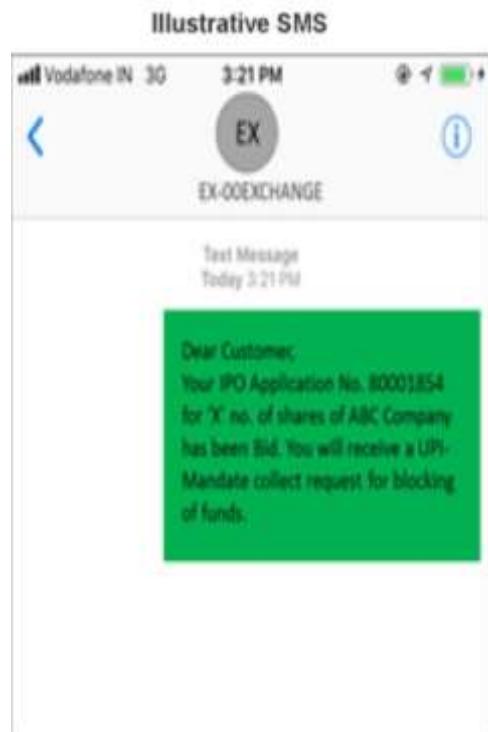
- (a) Bidders may submit the Bid cum Application Form either
- i. In physical or electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - ii. In physical mode to any Designated Intermediary(ies), provided that RIIs submitting their applications through a Designated Intermediary (other than SCSBs) and intending to make payment of the Bid Amount through the UPI Mechanism shall specify his/her UPI ID linked to his/her bank account in the Bid cum Application Form.
- (b) Bidders must specify the Bank Account number or the bank account linked UPI ID, as applicable in the Bid cum Application Form. The Bid cum Application Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted.
- (c) Bidders (other than RIIs bidding under the UPI Mechanism) should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA account.
- (e) RIIs bidding through the Designated Intermediaries are requested to submit only one Bid cum Application Form for each UPI ID.
- (f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.
- (g) **RIIs bidding through Designated Intermediaries** should note that with the introduction of UPI as a payment mechanism, there are four channels of making applications in public issues available to them in UPI Phase I (i.e. from January 1, 2019 and until UPI Phase II becomes applicable in accordance with various circulars that may be issued by the SEBI from time to time). The four channels for making applications in public issues available to RIIs bidding through Designated Intermediaries are as follows:

<b>Channel I</b>	<b>Channel II</b>	<b>Channel III</b>	<b>Channel IV</b>
RIIs may submit the Bid cum Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.  For such applications the existing process of uploading the bid and blocking of finds in the RIIs account by the	RIIs may submit the Bid cum Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.	RIIs may submit the Bid cum Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.  For such applications the Designated Intermediary will upload the Bid in the stock exchange bidding platform and forward the application form to Designated Branch of	RIIs may submit the Bid cum Application Form with any of the Designated Intermediaries (other than SCSBs) and use his/her UPI ID for the purpose of blocking of funds.

<b>Channel I</b>	<b>Channel II</b>	<b>Channel III</b>	<b>Channel IV</b>
SCSB would continue.		the concerned SCSB for blocking of funds.	

For UPI Phase II and UPI Phase III, RIIs will have the option to use only Channel I, Channel II and Channel IV (as described above) for making applications in a public issue.

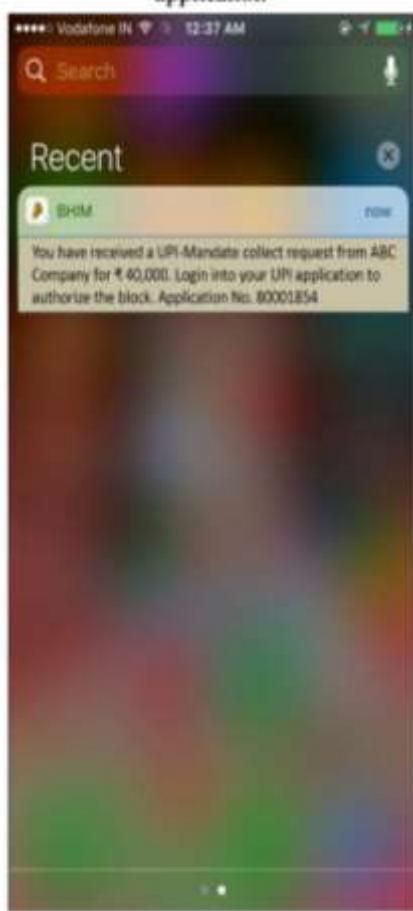
Please see below a graphical illustrative process of the investor receiving and approving the UPI Mandate Request:



#### Block request SMS to investor



#### Block request intimation through UPI application



#### 1. Investor UPI application screen



#### 2. Sample of IPO details in attachment

IPO Details		
Investor Name: ABC Company Application No: 80001854		
Investor ID: 1234567890	UPI Address: BHMT9999	Investor Type: Individual
Request Date: 17 July 2018	UPI Status: PENDING	Block Date: 18 July 2018
IPO Details		
Company Name: XYZ Corp	UPI Address: SPREAD99	Block Date: 18 July 2018
Investor ID: 9876543210	UPI Address: SPREAD99	Block Date: 18 July 2018
Request Date: 17 July 2018	Block Date: 18 July 2018	Block Date: 18 July 2018
Investor ID: 9876543210	UPI Address: SPREAD99	Block Date: 18 July 2018
Request Date: 17 July 2018	Block Date: 18 July 2018	Block Date: 18 July 2018

**3. Post verification of details above**

The screenshot shows a mobile application interface for creating a mandate. The screen title is 'Create Mandate'. It displays the following information:

- To: ABC Company
- Mandate Amount: ₹ 40000.00
- Description: The amount entered will be blocked immediately & deducted from payer account as per your mandate inputs.
- Frequency: ONETIME
- Validity: Start Date: 20 JULY 2018, End Date: 27 JULY 2018
- Remarks: Application no 80001834
- Attachment: Click here to view the attachment
- Buttons: PROCEED (blue)

**4. Pre-confirmation page**

The screenshot shows a mobile application interface titled 'Mandate Details'. It displays the following summary of the mandate:

- To: ABC Company
- AMOUNT: ₹ 0000.00
- FREQUENCY: ONETIME
- VALIDITY: 20 JULY 2018 to 27 JULY 2018
- REMARKS: Application no 80001834
- Buttons: CANCEL, CONFIRM

A note at the top states: "Please click the below details as the amount will be blocked for the validity period and will be deducted once the transaction exceeds the limit or independently of the mandate, the amount will be unblocked."

- (h) QIB and NII Bidders may submit the Bid cum Application Form either
- to SCSB in physical or electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - in physical mode to any Designated Intermediary.
- (i) Bidders applying through the UPI Mechanism should note that application made using third party UPI ID or third party ASBA bank account are liable to be rejected.
- (j) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA Account.
- (k) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.
- (l) **Bidders bidding through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- (m) **Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (n) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (o) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (p) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

- (q) Upon submission of a completed Bid cum Application Form each Bidder (not being a RII who has opted for the UPI Mechanism and provided a UPI ID with the Bid cum Application Form) may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs. For details regarding blocking of Bid Amount for RIIs who have provided a UPI ID with the Application Form please refer to paragraph 4.1.7.1.2 - Additional Payment Instructions for RIIs applying through Designated Intermediaries using the UPI Mechanism.
- (r) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (s) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.1.1 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB or the Sponsor Bank, as the case may be, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable (a) the SCSBs to unblock the respective bank accounts or (b) the Sponsor Bank to issue instructions for unblocking the respective bank accounts in case of RIIs Bidding through the UPI Mechanism.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs or the Sponsor Bank as the case maybe, may transfer the requisite amount against each successful Bidder to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB or to the Sponsor Bank to revoke the mandate as the case maybe to unblock the Bid Amount in the relevant ASBA Account within four Working Days of the Bid/Offer Closing Date or such other timeline as may be permitted by SEBI.

#### **4.1.7.1.2 Additional Payment Instructions for RIIs bidding through Designated Intermediaries using the UPI Mechanism**

- (a) Before submission of the application form with the Designated Intermediary, an RII shall download the mobile app associated with the UPI ID linked bank account for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
- (b) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>.
- (c) RIIs shall mention his / her UPI ID along with the bid details in the Bid cum Application Form in capital letters and submit the Bid cum Application Form to any of the Designated Intermediaries.
- (d) The Designated Intermediary upon receipt of the Bid cum Application Form will upload the bid details along with UPI ID in the stock exchange bidding platform.

- (e) Once the Bid has been entered into the Stock Exchange bidding platform, the stock exchange will validate the PAN and Demat Account details of the RII with the Depository. The Depository will validate the aforesaid details on a real time basis and send a response to the Stock Exchanges which will be shared by the Stock Exchanges with the Designated Intermediary through its bidding platform, for corrections, if any.
- (f) Once the Bid details have been validated by the Depository, the Stock Exchange will, on a continuous basis, electronically share the bid details along with the UPI ID of the concerned RII with the Sponsor Bank appointed by the Issuer.
- (g) The Sponsor Bank will validate the UPI ID of the RII before initiating the UPI Mandate request.
- (h) The Sponsor Bank after validating the UPI ID will initiate the UPI Mandate Request on the RII which will be electronically received by the RII as an SMS / intimation on his / her mobile number / mobile app associated with the UPI ID linked account. The RII will be required to review the details of the amount blocked as per his/her bid and the IPO bid details submitted by him / her and then proceed to authorise the mandate using his UPI PIN. By authorising the mandate using the UPI ID RIIs shall be deemed to have accepted the blocking of his/her ASBA account. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the IPO. Upon the authorization of the mandate using his/her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire Bid Amount pursuant to instructions from the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account and subsequent debit in case of allotment.
- (i) Upon successful validation of the block request by the RII, the said information would be electronically received by the RII's bank, where the funds, equivalent to the application amount would get blocked in the ASBA Account of the RII. Intimation regarding confirmation of such blocking of funds in the ASBA Account of the RII would also be received by the RII. Information on the block status request would be shared with the Sponsor Bank which in turn would share it with the Stock Exchanges which in turn would share it with the Registrar in the form of a file for the purpose of reconciliation and display it on the Stock Exchanges bidding platform for the information of the Designated Intermediary.
- (j) RIIs may continue to modify or withdraw the Bid until the closure of the Bidding Period. For each modification of the Bid, the RII will submit a revised Bid and will receive a new UPI Mandate Request from the Sponsor Bank to be validated as per the process indicated above.
- (k) Post closure of the Offer, the Stock Exchange will share the Bid details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

#### **4.1.7.2 Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Offer may block for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder (other than employees) may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in

- the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant (other than RIIs bidding under the UPI Mechanism), then the Signature of the ASBA Account holder(s) is also required.
  - (c) The signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB or the Sponsor Bank (in case of RIIs bidding through the UPI Mechanism), via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
  - (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

#### **4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblocking of funds, the Bidders/Applicants should contact the Registrar to the Issue.
  - ii. In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
  - iv. In case of queries relating to uploading of Bids by a Designated Intermediary, the Bidders/Applicants should contact the relevant Designated Intermediary.
  - v. In case of queries relating to uploading of Bids through the UPI Mechanism, the Bidders/Applicants should contact the Designated Intermediary.
  - vi. Bidder/Applicant may contact the Company Secretary and compliance officer or BRLM(s) in case of any other complaints in relation to the Issue.
- (c) The following details (as applicable) should be quoted while making any queries –
  - i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
  - ii. name and address of the Designated Intermediary, along with the acknowledgment slip from Designated Intermediary or
  - iii. Bids, ASBA Account number or the UPI ID (for RIIs who make the payment of Bid Amount through the UPI Mechanism) linked to the ASBA Account where the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a

particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

- (b) RII may revise their Bids or withdraw their bids until Bid/Offer Closing date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. It is clarified that RIIs whose original Bid is made using the UPI Mechanism can make revision(s) to their Bid using the UPI Mechanism only, whereby each time the Sponsor Bank will initiate a new UPI Mandate Request. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

COMMON RID REVISION FORM		XYZ LIMITED - INITIAL PUBLIC OFFER - R		THE REVENUE TRIBUNAL FOR CAPITAL MARKETS REGULATORY BOARD, NSE, ASX AND SCB IS THE BIDDING BUREAU FOR THIS PROPOSAL. Bidders and Eligibility are subject to a new Registration Date.	
LOGO	The Board of Directors XYZ LIMITED	100% BOOK BUILD OFFER ISIN : XXXXXXXXX	Bid cum Application Form No.	TEAR HERE	
CONCERNED SHAREHOLDERS & CODE		REGISTERED SHAREHOLDERS & CODE		TEAR HERE	
BIDDER'S LEAD AGENT & CODE		SUB-BRANCH & CODE			
BASIC BRANCH SERIAL NO.		SUB BRANCH NO.			
PLEASE CHANGE MY BID					
4. THIRDMAN PER-LATY BID OR REVISING					
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (P) "Cut-off" (Price in multiples of ₹ 1/- only) (In Indian Only)		
	(In Figures)		Bid Price	Retail Discount	Net Price
					"Cut-off" (Please tick)
5. TO REVISED BID (ONLY RETAIN INDIVIDUAL BIDDER CAN BID AT "CUT-OFF")					
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (P) "Cut-off" (Price in multiples of ₹ 1/- only) (In Indian Only)		
	(In Figures)		Bid Price	Retail Discount	Net Price
					"Cut-off" (Please tick)
6. PAYMENT DETAILS (IF CAPITAL LETTER)					
Additional Amount Blocked (₹ in Figures)			PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input checked="" type="checkbox"/>		
₹ in words:					
ASBA Bank A/c No. Bank Name & Branch OR UPI ID (Minimum 45 characters)					
TEAR HERE					
7. SIGNATURE OF SOLE/FIRST BIDDER		8. SIGNATURE OF ASBA BANK ACCOUNTS/BROKER/BIDDER AS PER BANK RECORDS I/Cs authorising ASBA to debit/redeem money in India for application in the Offer		9. CERTIFICATE RELATING TO ASBA AS THE MAXIMUM ALLOWABLE AMOUNT OF ₹ 100,000/-	
Date : 2018	1	2	3		
TEAR HERE					
LOGO	XYZ LIMITED	Acknowledgement Slip For Syndicate Member/ Registered Broker/SCB/CDP/RTA		Bid cum Application Form No.	
PAN of Sole / First Bidder					
DPID CLID					
Additional Amount Blocked (₹)		ASBA Bank A/c No. UPI ID		Stamp & Signature of SCB/B	
Bank Name & Branch					
Received from Mr./Ms./M/s. Telephone / Mobile   Dated					
TEAR HERE					
10. BID REVISORY FORM FONI: INITIAL PUBLIC OFFER - R		Stamp & Signature of Syndicate Member / Regional Broker / SCB / CDP / RTA		Name of Sole / First Bidder	
No. of Equity Shares Bid Price					
Additional Amount Blocked (₹)				Acknowledgement Slip for Bidder	
ASBA Bank A/c No. UPI ID				Bid cum Application Form No.	
Important Note: Application indicating the quantity of ASBA Bank A/c no. shall be required.					
XYZ LIMITED					
TEAR HERE					

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### 4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the

Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹. 200,000. In case the Bid Amount exceeds ₹. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 on a net basis. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹ 200,000 (which will be less Employee Discount) only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be less Employee Discount).
- (d) In case of revision of Bids by Employees, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 500,000.
- (e) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (f) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding will be unblocked after the allotment is finalized.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

- (a) All Bidders/Applicants are required to authorize blocking of the full Bid Amount (less Discount (if applicable) at the time of submitting the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder/Applicant, Bidder/Applicant may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant bank to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that no additional amount is required for blocking Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (d) In case of revision of Bids by Employees, such Bidders/Applicants should ensure that the Bid

Amount, subsequent to revision, does not exceed ₹ 500,000.

- (e) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### **4.2.4 FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

##### **4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

##### **4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Offer size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) For details regarding the procedures to be followed by the Registrar to detect multiple applications, Bidders/Applicants should refer to paragraphs 4.1.4.2(b) and 4.1.4.2(c).
- (i) The following applications may not be treated as multiple Bids:
  - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Offer portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - iii. Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

##### **4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations 2018 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

#### **4.3.4 FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### **4.3.5 FIELD 7: PAYMENT DETAILS**

- (a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Offer.
- (b) Bidders are required to enter either the ASBA bank account details or the UPI ID in this field. In case the Bidder doesn't provide any of the ASBA bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Bidder providing both the ASBA bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.
- (c) Application Amount cannot be paid in cash, cheques or demand drafts through money order or through postal order or through stockinvest.
- (d) RIIs applying through Designated Intermediaries (other than SCSBs) may make use of the UPI Mechanism for applying in the Offer.

##### **4.3.5.1 Payment instructions for Applicants**

Applicants should refer to the payment instructions included in paragraph 4.1.7.2.

##### **4.3.5.2 Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.1.1

##### **4.3.5.3 Additional Payment Instructions for RIIs bidding through Designated Intermediaries (other than SCSBs) using the UPI Mechanism**

Applicants should refer to instructions contained in paragraphs 4.1.7.1.2

##### **4.3.5.4 Discount (if applicable)**

Applicants should refer to instructions contained in paragraphs 4.1.7.2

#### **4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### **4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM**

##### **4.4.1 Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

<b>Mode of Application</b>	<b>Submission of Bid cum Application Form</b>
Anchor Investors Application Form	To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form
All Applications (other than Anchor Investors)	<p>(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the Collecting RTAs at the Designated RTA Locations or the CDPs at the Designated CDP Locations</p> <p>(b) To the Designated Branches of the SCSBs where the ASBA Account is maintained</p>

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had submitted the original Bid.
- (b) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

## **SECTION 5: OFFER PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XIII of SEBI ICDR Regulations 2018. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### **5.1 SUBMISSION OF BIDS**

- (a) During the Bid/Offer Period, ASBA Bidders/Applicants may approach any of the Designated Intermediary to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager on the Anchor Investor Bidding Date to register their Bid.
- (b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount pursuant to instructions from the Sponsor Bank (if applicable) based on the Cap Price less discount (if applicable).
- (c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

### **5.2 ELECTRONIC REGISTRATION OF BIDS**

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. In UPI Phase I, the Designated Intermediaries are given until 1:00 pm on the day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the Bid information to the Registrar to the Offer for further processing.

### **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

### **5.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including providing instructions for unblocking of the funds in the ASBA Account.
- (b) The Registrar to the Offer shall give instruction to the SCSB or to the Sponsor Bank for unblocking the ASBA Account upon or after the finalization of basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to
  - i. the Bids accepted by the Designated Intermediary;
  - ii. the Bids uploaded (including UPI ID, as applicable) by the Designated Intermediary; and
  - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs or the Sponsor Bank as applicable shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA Account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject Bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

#### **5.5.1 GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications of Bidders (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;

- (c) Bids/Applications by OCBs;
- (d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) Bids/Applications by persons in the United States;
- (i) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (j) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (k) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (l) ASBA Account number or UPI ID (in case of RIIs bidding through the UPI Mechanism) not mentioned or incorrectly mentioned in the Bid cum Application Form/Application form. **For Applications submitted to Designated Intermediaries (other than SCSBs), if an RII provides both the ASBA Account details as well as the UPI ID, the UPI ID will be considered for processing of the Application;**
- (m) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (n) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (o) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (p) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (q) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (r) Submission of more than one Bid cum Application Form per UPI ID or ASBA Account mentioned in the Bid Cum Application Form by RIIs bidding through Designated Intermediaries (except for RIIs applying as Retail Individual Shareholder also);
- (s) Submission of Bid cum Application Forms/Application Form using third party UPI ID or third party ASBA bank account;
- (t) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (u) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (v) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

- (w) Bank account mentioned in the Bid cum Application Form (for Bidders not applying through the UPI Mechanism) may not be an account maintained by SCSB;
- (x) In case of RIIs bidding through the UPI Mechanism, the bank account where the funds equivalent to the application amount is available for blocking has not been notified as an Issuer Bank for UPI. A list of such banks is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- (y) Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (z) In case of Bids by RIIs (applying through the UPI Mechanism), the UPI ID mentioned in the Bid cum Application Form is linked to a third party bank account;
- (aa) In case of Bids by RIIs (applying through the UPI Mechanism), the UPI ID is not mentioned in the Bid cum Application Form;
- (bb) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Anchor Escrow Bank;
- (cc) Where no confirmation is received from SCSB or the Sponsor Bank, as the case may be, for blocking of funds;
- (dd) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- (ee) Bid cum Application Form submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Anchor Escrow Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;
- (ff) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (gg) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form;
- (hh) The original Bid/Application is made using the UPI Mechanism and revision(s) to the Bid/Application is made using ASBA either physically or online through the SCSB and vice-versa;
  - (ii) The UPI Mandate is not approved by the Retail Individual Investor; and
  - (jj) The latest/ revised UPI Mandate is not approved by the Bidder in case of a revision of the Bid.

## **5.6 BASIS OF ALLOCATION**

- (a) The SEBI ICDR Regulations 2018 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in any category (except QIB category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations 2018. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an

under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

*Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

<b>Bid Quantity</b>	<b>Bid Amount (Rs.)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of equity shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The issuer, in consultation with the book running lead managers, may finalise the Offer Price at or below such cut-off price, i.e., at or below Rs. 22.00. All bids at or above this Offer Price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## **SECTION 6: OFFER PROCEDURE IN FIXED PRICE ISSUE**

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Offer Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account to block the funds pursuant to instructions from the Sponsor Bank through the UPI Mechanism specified in the Application Form only (“**ASBA Account**”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **7.1 ALLOTMENT TO RIIs**

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (**“Maximum RII Allotees”**). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allotees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allotees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### **7.2 ALLOTMENT TO NIIs**

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### **7.3 ALLOTMENT TO QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations 2018 or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB

Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

#### **7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer subject to compliance with the following requirements:
- i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to Rs.10 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 10 crores and up to Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE**

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations 2018.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## **7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- (a) **Designated Date:** On the Designated Date, the Anchor Escrow Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Anchor Escrow Accounts, as per the terms of the Escrow and Sponsor Bank Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow and Sponsor Bank Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs or in case of Bids by RIIs applying through the UPI Mechanism to the Sponsor Bank, as the case may be or the Sponsor Bank as applicable to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (c) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Bid/Offer Closing Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within six Working Days of the Bid/Offer Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, the Issuer may be punishable with a fine which shall not be less than Rs. 5 lakhs but which may extend to Rs. 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith may take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not refunded to Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, as applicable, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. This is further subject to the compliance with Regulation 19(2)(b) of the SCRR. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of prescribed time period under applicable laws, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

#### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

### **8.3 MODE OF REFUND**

1. **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.
2. **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
3. In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Bid cum Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank

#### **8.3.1 Electronic mode of making refunds for Anchor Investors**

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- i. **NACH** — National Automated Clearing House is a consolidated system of ECS. Payment of refunds would be done through NACH for Anchor Investors having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;
- ii. **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine- digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- iii. **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and
- iv. **RTGS**—Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 0.2 million, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the Escrow Bank for the same would be borne by our Company. Charges, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders/Applicants may refer to RHP/Prospectus.

#### **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working Days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Offer Closing Date, if Allotment is not made.

### **SECTION 9: GLOSSARY AND ABBREVIATIONS**

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time. In case of inconsistency in the description of a term mentioned herein below and the description ascribed to such term in the Red Herring Prospectus, the description in the Red Herring Prospectus shall prevail.*

<b>Term</b>	<b>Description</b>
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount to block the Bid Amount in the ASBA Account or the bank of the RII to block the Bid Amount in the RII's bank account upon acceptance of UPI Mandate Request by an RII using the UPI Bidding mechanism
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
Application Supported by Blocked Amount Form / ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer/Anchor Escrow Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Anchor Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue

<b>Term</b>	<b>Description</b>
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Date by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI

<b>Term</b>	<b>Description</b>
Collecting Registrar and Share Transfer Agents or Collecting RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which funds are transferred by the Anchor Escrow Bank from the Anchor Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries /Collecting Agent	Syndicate Members, sub-syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and Collecting RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the Collecting RTAs where Bidders can submit the Bid cum Application Forms to Collecting RTAs.  The details of such Designated RTA Locations, along with names and contact details of the Collecting RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations 2018 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Anchor Escrow Account	Account opened with the Anchor Collection Bank and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid

<b>Term</b>	<b>Description</b>
Escrow and Sponsor Bank Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Anchor Escrow Bank and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Bank	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NACH	National Automated Clearing House
NEFT	National Electronics Fund Transfer
NPCI	National Payment Corporation of India
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, that are not QIBs or RIIs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder

<b>Term</b>	<b>Description</b>
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price. The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least two working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Offer Account	An account opened with the Banker to the Offer to receive monies from the Anchor Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations,2018
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/ Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations
Retail Individual Bidder(s)/ Retail Individual Investor(s)/ RII(s)/ RIB(s)	Investors who applies or bids for a value of not more than ₹200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)

<b>Term</b>	<b>Description</b>
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
SEBI ICDR Regulations 2018	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI which offers the facility of ASBA and the list of which is available on the website of the <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Sponsor Bank	The Banker to the Offer registered with SEBI which is appointed by the Issuer/Offer or to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIIs into the UPI
Stock Exchanges	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s)	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor
UPI Bidding mechanism	The bidding mechanism that may be used by an RII to make a Bid in the Offer in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November
UPI PIN	Password to authenticate UPI transaction
Working Day	Any day, other than the second and fourth Saturday of each calendar month, Sundays and public holidays, on which commercial banks in India are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018

## **SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.*

*The Articles of Association of the Company comprise two parts, Part A and Part B. Upon the commencement of listing of the Equity Shares of the Company on any recognised stock exchange in India pursuant to an initial public offering of the Equity Shares of the Company, Part B shall automatically stand deleted, not have any force and be deemed to be removed from the Articles of Association and the provisions of the Part A shall automatically come in effect and be in force, without any further corporate or other action by the Company or its shareholders.*

### **PART A OF THE ARTICLES OF ASSOCIATION**

#### **Application of Table F**

Article 1.1 provides that regulations contained in the table ‘F’ to the Schedule I of the Companies Act, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

#### **Share Capital, payment of commission and variation of rights**

Article 5 provides that “Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or subject to the compliance with Section 53 of the Act, at a discount as they may, from time to time think fit and proper and with the sanction of the Company in the General Meeting. The Company may give to any Person or Persons the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may also issue and allot Shares in the capital of the Company on payment in full or part payment of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid up Shares and if so issued shall be deemed to be fully paid up Shares, provided that option or right to call of Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.”

Article 9 provides that “Subject to the provisions of the Act, any Preference Shares may be issued 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.”

Article 10 provides that “Subject to the provisions of the Act and these Articles, the Company shall have the power to issue Preference Share Capital carrying a right of redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of such redemption or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of the Act, exercise such power in such manner as it may think fit. The period of redemption of such Preference Shares shall not exceed the maximum period for redemption provided under Section 55 of the Act.”

Article 11 provides that “If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate General Meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.”

Article 12 provides that “The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.”

Article 14 provides that “Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into

Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution and subject to the provisions of the Act.”

Article 18 provides that “The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 or the Act (as amended from time to time), provided that the rate per cent or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made thereunder.”

Article 19 provides that “The rate or amount of the commission shall not exceed the rate or amount prescribed under the applicable rules made under the Act.”

Article 20 provides that “The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.”

### **Further issue of Share Capital**

Article 17 (1) provides that “Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued or out of the increased Share capital then such Shares shall be offered –

- (a) to the persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion, as near as circumstances admit, to the paid up Share capital on those Shares by sending a letter of offer subject to the following conditions, namely:
    - (i) the offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen (15) days and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
    - (ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) hereof shall contain a statement of this right; provided that the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may, renounce the Shares offered to him.
    - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company.
  - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as prescribed in the Act and the rules thereunder; or
  - (c) to any persons, if its authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) 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 the applicable provisions of Chapter III of the Act and any other condition as may be prescribed in the Act and the rules thereunder.
- (2) The notice referred to in sub-clause (i) of clause (a) of sub-Article (1) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.”

Article 17 (3) provides that “Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company (whether such option is conferred in these Articles or otherwise);

Provided that the terms of issue of such debentures or the terms of such loans containing such option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.”

Article 6 provides that “A further issue of Shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act.”

### **Company’s lien on shares**

Article 47 provides that “The Company shall have a first and paramount Lien on every Share or debenture (not being a fully paid-up Share or debenture) registered in the name of each Member or holder, respectively, (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of such Share or debenture and no equitable interest in any Share or debenture shall be created except upon the footing and condition that this Article will have full effect. Fully paid-up Shares shall be free from all Liens and in case of partly paid-up Shares, the Company’s Lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Provided that the Board may at any time declare any Shares or debentures wholly or in part to be exempt from the provisions of this Article.”

Article 48 provides that “The Company’s Lien, if any, on a Share shall extend to all dividends and bonuses declared and payable by the Company from time to time in respect of such Shares.”

Article 50 provides that “Unless otherwise agreed, the registration of a transfer of Shares or debentures shall operate as a waiver of the Company’s Lien, if any, on such Shares or debentures.”

### **Call on Shares**

Article 29 provides that “Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than 1 (one) month from the date fixed for the payment of the last preceding call.”

Article 30 provides that “Each Member shall, subject to receiving at least 14 (fourteen) days’ notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.”

Article 31 provides that “A call may be revoked or postponed at the discretion of the Board.”

Article 32 provides that “A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.”

Article 34 provides that “If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at 10% (ten per cent) per annum or at such lower rate, if any, as the Board may determine.”

Article 36 provides that “Any sum which by the terms of the issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue, such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.”

Article 37 provides that “The Board may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate as determined by the Board and the Member paying such sum in advance agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Member

shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall *mutatis mutandis* apply to any calls on debentures of the Company.”

### **Transfer and transmission of shares**

Article 54 provides that “Subject to the provisions of the Act, these Articles and any other applicable Law for the time being in force, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of Shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within 1 (one) month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration or transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a Lien on the shares. Transfer of Shares/debentures in whatever lot shall not be refused.”

Article 57 provides that “On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in these Articles shall release the estate of the deceased joint holder from any liability in respect of any Share, which had been jointly held by him with other persons.”

Article 58 provides that “Any person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:

- (a) to be registered as holder of the Share; or
- (b) to make such transfer of the Share as the deceased or insolvent Member could have made.”

### **Forfeiture of shares**

Article 64 provides that “If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.”

Article 66 provides that “If the requirement of any such notice as aforesaid is not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.”

Article 69 provides that “A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by the person to the Company in respect of the Shares.”

Article 75 provides that “The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.”

### **Alteration of Share Capital**

Article 76 provides that “Subject to these Articles and the provisions of the Act, the Company may, from time to time, by ordinary resolution, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.”

Article 77 provides that “Subject to the provisions of the Act, the Company may from time to time by ordinary resolution, undertake any of the following:

- (a) consolidate or divide, all or any of the Share Capital into Shares of larger amount than its existing Shares;
- (b) convert all or any of its fully paid-up Shares into stock, and re-convert that stock into fully paid-up

- (c) Shares of any denomination;
- (c) sub-divide its existing Shares or any number of them into Shares of smaller amount than is fixed by the Memorandum of Association of the Company, so 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
- (d) cancel any Shares which, at the date of the 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 this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.”

Article 78 provides that “Subject to the provisions of the Act, the Company may, from time to time, by special resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:

- (a) the Share Capital;
- (b) any capital redemption reserve account; or
- (c) any Share premium account.”

### **Capitalization of profits**

Article 181 provides that “The Company in a General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in Article 182 amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.”

Article 182 provides that “The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 181, either in or towards:

- (a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
- (b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or
- (c) Partly in the way specified in sub-Article (a) and partly in that specified in sub-Article (b) above.
- (d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.
- (e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.”

Article 183 provides that “Whenever such a resolution as aforesaid shall have been passed, the Board shall:

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and
- (b) generally do all acts and things required to give effect thereto.”

### **Buy Back of shares**

Article 15 provides that “Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 of the Act and other applicable provisions of the Law, the Company shall have the power to buy-back its own Shares or other securities, as it may consider necessary.”

### **General Meetings and the proceedings at the general meetings**

Article 81 provides that “All General Meetings, other than the annual General Meeting, shall be extra-ordinary General Meetings.”

Article 82 provides that “The Board may, whenever it thinks fit, call an extraordinary General Meeting.”

Article 85 provides that “No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.”

Article 91 provides that “The chairperson may, with the consent of Members at any General Meeting at which a quorum is present, and shall, if so directed by the General Meeting, adjourn the General Meeting from time to time and from place to place.”

### **Votes of members**

Article 102 provides that “Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.”

Article 106 provides that “No Member shall be entitled to exercise any voting rights either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.”

Article 107 provides that “No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by proxy or otherwise shall be deemed valid for all purpose.”

### **Proxy**

Article 109 provides that “Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the Proxy so appointed shall have no right to speak at the meeting.”

### **Directors and proceedings of the Board**

Article 114 provides that “Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution. The Company shall have such minimum number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable Law. Further, the appointment of such Independent Directors shall be in terms of, and subject to, the aforesaid provisions of applicable Law.”

Article 119 provides that “Subject to the provisions of the Act, the Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of directors by rotation.”

Article 120 provides that “Subject to Section 197 and other applicable provisions of the Act, the remuneration of Directors may be a fixed sum by way of monthly payment or a percentage of the net profits or partly by one way and partly by the other.”

Article 140 provides that “The same individual may be appointed as the chairperson of the Company as well as the managing director and/or the chief executive officer of the Company.”

### **Appointment and remuneration of directors**

Article 156 provides “Subject to the provisions of the Act, the Board may from time to time appoint one or more Directors to be the managing Director/ whole-time Director of the Company on such remuneration and terms and conditions as the Board may think fit, and for a fixed term or without any limitation as to the period for which he is to hold such office and from time to time and subject to the provisions of any contract between him and the Company, remove or dismiss him from office and appoint another in his place. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may, from time to time, entrust to and confer upon the managing Director / whole-time Director, for the time being, such of the powers exercisable hereunder by the Board, as it may think fit, and may confer such powers, for such time and be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such power, either collaterally with or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.”

Article 115 provides “The Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of the

Company on such terms and conditions as the Company may deem fit, subject to the approval of the members of the Company through a resolution passed at a general meeting of the Company.”

Article 120 provides “Subject to Section 197 and other applicable provisions of the Act, the remuneration of Directors may be a fixed sum by way of monthly payment or a percentage of the net profits or partly by one way and partly by the other.”

Article 124 provides “Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint any other person as an additional Director provided that the number of the Directors and additional Directors together shall not at any time exceed the maximum number fixed as above and any person so appointed as an additional Director shall retain his office only up to the date of the next annual General Meeting or last date on which the annual General Meeting should have been held, whichever is earlier, but shall then be eligible for re-appointment as Director of the Company.”

Article 125 provides “In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an “Original Director”), subject to these Articles and the provisions of the Act, the Board may appoint another director (an “Alternate Director”) for and in place of the Original Director. Provided however, that in case of a nominee Director, the entity nominating such Director shall appoint an Alternate Director for the original nominee Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director’s absence. No Person shall be appointed as an Alternate Director to an independent Director unless such Person is qualified to be appointed as an independent Director of the Company. Any person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India.”

Article 128 provides “If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next General Meeting. Provided any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.”

### **Powers of the Board**

Article 152 provides “The business of the Company shall be vested in the Board of Directors and the Board shall be responsible for the overall direction and management of the Company.”

Article 153 provides “Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.”

### **Proceedings of the Board**

Article 129 provides “The Board may meet for the conduct of business and may adjourn and otherwise regulate its meetings, as it thinks fit.”

Article 135 provides “The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.”

Article 142 provides “The Board shall constitute the statutory committees in accordance with applicable Law. Subject to provisions of the Act, the Board may delegate any of its powers to committees consisting of such

Director or Directors, manager, if any, Managing Director or any other principal officer of the Company, as it thinks fit and in accordance with law, and may at its own discretion revoke such powers.”

Article 149 provides “All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.”

### **Dividends and Reserve**

Article 167 provides that “The Company in a General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. No dividend shall be payable except out of the profits of the Company or any other undistributed profits.”

Article 168 provides that “Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.”

Article 169 provides that “The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.”

Article 170 provides that “Subject to the rights of persons, if any, 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 Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.”

Article 172 provides that “All dividends shall be apportioned and paid proportionately to the amounts, paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.”

Article 173 provides that “The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares.”

Article 174 provides that “Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Members of the Company, or to such person and to such address as the holder or joint holders may in writing direct.”

Article 180 provides that “The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “Unpaid Dividend of IndiaMART InterMESH Limited”. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the Act. No unclaimed or unpaid dividend shall be forfeited by the Board.”

### **Winding up**

Article 200 provides that “The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).”

### **Indemnity**

Article 186 provides that “Subject to the provisions of the Act, every Director, secretary and the other officers for the time being of the Company acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the

Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own willful neglect or default respectively.”

Article 187 provides that “The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and Key Managerial Personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.”

## **PART B OF THE ARTICLES OF ASSOCIATION**

Part B of the Articles of Association provide for, among other things, the rights of certain shareholders pursuant to the shareholders’ agreements executed with certain shareholders of our Company. For more details on the shareholders’ agreements, see “*History and Certain Corporate Matters – Material Agreements*” on page 182.

## **SECTION IX – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Red Herring Prospectus) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which were attached to the copy of the Red Herring Prospectus delivered to the Registrar of Companies for registration, and also the documents for inspection referred to hereunder were made available for inspection at our Registered Office and our Corporate Office, from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

#### ***Material Contracts to the Offer***

1. Offer Agreement dated June 29, 2018 entered into among our Company, the Selling Shareholders and the BRLMs, as amended pursuant to an amendment agreement dated June 16, 2019.
2. Registrar Agreement dated June 23, 2018 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Escrow and Sponsor Bank Agreement dated June 16, 2019 entered into among our Company, the Selling Shareholders, the BRLMs, the Banker(s) to the Offer, and the Registrar to the Offer.
4. Share Escrow Agreement dated June 23, 2018 entered into among the Other Selling Shareholders, our Company and the Share Escrow Agent.
5. Share Escrow Agreement dated June 16, 2019 entered into among the Selling Shareholders, our Company and the Share Escrow Agent.
6. Syndicate Agreement dated June 16, 2019 entered into among our Company, the Selling Shareholders, the BRLMs and Syndicate Members.
7. Underwriting Agreement dated June 27, 2019 entered into among our Company, the Selling Shareholders, the BRLMs and Syndicate Members.

#### ***Other Material Contracts in relation to our Company***

1. Amended and restated shareholders' agreement dated January 15, 2016 by and among our Company, Amadeus, AFIM, Westbridge, Intel, Dinesh Chandra Agarwal, Brijesh Kumar Agrawal, BCCL and Amadeus EIII LLP, as amended pursuant to an amendment agreement dated June 11, 2018; and
2. Business purchase agreement dated June 21, 2018, between our Company and HOPL.

#### ***Material Documents***

1. Certified copies of our Memorandum of Association and Articles of Association as amended until date.
2. Certificate of incorporation dated September 13, 1999.
3. Certificate of Commencement dated October 27, 1999.
4. Resolution dated June 4, 2018 of the Board of Directors authorizing the Offer and other related matters.
5. Resolution of the board of directors of AFIM, Intel and Amadeus dated June 19, 2018, June 3, 2019 and June 5, 2019, respectively, authorizing the Offer for Sale.
6. Letters dated June 28, 2018, from Dinesh Chandra Agarwal and Brijesh Kumar Agrawal, respectively, authorizing their portion of the Offered Shares.
7. Resolution dated June 16, 2019 of the Board of Directors and resolution dated June 17, 2019 of the IPO Committee approving the Red Herring Prospectus.
8. Resolution dated June 27, 2019 of the Board of Directors approving this Prospectus.
9. Copies of our annual reports for the five fiscals.
10. IndiaMART Employee Stock Option Scheme, 2015, as amended from time to time
11. IndiaMART Employee Stock Benefit Scheme, 2018, as amended from time to time
12. The examination reports of our Auditors, S.R. Batliboi & Associates LLP, Chartered Accountants, on our Restated Financial Statements and the statement of tax benefits included in this Prospectus.
13. Consent from the Auditors namely, S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act read with SEBI ICDR Regulations and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as an auditor and in respect of their examination reports dated June 3, 2019 on our Restated Financial Statements and their report dated June 3, 2019 on the Statement of Tax Benefits included in this Prospectus. However, they should not be construed as "experts" as defined under U.S. Securities Act.

14. Consent of AARK & Co. LLP, Chartered Accountants, for inclusion of their report or any extracts thereof in relation to certain operating metrics, financial information not otherwise included in our restated financial statements and certain business information and data included in this Prospectus.
15. Consent from KPMG for including extracts of its report on *Market assessment of B2B e-commerce and digital classifieds in India* dated May 29, 2018 in this Prospectus.
16. Consents of Bankers to our Company, the BRLMs, Syndicate Members, Registrar to the Offer, legal counsels, Directors of our Company, Company Secretary and Compliance Officer and Chief Financial Officer as referred to act, in their respective capacities.
17. In-principle listing approvals dated August 7, 2018 and August 3, 2018 from BSE and NSE, respectively.
18. Tripartite Agreement dated June 23, 2015, among our Company, National Securities Depository Limited and the Registrar to the Offer.
19. Tripartite Agreement dated May 29, 2015, among our Company, CDSL and the Registrar to the Offer.
20. Due diligence certificate to SEBI from the BRLMs dated June 29, 2018.
21. Industry report titled *Market assessment of B2B e-commerce and digital classifieds in India* dated May 29, 2018 by KPMG.
22. Final observation letter dated September 14, 2018 issued by SEBI.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the disclosures made in this Prospectus are true and correct.

### **SIGNED BY THE DIRECTORS OF OUR COMPANY**

---

**Dinesh Chandra Agarwal**  
(Managing Director)

---

**Brijesh Kumar Agrawal**  
(Whole-time Director)

---

**Dhruv Prakash**  
(Non-executive Director)

---

**Vivek Narayan Gour**  
(Independent Director)

---

**Rajesh Sawhney**  
(Independent Director)

---

**Elizabeth Lucy Chapman**  
(Independent Director)

### **SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

---

**Prateek Chandra**  
(Chief Financial Officer)

Place: Delhi

Date: June 27, 2019

## **DECLARATION BY INTEL CAPITAL (MAURITIUS), LIMITED**

Intel Capital (Mauritius), Limited hereby certifies that all statements and undertakings specifically made or confirmed by it in this Prospectus about or in relation to itself as a Selling Shareholder and the Equity Shares offered by it through the Offer for Sale in this Prospectus, are true and correct. Intel Capital (Mauritius), Limited assumes no responsibility for any other statements, including, any of the disclosures made by or relating to the Company or any other Selling Shareholder in this Prospectus.

**For and on behalf of Intel Capital (Mauritius), Limited**

---

Name: **David Getzinger**

Authorised Signatory

Date: June 27, 2019

### **DECLARATION BY AMADEUS IV DPF LIMITED**

Amadeus IV DPF Limited hereby certifies that all statements and undertakings specifically made or confirmed by it in this Prospectus about or in relation to itself as a Selling Shareholder and the Equity Shares offered by it through the Offer for Sale in this Prospectus, are true and correct. Amadeus IV DPF Limited assumes no responsibility for any other statements, including, any of the disclosures made by or relating to the Company or any other Selling Shareholder in this Prospectus.

**For and on behalf of Amadeus IV DPF Limited**

---

Name: **Krishnacoomari Bundhoo**

Authorised Signatory

Date: June 27, 2019

### **DECLARATION BY ACCION FRONTIER INCLUSION MAURITIUS**

Accion Frontier Inclusion Mauritius hereby certifies that all statements and undertakings specifically made or confirmed by it in this Prospectus about or in relation to itself as a Selling Shareholder and the Equity Shares offered by it through the Offer for Sale in this Prospectus, are true and correct. Accion Frontier Inclusion Mauritius assumes no responsibility for any other statements, including, any of the disclosures made by or relating to the Company or any other Selling Shareholder in this Prospectus.

**For and on behalf of Accion Frontier Inclusion Mauritius**

---

Name: **Dilshaad Rajabalee**

Authorised Signatory

Date: June 27, 2019

### **DECLARATION BY DINESH CHANADRA AGARWAL**

Dinesh Chandra Agarwal hereby certifies that all disclosures and undertakings specifically made or confirmed by him in this Prospectus about or in relation to himself as a Selling Shareholder and the Equity Shares offered by him through the Offer for Sale in this Prospectus, are true and correct.

---

Name: **Dinesh Chandra Agarwal**

Date: June 27, 2019

### **DECLARATION BY BRIJESH KUMAR AGRAWAL**

Brijesh Kumar Agrawal hereby certifies that all disclosures and undertakings specifically made or confirmed by him in this Prospectus about or in relation to himself as a Selling Shareholder and the Equity Shares offered by him through the Offer for Sale in this Prospectus, are true and correct.

---

Name: **Brijesh Kumar Agrawal**

Date: June 27, 2019

### **DECLARATION ON BEHALF OF THE OTHER SELLING SHAREHOLDERS**

Other Selling Shareholders hereby certify that all disclosures and undertakings specifically made or confirmed by them in this Prospectus about or in relation to themselves as a Selling Shareholder and the Equity Shares offered by them through the Offer for Sale in this Prospectus, are true and correct. Other Selling Shareholders assumes no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder in this Prospectus.

#### **For Other Selling Shareholders**

---

Name: **Manoj Bhargava**

Authorised Signatory

Date: June 27, 2019

## 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 the BSE or the NSE; to be delivered to the Company prior to the settlement of any sale or other transfer of Shares]

**IndiaMART InterMESH Limited**

7th & 8th Floors  
Advant - Navis Business Park, Plot No7  
Sector142, Noida 201 301  
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 US 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 the BSE Limited or the 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: