DRAFT RED HERRING PROSPECTUS
Dated June 29, 2018
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Building Offer

indiamart

IndiaMART InterMESH LIMITED

Our Company was incorporated in New Delhi as 'IndiaMART InterMESH Limited' on September 13, 1999, as a public limited company under the Companies Act, 1956 ("**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 980.
For details of the change in the registered office of our Company, see "***History and Certain Corporate Matters***" on page 174.
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) 3977 666
Contact Person: Manoj Bhargava, Senior Vice President (Legal and Secretarial) Company Secretary and Compliance Officer; **Tel**: +91 (120) 6777 800 **Fax**: +91 (120) 3977 666
E-mail: cs@indiamart.com **Website**: www.indiamart.com

OUR PROMOTERS: DINESH CHANDRA AGARWAL AND BRIJESH AGRAWAL

INITIAL PUBLIC OFFERING OF UP TO 4,288,801 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 ₹ [●]* PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING TO ₹ [●] MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF (A) UP TO 2,076,190 EQUITY SHARES BY INTEL CAPITAL (MAURITIUS), LIMITED; UP TO 170,502 EQUITY SHARES BY AMADEUS IV DPF LIMITED AND UP TO 475,000 EQUITY SHARES BY ACCION FRONTIER INCLUSION MAURITIUS (TOGETHER, THE "INVESTOR SELLING SHAREHOLDERS"), (B) UP TO 852,453 EQUITY SHARES BY DINESH CHANDRA AGARWAL AND UP TO 577,656 EQUITY SHARES BY BRIJESH AGRAWAL (TOGETHER, THE "PROMOTER SELLING SHAREHOLDERS") AND (C) UP TO AN AGGREGATE OF 137,000 EQUITY SHARES BY THE OTHER SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER) COLLECTIVELY, THE "SELLING SHAREHOLDERS"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINAFTER), (WHICH SHALL NOT EXCEED 5% 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 UP TO [●] EQUITY SHARES. THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

(1) THE PRICE BAND WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE SELLING SHAREHOLDERS AND THE BOOK RUNNING LEAD MANAGERS; AND (2) THE RUPEE AMOUNT OF DISCOUNT, IF ANY TO THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT") AND TO RETAIL INDIVIDUAL INVESTORS ("RETAIL DISCOUNT") AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL NEWSPAPER, HINDI ALSO BEING THE REGIONAL LANGUAGE OF DELHI, WHERE OUR REGISTERED OFFICE IS SITUATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE" AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOAD ON THEIR WEBSITES.

**Our Company in consultation with the BRLMs, may offer a discount of up to 10% of the Offer Price to Eligible Employees bidding in the Employee Reservation Portion and/ or to Retail Individual Investors.*

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers ("**BRLMs**") and at the terminals of the other members of the Syndicate.

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 [●]% 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, as amended ("**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, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category shall be 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 shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer shall be 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) shall mandatorily participate in this Offer through the Application Supported by Block Amount ("**ASBA**") process, and shall provide details of their respective bank account in which the Bid Amount will be blocked by the SCSBs. Anchor Investors are 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 496.

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 Floor Price and Cap Price are [●] times and [●] times the face value of the Equity Shares, respectively. 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 113) 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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus.

LISTING

The Equity Shares offered though 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 [●] and [●], respectively. For the purpose of this Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "***Material Contracts and Documents for Inspection***" on page 553.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
ICICI Securities	Edelweiss Ideas create, values protect	Jefferies	LINKIntime
ICICI Securities Limited ICICI Center, H. T. Parekh Marg, Churchgate, Mumbai 400 020 Maharashtra, India **Tel:** (+91) (22) 2288 2460/70 **Fax:** (+91) (22) 2282 6580 **Email:** indiamart.ipo@icicisecurities.com **Website:** www.icicisecurities.com **Investor Grievance E-mail:** customercare@icicisecurities.com **Contact Person:** Arjun A Mehrotra/Nidhi Wangnoo **SEBI Registration No.:** INM000011179	**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 **Website:** www.edelweissfin.com **Investor Grievance E-mail:** customerservice.mb@edelweissfin.com **Contact Person:** Yash Modi **SEBI Registration No.:** INM0000010650	**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 **Website:** www.jefferies.com **Investor Grievance E-mail:** jipl.grievance@jefferies.com **Contact Person:** Jayaraman Ganapathy **SEBI Registration No.:** INM000011443	**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 **Email**: indiamart.ipo@linkintime.co.in **Investor Grievance e-mail**: indiamart.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Contact Person**: Shanti Gopalkrishnan **SEBI Registration No.** INR000004058

BID/OFFER PERIOD			
BID/OFFER OPENS ON*	[●]	**BID/OFFER CLOSES ON****	[●]

* *Our Company in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*

** *Our Company in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.*

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SECTION I - GENERAL
DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms and abbreviations have the following meanings in this Draft Red Herring 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

Term	Description
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 ***"Our Management"*** on page 182
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 Infomedia 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 ***"Our Management"*** on page 182
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 "***Our Group Company***" on page 198
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 2013 and as described in "***Our Management***" on page 182
KPMG/KPMG Research	KPMG India Private Limited

Term	Description
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 ***"Our Management"*** on page 182
OCPRS	Optionally convertible redeemable preference shares of TOPL
PE Investors	Collectively, the New Investors, BCCL and Amadeus EIII LLP
Promoters	The promoters of our Company, namely, Dinesh Chandra Agarwal and Brijesh 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 "***Our Promoters and Promoter Group***" on page 194
Promoter Selling Shareholders	Dinesh Chandra Agarwal and Brijesh Agrawal
PWIPL	Pay With IndiaMART Private Limited
Other Selling Shareholders	Collectively, Praveen Kumar Goyal, 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, 2018, March 31, 2017 and March 31, 2016 (proforma) and the restated consolidated summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the fiscals 2018, 2017 and 2016 (proforma) of the Company and Subsidiaries (the "**Group**"), prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 ("**IndAS Rules**") and restated in accordance with the SEBI ICDR Regulations, SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("**SEBI IndAS Circular**") and the Guidance Note on Reports in Company Prospectuses, 2016, issued by the ICAI ("**Prospectus Guidance Note**" and such summary statements, the "**Restated IndAS Consolidated Summary Statements**"); and (ii) the restated consolidated summary statements of assets and liabilities at March 31, 2015 and March 31, 2014 and the restated consolidated summary statements of profit and loss and cash flows for the fiscals 2015 and 2014 of the Group, taken together, prepared in accordance with the Companies Act, 2013 and the Indian GAAP and restated in accordance with the SEBI ICDR Regulations and the Prospectus Guidance Note (the "**Restated Indian GAAP Consolidated Summary Statements**").
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, 2018, March 31, 2017 and March 31, 2016 (proforma) and the restated unconsolidated statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the fiscals 2018, 2017 and 2016 (proforma) of our Company, prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 and the IndAS Rules and restated in accordance with the SEBI ICDR Regulations, the SEBI IndAS Circular and the Prospectus Guidance Note (the "**Restated IndAS Unconsolidated Summary Statements**"); and (ii) the restated unconsolidated summary statements of assets and liabilities at March 31, 2015 and March 31, 2014 and the restated unconsolidated summary statements of profit and loss and cash flows for the fiscals ended 2015 and 2014 of our Company, prepared in accordance with the Companies Act, 2013 and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations and the Prospectus Guidance Note (the "**Restated Indian GAAP Unconsolidated Summary Statements**").
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
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, as described in ***"Our Management"*** on page 182

Term	Description
Subsidiaries	The subsidiaries of our Company, as described under "***History and Certain Corporate Matters – Our Subsidiaries***" on page 179
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 '*www.hellotravel.com*', 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

Term	Description
Allotted/Allotment/Allot	Unless the context otherwise requires, transfer of Equity Shares to successful Bidders pursuant to Offer
Acknowledgment Slip	The slip or document issued by the respective Designated Intermediary(ies) to a Bidder as proof of registration of the Bid
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 applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations
Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations. 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 made to Anchor Investors, which price shall be 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
ASBA Account	A bank account maintained with an SCSB and specified in the Bid cum Application ASBA Form which will be 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)
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders bidding through the ASBA process, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Bank(s), Refund Bank(s) and Public Offer Account Bank(s)
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the Offer, described in "***Offer Procedure***" on page 496
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, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly
Bid Amount	The highest value of the Bids (less the Retail Discount, in case of Retail Individual Investors or less the Employee Discount, in case of Eligible Employees Bidding in the Employee Reservation Portion, as the case may be) as indicated in the Bid cum Application Form and 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

Term	Description
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid, including an ASBA Form, and which shall be considered as the application for the Allotment of Equity Shares pursuant to the terms of the Red Herring Prospectus and the Prospectus
Bid Lot	[●] Equity Shares
Bid/Offer Closing Date	Except in relation to Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids for the Offer, which shall be published in [●] edition of [●] (a widely circulated English national daily newspaper), and [●] editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is situated) and in case of any revisions, the extended Bid/Offer Closing Date will be widely disseminated by notification to the Stock Exchanges by issuing a press release and indicating the change on the websites of the BRLMs and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations. Our Company in consultation with the BRLMs, may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, which shall be published by our Company in [●] edition of [●] (a widely circulated English daily national newspaper) and [●] editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi where our Registered Office is located)
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) can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus
Bidder	Any prospective investor who makes 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 Centers	Centres at which the Designated Intermediaries shall accept 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 XI of the SEBI ICDR Regulations, 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) can submit the ASBA Forms to a Registered Broker
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, on the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted, including any revisions thereof
Cash Escrow Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Refund Bank and the Escrow Bank 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
Circular 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
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, which shall be any price within the Price Band. Only Eligible Employees bidding in the Employee Reservation Portion and Retail Individual Investors are 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

Term	Description
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Form used by Bidders (other than Anchor Investors), a list of which is available at the website of the SEBI (http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries) and updated from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where Bidders (except Anchor Investors) can 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 by SCSBs are transferred from the ASBA Accounts, to the Public Offer Account(s) and /or are unblocked, as applicable, in terms of the Red Herring 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 are authorized to collect Bid cum Application Forms from the Bidders (other than Anchor Investors), in relation to the Offer
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes 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) can 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 (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated Stock Exchange	[●]
DP	Depository Participant
DP ID	Depository Participant's identity number
Draft Red Herring Prospectus/DRHP	This draft red herring prospectus dated June 29, 2018 filed with the SEBI and issued in accordance with the SEBI ICDR Regulations, which does 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 and full time 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 continues to be an employee of our Company or of any of our Subsidiaries until the submission of the Bid cum Application Form, and is 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, part time director or otherwise, (excluding such directors who are 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 continues to be a director of our Company or any of our Subsidiaries, as applicable, until the submission of the Bid cum Application Form and is based and present in India as on the date of submission of the Bid cum Application Form. An employee, who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a 'permanent and a full time 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 constitutes an invitation to subscribe or purchase for the Equity Shares
Employee Discount	A discount of up to 10% of the Offer Price, that may be offered to Eligible Employees bidding in the Employee Reservation Portion, by our Company in consultation with the BRLMs and which shall be announced at least five Working Days prior to the Bid/Offer Opening Date

Term	Description
Employee Reservation Portion	The portion of the Offer, being [●] Equity Shares, which shall not exceed 5% of the post-Offer Equity Share capital of our Company, 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 will transfer money through direct credit or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
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 will be opened, in this case being [●]
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bidders, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revisions thereof, at or above which the Offer Price and Anchor Investor Offer Price will be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
General Information Document	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 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 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018, notified by SEBI and included in ***"Offer Procedure"*** on page 496
I-Sec	ICICI Securities Limited
Jefferies	Jefferies India Private Limited
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
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) or [●] Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer less the Employee Reservation Portion, aggregating up to [●] Equity Shares
Non-Institutional Category	The portion of the Offer, being not more than 15% of the Net Offer or [●] 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
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 up to 4,288,801 Equity Shares for cash at a price of ₹ [●] per Equity Share through an Offer for Sale, comprising an offer of (i) an aggregate of up to 2,721,692 Equity Shares aggregating to ₹ [●] million by the Investor Selling Shareholders; (ii) an aggregate of up to 1,430,109 Equity Shares aggregating to ₹ [●] by the Promoter Selling Shareholders and (iii) an aggregate of up to 137,000 Equity Shares aggregating to ₹ [●] million by the Other Selling Shareholders. The offer includes a reservation of up to [●] Equity Shares, for subscription by Eligible Employees, (which shall not exceed 5% of the post-offer Equity Share capital of our Company).The Offer and the Net Offer shall constitute [●]% and [●]% of the post-offer paid up Equity Share capital of our Company, respectively
Offer Agreement	The agreement dated June 29, 2018 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), 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 ₹ [●] and ₹ [●] on the Offer Price, not being more than 10% of the Offer Price, may be offered to Eligible Employees bidding in the Employee Reservation Portion and to Retail Individual Investors, respectively. The amount of the Employee Discount and the Retail Discount will be decided by our Company, in consultation with the BRLMs, and advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) at least five Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Offered Shares	Up to 4,288,801 Equity Shares comprising up to an aggregate of 2,721,692 Equity Shares offered by the Investor Selling Shareholders, up to an aggregate of 1,430,109 Equity

Term	Description
	Shares offered by the Promoter Selling Shareholders and up to an aggregate of 137,000 Equity Shares offered by the Other Selling Shareholders
Price Band	Price band ranging from a Floor Price of ₹ [●] per Equity Share to a Cap Price of ₹ [●] per Equity Share, including revisions thereof, if any. The (i) Price Band will be decided by our Company in consultation with the Selling Shareholders and BRLMs and (ii) the minimum Bid Lot will be decided by our Company in consultation with the BRLMs, and shall be advertised in [●] edition of [●] (a widely circulated English national newspaper) and [●] editions of [●] (a widely circulated Hindi national newspaper, Hindi also being the regional language of Delhi, where our Registered Office is situated), at least five Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their website
Pricing Date	The date on which our Company in consultation with the BRLMs, shall finalize the Offer Price
Prospectus	The prospectus 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, 2013 and the SEBI ICDR Regulations, 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 to be opened with the Public Offer Account Bank under section 40 (3) of the Companies Act, 2013 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 [●]
QIB Category	The portion of the Offer, being at least 75% of the Net Offer, or [●] 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)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be allotted and which shall be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
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 will be opened, in this case being [●]
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 [●] Equity Shares, available for allocation to Retail Individual Investors, which shall not be less than the minimum Bid lot, subject to availability in the Retail Category
Retail Discount	A discount of ₹ [●] not being more than [●]% of the Offer Price, that may be offered to Retail Individual Investors by our Company in consultation with the BRLMs and which shall be announced at least five Working Days prior to the Bid/Offer Opening Date
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 is 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

Term	Description
	Amount) at any stage. RIIs can 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 the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Share Escrow Agent	Link Intime India Private Limited
Share Escrow Agreements	The agreements to be entered into by and among the Selling Shareholders, our Company and a the Share Escrow Agent in connection with the transfer of the respective portion of the Offered Shares by each Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centers where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Stock Exchanges	Together, the BSE and NSE
Syndicate Agreement	The agreement to be 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 [●]
Syndicate or members of the Syndicate	Collectively, the BRLMs and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into among our Company, the Selling Shareholders, Registrar to the Offer and the Underwriters, on or after the Pricing Date but before filing of the Prospectus
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 SEBI circular no SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Conventional and General Terms and Abbreviations

Term	Description
AIF(s)	Alternative Investment Funds
AS 18	Accounting Standard (AS) 18 on related party disclosures under Indian GAAP, issued by the ICAI
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 1956 and the Companies Act 2013, as applicable
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	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
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

Term	Description
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
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, 2013 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
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013 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
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

Term	Description
	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 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

Term	Description
AePS	Aadhaar enabled payment system
BFSI	Banking, financial services and insurance
BHIM	Bharat Interface for Money
CECRC	China E-commerce Research Center
CII	Confederation of Indian Industries
DBT	Direct benefit transfer
E-KYC	Electronic Know Your Customer
FMCG	Fast moving consumer goods
FOS	Feet on street
GMV	Gross merchandise volume
GVA	Gross value added
GVO	Gross value output
IT/ITES	Information technology/information technology enabled services

Term	Description
MDR	Merchant discount rates
NSDC	National Skills Development Corporation
NSS	National Sample Survey
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

The words and expressions used but not defined in this Draft Red Herring 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 544, 116, 118, 171, 202, 460, 465, 508 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

Certain Conventions

All references in this Draft Red Herring Prospectus to "**India**" are to the Republic of India. All references in this Draft Red Herring 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 Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated or the context requires otherwise, the financial data in this Draft Red Herring Prospectus is derived from our Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements for fiscals 2018, 2017, 2016 (prepared in accordance with the Companies Act and IndAS), fiscals 2015 and 2014 (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 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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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 41.

Certain figures contained in this Draft Red Herring Prospectus, including our financial statements, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In this Draft Red Herring 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 Draft Red Herring 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 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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus contains information from KPMG Research which we have commissioned.***" on page 38. 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 Draft Red Herring 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 Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources.

Exchange Rates

This Draft Red Herring 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.

(in ₹)

Currency	Exchange Rate as on March 30, 2014*	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**
1 US$	60.09	62.59	66.33	64.84	65.04

Source: RBI Reference Rates

**Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively*

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

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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus as **QIBs**) and "qualified purchasers" (as defined under the U.S. Investment Company Act and referred to in this Draft Red Herring Prospectus as "**QPs**") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act in reliance upon section 3(c)(7) of the U.S. Investment Company Act; and (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 "***Terms of the Offer – Eligibility and Transfer Restrictions***" on page 476.

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 40.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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 the Draft Red Herring 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;
- 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, 149 and 437, 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 Draft Red Herring 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 Shareholders (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 the Red Herring 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 Draft Red Herring 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 149 and 437, respectively, as well as the other financial and statistical information contained in this Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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 Ind AS Consolidated Summary Statements for fiscals 2016, 2017 and 2018 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 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 2014 and 2015 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.*

Data included in this section in relation to certain operating metrics, financial information not otherwise included in the Restated Ind AS 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 Grover Lalla & Mehta, independent Chartered Accountants.

INTERNAL RISKS

RISKS RELATING TO OUR COMPANY AND INDUSTRY

1. *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.

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.

2. 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 KPMG Research. IndiaMART had an aggregate of 325.8 million and 552.6 million visits in fiscal 2017 and 2018, 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. We also compete indirectly with Internet search engines, traditional brick and mortar suppliers and online business-to-consumer service providers. See "***Our Business—Competition***" on page 167.

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

The management of some of our competitors may have more experience in implementing their business plan and strategy, or our competitors may offer more innovative features on their platforms or be more successful in increasing the number of suppliers and buyers on their platforms or the revenue generated from their operations. We expect many of our competitors to expend financial and other resources to improve their network and system infrastructure, including through platform design, in order to compete more aggressively. We expect that our costs related to advertising, marketing, brand building and employee benefit expenses, which have increased in each of the last three fiscal years, 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.

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

Substantially all of our revenue comes from suppliers who list their products and services on IndiaMART. Our revenue from IndiaMART originates primarily from suppliers purchasing subscriptions. For further details, see "***Our Business***" on page 149.

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 escrow and payment facilitation services. There is no guarantee that these expenditures will generate additional revenue for us or enable us to retain or expand our roster of suppliers, and our net revenue may be lower as a result. We may also encounter difficulty retaining and attracting suppliers if IndiaMART becomes less attractive to suppliers due to a decline in the number of RFQs posted by buyers. These developments could result in a significant decrease in our supplier retention rate.

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

4. 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, or "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.

5. 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. 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 the allegations 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, 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.

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, IndiaMART was listed as a ‘notorious marketplace’ in the list of ‘2017 Out-of-Cycle Review of Notorious Markets’ released by the Office of the United States Trade Representative (“**USTR**”), which 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. Any such allegations 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.

6. 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 ("**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. We may fail to comply with any of these requirements, and compliance with these requirements may increase our compliance burden and costs. 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.

7. 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 34.

8. 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 KPMG, 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, our IndiaMART mobile app had been installed 6.76 million times and, together with our IndiaMART mobile platform, accounted for 72% of total traffic to IndiaMART as of March 31, 2018. 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.

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

Our ability to collect, process and disseminate data using the Internet in a secure and efficient manner is dependent on telecommunications and information technology systems, networks and infrastructure, including but not limited to systems that we develop ourselves. Our systems including our website, mobile app and mobile website are vulnerable to technical failures of our hardware or software, breakdowns in the servers on which our online marketplace is hosted, difficulties in linkages with third-party systems, corruption or loss of our electronically stored data, computer viruses, power loss, electronic intrusion attempts, break-ins, sabotage, vandalism or other disturbances or disruptions in the Internet generally. In particular, as we store a large quantity of data through cloud-based service providers, our accessibility to the data stored in such systems may affected by changes in the costs of maintaining and operating cloud services, applicable government policies and regulations, security breaches or any other disruption affecting the operations of such cloud service providers.

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.

10. 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 ₹ 2,457.53 million in fiscal 2016 to ₹ 4,105.08 million in fiscal 2018. 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 aims to assure buyers that they will receive the product or service prior to payment being made to the seller while addressing the seller’s concern of payment risk by providing for an escrow mechanism. 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.

11. 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 90.

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 Agrawal, our whole time Director, which have been paid.

12. 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, IndiaMART was listed as a 'notorious marketplace' in the 2017 USTR List of Notorious Markets, which alleged that our marketplace facilitated global trade in counterfeit and illegal pharmaceuticals. 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 164 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.

13. We have incurred significant operating losses in the past and have a negative net worth as of March 31, 2018, and we may not be able to improve our financial position or generate sufficient revenue to achieve positive net worth.

For fiscals 2016, 2017 and 2018 we had a negative net worth of ₹ 3,270.73 million, ₹ 3,900.46 million and ₹ 3,212.69 million as per our Restated Consolidated Financial Statements, respectively. Our negative net worth in fiscal years 2016, 2017 and 2018 was primarily attributable to our operating losses and net loss / (gain) on financial assets and liabilities designated at FVTPL in the respective fiscal.. These operating losses have primarily resulted from increasing expenditures related to employee benefits, content development and advertising in order to expand our sales network, develop our in-house technologies, provide premium numbers to participating suppliers, and increase the scale of our operations.

Despite negative net worth, we had relatively high levels of cash and investments primarily due to negative working capital in the past. 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. However, our negative net worth and financial position may make it more difficult or expensive for us to obtain future financing and we may be unable to meet our liquidity needs, remain competitive or continue as a going concern. For details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 437.

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.

14. 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.

15. 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.

16. 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.

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

We are involved in certain legal proceedings (including direct and indirect taxation related proceedings, criminal proceedings and commercial and intellectual property disputes) at different levels of adjudication before various courts, tribunals and appellate authorities. 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:

(₹ *in million)*

S. No.	Nature of proceedings	No. of outstanding proceedings	Aggregate Approximate Amount Ascertainable
Litigation against our Company			
1.	Criminal proceedings	3	0.60
2.	Action taken by statutory/regulatory authority	1	N.A.
3.	Direct tax proceedings	5	23.62
4.	Indirect tax proceedings	3	66.82
5.	Civil proceedings	4	50.00
Litigation by our Company			
1.	Criminal proceedings	1	Not ascertainable
2.	Civil proceedings	1	Not ascertainable
Litigation involving our Subsidiaries			
1.	Criminal proceedings by our Subsidiaries	1	Not ascertainable
Litigation involving our Directors			
1.	Criminal proceedings against our Directors	2	Not ascertainable
2	Action taken by a statutory/regulatory authority against our Directors	1*	Not ascertainable
Litigation involving our Promoters			
1.	Criminal proceedings against our Promoters	2	Not ascertainable
2.	Action taken by a statutory/regulatory authority against our Directors	1*	Not ascertainable

**Includes notice issued to Dinesh Chandra Agarwal and Brijesh Agrawal*

For further details, see "***Outstanding Litigation and Other Material Developments***" on page 460.

18. 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.

19. 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% of our total expenses for fiscal 2018. 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.

20. 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, or "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.

21. 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 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.

22. 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, the USTR List of Notorious Markets further alleged that our marketplace facilitated global trade in counterfeit and illegal pharmaceuticals.

In addition, two buyers on our marketplace have 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 they had placed orders with suppliers 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 Litigation***" on page 461.

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'. 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.

23. 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 escrow and 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.

24. 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 intiated by the DoT 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.

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

We have registered "IndiaMART" (device and label) under several classes as a trademark in India. Additionally, we have also obtained trademark protection over several of our other marks, such as "indiamart", "indiamart.com", "TRUST SEAL", "IIL", "INDIAMART TRUSTSEAL", and "INTERMESH" and applied for the registration of certain trademarks including "IndiaMART Trust Seal" and "Biz Trade Shows", and our subsidiary has applied for the trademark "Pay with IndiaMART" under several classes in India. 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 465.

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, third parties may be able to obtain and use our proprietary information without authorization or to develop similar technology independently. Policing unauthorized use of our intellectual property is often difficult and the steps taken may not be sufficient to prevent the infringement by unauthorized third parties of our intellectual property. Piracy, including in the digital environment, continues to present a threat to revenues from products and services based on intellectual property. We have registered domain names in India, including for www.indiamart.com and www.tolexo.com among others, and have legal rights over the domain name and the sub-domain names for the period for which such domain names are registered. The acquisition and maintenance of domain names are generally regulated by Internet regulatory bodies, which may modify their regulatory policies and the requirements for the holding of domain names. We may, therefore, be unable to obtain or maintain registration of relevant domain names in India or other countries in which we may propose to undertake business operations in the future. We may also face additional difficulties in expanding into any other country and may have to expend considerable time and other resources to obtain domain name registration in such countries. Any delay in acquiring our preferred domain names may provide our competitors the opportunity to obtain such domain names. We may be unable to prevent competitors from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of, our trademarks and other proprietary rights. We cannot assure you that our business strategy of creating a strong brand and reputation will be successful if we are unable to protect our domain names and trademarks and any such failure may have an adverse effect on our business and results of operations.

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

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

26. 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. 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. 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. 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 171. As part of our operations, we are required to comply with the IT Act and the rules thereof, failing which we may face claims and actions against us. Additionally, the Government of India, in December 2017, released a white paper inviting comments on 'Data Protection Framework for India', which provides for a data protection framework based on controller accountability. 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.

27. 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 465. 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 171.

We are also subject several other laws and regulations, including the Companies Act, 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 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.

28. 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. 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***" on page 460.

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.

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

We accept payment on IndiaMART 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 buyers, 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.

30. 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, 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 escrow and 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.

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

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

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

As of the date of this Draft Red Herring Prospectus, our Promoters and certain members of Promoter Group together hold an aggregate of 67.02% of our outstanding Equity Shares on a fully diluted basis. 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 194 for more information.

33. 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.

34. Our Promoters and certain of our Directors and key managerial personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.

Our Promoters and certain of our Directors and key managerial personnel 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 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 our Directors***" and "***Our Promoters and Promoter Group —Interest of our Promoters***" on pages 186 and 194, respectively.

35. 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 200.

36. We operate from leased premises including where our registered office, corporate office and all of our 74 other offices are located. If some of these leases, 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 April 18, 2020 and June 11, 2022. In addition, we lease the premises on which all of our other 74 offices are located. 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 2018, 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.

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

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

In addition, our suppliers may use our online marketplace to list products, the sale of which are prohibited, banned or subject to regulation, such as licensing requirements. For example, under the Drugs and Cosmetics Act, 1940, or 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.

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

As of March 31, 2018, 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 437 and 320, respectively.

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

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

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

40. This Draft Red Herring Prospectus contains information from KPMG Research which we have commissioned.

The information in "***Industry Overview***" on page 118 includes information that is derived from the KPMG Research 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 Research Report. KPMG Research has advised that it does not guarantee the accuracy, adequacy or completeness of the KPMG Research 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 Research Report or the data therein. The KPMG Research Report highlights certain industry and market data relating to the 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 Draft Red Herring Prospectus. Further, the KPMG Research Report is not a recommendation to invest / disinvest in any company covered in the KPMG Research Report. KPMG Research states that it is not responsible for any loss or damage arising from the use of the KPMG Research Report. Prospective investors are advised not to unduly rely on the KPMG Research Report when making their investment decisions.

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) 2,076,091 Equity Shares to Intel Capital (Mauritius), Limited ("**Intel**"), 170,482 Equity Shares to Amadeus IV DPF Limited ("**Amadeus**") and 950,648 Equity Shares to Accion Frontier Inclusion Mauritius ("**AFIM**") on conversion of CCPS held by them, respectively; (ii) an aggregate of 2,374,446 Equity Shares on exercise of stock options held by our employees and Directors; (iii) an aggregate of 9,976,805 Equity Shares pursuant to a bonus issue by our Company. 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 up to 2,721,692 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. 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, 852,453 Equity Shares and 577,656 Equity Shares are being offered by Dinesh Chandra Agarwal, our Promoter and Managing Director and Brijesh Agarwal, 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, or 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 "***Terms of the Offer – Eligibility and Transfer Restrictions***" on page 476.

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" 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. 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, or the "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 December 2017 released a white paper inviting comments, on 'Data Protection Framework for India', which provides for a data protection law in India based on certain principles including technology agnosticism, data minimisation and accountability of the data controller (i.e., the entity that has control over the 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 2016, 2017 and 2018 included in this Draft Red Herring Prospectus have been 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 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 Indan GAAP Consolidated Summary Statements for fiscals 2014 and 2015 included in this Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus should accordingly be limited.

We have prepared our financial statements for Fiscal 2018 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 levies 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 Company is subject to a new revenue recognition standard, Ind AS 115, effective April 1, 2018.

On March 28, 2018, the Ministry of Company Affairs ("**MCA**") has notified that Ind AS 115 will be effective for accounting periods beginning on or after April 1, 2018. Group's first quarter 2018-19 interim financial statements will be first financial statements issued in accordance with Ind AS 115. Ind AS 115 supersedes current accounting standards for revenue, including Ind AS 18, Revenue and Ind AS 11, Construction Contracts.

Ind AS 115 introduces a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other Ind ASs. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services.

Our Company has performed a preliminary impact analysis of the application of the new standard. While the management does not foresee that the application of Ind AS 115 will have a significant impact on our cash flows from operations or the methods and underlying economics through which our Company transact with the customers, there is no assurance that the application of Ind AS 115 will not materially affect our business, financial condition, results of operations and cash flows. For further details, see Note 4 to the Restated Ind AS Consolidated Summary Statements for the year ended March 31, 2016, 2017 and 2018 included elsewhere in this Draft Red Herring Prospectus.

56. 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 ("**NCLT**") vide 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, 2014, 2015, 2016, 2017 and 2018. For details, see "***Financial Information***" on page 202.

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.

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 is proposed to be 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 will be determined by our Company in consultation with the BRLMs, and through the Book Building Process. This price will be 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 113 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 471. 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, 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 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 up to 4,288,801 Equity Shares for cash at a price of ₹ [●] each, aggregating to ₹ [●] million, comprising an Offer for Sale of (i) up to 2,076,190 Equity Shares by Intel, up to 170,502 Equity Shares by Amadeus and up to 475,000 Equity Shares by AFIM, the Investor Selling Shareholders; (ii) up to 852,453 Equity Shares by Dinesh Chandra Agarwal and up to 577,656 Equity Shares by Brijesh Agrawal, the Promoter Selling Shareholders; and (iii) an aggregate of up to 137,000 Equity Shares by the Other Selling Shareholders. For details of the Other Selling Shareholders, see "***Other Regulatory and Statutory Disclosures***" on page 467. The Offer also includes an Employee Reservation Portion of up to [●] Equity Shares (which shall not exceed 5% of the post-Offer Equity Share capital of our Company). The Offer and the Net Offer shall constitute [●]% and [●]% of the post-Offer paid up Equity Share capital of our Company, respectively.

ii) As on March 31, 2018, our net worth was ₹ (3,212.69) million and ₹ (3,122.74) million as per our Restated Consolidated Financial Statements and Restated Unconsolidated Financial Statements, respectively. See "***Restated Financial Statements***" on page 202.

iii) As on March 31, 2018 the net asset value per Equity Share was ₹ (322.02) and ₹ (313.00) as per our Restated IndAS Consolidated Financial Statements and Restated IndAS Unconsolidated Financial Statements, respectively. See "***Restated Financial Statements***" on page 202.

iv) The average cost of acquisition per Equity Share for our Promoters/ Promoter Selling Shareholders as on the date of this Draft Red Herring Prospectus is:

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

**As certified by Grover Lalla & Mehta, Chartered Accountants, by their certificate dated June 25, 2018.*

For further details of our Promoters' capital built-up, see "***Capital Structure***" on page 90.

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

Name of Promoter	Average cost of acquisition per Equity Share (₹)*
Intel Capital (Mauritius), Limited	146.94
Accion Frontier Inclusion Mauritius	385.00
Amadeus IV DPF Limited	385.00

**As certified by Grover Lalla & Mehta, Chartered Accountants, by their certificate dated June 25, 2018.*

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 this Draft Red Herring Prospectus.

vii) For details of transactions between our Company, Subsidiaries and Group Company during the fiscal 2018, including the nature and cumulative value of the transactions, see "***Related Party Transactions***" on page 200.

viii) 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 198 and 200, respectively.

ix) 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 Draft Red Herring 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.

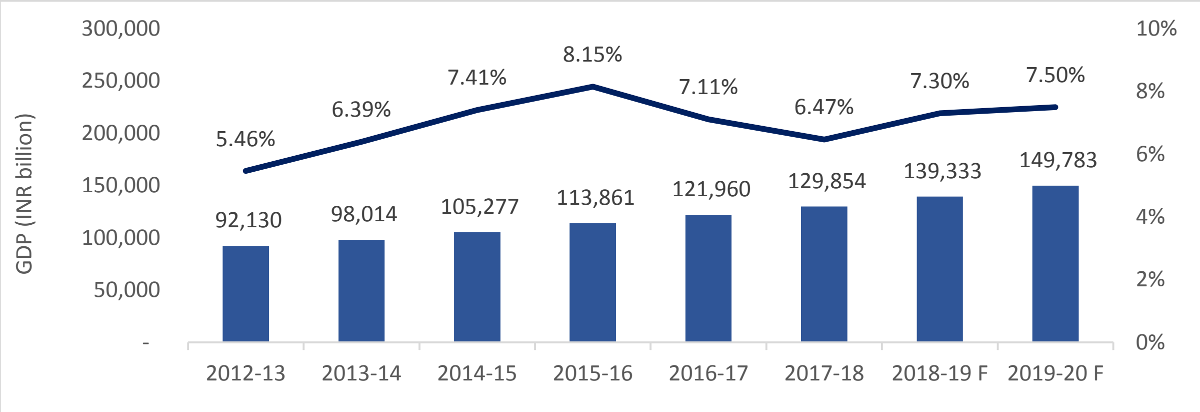
SECTION III – INTRODUCTION
SUMMARY OF INDUSTRY

*The information in this section is derived from the "Market assessment of B2B e-commerce and digital classifieds in India", dated May 29, 2018, prepared by KPMG India Private Limited (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. For further details, see "**Industry Overview**", "**Risk Factors**" and "**Our Business**" on page 118, 19 and 149 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.

GDP (INR Bn) & GDP growth (%) of India at constant prices[1 2] (Base year: 2011-12)



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.[3]

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.[4]

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

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[1] Reserve Bank of India, Handbook on Statistics on Indian Economy
[2] Fitch Ratings - USA
[3] Indian Brand Equity Foundation - Manufacturing Sector in India
[4] International Monetary Fund

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.[5]

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[6] 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.[7] In China, 89 percent of all enterprises were connected to internet by 2015[8].

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[9].

[5] CII, MSME Sectoral Updates

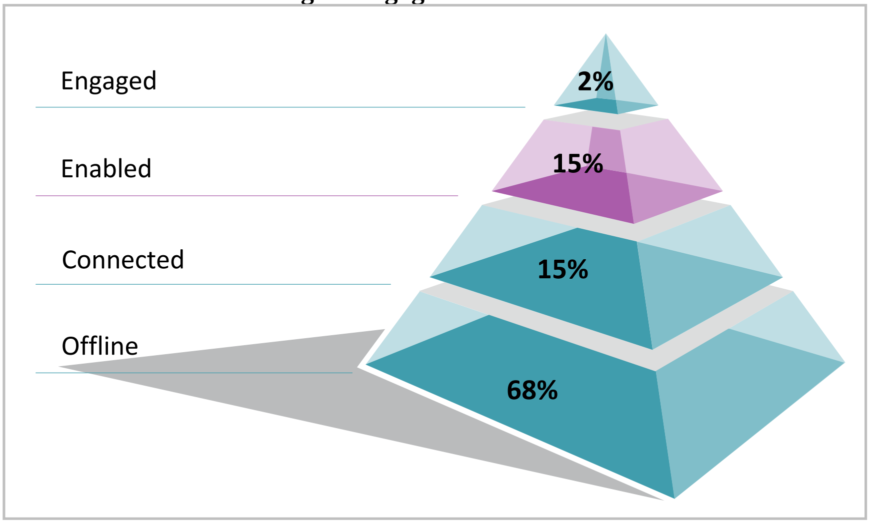
[6] Primary discussions with SME industry bodies

[7] Report by Blue Corona

[8] Report by iResearch

[9] Primary discussions with SME industry bodies

Digital engagement of SMEs



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.

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

[10] Over 12 lakh businesses apply for new GST registration: Revenue Secretary Hasmukh Adhia, Financial Express – July 2017
[11] Economic survey authored by Chief Economic Advisor Arvind Subramanian
[12] Survey calculations based on GST data, Economic Survey 2017-18

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[13].

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[14] 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[15].

Adoption of internet amongst LEs

More than 40 percent[16] 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.

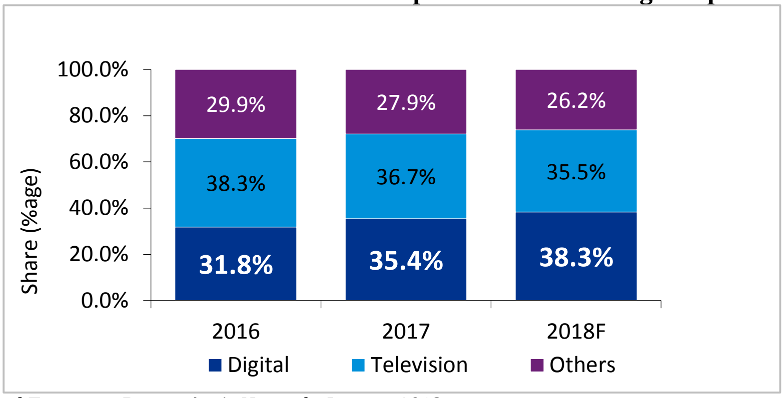
Global Advertising Trends – The Shift towards digital advertising

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.

[13] National Payments Corporation of India
[14] Based on data from Capital Line
[15] 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.
[16] Large Enterprises : Transforming India's Digital Future – Zinnov, 2017

Global % share of advertisement spend- Increase in digital spend



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[17] 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:

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*

[17] KPMG in India industry discussions

Advertising spends across SMEs and Large enterprises[18]
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[19]

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[20] in 2017 and is projected to continue growing to reach INR 5,350 billion[21] by 2020.

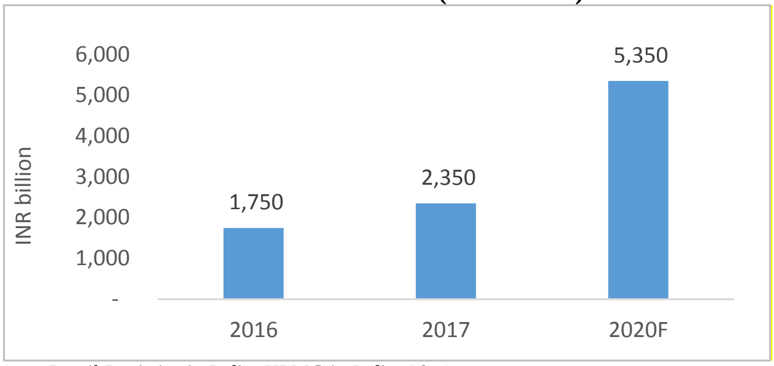
[18] This section is based on primary interviews carried out with a limited set of SMEs and Large Enterprises, and trends outlined herein pertain to these limited set of companies only

[19] Based on discussion with five small buyers

[20] IAMAI-IMRB Research

[21] E-commerce Retail Logistics in India, KPMG in India, 2016

E-commerce in India (INR billion)



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.[22]

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[23] SMEs being engaged in e-commerce in 2015[24]. In China, nearly 34 percent of all SMEs were engaged in online marketing in 2015 indicating a possibly greater number engaged in e-commerce[25]. 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.

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[22] E-commerce Retail Logistics in India, KPMG in India, 2016

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

[24] KPMG report 2015 - Impact of e-commerce on SMEs in India

[25] 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:

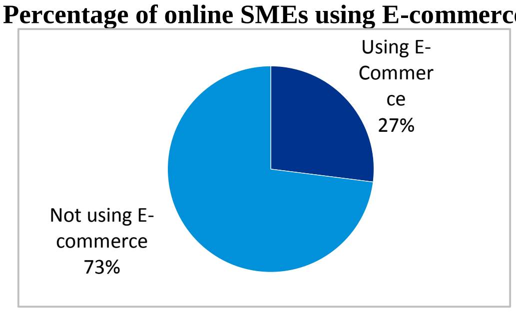
- Commission in a marketplace model – Charging a specified commission (percentage) on every transaction
- Inventory based model – Profits earned on re-selling inventory purchased beforehand from sellers
- Advertising –Platforms also monetize through selling space on the website for display advertising

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.

Percentage of online SMEs using E-commerce



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[26]. 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

[26] KPMG report 2015 - Impact of e-commerce on SMEs in India

and small shop owners. These B2B platforms have already on boarded a large number of small business, as outlined below:

Number of suppliers on a select B2B e-commerce platforms

B2B platform	No. of users	No. of suppliers
Indiamart	59.8 million[27]	4.7 million
Trade India	4.3 million[28]	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[29].

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[30]	4.28 Mn[31]	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*

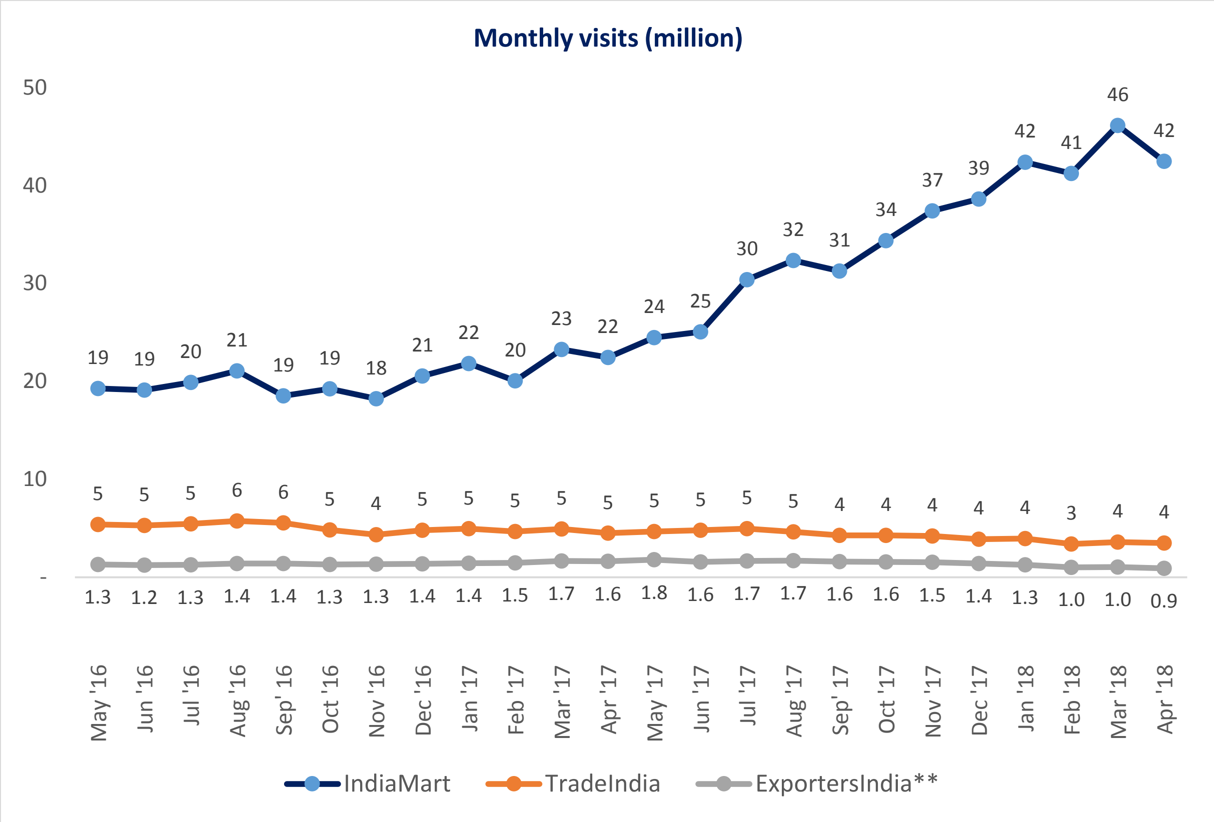
[27] Information provided by Indiamart management; The platform has 4.7 million sellers and 59.8 million buyers (all suppliers are also considered as buyers)

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

[29] B2B classified market size does not include revenues earned by Google or any other search engines

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

[31] 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

*The following information should be read together with the more detailed financial and other information included in this Draft Red Herring 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 149, 118, 19 and 437 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 KPMG. We primarily operate through our product and supplier discovery marketplace, www.indiamart.com or "IndiaMART". Our online marketplace provides a platform for mostly business buyers, to discover products and services and contact the suppliers of such business products and services. IndiaMART had an aggregate of 325.8 million and 552.6 million visits in fiscal 2017 and 2018, respectively, of which 204.8 million and 396.9 million comprised mobile traffic, or 63% and 72% 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, 2018, we had 59.81 million registered buyers, and we had 4.72 million supplier storefronts in India. These Indian supplier storefronts had listed 50.13 million products, of which 75% of goods comprised products and 25% 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 business enquiries were delivered to IndiaMART suppliers in fiscal 2017 and 289.98 million business enquires were delivered in fiscal 2018. For the year ended March 31, 2018, we had 52.59 million daily unique buyer requests, of which 52% were repeat buyers calculated on the basis of the past 90 days.

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, 2018, we had organized our listings across 52 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 KPMG, 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 KPMG 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 KPMG. 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, 2018, we had 52% were repeat buyers calculated on the basis of the past 90 days. In addition, as 42% of the suppliers as of March 31, 2018 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 59%, 63% and 72% of total traffic to IndiaMART for fiscal 2016, 2017 and 2018, respectively. Buyers can make business enquiries on IndiaMART through telephone, SMS, email or by posting RFQs. Also, as on March 31, 2018, 62% 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 fiscal 2016, 2017 and 2018, 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 between fiscal 2016, 2017 and 2018:

	As of and for fiscal year ended March 31,			
	2016	2017	2018	CAGR (2016/18)
As of March 31	(in millions unless indicated)			
Indian supplier storefronts..............................	2.32	3.16	4.72	22%
YoY Growth -Indian supplier storefronts........	-	36%	49%	

	As of and for fiscal year ended March 31,			
	2016	2017	2018	CAGR (2016/18)
As of March 31	(in millions unless indicated)			
Paying subscription suppliers [(1)]	72,335	96,025	108,347	22%
YoY Growth -Paying subscription suppliers	-	33%	13%	
Registered buyers	27.06	39.37	59.81	49%
YoY Growth -Registered buyers	-	45%	52%	
For the year ended March 31				
Total traffic[(3)]	262.2	325.8	552.6	45%
YoY Growth -Total traffic	-	24%	70%	-
Percentage of mobile traffic to total traffic	59%	63%	72%	-
Total business enquiries delivered[(2)]	115.09	156.84	289.98	59%
YoY Growth -Total business enquiries delivered (for the fiscal year)	-	36%	85%	
Revenue from operations	₹ 2,377.09	₹ 3,086.29	₹ 4,035.48	
Indian registered buyers (a)	21.87	32.91	51.71	54%
Foreign registered buyers (b)	5.18	6.46	8.10	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, 2018:

	As of and for the quarter ended								
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018
	(in millions unless indicated)								
Indian supplier Storefronts	2.32	2.46	2.74	3.00	3.16	3.43	3.93	4.35	4.72
Growth corresponding QoQ	-	27%	36%	40%	36%	39%	43%	45%	49%
Paying Customers	104,457	109,587	112,954	114,456	116,921	122,936	123,196	121,673	118,967
Registered buyers	27.06	29.59	33.40	36.12	39.37	42.97	47.86	53.37	59.81
Total business enquiries delivered[(1)]	31.91	34.59	40.88	37.02	44.35	51.14	65.69	80.38	92.77
Growth corresponding QoQ	-	50%	42%	18%	39%	48%	61%	117%	109%
Total traffic	74.2	69.5	78.9	81.9	96.5	105.5	134.8	140.0	172.2
Growth corresponding QoQ	-	18%	21%	28%	30%	52%	71%	71%	78%

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 KPMG, 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 KPMG, 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 KPMG. 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, Finolex Industries Limited, Hilti India Private Limited, JCB India Limited, Nobel Hygiene Pvt Ltd, Stanley Black & Decker India Private Limited, we estimate that a majority of the suppliers and buyers on our marketplace are Indian SMEs.

According to KPMG, 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 KPMG, 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 KPMG. 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 KPMG, 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 on March 31, 2018, a total of 472,855 availed the

IndiaMART premium number service. In addition, as there were a total of 108,347 paying subscription suppliers compared to 4.72 million supplier storefronts on IndiaMART as on March 31, 2018, 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 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' concern of payment risk and assures buyers that they will receive the product or service before any payment is released to the suppliers.

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 KPMG. As of March 31, 2018, IndiaMART provided 59.81 million registered buyers with access to 4.72 million supplier storefronts in India which list 50.13 million products and services across 52 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 ending March 31, 2018, paid visits comprised of less than 1% 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, 2018, our online marketplace had a total of 4.72 million Indian supplier storefronts, of which 42% 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 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 52 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, 2018, our online marketplace had a total of 50.13 million listed products, of which 75% comprised products and 25% 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 39% and 50% of buyers and suppliers are respectively derived from the top 8 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 472,855 suppliers as of March 31, 2018, 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, and 289.98 million business enquires were delivered in fiscal 2018 from our 59.81 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, users from 47 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 RFQs credits.

- *A cost-effective platform*. We believe that we provide suppliers with a ROI 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 472,855 suppliers as of March 31, 2018, 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 18 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, or "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 KPMG, mobile internet has been increasingly contributing to digital media advertising spends increasing from 53% in 2015 to 78% in 2017. Further, according to KPMG, 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% of total traffic to IndiaMART as of March 31, 2018, 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.

Our IndiaMART mobile app had been installed 6.76 million times and 62% of paid suppliers have been active on the app in the last 30 days as of March 31, 2018, and is available for Android and iOS devices. As of March 31, 2018, 172,897 users had rated our IndiaMART app 4.52 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 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 2,921 sales and service representatives as of March 31, 2018, 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, 2018, we had 4.72 million Indian supplier storefronts, with 50.13 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, Geo location, 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 the quarter ended March 31, 2018, the 74% percentage 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 provides assurance to buyers that they will receive an expected product or service before any payment is made to the supplier. 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 KPMG. As of March 31, 2018, 72% of traffic to IndiaMART comprises 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 202 and 437, respectively.*

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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 2018	**31 March 2017**	**31 March 2016 (Proforma)**
	Assets			
A	**Non-current assets**			
	Property, plant and equipment	71.79	73.63	88.60
	Capital work-in-progress	1.77	1.77	1.77
	Goodwill	-	1,175.55	-
	Other Intangible assets	7.62	12.03	6.12
	Investment in subsidiaries	71.62	71.62	539.20
	Financial Assets			
	(i) Investments	65.34	132.95	321.00
	(ii) Loans	0.92	1.76	0.33
	(iii) Bank deposits	302.20	-	113.52
	(iv) Others financial assets	35.03	39.73	33.20
	Deferred tax assets (net)	1,155.58	-	-
	Other non-current assets	6.78	11.79	12.66
	Total non-current assets	**1,718.65**	**1,520.83**	**1,116.40**
B	**Current assets**			
	Financial assets			
	(i) Investments	3,087.70	1,352.36	1,286.30
	(ii) Trade receivables	2.79	5.60	5.05
	(iii) Cash and cash equivalents	452.48	173.73	115.20
	(iv) Bank deposits	-	229.96	-
	(v) Loans	63.20	14.20	9.43
	(vi) Others financial assets	38.85	36.40	9.82
	Current tax assets (Net)	86.60	82.03	72.22
	Other current assets	46.13	143.67	27.25
	Total current assets	**3,777.75**	**2,037.95**	**1,525.27**
	Total assets (A+B)	**5,496.40**	**3,558.78**	**2,641.67**
	Equity And Liabilities			
C	**Equity**			
	Equity share capital	99.77	91.69	91.69
	Other Equity			
	(i) Share premium	279.49	153.05	153.05
	(ii) General reserve	8.45	8.45	8.45
	(iii) Employee Share based Payment Reserve	54.18	46.12	36.90
	(iv) Retained earnings	(3,564.63)	(2,830.59)	(2,704.69)
	Total equity attributable to equity holders	**(3,122.74)**	**(2,531.28)**	**(2,414.60)**
	Liabilities			
D	**Non-current liabilities**			
	Financial liabilities			
	(i) Share buyback obligation	3,729.30	2,460.90	2,195.18
	(ii) Other financial liabilities	2.62	5.36	6.66
	Provisions	58.36	16.32	4.05
	Deferred Revenue	1,660.91	1,213.32	921.96
	Total non-current liabilities	**5,451.19**	**3,695.90**	**3,127.85**
E	**Current liabilities**			
	Financial liabilities			
	(i) Trade payables	412.73	291.66	237.68
	(ii) Other financial liabilities	0.18	0.17	0.17
	Provisions	46.85	38.23	29.86
	Deferred Revenue	2,253.52	1,714.23	1,438.74
	Other current liabilities	454.67	349.87	221.97
	Total current liabilities	**3,167.95**	**2,394.16**	**1,928.42**
	Total liabilities (D+E)	**8,619.14**	**6,090.06**	**5,056.27**
	Total equity and liabilities (C+D+E)	**5,496.40**	**3,558.78**	**2,641.67**

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 2018	31 March 2017	31 March 2016 (Proforma)
F	**Income**			
	Revenue from operations	4,035.48	3,086.29	2,377.09
	Net gain on financial assets measured at FVTPL	36.52	118.68	37.16
	Other income	28.61	18.50	14.61
	Total income	**4,100.61**	**3,223.47**	**2,428.86**
G	**Expenses**			
	Employee benefits expense	1,887.84	1,805.47	1,538.49
	Depreciation and amortization expense	27.97	40.16	26.30
	Impairment of goodwill	1,175.55	-	-
	Net loss on financial liability designated at FVTPL	1,228.62	192.79	70.90
	Other expenses	1,655.45	1,316.01	1,377.27
	Total expenses	**5,975.43**	**3,354.43**	**3,012.96**
H	**Restated loss before tax (F-G)**	**(1,874.82)**	**(130.96)**	**(584.10)**
	Tax expense			
	Current Tax	-	-	-
	Adjustment of tax relating to earlier years	-	-	3.71
	Deferred tax credit	(1,150.41)	-	-
I	**Total tax expenses**	**(1,150.41)**	**-**	**3.71**
J	**Loss for the year attributable to equity shareholders (H-I)**	**(724.41)**	**(130.96)**	**(587.81)**
K	**Other comprehensive income (OCI)**			
	Items not to be reclassified to profit or loss in subsequent periods			
	Re-measurement losses on defined benefit plans	(14.80)	(5.23)	(3.97)
	Income tax effect	5.17	-	-
	OCI for the year, net of tax	**(9.63)**	**(5.23)**	**(3.97)**
L	**Total comprehensive loss for the year attributable to equity shareholders (J + K)**	**(734.04)**	**(136.19)**	**(591.78)**

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 2018	31 March 2017	31 March 2016 (Proforma)
A	**Cash flow from operating activities**			
	Loss before tax (as restated)	**(1,874.82)**	**(130.96)**	**(584.10)**
	Adjustments for:			
	Depreciation of property, plant and equipment	23.16	37.41	22.25
	Amortisation of intangible assets	4.82	2.75	4.05
	Other Income	(28.08)	(18.51)	(14.61)
	Fair value change in investment in debt instruments of subsidiaries	124.38	13.70	-
	Fair value change in investment in mutual funds	(88.36)	(113.35)	(13.49)
	Fair value change in share buyback obligation	1,228.62	192.79	70.90
	(Gain)/loss on disposal of property, plant and equipment	(0.53)	0.03	-
	Share-based payment expense	29.87	19.51	10.28
	Finance cost	-	-	0.03
	Gain on disposal of mutual fund investments	(72.54)	(19.03)	(23.67)
	Impairment of goodwill	1,175.55	-	-
	Impairment allowance on investment in subsidiaries	-	5.10	-
	Operating loss before working capital changes	**522.07**	**(10.56)**	**(528.36)**
	Movement in working capital :			
	(Increase)/decrease in trade receivables	2.83	(0.58)	(0.74)
	(Increase) in other financial assets	(39.39)	(36.46)	(15.93)
	(Increase)/decrease in other assets	102.53	(117.83)	(4.01)
	Decrease in other financial liabilities	(2.73)	(1.30)	(1.10)
	Increase in trade payables	121.07	53.98	42.94
	Increase in other liabilities	1,091.69	694.74	690.41
	Increase/(decrease) in provisions	35.87	15.41	(14.02)
	Cash generated from operations	**1,833.94**	**597.40**	**169.19**
	Income tax paid (net)	(4.59)	(9.80)	(17.84)
	Net cash from operating activities	**1,829.35**	**587.60**	**151.35**
B	**Cash flow from investing activities**			
	Proceeds from sale of property, plant and equipment	1.06	0.02	-
	Purchase of property, plant and equipment & other intangible assets	(22.25)	(28.84)	(60.60)
	Purchase of mutual fund investments	(3,229.70)	(1,586.06)	(2,359.09)
	Investments in subsidiaries (net of cancellations)	(56.70)	(538.72)	(779.50)
	Proceeds from sale of mutual fund investments	1,655.25	1,652.38	1,740.85
	Interest received	21.49	15.66	12.55
	Investments in bank deposits (having original maturity of more than three months)	(72.24)	(116.44)	(8.99)
	Net cash used in investing activities	**(1,703.09)**	**(602.00)**	**(1,454.78)**
C	**Cash flow from financing activities**			
	Proceeds from issues of preference shares under share buyback obligation	39.78	72.93	1,326.00
	Proceeds from issues of equity shares on exercise of ESOP	112.71	-	-
	Interest paid	-	-	(0.03)
	Repayment of short-term borrowings	-	-	(0.57)
	Net cash generated from financing activities	**152.49**	**72.93**	**1,325.40**
D	**Net increase in cash and cash equivalents (A +B +C)**	**278.75**	**58.53**	**21.97**
E	Cash and cash equivalents at the beginning of the year	173.73	115.20	93.23
	Cash and cash equivalents at end of the year (D + E)	**452.48**	**173.73**	**115.20**
	Components of cash and cash equivalents			
	Cash on hand	1.00	0.14	0.02
	Cheques on hand	121.42	82.36	94.45
	With banks - on current account	330.06	91.23	20.73
	Total	**452.48**	**173.73**	**115.20**
	Non-cash investing activities			
	Transactions pursuant to the scheme			
	- Cancellation of Investment	34.80	1,366.63	-
	- Recognition of Goodwill	-	1,175.55	-
	Non-cash financing activities			
	Fair value change in share buyback obligations	1,228.62	192.79	70.90

IndiaMART InterMESH Limited

Summary Statement of Assets and Liabilities (Indian GAAP Unconsolidated)

(Amount in INR million, unless otherwise stated)

S.No.	Particulars	31 March 2015	31 March 2014
	Equity and Liabilities		
A	**Shareholder's Funds**		
	Share capital	581.69	581.69
	Reserves and surplus	(1,393.02)	(1,203.23)
	Total of Shareholders' funds	**(811.33)**	**(621.54)**
B	**Non-current liabilities**		
	Borrowings	-	0.57
	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."	7.32	6.70
	Other long-term liabilities	535.35	356.62
	Total of Non-current liabilities	**542.67**	**363.89**
C	**Current liabilities**		
	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."	194.73	179.79
	Other current liabilities	1,101.92	868.61
	Short-term provisions	43.96	32.45
	Total of Current liabilities	**1,340.61**	**1,080.85**
	Total (A+B+C)	**1,071.95**	**823.20**
D	**Assets**		
	Non-current assets		
	Fixed assets		
	Property, plant and equipment	45.18	61.73
	Intangible assets	10.02	2.13
	Capital work-in-progress	1.77	1.77
	Non-current investments	80.70	0.60
	Loans and advances	42.97	34.37
	Other non current Assets	104.53	-
	Total of Non - current assets	**285.17**	**100.60**
E	**Current assets**		
	Current investments	600.08	579.54
	Trade receivables	4.30	5.34
	Cash and bank balances	93.23	66.16
	Loans and advances	89.17	71.56
	Total of Current assets	**786.78**	**722.60**
	Total (D+E)	**1,071.95**	**823.20**

IndiaMART InterMESH Limited

Summary Statement of Profits and Losses (Indian GAAP Unconsolidated)

(Amount in INR million, unless otherwise stated)

S.No.	Particulars	31 March 2015	31 March 2014
F	**Income:**		
	Revenue from operations	1,728.90	1,357.46
	Other income	118.86	75.55
	Total revenue	**1,847.76**	**1,433.01**
G	**Expenses:**		
	Employee benefits expense	1,136.97	938.90
	Other expenses	866.17	545.61
	Depreciation and amortization expenses	29.91	22.32
	Financial costs	4.50	3.11
I	**Restated loss before tax**	**(189.79)**	**(76.93)**
J	**Tax expense/(income)**		
	Tax expense	-	-
	Total tax expenses	-	-
K	**Restated loss after tax**	**(189.79)**	**(76.93)**

IndiaMART InterMESH Limited

Summary Statement of Cash Flows (Indian GAAP Unconsolidated)

(Amount in INR million, unless otherwise stated)

S.No.	Particulars	31 March 2015	31 March 2014
A	**Cash Flow From Operating Activities**		
	Restated loss before tax	(189.79)	(76.93)
	Adjustment to reconcile loss before tax to net cash flows		
	Depreciation and amortization	29.90	22.32
	Write off on property, plant and equipment	-	3.51
	Provision for diminution in value of investment	-	1.20
	(Gain)/loss on sale of fixed assets	(0.00)	(28.93)
	Employee stock compensation expense /(written back)	-	(0.18)
	Net (gain) on sale of current investments	(113.25)	(45.89)
	Interest expenses	0.09	0.14
	Interest (income)	(5.05)	(0.58)
	Operating loss before working capital changes	(278.10)	(125.34)
	Movement in working capital :		
	Increase in other long-term liabilities	178.74	120.07
	Increase in trade payables	15.56	60.55
	Increase in other current liabilities	233.30	161.48
	Increase in short-term provisions	11.51	12.86
	Decrease in trade receivables	1.04	2.50
	(Increase) in long term loans & advances	(44.23)	(10.76)
	Cash generated from/ (used in) operations	**117.82**	**221.36**
	Direct taxes paid (net of refund)	18.02	1.72
	Net cash from/(used in) operating activities	**135.84**	**223.08**
B	**Cash Flow From Investing Activities**		
	Purchase of fixed assets including CWIP and capital advance	(21.26)	(4.23)
	Proceeds from sale of fixed assets	0.03	44.16
	Advance against purchase of Mutual Fund	-	(7.50)
	Investments in bank deposits (having original maturity of more than three months)	(104.53)	-
	Investments in subsidiary company	(80.10)	-
	Purchase of current investments	(1,188.03)	(442.61)
	Interest received	5.05	0.58
	Proceeds from sale/maturity of current investments	1,280.72	198.80
	Net cash from/(used in) investing activities	**(108.12)**	**(210.80)**
C	**Cash Flow From Financing Activities**		
	Repayment of short term borrowings	(0.56)	(0.51)
	Interest paid	(0.09)	(0.14)
	Net cash from/(used in) financing activities	**(0.65)**	**(0.65)**
D	**Net increase in cash and cash equivalents (A+B+C)**	27.07	11.63
E	Cash and cash equivalents at the beginning of the year	66.16	54.53
	Cash and cash equivalents at end of the year (D+E)	**93.23**	**66.16**
	Components of cash and cash equivalents		
	Cash on hand	0.20	0.53
	Cheques on hand	75.53	2.34
	With banks - on current account	17.50	63.29
	Total cash and cash equivalents	**93.23**	**66.16**

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 2018	31 March 2017	31 March 2016 (Proforma)
	Assets			
A	**Non-Current Assets**			
	Property, plant and equipment	72.86	74.80	98.23
	Capital work in progress	1.77	1.77	1.77
	Intangible assets	7.80	12.33	8.26
	Financial Assets			
	(i) Investments	-	-	-
	(ii) Loans	0.92	1.76	0.33
	(iii) Bank deposits	302.20	-	113.52
	(iv) Others financial assets	35.27	39.74	34.28
	Deferred tax assets (net)	1,155.57	-	-
	Other non-current assets	6.78	11.79	12.66
	Total non-current assets	**1,583.17**	**142.19**	**269.05**
B	**Current assets**			
	Financial assets			
	(i) Investments	3,110.70	1,362.62	1,286.30
	(ii) Trade receivables	6.79	5.31	2.41
	(iii) Cash and cash equivalents	467.11	176.59	187.47
	(iv) Bank deposits	-	229.96	-
	(v) Loans	63.20	14.50	9.62
	(vi) Others financial assets	41.44	36.47	18.09
	Current tax assets (Net)	91.15	83.07	73.17
	Other current assets	63.57	158.35	100.35
	Total current assets	**3,843.96**	**2,066.87**	**1,677.41**
	Total assets (A+B)	**5,427.13**	**2,209.06**	**1,946.46**
	Equity And Liabilities			
C	**Equity**			
	Equity share capital	99.77	91.69	91.69
	Other equity	(3,312.46)	(3,992.15)	(3,362.42)
	Equity attributable to equity holders of the parent	**(3,212.69)**	**(3,900.46)**	**(3,270.73)**
	Non-controlling interests	**0.46**	**0.27**	**0.09**
	Total equity	**(3,212.23)**	**(3,900.19)**	**(3,270.64)**
	Liabilities			
D	**Non-current liabilities**			
	Financial liabilities			
	(i) Share buyback obligation	3,729.30	2,460.90	2,195.18
	(ii) Other financial liabilities	2.62	5.36	6.66
	Provisions	59.31	17.31	4.88
	Deferred revenue	1,660.91	1,213.32	921.96
	Total non-current liabilities	**5,452.14**	**3,696.89**	**3,128.68**
E	**Current liabilities**			
	Financial liabilities			
	(i) Trade payables	418.92	302.40	376.35
	(ii) Other financial liabilities	0.18	0.17	0.17
	Provisions	47.94	39.57	34.90
	Current tax liabilities (net)			0.10
	Deferred revenue	2,259.23	1,718.45	1,438.74
	Other current liabilities	460.95	351.77	238.16
	Total current liabilities	**3,187.22**	**2,412.36**	**2,088.42**
	Total liabilities (D+E)	**8,639.36**	**6,109.25**	**5,217.10**
	Total equity and liabilities (C+D+E)	**5,427.13**	**2,209.06**	**1,946.46**

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 2018	31 March 2017	31 March 2016 (Proforma)
A	**Income**			
	Revenue from operations	4,105.08	3,177.63	2,457.53
	Net gain on financial assets measured at FVTPL	161.63	119.14	37.17
	Other income	28.55	22.59	15.39
	Total income	**4,295.26**	**3,319.36**	**2,510.09**
B	**Expenses**			
	Employee benefits expense	1,948.57	2,096.74	1,819.22
	Depreciation and amortization expense	28.85	46.32	36.82
	Net loss on financial liability designated at FVTPL	1,228.62	192.79	70.90
	Other expenses	1,690.19	1,624.95	1,894.28
	Total expenses	**4,896.23**	**3,960.80**	**3,821.22**
C	**Restated Loss before tax**	**(600.97)**	**(641.44)**	**(1,311.13)**
	Income tax expense			
	Current tax	1.81	2.02	4.55
	Deferred tax credit	(1,150.37)	-	-
	Total tax expense	**(1,148.56)**	**2.02**	**4.55**
D	**Profit / (Loss) for the year**	**547.59**	**(643.46)**	**(1,315.68)**
E	**Other comprehensive income (OCI)**			
	Items that will not be reclassified to profit or loss in subsequent periods			
	Re-measurement losses on defined benefit plans	(14.36)	(5.60)	(3.78)
	Income tax effect	5.20	-	-
	Other comprehensive loss for the year, net of tax	**(9.16)**	**(5.60)**	**(3.78)**
F	**Total comprehensive income / (loss) for the year**	**538.43**	**(649.06)**	**(1,319.46)**
	Attributable to:			
	Equity holders of the parent	538.24	(649.24)	(1,319.52)
	Non-controlling interests	0.19	0.18	0.06

IndiaMART InterMESH Limited

Summary Statement of Cash Flows (Ind AS Consolidated)

(Amount in INR million, unless otherwise stated)

S. No.	Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
A	**Cash flow from operating activities:**			
	Loss before tax (as restated)	**(600.97)**	**(641.44)**	**(1,311.13)**
	Adjustments to reconcile profit before tax to net cash flow:			
	Depreciation of Property, plant and equipment	23.91	42.68	32.21
	Amortisation of Intangible assets	4.94	3.64	4.61
	Other Income	(28.02)	(22.59)	(15.39)
	Fair value change in investment in mutual funds	(89.09)	(100.11)	(13.51)
	Fair value change in share buyback obligation	1,228.62	192.79	70.90
	(Gain)/loss on disposal of property, plant and equipment	(0.53)	0.03	-
	Share-based payment expense	36.83	19.51	10.28
	(Gain)/loss on disposal of mutual fund investments	(72.54)	(19.03)	(23.81)
	Allowances for doubtful debts and advances	-	5.00	-
	Operating loss/(profit) before working capital changes	**503.15**	**(519.52)**	**(1,245.84)**
	Movement in working capital :			
	(Increase)/decrease in trade receivables	(1.48)	(2.89)	1.89
	(Increase)/decrease in other financial assets	(48.38)	(35.13)	(21.75)
	(Increase)/decrease in other assets	99.83	(57.19)	(68.25)
	Increase/(decrease) in other financial liabilities	(2.73)	(1.30)	(3.61)
	Increase/(decrease) in trade payables	116.52	(73.96)	108.62
	Increase in other liabilities	1,097.54	684.68	701.88
	Increase/(decrease) in provisions	36.01	11.50	(9.59)
	Cash generated from/ (used in) operations	**1,800.46**	**6.19**	**(536.65)**
	Income tax paid (net)	(9.90)	(12.01)	(18.62)
	Net cash from/(used in) operating activities (A)	**1,790.56**	**(5.82)**	**(555.27)**
B	**Cash flow from investing activities**			
	Proceeds from sale of property, plant and equipment	1.06	0.02	-
	Purchase of property, plant and equipment and other intangible assets	(22.92)	(27.01)	(74.17)
	Purchase of mutual fund investments	(3,241.70)	(1,599.56)	(2,359.09)
	Proceeds from sale of mutual fund investments	1,655.25	1,642.41	1,741.26
	Interest received	28.02	22.59	15.39
	Investments in bank deposits (having original maturity of more than three months)	(72.24)	(116.44)	(5.50)
	Net cash from/(used in) investing activities (B)	**(1,652.53)**	**(77.99)**	**(682.11)**
C	**Cash flow from financing activities**			
	Proceeds from issues of preference shares under share buyback obligation	39.78	72.93	1,326.00
	Proceeds from issues of equity shares on exercise of ESOP	112.71	-	-
	Interest paid	-	-	(0.03)
	Repayment of short-term borrowings	-	-	(0.57)
	Net cash from/(used in) financing activities (C)	**152.49**	**72.93**	**1,325.40**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**290.52**	**(10.88)**	**88.02**
	Cash and cash equivalents at the beginning of the year	176.59	187.47	99.45
	Cash and cash equivalents at end of the year	**467.11**	**176.59**	**187.47**
	Components of cash and cash equivalents			
	Cash on hand	1.03	0.20	0.12
	Cheques on hand	121.42	82.36	94.45
	With banks - on current account	344.66	90.28	90.58
	- On nodal accounts	-	3.75	2.32
	Total	**467.11**	**176.59**	**187.47**

Non-cash financing activities			
Fair value change in share buyback obligations	1228.62	192.79	70.9

IndiaMART InterMESH Limited

Summary Statement of Assets and Liabilities (IGAAP Consolidated)

(Amount in INR million, unless otherwise stated)

S.No.	Particulars	March 31, 2015	31 March 2014
	Equity and Liabilities		
A	**Shareholder's Funds**		
	Share capital	581.69	581.69
	Reserves and surplus	(1,521.54)	(1,202.69)
	Minority interest	0.03	0.00
	Total Shareholder's fund	**(939.82)**	**(621.00)**
B	**Non-current liabilities**		
	Borrowings	-	0.57
	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	7.32	6.70
	Other long-term liabilities	535.36	356.62
	Total of Non-current liabilities	**542.68**	**363.89**
C	**Current liabilities**		
	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	267.79	179.85
	Other current liabilities	1,108.54	868.61
	Short-term provisions	45.59	32.45
	Total of Current liabilities	**1,421.92**	**1,080.91**
	Total (A+B+C)	**1,024.78**	**823.80**
D	**Assets**		
	Non-current assets		
	Fixed assets		
	Property, plant and equipment	51.24	61.73
	Intangible assets	10.36	2.13
	Capital work-in-progress	1.77	1.77
	Loans and advances	44.19	34.37
	Other non current Assets	104.53	-
	Total of Non - current assets	**212.09**	**100.00**
E	**Current assets**		
	Current investments	600.35	579.81
	Trade receivables	4.30	5.34
	Cash and bank balances	102.95	67.08
	Loans and advances	100.51	71.57
	Other Current Assets	4.58	-
	Total of Current assets	**812.69**	**723.80**
	Total (D+E)	**1,024.78**	**823.80**

IndiaMART InterMESH Limited

Summary Statement of Profits and Losses (IGAAP Consolidated)

(Amount in INR million, unless otherwise stated)

S.No.	Particulars	31 March 2015	31 March 2014
F	**Income:**		
	Revenue from operations	1,760.72	1,357.47
	Other income	119.55	75.57
	Total revenue	**1,880.27**	**1,433.04**
G	**Expenses:**		
	Employee benefits expense	1,190.09	938.96
	Other expenses	973.91	544.48
	Depreciation and amortization expenses	30.21	22.32
	Financial costs	4.72	3.11
	Total expenses	**2,198.93**	**1,508.87**
H	**Restated loss before tax**	**(318.66)**	**(75.83)**
I	**Tax expense**		
	Tax expense	0.18	-
	Total tax expenses	**0.18**	**-**
J	**Loss for the year**	(318.84)	(75.83)
	Less: Minority interest - share of Loss	0.01	(0.00)
K	**Restated loss for the year attributable to shareholders of parent**	**(318.85)**	**(75.83)**

IndiaMART InterMESH Limited

Summary Statement of Cash Flows (IGAAP Consolidated)

(Amount in INR million, unless otherwise stated)

S.No.	Particulars	31 March 2015	31 March 2014
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Restated Loss before tax	(318.66)	(75.83)
	Adjustment to reconcile loss before tax to net cash flows		
	Depreciation and amortization	30.21	22.32
	Write off on Property, plant and equipment	-	3.51
	Provision for advances	0.57	-
	Gain on sale of fixed assets	-	(28.93)
	Employee stock compensation expense /(written back)	-	(0.18)
	Net (gain) on sale of current investments	(113.25)	(45.92)
	Interest expenses	0.09	0.14
	Interest (income)	(5.74)	(0.58)
	Operating loss before working capital changes	**(406.78)**	**(125.47)**
	Movement in working capital :		
	Increase in other long-term liabilities	178.74	120.07
	Increase in trade payables	88.57	60.60
	Increase in other current liabilities	239.36	161.48
	Increase in short-term provisions	13.14	12.86
	Decrease in trade receivables	1.03	2.51
	Decrease in other current assets	(4.58)	-
	Decrease in long term loans and advances	(57.33)	(7.33)
	Cash generated from operations	**52.15**	**224.72**
	Direct taxes paid (net of refund)	18.38	(1.72)
	Net cash from operating activities	**70.53**	**223.00**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets including CWIP and capital advance	(27.98)	(4.23)
	Proceeds from sale of fixed assets	0.03	44.16
	Advance against purchase of Mutual Fund	-	(7.50)
	Investments in bank deposits (having original maturity of more than three months)	(108.02)	-
	Purchase of current investments	(1,188.02)	(442.00)
	Interest received	5.74	0.58
	Proceeds from sale/maturity of current investments	1,280.73	198.89
	Net cash (used in) investing activities	**(37.52)**	**(210.10)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of share capital	0.02	-
	Repayment of short term borrowings	(0.56)	(0.51)
	Interest paid	(0.09)	(0.14)
	Net cash (used in) financing activities	**(0.63)**	**(0.65)**
D	**Net increase in cash and cash equivalents (A+B+C)**	32.38	12.25
E	Cash and cash equivalents at the beginning of the year	67.08	54.83
	Cash and cash equivalents at end of the year (D+E)	**99.46**	**67.08**
	Components of cash and cash equivalents		
	Cash on hand	0.39	0.76
	Cheques on hand	76.15	2.34
	With banks - on current account	22.92	63.98
	Total cash and cash equivalents	**99.46**	**67.08**

THE OFFER

The following table summarizes details of the Offer.

Offer	Up to 4,288,801 Equity Shares of ₹ 10 each aggregating to ₹ [●] million
Comprising:	
Offer for Sale[1]	Up to 4,288,801 Equity Shares
Of which	
Employee Reservation Portion[2]	Up to [●] Equity Shares
Accordingly,	
The Net Offer	Up to [●] Equity Shares
Of which	
A. QIB Category[3]	At least [●] Equity Shares
Of which	
Anchor Investor Portion[4]	[●] Equity Shares
Balance available for allocation to QIBs other than the Anchor Investor Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Of which:	
Available for allocation to mutual funds only (5% of the QIB Category (excluding Anchor Investor Portion))	[●] Equity Shares
B. Non-Institutional Category	Not more than [●] Equity Shares
C. Retail Category	Not more than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding as of the date of this Draft Red Herring Prospectus	24,717,461 Equity Shares
Equity Shares outstanding prior to the Offer[5]	28,592,007 Equity Shares
Equity Shares outstanding after the Offer[6]	28,592,007 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 ***"Objects of the Offer"*** on page 111

*1. 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 467.*
2 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, if any, will be 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.
3 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.
*4 Our Company in consultation with the BRLMs, may allocate up to 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 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 made to Anchor Investors, which price shall be determined by the Company in consultation with the BRLMs. In the event of under subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the QIB Category. For further details, see "**Offer Procedure**" on page 496.*
5 Includes an aggregate of 3,874,546 Equity Shares, to be issued prior to filing the Red Herring Prospectus with the RoC, pursuant to conversion of an aggregate of 1,871,760 CCPS held by the New Investors
6 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

Notes

1. In accordance with Regulation 19(2)(b) of the SCRR, the Net Offer shall constitute at least [●]% 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 496.

For details, including in relation to grounds for rejection of Bids, refer to the "***Offer Procedure***" on page 496. For details of the terms of the Offer, see "***Terms of the Offer***" on page 492.

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

7th & 8th Floors, Advant-Navis Business Park
Plot number 7, Sector 142, Noida 201 301
Uttar Pradesh, India
Tel: (+91) (120) 677 7800
Fax: (+91) (120) 399 7666

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

Details	Registration/Identification number
Registration Number	101534
Corporate Identification Number	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
4th 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 Draft Red Herring Prospectus.

Name, Designation and DIN	DIN	Age	Address
Dinesh Chandra Agarwal *Designation:* Managing Director	00191800	49	408, Ashirwad Enclave, 104, I.P. Extension, Delhi 110 092, India
Brijesh Agrawal *Designation:* Whole-time Director	00191760	41	408, Ashirwad Enclave, 104, I.P. Extension, Delhi 110 092, India
Dhruv Prakash *Designation:* Non-executive Director	05124958	66	A 14, Sector 26, Noida 201 301, Uttar Pradesh, India.
Rajesh Sawhney *Designation:* Independent Director	01519511	52	A/402, The Ivy Residential Complex, Sushant Lok, Phase 1, Gurgaon 122 001, Haryana, India

Name, Designation and DIN	DIN	Age	Address
Elizabeth Lucy Chapman *Designation:* Independent Director	06459440	37	Flat 5, Jaijee Terrace, NB Marg/ Sleater Road, Grant Road West, Near Post Office, Mumbai 400 007, Maharashtra, India
Vivek Narayan Gour *Designation: Independent Director*	00254383	55	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 182**.**

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
7th and 8th floor, Advant Navis Business Park
Plot number 7, Sector 142, Noida 201 301
Uttar Pradesh, India
Tel: (+91) (120) 677 7800
Fax: (+91) (120) 399 7666
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
7th and 8th Floors, Advant Navis Business Park
Plot number 7, Sector 142, Noida 201 301
Uttar Pradesh, India
Tel: (+91) (120) 677 7800
Fax: (+91) (120) 399 7666
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, 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
Website: www.icicisecurities.com
Investor Grievance E-mail:
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
Website: www.jefferies.com
Investor Grievance E-mail:
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
Website: www.edelweissfin.com
Investor Grievance E-mail:
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, *inter alia*: • finalizing the list and division of international investors for one-to-one meetings • finalizing international road show and investor meeting schedules	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, *inter alia*: • finalizing the list and division of domestic investors for one-to-one meetings • finalizing domestic roadshow and investor meeting schedules	I-Sec, Edelweiss, Jefferies	Edelweiss
9.	Non-institutional and retail marketing of the Offer, which will cover, *inter alia*: • formulating marketing strategies, preparation of publicity budget • finalising media and public relations strategy • finalising centres for holding conferences for press and brokers • finalising collection centres	I-Sec, Edelweiss, Jefferies	I-Sec

S. No.	Activity	Responsibility	Coordinator
	• follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material		
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

[●]

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

Lathams & Watkins
9, Raffles Place
#42-02, Republic Plaza
Singapore 048619
Tel: (+65) 6437 5467
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
Investor Grievance E-mail: indiamart.ipo@linkintime.co.in
Website: 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 Account Bank

[●]

Refund Bank

[●]

Self-Certified Syndicate Banks

The list of banks that has been notified by SEBI to act as SCSBs for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 on the website of the SEBI, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which a Bidder (other than an Anchor Investor), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Bid cum Application Forms is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 on the website of SEBI, and at such other websites as may be prescribed by SEBI 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 and 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) and updated from time to time.

Statutory Auditors of our Company

S. R. Batliboi & Associates LLP
Chartered Accountants
6th Floor, Worldmark – 1
IGI Airport Hospitality District
Aerocity, New Delhi 110 037
India
Tel: (+91) (11) 6671 8000
Fax: (+91) (11) 6671 9999
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 2013, to the extent and in their capacity as an auditor and in respect of their (a) examination reports dated June 22, 2018 on our Restated Financial Statements, and their (b) report dated June 26, 2018 on the Statement of Tax Benefits included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring 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 Grover Lalla & Mehta, Chartered Accountants, to include their name in this Draft Red Herring Prospectus as an "expert", as defined under Section 2(38) read with Section 26 of the Companies Act 2013, in connection with their certification on certain operational key performance indicators and certain other information included in this Draft Red Herring 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 will be decided by our Company in consultation with the Selling Shareholders and the BRLMs, and advertised in [●] editions of [●] (a widely circulated English national daily newspaper) and [●] editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located), at least five 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 shall be determined by our Company in consultation with the BRLMs after the Bid/Offer Closing Date.

All Investors (other than Anchor Investors) can 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, 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) can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are 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 will be on a proportionate basis. For further details on method and process of Bidding, see "***Offer Structure***" and "***Offer Procedure***" on pages 488 and 496, 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 the 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 Process and Price Discovery Process***" on page 531.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter 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 will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.

(₹ in million)

Name, address, telephone, fax and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be finalized after the pricing and actual allocation and subject to the provisions of Regulation 13(2) of the SEBI ICDR Regulations.

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 Draft Red Herring Prospectus are set forth below.

(Amount in ₹)

	PARTICULARS	AGGREGATE VALUE AT FACE VALUE	AGGREGATE VALUE AT OFFER PRICE
A.	**AUTHORIZED SHARE CAPITAL***		
	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 0.01% Cumulative Preference Shares of ₹100 each	189,425,400	[●]
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL ON THE DATE OF THIS DRAFT RED HERRING PROSPECTUS**		
	24,717,461 Equity Shares of ₹ 10 each	247,174,610	[●]
	563,903 CCPS A of ₹ 328 each	184,960,184	[●]
	1,169,231 CCPS B of ₹ 100 each	116,923,100	[●]
	138,626 CCPS B1 of ₹ 100 each	13,862,600	[●]
C.	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE OFFER#**		
	28,592,007 Equity Shares of ₹ 10 each***	285,920,070	[●]
D.	**OFFER^**		
	Offer of up to 4,288,801 Equity Shares**	42,888,010	[●]
E.	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE OFFER#**		
	28,592,007 Equity Shares of ₹ 10 each***	285,920,070	[●]
F.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		702,557,683
	After the Offer		702,557,683

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 174.*

***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 467.*

^Includes an Employee Reservation Portion of up to [●] Equity Shares.

****Includes an aggregate of 3,874,546 Equity Shares, to be issued prior to filing the Red Herring Prospectus with the RoC, pursuant to conversion of an aggregate of 1,871,760 CCPS held by the New Investors*

#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

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[1]	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[2].	8,000,700	80,007,000

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, 2000	215,500	10	10.00	Cash	Preferential allotment[3]	8,216,200	82,162,000
November 30, 2000	22,500	10	40.00	Cash	Preferential allotment[4]	8,238,700	82,387,000
June 17, 2001#	75,250	10	40.00	Cash	Preferential allotment[5]	8,313,950	83,139,500
July 15, 2001#	76,500	10	40.00	Cash	Preferential allotment[6]	8,389,950	83,899,500
August 30, 2001#	71,250	10	40.00	Cash	Preferential allotment[7]	8,461,700	84,617,000
March 31, 2002	33,000	10	40.00	Cash	Preferential allotment[8]	8,494,700	84,947,000
October 5, 2002	34,500	10	40.00	Cash	Preferential allotment[9]	8,529,200	85,292,000
March 30, 2007	639,659	10	234.50	Cash	Preferential allotment[10]	9,168,859	91,688,590
November 24, 2008	100	10	328.00	Cash	Preferential allotment[11]	9,168,959	91,689,590
January 29, 2016	20	10	770.00	Cash	Preferential allotment[12]	9,168,979	91,689,790
February 5, 2016	10	10	770.00	Cash	Preferential allotment[13]	9,168,989	91,689,890
Equity Shares issued in the preceding one year							
March 31, 2018	301,681	10	100.00	Cash	Exercise of options granted under Grant 2010[14]	9,470,670	94,706,700
	373,723	10	150.00	Cash	Exercise of options granted under Grant 2012 and Grant 2013[15]	9,844,393	98,443,930
	132,412	10	200.00	Cash	Exercise of options granted under Grant 2015 and Grant 2016[16]	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[17]	19,953,610	199,536,100
	5,020	10	50.00	Cash	Exercise of options granted under Grant 2010[18]	19,958,630	199,586,300
	1,426	10	75.00	Cash	Exercise of options granted under Grant 2012[19]	19,960,056	199,600,560
May 31, 2018	77,450	10	50.00	Cash	Exercise of options granted under Grant 2010[20]	20,037,506	200,375,060
	277,650	10	75.00	Cash	Exercise of options granted under Grant 2012[21]	20,315,156	203,151,560
	568,160	10	100.00	Cash	Exercise of options granted under Grant 2015 and 2016[22]	20,883,316	208,833,160
June 6, 2018	2,076,091	10	146.93	Cash	Conversion of CCPS A[23]	22,959,407	229,594,070
	1,105,632	10	385.00	Cash	Conversion of CCPS B[24]	24,065,039	240,650,390
	15,498	10	385.00	Cash	Conversion of CCPS B1[25]	24,080,537	240,805,370
June 16, 2018	25,682	10	50.00	Cash	Exercise of options granted under Grant 2010[26]	24,106,219	241,062,190
	11,990	10	75.00	Cash	Exercise of options granted under Grant 2012[27]	24,118,209	241,182,090
	79,120	10	100.00	Cash	Exercise of options granted under Grant 2017[28]	24,197,329	241,973,290
June 25, 2018	520,132	10	100.00	Cash	Exercise of options granted under Grant 2015[29]	24,717,461	247,174,610

*# 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 26.*

[1]*Subscription to 100 equity shares each by Dinesh Chandra Agarwal, Brijesh Agrawal, Chetna Agarwal, Pankaj Agarwal, Naresh Chandra Agarwal, Prakash Chandra Agrawal and Praveen Kumar Goel.*
[2]*Allotment of 8,000,000 equity shares to Dinesh Chandra Agarwal, the sole proprietor of InterMESH Systems.*
[3]*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 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.

[4] *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 Awtar 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.*

[5] *Allotment of 25,000 equity shares to Brijesh 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, Shwet 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.*

[6] *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.*

[7] *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. Saradhhi, Gopal Krishna, Shwet 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.*

[8] *Allotment of 6,000 equity shares to Brijesh Agrawal, 17,000 equity shares to Pankaj Agarwal and 10,000 equity shares to Chetna Agarwal.*

[9] *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 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 Shwet Gupta, 500 equity shares to Pawan Kinger, 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.*

[10] *Allotment of 426,439 equity shares to Bennett, Coleman & Co. Limited and 213,220 equity shares to Times Internet Limited.*

[11] *Allotment of 100 equity shares to Intel.*

[12] *Allotment of 20 Equity Shares each to Amadeus and Westbridge.*

[13] *Allotment of 10 Equity Shares to AFIM*

[14] *Allotment to 36 employees of our Company, pursuant to exercise of employee stock options*

[15] *Allotment to 34 employees of our Company, pursuant to exercise of employee stock options*

[16] *Allotment to 27 employees of the Company, pursuant to exercise of employee stock options*

[17] *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*

[18] *Allotment to Jatin Bhargava pursuant to exercise of stock options*

[19] *Allotment to Arun Singh Tyagi pursuant to exercise of stock options*

[20] *Allotment to 11 employees of our Company, pursuant to exercise of stock options*

[21] *Allotment to four employees of our Company, pursuant to exercise of stock options*

[22] *Allotment to 25 employees of our Company, pursuant to exercise of stock options*

[23] *Allotment to Intel on conversion of 930,000 CCPS A held by Intel*

[24] *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*

[25] *Allotment to Amadeus on conversion of 7,749 CCPS B1 held by Amadeus*

[26] *Allotment to six employees of our Company, pursuant to exercise of stock options*

[27] *Allotment to three employees of our Company pursuant to exercise of stock options*

[28] *Allotment to 26 employees of our Company pursuant to exercise of stock options*

[29] *Allotment to 11 employees of our Company pursuant to 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 (₹)
Non-cumulative redeemable preference shares							
January 10, 2000	2,000,000	10	10.00	Other than cash	Allotment of non-cumulative redeemable preference shares in	2,000,000	20,000,000

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 (₹)
					consideration of acquisition of the assets and liabilities of InterMESH Systems, a sole proprietorship firm[1]		
Total	**0**					**0**	**0**
CCPS A							
November 24, 2008	1,493,903	328	328.00	Cash	Preferential allotment[2]	1,493,903	490,000,184
June 6, 2018	(930,000)	328	-	-	Conversion into Equity Shares	563,903	184,960,184
Total	**563,903***					**563,903**	**184,960,184**
CCPS B							
January 29, 2016	947,122	100	770.00	Cash	Preferential allotment[3]	947,122	94,712,200
February 5, 2016	774,925	100	770.00	Cash	Preferential allotment[4]	1,722,047	172,204,700
June 6, 2018	(552,816)	100	-	-	Conversion into Equity Shares	1,169,231	11,6923,100
Total	**1,169,231****					**1,169,231**	**11,6923,100**
CCPS B1							
March 31, 2017	94,713	100	770	Cash	Preferential allotment[5]	94,713	9,471,300
July 26, 2017	51,662	100	770	Cash	Preferential allotment[6]	146,375	14,637,500
June 6, 2018	(7,749)	100	-	-	Conversion into Equity Shares	138,626	13,862,600
Total	**138,626*****					**138,626**	**13,862,600**

[1]*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 Draft Red Herring Prospectus.*
[2]*Allotment of 1,493,903 CCPS A to Intel.*
[3] *Allotment of 516,613 CCPS B to Amadeus and 430,509 CCPS B to Westbridge.*
[4]*Allotment of 516,613 CCPS B to AFIM and 258,312 CCPS B to Intel.*
[5]*Allotment of 51,662 series CCPS B1 to Amadeus and 43,051 series B1 CCPS to Westbridge.*
[6]*Allotment of 51,662 series CCPS B1 to AFIM.*
**To be converted into an aggregate of 1,258,832 Equity Shares prior to filing of the Red Herring Prospectus with the RoC.*
*** To be converted into an aggregate of 2,338,462 Equity Shares prior to filing of the Red Herring Prospectus with the RoC.*
**** To be converted into an aggregate of 277,252 Equity Shares prior to filing of the Red Herring Prospectus with the RoC.*

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	Allottees of shares	Benefits accrued to our Company
Equity Shares						
January 1, 2000	8,000,000	10	10.00	Allotment of Equity Shares in consideration of acquisition of the assets and liabilities of InterMESH Systems, a sole proprietorship firm	Dinesh Chandra Agarwal	Acquisition of assets of InterMESH Systems
Non-cumulative redeemable preference shares						
January 1, 2000	2,000,000	10	10.00	Allotment of non-cumulative redeemable preference shares in consideration 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	Allottees of shares	Benefits accrued to our Company
Equity Shares						
				acquisition of the assets and liabilities of InterMESH Systems, a sole proprietorship firm[1]		

[1]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 Draft Red Herring 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 Draft Red Herring 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. 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 Draft Red Herring Prospectus, our Company has issued an aggregate of 2,139,690 options under IndiaMART ESOS 2015. Of the granted options, an aggregate of 1,604,952 options have vested (including 1,591,131 stock options have been exercised) and 372,276 options have lapsed as on the date of this Draft Red Herring 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 2019 (April 1, 2018 To June 25, 2018)						Fiscal 2018						Fiscal 2017					Fiscal 2016			
	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 2010**	**Grant 2012**	**Grant 2013**	**Grant 2015**
Options granted	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	200730	Nil	Nil	Nil	Nil	276,980	Nil	Nil	Nil	539,000
Pricing Formula	FMV																				
Vesting period	0 to 48 months																				
Options vested (excluding the options that have been exercised)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	48,000	22,284	Nil	Nil	Nil	4950	95200	Nil	Nil	190,828	3,300	Nil
Options exercised	54,076	1,45,533	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	Nil	Nil
The total number of options exercisable at the end of the year	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	Nil
Options forfeited/lapsed/cancelled	9,218	4,603	Nil	Nil	Nil	Nil	Nil	Nil	Nil	12,000	33,200	2,930	Nil	Nil	Nil	67,000	23,000	Nil	1200	Nil	Nil
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.
Money realized by exercise of options (₹)	5407600	21,829,950	Nil	57,680,000	27,243,600	31,817,600	3,01,68,100	5,24,58,450	36,00,000	2,11,80,000	53,02,400	N.A.	N.A.	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	65,700	58,050	38,712	63,286	1,50,136	Nil	3,54,100	1,94,268	1,97,800	364,967	499,859	24,000	472,000	2,53,980	364,967	499,859	24,000	539,000
Employee wise details of options granted to Directors/ Senior Management Personnel												See Note 5					See Note 1				See Note 2
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												See Note 6					See Note 3				See Note 4
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 Company at the time of grant												See Note 9					See Note 8				See Note 7

Particulars	Fiscal 2019 (April 1, 2018 To June 25, 2018)						Fiscal 2018						Fiscal 2017					Fiscal 2016			
	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 2010**	**Grant 2012**	**Grant 2013**	**Grant 2015**
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 'Earning Per Share'	N.A as loss						N.A as loss						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	280.5	148.39	150	150	200	275.93	280.5	148.39	150	150	200	275.93	148.39	149.52	148.91	148.91
Method and significant assumptions used to estimate the fair value of options 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 **(all figures as on March 31, 2018)**																					
(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%	7.20%	6.69%	8.39%	8.36%	7.75%
(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	4.25	4.00	5.50	5.00
(3) Expected volatility	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

Particulars	Fiscal 2019 (April 1, 2018 To June 25, 2018)						Fiscal 2018						Fiscal 2017					Fiscal 2016			
	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 2010**	**Grant 2012**	**Grant 2013**	**Grant 2015**
(5) Exercise Price	100	150	150	200	200	200	100	150	150	200	200	200	100	150	150	200	200	100	150	150	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	100	150	150	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

Note 1(Fiscal 2017) (KMPs)

Name of employee	No. of options granted
Dinesh Gulati	9,080

Prateek Chandra	5,900
Amarinder Singh Dhaliwal	33,000

Note 2(Fiscal 2016) (KMP's)

Name of employee	No. of options granted
Dinesh Gulati	1,05,000
Prateek Chandra	50,000

Note 3(Fiscal 2018)

Name of employee	No. of options granted
Madhup Agarwal	1,00,000
Prashant Chauhan	24,000
Mayank Kamal	24,000

Note 4(Fiscal 2016)

Name of employee	No. of options granted
Madhup Agarwal	1,00,000
Vikas Agarwal	70,000
Abhishek Bhartia	35,000
Navneet Rai	30,000
Harsh Kundra	30,000

Note 5(Fiscal 2018) (KMP's)

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

Note 6(Fiscal 2018)

Name of employee	No. of options granted
Madhup Agarwal	1,38,400

Note 7

Name of employee	No. of options granted
Dinesh Gulati	1,05,000
Madhup Agarwal	1,00,000

Note 8

Name of employee	No. of options granted
Madhup Agarwal	1,00,000

Note 9

Name of employee	No. of options granted
Madhup Agarwal	1,00,000

(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 Draft Red Herring Prospectus, no options or SAR units have been granted under IndiaMART ESBS 2018.

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

Particulars	Fiscal 2019 until June 25, 2018
Total options/SAR units outstanding as at the beginning of the period	Nil
Increase in number of options/SAR units granted on account of bonus	Nil
Total options/SAR units granted	Nil
Vesting period	To be determined by our Nomination and Remuneration Committee at the time of grant
Pricing formula	FMV
Exercise price of options/SAR units in ₹ (as on the date of grant of options)	To be determined by our Nomination and Remuneration Committee at the time of grant
Total options/ SAR units vested (excluding the options that have been exercised)	N.A.
Options / SAR units exercised	N.A.
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)	N.A.
Options/SAR units forfeited/lapsed/cancelled	N.A.
Variation of terms of options/SAR units	N.A.
Money realized by exercise of options/SAR units	N.A.
Total number of options/SAR units outstanding in force	Nil
Employee wise details of options/ SAR units granted to:	
(i) Directors/ Senior management personnel	N.A.

Particulars	Fiscal 2019 until June 25, 2018
(ii) Any other employee who receives a grant in any one year of options/ SAR units amounting to 5% or more of the options/SAR units granted during the year	N.A.
(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	N.A.
Lock-in	N.A.
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'	N.A.
Where our Company has calculated the employee compensation cost using the intrinsic value of stock options/SAR, 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.
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	N.A.
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	To be determined by our Nomination and Remuneration Committee at the time of grant
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.
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.
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.

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 Draft Red Herring Prospectus, our Promoters hold in aggregate of 15,909,400 Equity Shares, which constitutes 64.37% of the paid-up Equity Share capital of our Company as on the date of this Draft Red

Herring 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 Equity Share capital as on date of this Draft Red Herring prospectus (%)	Percentage of pre-Offer Equity Share capital (%)*	Percentage of post-Offer Equity Share capital (%)*
Dinesh Chandra Agarwal								
September 13, 1999	Cash	Subscription to MoA	100	10	10.00	Negligible	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	8,000,000	10	10.00	32.37	27.98	27.98
July 15, 2001	Cash	Preferential allotment	8,000	10	40.00	0.03	0.03	0.03
August 30, 2001	Cash	Preferential allotment	2,000	10	40.00	0.01	0.01	0.01
January 1, 2002	N.A.	Transfer by way of gift[1]	(180,000)	10	N.A.	(0.73)	(0.63)	(0.63)
October 5, 2002	Cash	Preferential allotment	4,000	10	40.00	0.02	0.01	0.01
June 15, 2004	N.A.	Acquisition as a gift[2]	25,000	10	N.A.	0.10	0.09	0.09
September 28, 2005	N.A.	Acquisition as gift[3]	7,500	10	N.A.	0.03	0.03	0.03
March 27, 2006	N.A	Acquisition as a gift from Anita Rungta	25,000	10	N.A	0.10	0.09	0.09
March 29, 2012	N.A.	Transfer by way of gift[4]	(3,150,000)	10	N.A.	(12.74)	(11.02)	(11.02)
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.	19.18	16.58	16.58
Total (A)			**9,483,200**			**38.37**	**33.17**	**33.17**
Brijesh Agrawal								
September 13, 1999	Cash	Subscription to the MoA	100	10	10.00	Negligible	Negligible	Negligible
March 31, 2000	Cash	Preferential allotment	26,000	10	10.00	0.11	0.09	0.09
June 17, 2001	Cash	Preferential allotment	25,000	10	40.00	0.10	0.09	0.09
March 31, 2002	Cash	Preferential allotment	6,000	10	40.00	0.02	0.02	0.02
October 5, 2002	Cash	Preferential allotment	500	10	40.00	Negligible	Negligible	Negligible
July 26, 2006	N.A	Acquisition as a gift from Nimisha Agarwal	5,500	10	N.A	0.02	0.02	0.02

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 Equity Share capital as on date of this Draft Red Herring prospectus (%)	Percentage of pre-Offer Equity Share capital (%)*	Percentage of post-Offer Equity Share capital (%)*
April 16, 2012	N.A.	Acquisition as gift from Keshar Devi Agarwal	3,150,000	10	N.A.	12.74	11.02	11.02
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.	13.00	11.24	11.24
Total (B)			**6,426,200**			**26.00**	**22.48**	**22.48**
Grand Total (A+B)			**15,909,400**			**64.37**	**55.65**	**55.65**

** Includes an aggregate of 3,874,546 Equity Shares, to be issued prior to filing the Red Herring Prospectus with the RoC, pursuant to conversion of an aggregate of 1,871,760 CCPS held by the New Investors*

[1] 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
[2]Acquisition as gift of 25,000 equity shares from Anita Rungta,
[3]Acquisiton as gift of 500 equity shares from Parag Mehra and 7,000 equity shares from Awadesh Gupta
[4] 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 46.

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 Draft Red Herring Prospectus.

Name of Shareholder	As on the date of this Draft Red Herring Prospectus		Post-Offer	
	Number of Equity Shares	Percentage of Equity Share capital (%)	Number of Equity Shares	Percentage of Equity Share capital (%)*
Promoters (A)				
Dinesh Chandra Agarwal	9,483,200	38.37	8,630,747	30.19
Brijesh Agrawal	6,426,200	26.00	5,848,544	20.46
Total (A)	**15,909,400**	**64.37**	**14,479,291**	**50.64**
Promoter Group (B)				
Chetna Agarwal	155,200	0.63	155,200	0.54
Prakash Chandra Agrawal	40,200	0.16	40,200	0.14
Naresh Chandra Agrawal	40,200	0.16	40,200	0.14
Keshar Devi Agrawal	19,800	0.08	19,800	0.07
Anand Kumar Agrawal	70,000	0.28	70,000	0.24
Meena Agrawal	69,900	0.28	69,900	0.24
Gunjan Agarwal	20,000	0.08	20,000	0.07
Pankaj Agarwal	151,000	0.61	151,000	0.53
Dinesh Chandra Agarwal (HUF)	60,000	0.24	60,000	0.21
Naresh Chandra Agrawal (HUF)	9,000	0.04	9,000	0.03
Prakash Chandra Agrawal (HUF)	6,000	0.02	6,000	0.02

Name of Shareholder	As on the date of this Draft Red Herring Prospectus		Post-Offer	
	Number of Equity Shares	Percentage of Equity Share capital (%)	Number of Equity Shares	Percentage of Equity Share capital (%)*
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	100	Negligible	100	Negligible
Total (B)	**657,800**	**2.66**	**657,800**	**2.30**
Grand Total (A+B)	**16,567,200**	**67.02**	**15,137,091**	**52.94**

** 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*

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 Draft Red Herring 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	3,431,041	10	May 9, 2018	Bonus issue	N.A.	12.00	12.00
Brijesh Agrawal	2,287,361	10	May 9, 2018	Bonus issue	N.A.	8.00	8.00
Total (B)	**5,718,402**					**20.00**	**20.00**

**Calculated on a fully diluted basis. As on the date of this Draft Red Herring 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 June 1, 2019.*

For details on the build-up of the Equity Share capital held by our Promoters, see "***- Build-up of our Promoters' shareholding in our Company***" on page 101.

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 this 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 this 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 this 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 this 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 be 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 IndiaMART ESBS 2018, prior to the Offer; (c) 1,775,557 Equity Shares that will be held by Intel, an FVCI registered with SEBI, subsequent to the conversion of 822,215 CCPS held by Intel as on the date of this Draft Red Herring Prospectus, prior to filing the Red Herring Prospectus with the RoC 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 Draft Red Herring Prospectus:

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)				No. of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital (XI)=(VII) + (X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized from (XIV)
								No. of Voting Rights			Total as a % of total voting rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class e.g.: X	Class e.g.: Y	Total								
(A)	**Promoter & Promoter Group**	20	16,567,200	0	0	16,567,200	67.02	16,567,200	NA	16,567,200	67.02	0	57.94	0	0	0	0	16,567,200
(B)	**Public**	151	8,150,261	0	0	8,150,261	32.98	8,150,261	NA	8,150,261	32.98	3,874,546	42.06	0	0	NA	NA	7,524,663
(C)	**Non Promoter-Non Public**	0	0	0	0	0	0	0	NA	0	0	0	0	0	0	NA	NA	0
	Shares underlying Custodian/Depository Receipts	0	0	0	0	0	0	0	NA	0	0	0	0	0	0	NA	NA	0
(2)	**Shares held by Employee Trust**	0	0	0	0	0	0	0	NA	0	0	0	0	0	0	NA	NA	0
	Total (A)+(B)+(C)	**171**	**24,717,461**	**0**	**0**	**24,717,461**	**100**	**24717461**	**NA**	**24,71,7461**	**100**	**3,874,546**	**100**	**0**	**0**			**24,091,863**

6. Shareholding of our Directors and Key Managerial Personnel in our Company

The following table sets forth the shareholding of the Directors and the Key Managerial Personnel of our Company.

Name	As on the date of this Draft Red Herring Prospectus		Post-Offer share capital	
	No. of Equity Shares held	% of Equity Share capital	No. of Equity Shares held	% of post-Offer share capital
Directors				
Dinesh Chandra Agarwal	9,483,200	38.37	8,630,747*	30.19*
Brijesh Agrawal	6,426,200	26.00	5,848,544*	20.46*
Dhruv Prakash	40,000	0.16	40,000	0.14
Rajesh Sawhney	40,000	0.16	40,000	0.14
Vivek Narayan Gour	9,000	0.04	9,000	0.03
Key Managerial Personnel				
Prateek Chandra	76,432	0.31	76,432	0.27
Dinesh Gulati	529,500	2.14	529,500	1.85
Amarinder Singh Dhaliwal	27,392	0.11	27,392	0.10

** 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 Key Managerial Personnel as on the date of this Draft Red Herring Prospectus. None of our Directors hold any stock options as on the date of this Draft Red Herring Prospectus.

Name of Key Managerial Personnel	No. of stock options held
Prateek Chandra	21,964
Dinesh Gulati	42,220
Amarinder Singh Dhaliwal	21,784

7. 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 Draft Red Herring 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	38.37
2.	Brijesh Agrawal	6,426,200	26.00
3.	Intel Capital (Mauritius), Limited	2,076,291	8.40
4.	Accion Frontier Inclusion Mauritius	950,668	3.85
5.	Madhup Agrawal	793,000	3.21
6.	Westbridge Crossover Fund, LLC	597,034	2.42
7.	Amadeus EIII LLP	597,014	2.42
8.	Dinesh Gulati	529,500	2.14
9.	Vikas Aggarwal	211,920	0.86
10.	Amadeus IV DPF Limited	170,502	0.69
	Total	**21,835,329**	**88.34**

(b) Set forth below are the details of the 10 largest Shareholders of our Company on completion of conversion of the CCPS held by AFIM, Amadeus, Intel and Westbridge Crossover Fund, LLC ("**Westbridge**" and together with AFIM, Amadeus and Intel, the "**New Investors**") and the number of Equity Shares that will be held by them upon such conversion.

S. No.	Shareholder	Number of Equity Shares	Percentage of share capital (%)*
1.	Dinesh Chandra Agarwal	9,483,200	33.17
2.	Brijesh Agrawal	6,426,200	22.48
3.	Intel Capital (Mauritius), Limited	3,851,746	13.47
4.	Westbridge Crossover Fund, LLC	1,544,154	5.40

S. No.	Shareholder	Number of Equity Shares	Percentage of share capital (%)*
5.	Accion Frontier Inclusion Mauritius	1,136,570	3.98
6	Amadeus IV DPF Limited	1,136,570	3.98
7.	Madhup Agrawal	793,000	2.77
8.	Amadeus EIII LLP	597,014	2.09
9.	Dinesh Gulati	529,500	1.85
10.	Vikas Aggarwal	211,920	0.74
	Total	**25,709,874**	**89.92**

**Includes an aggregate of 3,874,546 Equity Shares, to be issued prior to filing the Red Herring Prospectus with the RoC, pursuant to conversion of an aggregate of 1,871,760 CCPS held by the New Investors*

(c) Set forth below are the details of the 10 largest shareholders 10 days prior to the date of this Draft Red Herring 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	39.19
2.	Brijesh Agrawal	6,426,200	26.56
3.	Intel Capital (Mauritius), Limited	2,076,291	8.58
4.	Accion Frontier Inclusion Mauritius	950,668	3.93
5.	Westbridge Crossover Fund, LLC	597,034	2.47
6.	Amadeus EIII LLP	597,014	2.47
7.	Dinesh Gulati	529,500	2.19
8.	Madhup Agrawal	471,560	1.95
9.	Amadeus IV DPF Limited	170,502	0.70
10.	Vikas Aggarwal	161,100	0.67
	Total	**21,463,069**	**88.71**

(d) Set forth below are the details of the 10 largest Shareholders of our Company two years prior to the date of this Draft Red Herring 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	51.70
2.	Brijesh Agrawal	3,213,100	35.00
3.	Bennett, Coleman & Company Limited	426,439	4.70
4.	Times Internet Limited	213,220	2.30
5.	Chetna Agarwal	77,600	0.80
6.	Pankaj Agarwal	75,600	0.80
7.	Surat Singh Bhati	53,000	0.60
8.	Sanjeev Kumar	51,000	0.60
9.	Anand Kumar Agarwal	35,000	0.40
10.	Meena Agarwal	35,000	0.40
	Total	**8,921,559**	**97.30**

8. As on the date of this Draft Red Herring Prospectus, our Company has 171 holders of Equity Shares, one holder of CCPS A, four holders of CCPS B and three holders of CCPS B1.

9. The BRLMs and their respective associates currently do not hold any Equity Shares in our Company.

10. 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 this Draft Red Herring Prospectus.

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 (₹)
April 6, 2018	Vivek Narayan Gour	Independent Director	Purchase	2,000	1,600.00
March 31, 2018	Dhruv Prakash	Non-executive Director	Allotment	24,000	150.00
	Rajesh Sawhney	Independent Director	Allotment	24,000	150.00
June 6, 2018	Dhruv Prakash	Non-executive Director	Sale	6,400	892.79
May 28, 2018				1,600	892.79
June 5, 2018	Rajesh Sawhney	Independent Director	Sale	8,000	892.79
June 21, 2018	Vivek Narayan Gour	Independent Director	Purchase	5,000	842.26
June 22, 2018	Keshar Devi Agrawal	Promoter Group	Transfer[1]	100	N.A.
			Transfer[2]	100	N.A.
June 22, 2018	Meena Agrawal	Promoter Group	Transfer[3]	100	N.A.
June 22, 2018	Pankaj Agarwal	Promoter Group	Sale[4]	100	850.00
				100	850.00
June 22, 2018	Nanpara Family Trust	Promoter Group	Acquisition[1]	100	N.A.
June 22, 2018	Nanpara Business Trust	Promoter Group	Acquisition[2]	100	N.A.
June 22, 2018	Hamirwasia Family Trust	Promoter Group	Purchase[4]	100	850.00
June 22, 2018	Hamirwasia Business Trust	Promoter Group	Purchase[4]	100	850.00
			Acquisition[3]	100	N.A.

[1] *Transfer to the Nanpara Family Trust as its settlor*
[2] *Transfer to the Nanpara Business Trust as its settlor*
[3] *Transfer to the Hamirwasia Business Trust as its settlor*
[4] *Sale of 100 Equity Shares each to Hamirwasia Family Trust and Hamirwasia Business Trust*

11. 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.

12. 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.

13. 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.

14. Of the Offer of up to 4,288,801 Equity Shares, [●] Equity Shares (which shall not exceed 5% 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.

15. An oversubscription to the extent of 10% 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.

16. 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.

17. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

18. The Equity Shares to be issued pursuant to the Offer are and shall be fully paid-up at the time of Allotment.

19. Except (i) 162,462 outstanding options granted under the IndiaMART ESOS 2015, on the exercise of which 324,924 Equity Shares will be issued, (ii) options and SARs that may be granted under the IndiaMART ESBS 2018 and (iii) an aggregate of 1,871,760 CCPS outstanding as on the date of this Draft Red Herring Prospectus, which will be converted into 3,874,546 Equity Shares prior to filing of the Red Herring Prospectus, 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 Draft Red Herring Prospectus.

20. 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 2013.

21. Except for Equity Shares 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; and an aggregate of 3,874,546 Equity Shares to be issued prior to the filing of the Red Herring Prospectus on conversion of an aggregate of 1,871,760 CCPS, that are currently outstanding, 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 of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

22. 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.

23. 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.

24. 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.

25. Syndicate Members and any persons related to the BRLMs or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities related to the BRLMs.

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 filed in relation to this Offer 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 496.

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 up to 4,288,801 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 81.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] 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:

(₹ *in million*)

Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to the BRLMs	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the Bankers to the Offer	[●]	[●]	[●]
Brokerage and selling commission payable to SCSBs, Registered Brokers, CRTAs and CDPs, as applicable(1)	[●]	[●]	[●]
Processing fees to SCSBs 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(2)	[●]	[●]	[●]
Others (listing fees, legal fees, etc.)	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

** Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. 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:

Portion for Retail Individual Investors	*[●]% (plus applicable goods and services tax)*
Portion for Non-Institutional Investors	*[●]% (plus applicable goods and services tax)*

Further, bidding charges of ₹ [●] (plus applicable goods and services tax) shall be per valid ASBA Form collected by the Syndicate, CRTAs and CDPs. 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 ₹ [●] 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 ₹ [●] per valid Bid cum Application Form (plus applicable goods and service tax).

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 will be 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 [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to ***"Our Business"***, ***"Risk Factors"***, ***"Restated Financial Statements"*** and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"*** on pages 149, 19, 202 and 437, 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 ***"Our Business"*** and ***"Risk Factors"*** on pages 149 and 19, respectively.

Quantitative Factors

Some of information presented below relating to our Company is based on the on the Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements. For details, see ***"Restated Financial Statements"*** on page 202.

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 per our Restated Unconsolidated Financial Statements:

Year/Period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2018	(37.83)	(37.83)	3
March 31, 2017	(7.14)	(7.14)	2
March 31, 2016	(32.05)	(32.05)	1
Weighted Average	**(26.64)**	**(26.64)**	

As per our Restated Consolidated Financial Statements:

Year/Period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2018	28.60	20.22	3
March 31, 2017	(35.09)	(35.09)	2
March 31, 2016	(71.75)	(71.75)	1
Weighted Average	**(9.36)**	**(13.55)**	

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 attributable to equity shareholders / weighted average number of shares outstanding during the year.*
   b. *Diluted earnings per share (₹) = Restated Net profit attributable to equity shareholders / weighted average number of diluted shares outstanding during the year.*

Note:

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, 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 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.

2. Price / Earning Ratio (P/E) in relation to the Offer Price of ₹ [●] 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, 2018 at the Floor Price:	[●]	[●]
P/E ratio based on Diluted EPS for the fiscal ended March 31, 2018 at the Cap Price:	[●]	[●]

Industry P/E ratio:

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

3. Return on Net Worth (RoNW)

Return on net worth as per the Restated Unconsolidated Financial Statements:

Period/Year ended	RONW (%)	Weight
March 31, 2018	(23.20)	3
March 31, 2017	(5.17)	2
March 31, 2016	(24.34)	1
Weighted Average	**(17.38)**	

Return on net worth as per the Restated Consolidated Financial Statements:

Period/Year ended	RONW (%)	Weight
March 31, 2018	17.04	3
March 31, 2017	(16.50)	2
March 31, 2016	(40.23)	1
Weighted Average	**(3.69)**	

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

4. Minimum Return on Total Net Worth after Offer, required for maintaining pre-Offer EPS as at March 31, 2018:

a) For Basic EPS

Particulars	Unconsolidated (%)	Consolidated (%)
At the Floor Price	[●]	[●]
At the Cap Price	[●]	[●]

b) For Diluted EPS

Particulars	Unconsolidated (%)	Consolidated (%)
At the Floor Price	[●]	[●]
At the Cap Price	[●]	[●]

5. Net Asset Value (NAV) per Equity Share

NAV	Unconsolidated (₹)	Consolidated (₹)
As on March 31, 2018	(313.00)	(322.02)
After the Offer		
- At the Floor Price	[●]	[●]
- At the Cap Price	[●]	[●]
At Offer Price	[●]	[●]

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 Draft Red Herring Prospectus, our Company does not have any listed peer group companies in India.

7. The Offer Price is [●] times of the face value of Equity Shares

The Offer Price of ₹ [●] 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 ₹ [●] 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, 149 and 202 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 2018, i.e. applicable for the Financial Year 2018-19 relevant to the assessment year 2019-20, 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 26, 2018

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 2018, i.e. applicable for the Financial Year 2018-19 relevant to the assessment year 2019-20, 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

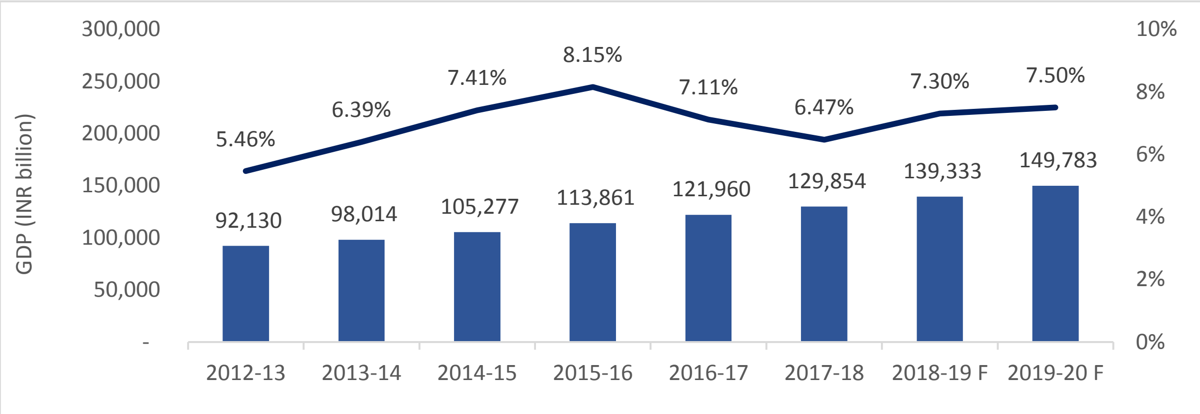
*The information in this section is derived from the "Market assessment of B2B e-commerce and digital classifieds in India", dated May 29, 2018, prepared by KPMG India Private Limited (the "**KPMG Report**"). We commissioned the KPMG Report for the purposes of confirming our understanding of the industry 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.[32]

GDP (INR Bn) & GDP growth (%) of India at constant prices[33][34] (Base year: 2011-12)



Source: RBI, Fitch Ratings- USA

- 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.[35]

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[32] RBI Monetary Policy Review – Feb 2018

[33] Reserve Bank of India, Handbook on Statistics on Indian Economy

[34] Fitch Ratings - USA

[35] 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%).[36] By 2030, India's economy is projected to be the world's third-largest, behind only China and USA.[37] [38] 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.[39]

Real GDP growth rate (%age)[40]

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	

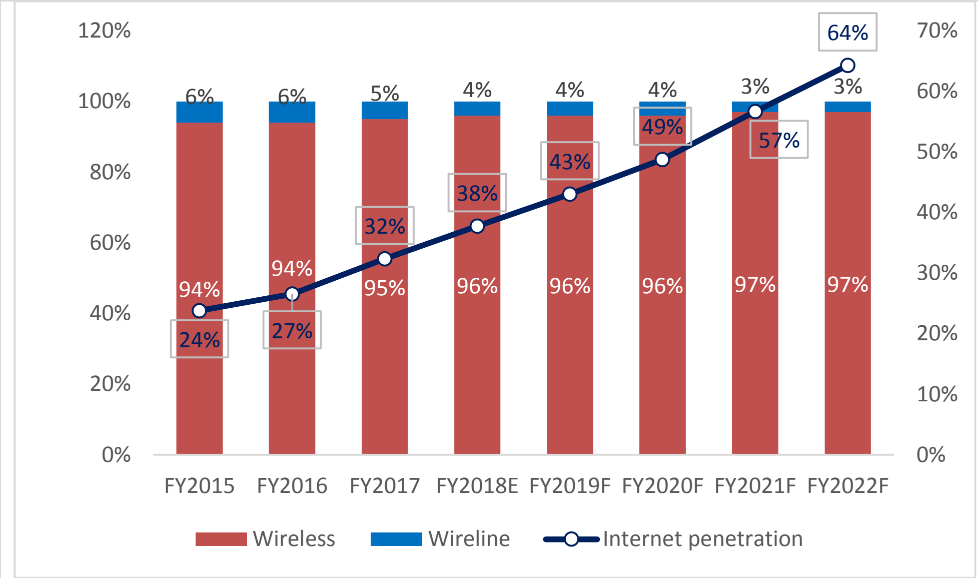
[36] World Economic Forum, the world's 10 biggest economies

[37] US Department for Agriculture Economic Research Service, based on data collated by IMF and World Bank

[38] Centre for Economics and Business Research

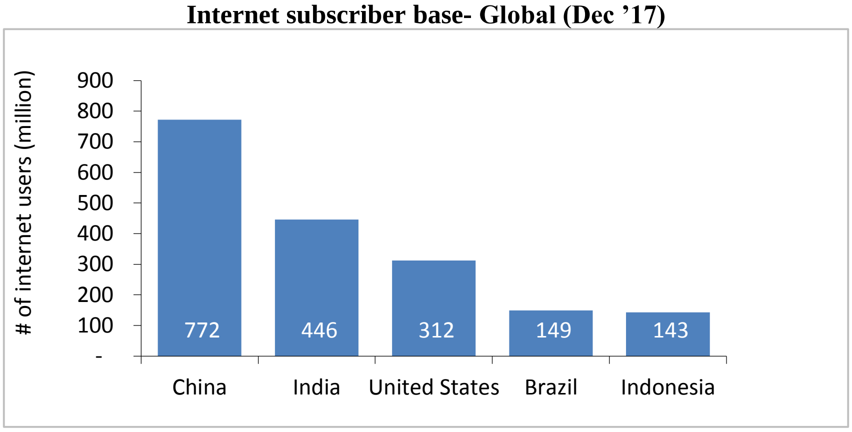
[39] International Monetary Fund

[40] International Monetary Fund, World Economic Outlook database, April 2017



Source: TRAI, CRISIL Research

Internet subscriber base- Global (Dec '17)

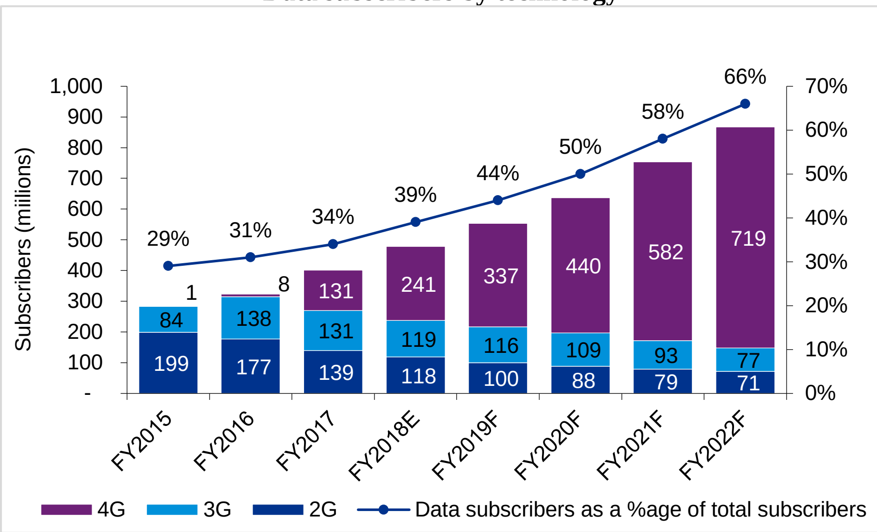


Source: TRAI, Internet World stats

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.

Data subscribers by technology



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[41]. This is expected to further drive the smartphone penetration to touch 700 million by 2021.[42]

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
Rural subscribers	million	112	112	137	132
Urban subscribers	million	191	231	286	314
Total subscribers	million	302	343	422	446
Percentage split of total internet subscribers					
Rural		37%	33%	32%	30%

[41] Counterpoint Research, Google and KPMG Study 2017

[42] KPMG India-FICCI , Indian Media and Entertainment Industry Report, 2017

Urban	63%	67%	68%	70%
Internet penetration				
Rural Internet Subscribers per 100 population	13%	13%	15%	15%
Urban Internet Subscribers per 100 population	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

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 *(Figures in millions)*

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

Source: 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.[43]

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

[43] 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[44]. 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[45] over the next 4-5 years.

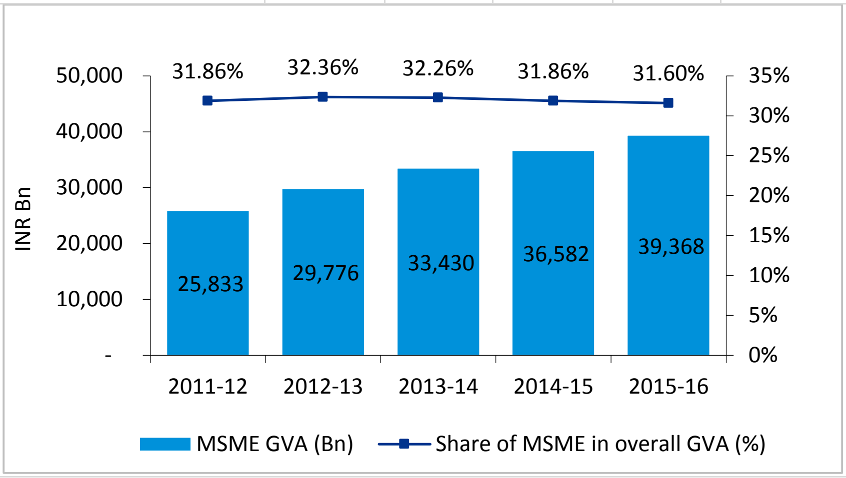
Contribution of MSMEs in Country's economy at current prices

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

Contribution of MSMEs in Country's Economy at Current Price

Growth rate	15.27%	12.27%	9.43%	7.62%



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 theme 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.[46] In China, 89 percent of all enterprises were connected to internet by 2015[47].

[44] Ministry of Micro, Small and Medium Enterprises, Annual report 2017-18

[45] Primary discussions with SME industry bodies

[46] Report by Blue Corona

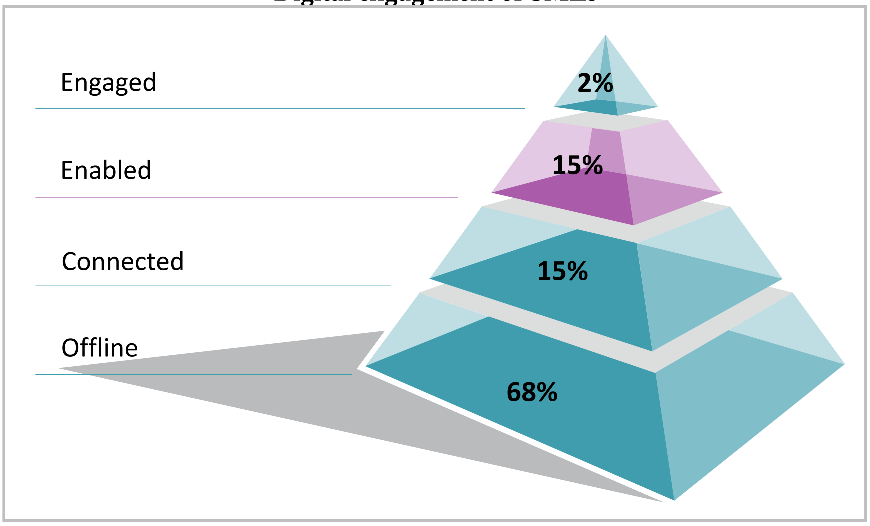
[47] Report by iResearch

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[48] 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[49].

Digital engagement of SMEs



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)

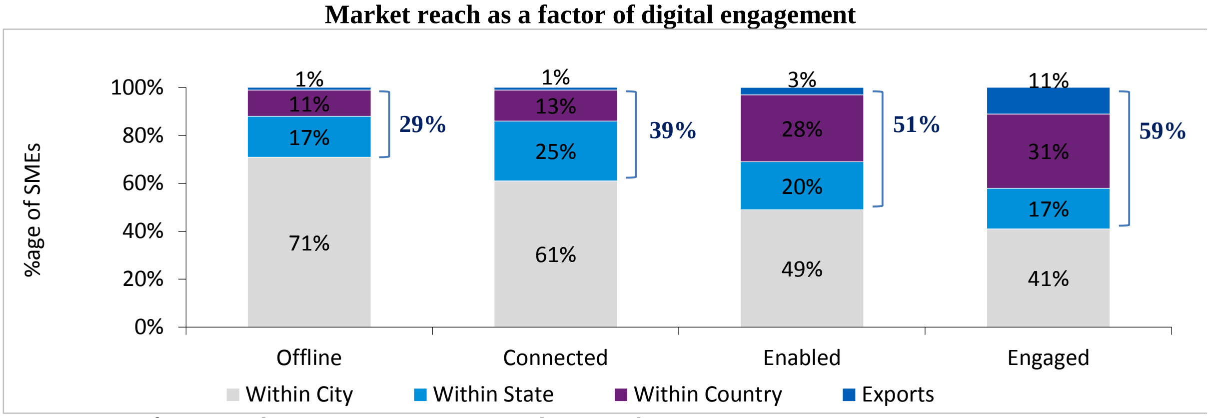
The major challenges faced by SMEs around adoption of internet and technology include:

- 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.

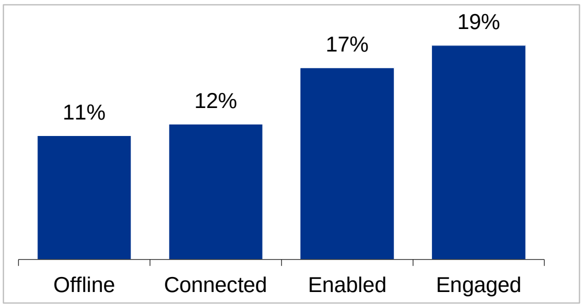
[48] KPMG-Google report- Impact of internet and digitization of SMBs in India
[49] Primary discussions with SME industry bodies



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

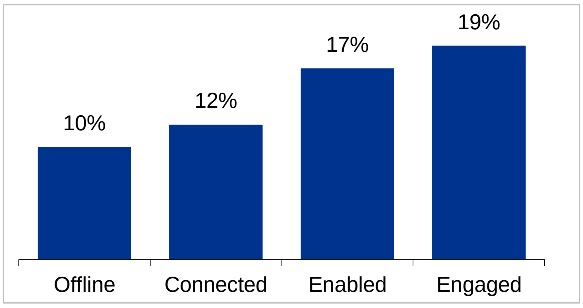
- Improved revenue and profitability - Digitally enabled SMEs have demonstrated better revenue and profitability compared to the SMEs which conduct their business offline.

Year on Year Revenue growth



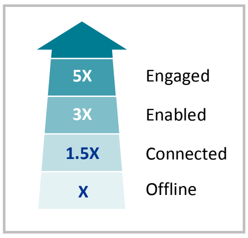
Source: Impact of internet & digitization On SMEs, KPMG India & Google, 2017

Year on Year Profit growth



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

- 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.[50] Of this, FDI for manufacturing was USD 24 billion on a run-rate basis[51].

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[52].
- 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[53] and this number rose to 9.8 million by December 2017[54]. 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[55],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[56]. 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.[57]

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.

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[50] Department of Industrial Policy & Promotion – Fact Sheet on Foreign Direct Investment, December 2017
[51] FDI in manufacturing sector up 82 per cent in Apr-Nov period: Nirmala Sitharaman; Economic Times, Feb 2017
[52] GSTIndia.com
[53] Over 12 lakh businesses apply for new GST registration: Revenue Secretary Hasmukh Adhia, Financial Express – July 2017
[54] Economic survey authored by Chief Economic Advisor Arvind Subramanian
[55] Survey calculations based on GST data, Economic Survey 2017-18
[56] National Payments Corporation of India
[57] Reserve Bank of India notifications, December 2017

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.

Electronic Payment Systems (Volume in million)

	Q4 2017	Q1 2018	Q2 2018	Q3 2018
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

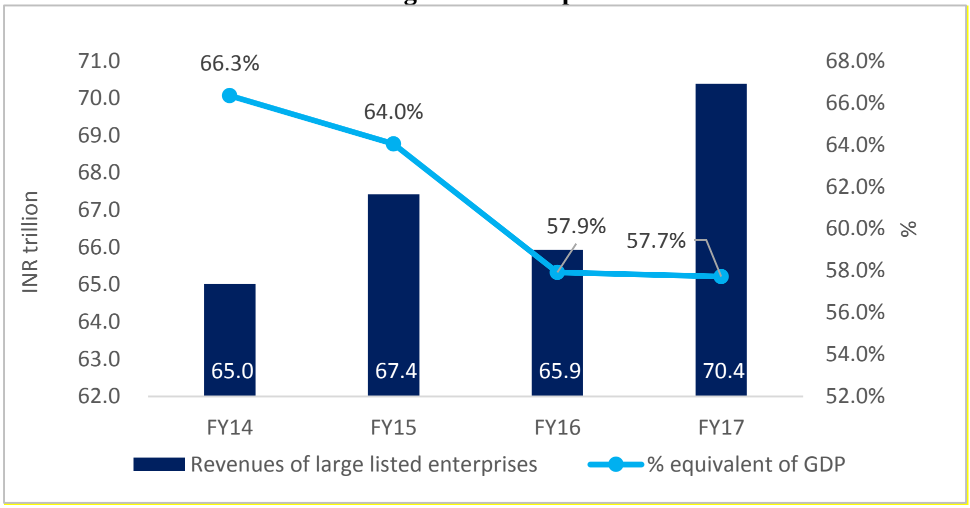
- *Ease of Registration for MSMEs*: To enable ease of registration of MSME's, the filing of Entrepreneurs' Memorandum with the respective States/UTs has been replaced with a simple, online, one-page registration form 'Udyog Aadhaar Memorandum' (UAM). Nearly 3.9 million UAMs have been filed between September 2015 and December 2017[58].
- *Technology Centre Systems Programme (TCSP)*: Under TCSP, government has established 18 Technology centers (TCs) with an aim to improve the competitiveness of MSMEs[59]. 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[60]. 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[61].
- *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. [62]

[58] Ministry of Micro, Small and Medium Enterprises, Annual report 2017-18
[59] National scheduled caste & scheduled tribe and hub - Technology Centres System Programme (TCSPs)
[60] World Economic Forum - National Skills Development Corporation India
[61] Finance Minister budget speech 2018-19
[62] RXIL website

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[63] 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[64].

Growth of large listed enterprises in India



Source: Capitaline

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[65] 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

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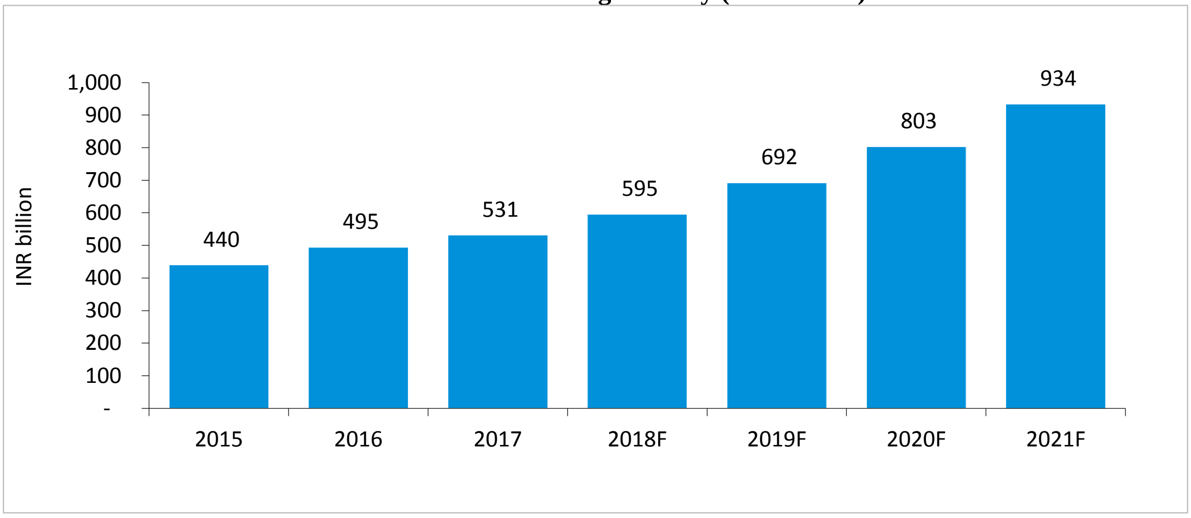
[63] Based on data from Capital Line

[64] 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.

[65] Large Enterprises : Transforming India's Digital Future – Zinnov, 2017

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.

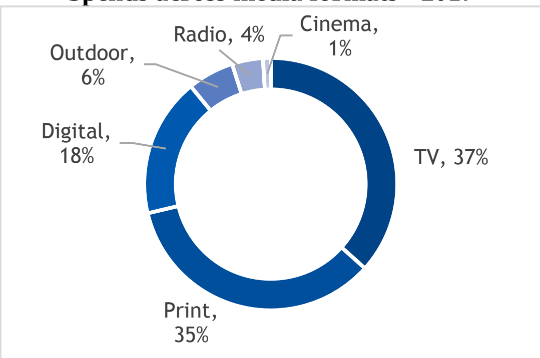
Market size of advertising industry (INR billion)



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.

Spends across media formats - 2017



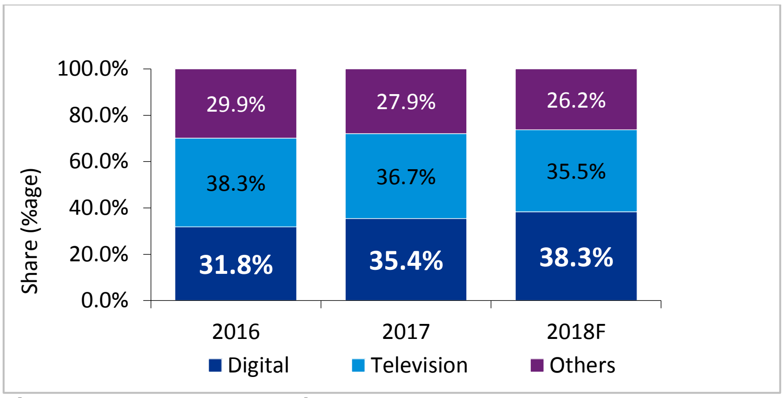
Source: Pitch Madison Advertising report 2018

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.

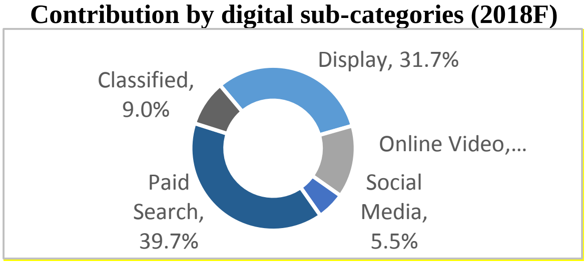
Global % share of advertisement spend- Increase in digital spend



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.

Contribution by digital sub-categories (2018F)

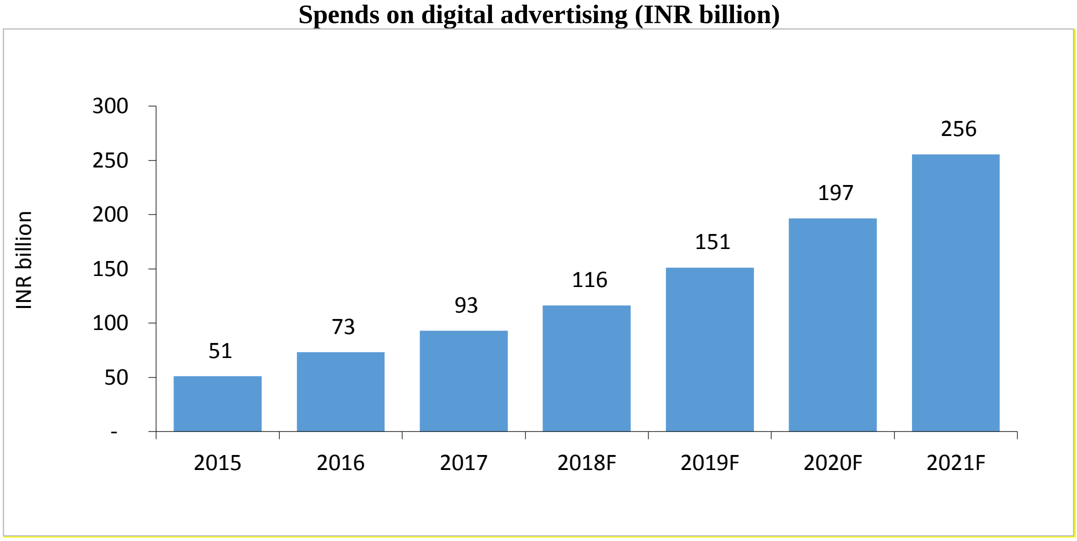


Source: Global Ad Spend Forecasts, Dentsu Aegis Network, January 2018

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[66] for the next 2-3 years.

Spends on digital advertising (INR billion)



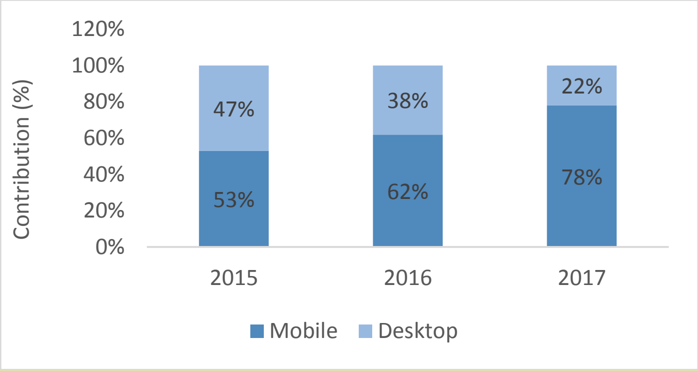
Source: Pitch Madison Advertising report 2018, KPMG India-FICCI , Indian Media and Entertainment Industry Report, 2017, KPMG analysis

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

[66] 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.

Contribution to digital advertising – Mobile vs Desktop

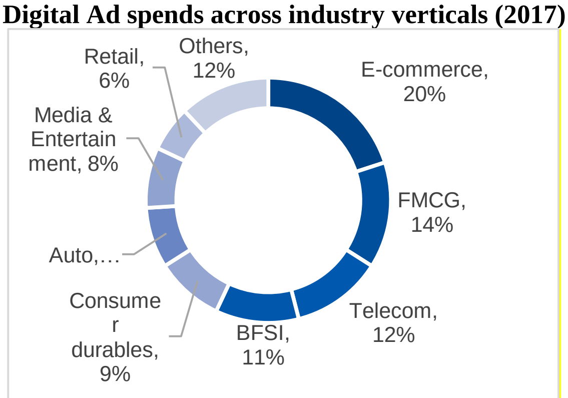


Source: Pitch Madison Advertising report 2018

- 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.

Digital Ad spends across industry verticals (2017)



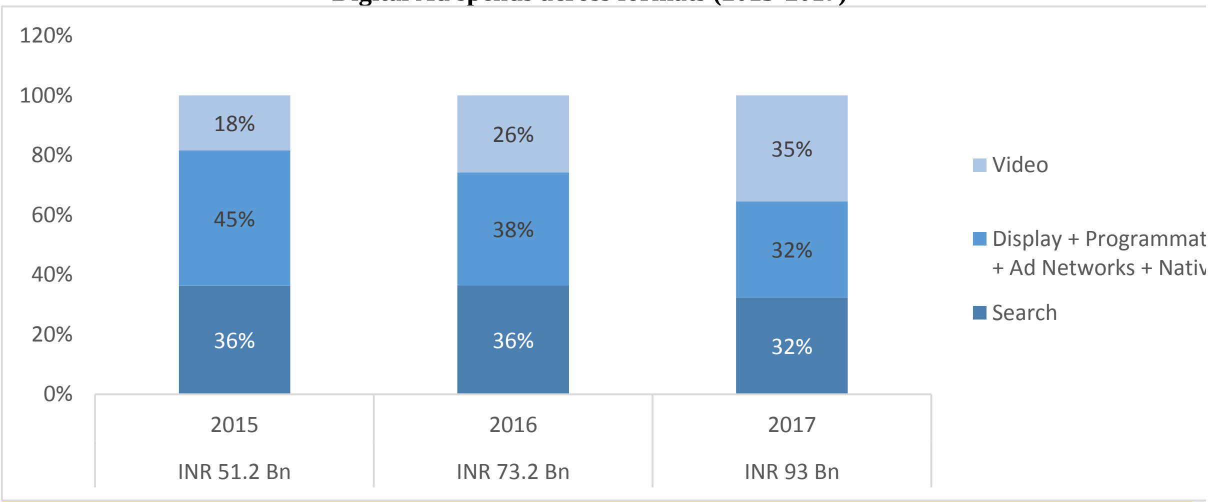
Source: Pitch Madison Advertising report 2018, KPMG Analysis

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[67]
- 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.

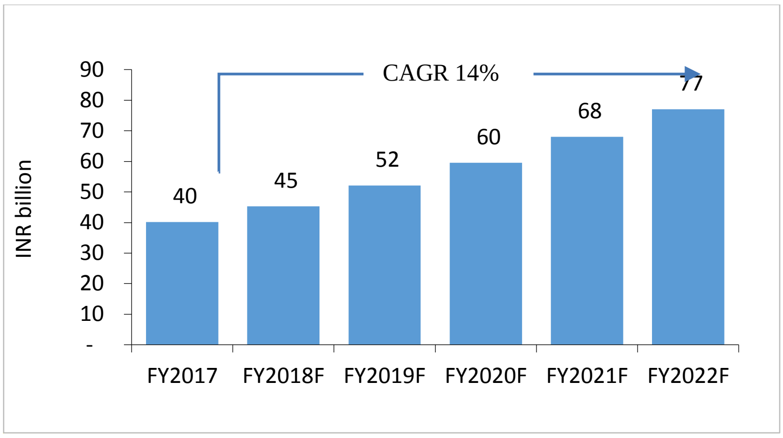
The Indian Classifieds market

The Indian classifieds market is currently dominated by the offline mode, with a contribution of nearly 75% to the overall classifieds space in India[68]. 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)

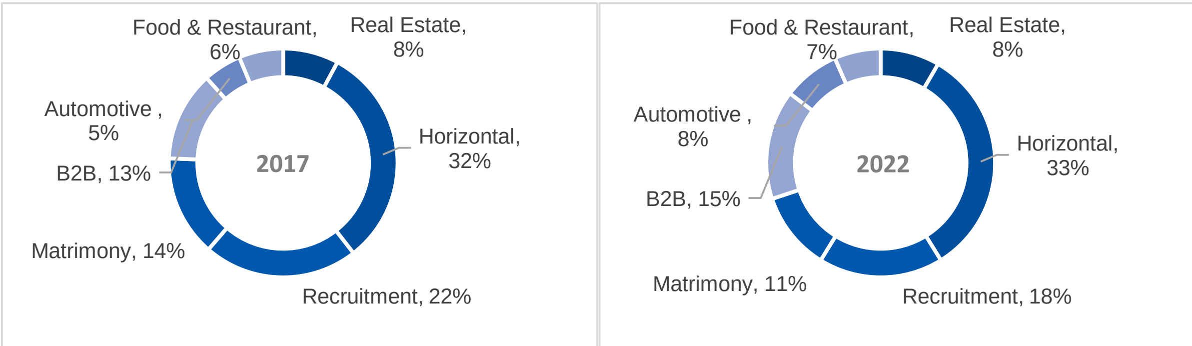
[67] India Hyperlocal Market Outlook to 2020, Ken Research, March 2016
[68] Digital Classifieds in India 2020 – KPMG in India



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

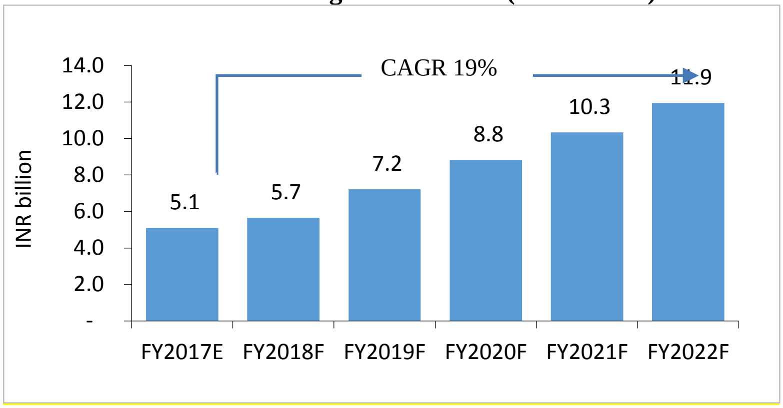
The growth in the digital classifieds market from FY2017 to FY2022 is estimated to be driven by the growth in B2B, Automotive and Real Estate classifieds, with Horizontals also continuing to maintain robust growth. The segment wise growth and CAGRs are outlined below

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

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.

Growth in B2B digital classifieds (2017-2022F)



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[69] 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

[69] KPMG Analysis

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

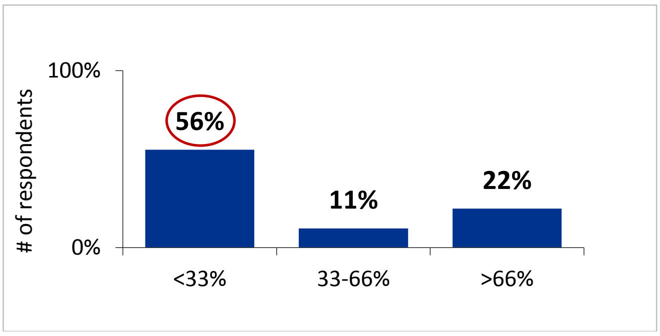
Advertising spends across SMEs and Large enterprises[70]

Marketing spends: Offline vs Online

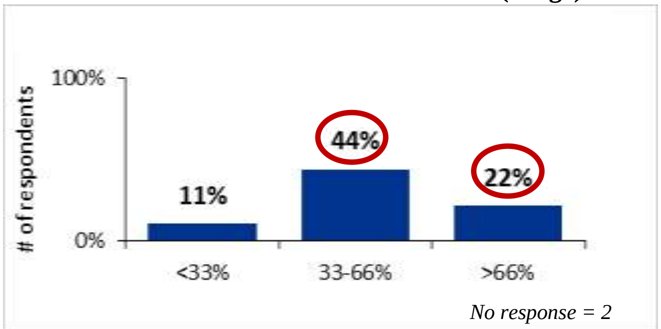
Compared to B2C companies which focus on a large mass of a distributed customer base, the B2B business model is geared towards maintaining relationships with a smaller number of repeat customers, who'd likely account for a significant amount of the company's business. Thus, B2B organizations are currently 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.

Online contribution to revenue (%age)



Online contribution to advertisement (%age)



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.

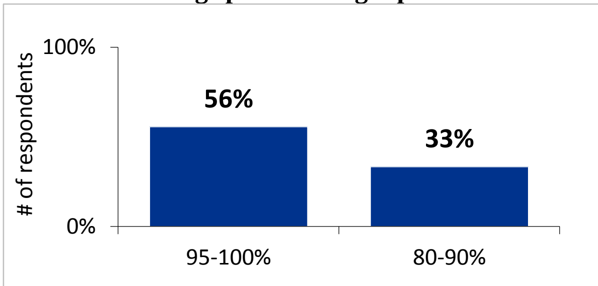
Online marketing spends: Classified vs Search

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

[70] 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.

Online marketing spends - %age spend on classifieds



No response = 1

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

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[71]

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

[71] Based on discussion with five small buyers

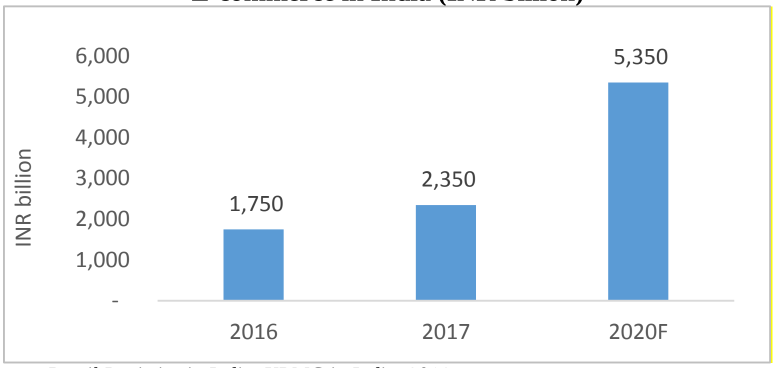
d. Authenticity of product
e. Product quality

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[72] in 2017 and is projected to continue growing to reach INR 5,350 billion[73] by 2020.

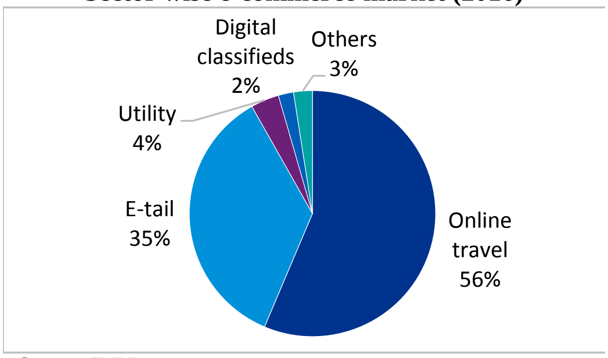
E-commerce in India (INR billion)



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

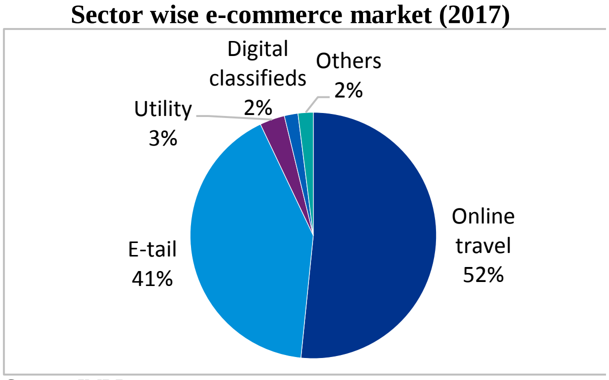
The e-commerce market is dominated by the online travel segment which comprises around 52 percent of the e-commerce market share. E-tail, which is the fastest growing segment in e-commerce, represented approximately 2.5 percent of the total retail sales in India in 2016. This is expected to rise to 5 percent by 2020.[74] 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[75], representing a significant headroom for Indian businesses to grow through the online medium.

Sector wise e-commerce market (2016)



Source: IMRB

Sector wise e-commerce market (2017)



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[76]. 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

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[72] IAMAI-IMRB Research

[73] E-commerce Retail Logistics in India, KPMG in India, 2016

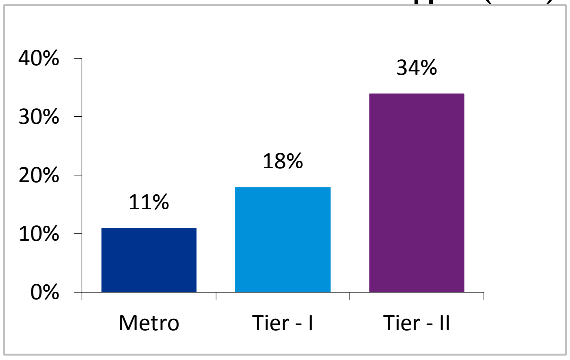
[74] E-commerce Retail Logistics in India, KPMG in India, 2016

[75] eMarketer August 2016

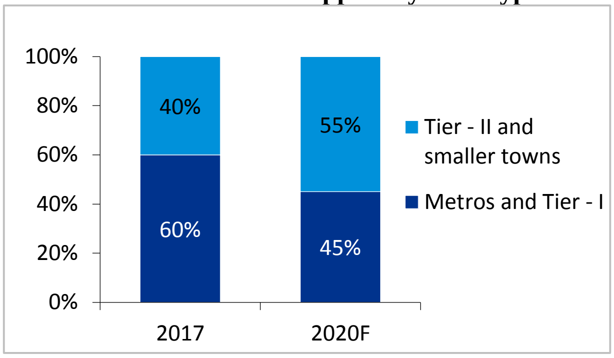
[76] Morgan Stanley report - India's Digital Leap–The Multi Trillion Dollar Opportunity, 2017

of online shoppers from Tier II plus cities growing more than 3x times the number of shoppers from metros[77]. 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[78].

% 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[79] 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[80].

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[81] SMEs being engaged in e-commerce in 2015[82]. In China, nearly 34 percent of all SMEs were engaged in online marketing in 2015 indicating a possibly greater number engaged in e-commerce[83]. 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[84] 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.[85]

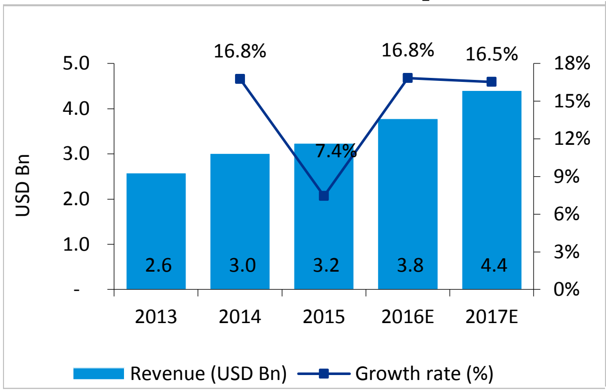
[77] Year in Review, E-commerce, RedSeer, 2017
[78] Year in Review, E-commerce, RedSeer, 2017
[79] Indian language users – People who prefer using Indian languages over English
[80] KPMG Google report 2017- Indian languages - Defining India's internet
[81] Internet-enabled: Have their own website or use social media for business or maintain corporate e-mail id to engage and understand customer base
[82] KPMG report 2015 - Impact of e-commerce on SMEs in India
[83] China National Network Information Center
[84] KPMG report 2017 - Impact of internet and digitization on SMBs in India
[85] 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[86]:

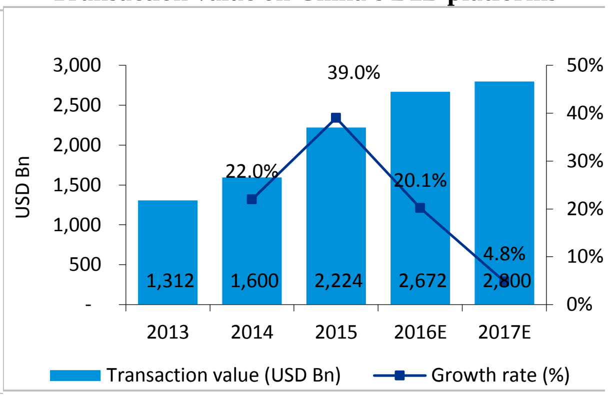
- Awareness: A large segment of the SMEs which are offline do not believe that adoption of digital technologies will help their business grow, and are not aware of the benefits that digital technologies could bring to them
- Lack of knowhow: The lack of digital knowhow limits the adoption of e-commerce 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[87] [88]. 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.[89] 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.

Revenue of China's SME B2B platforms



Transaction value on China's B2B platforms



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.

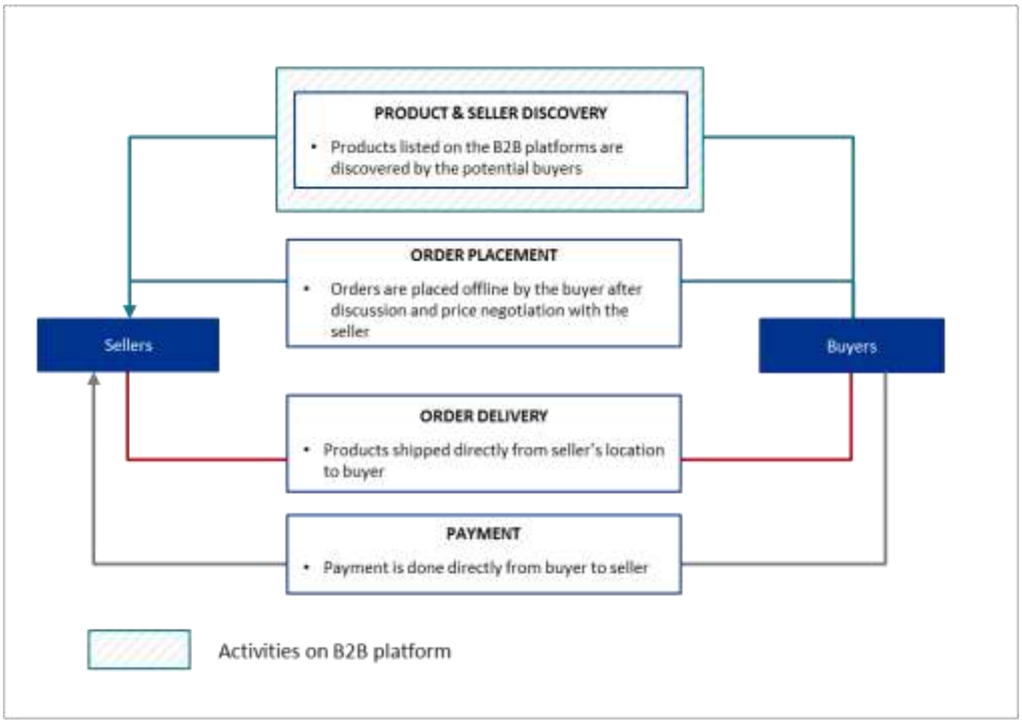
Online B2B classifieds

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

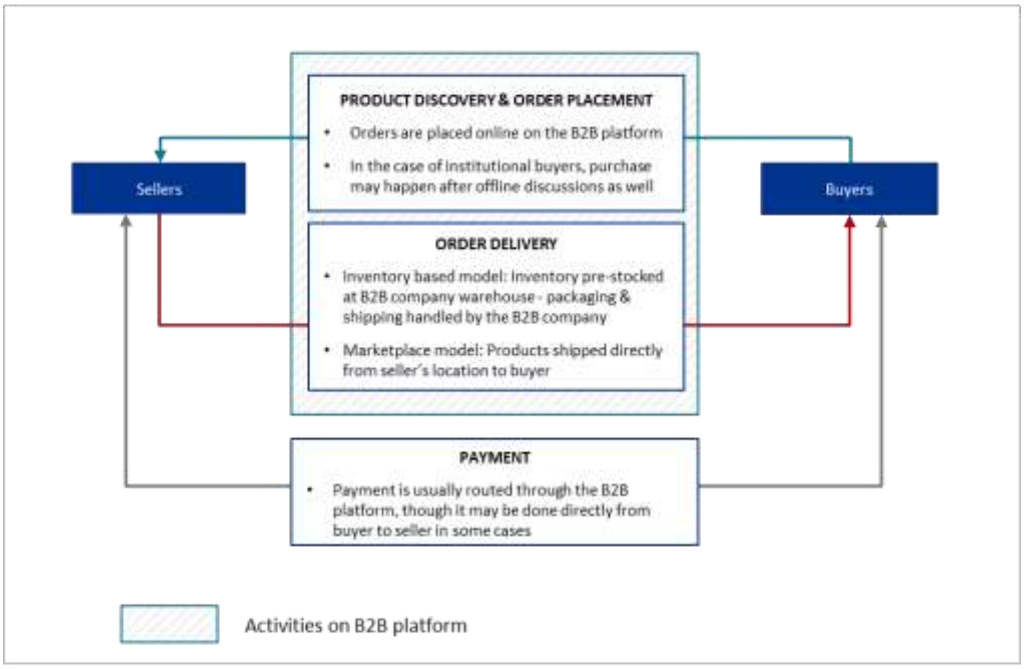
[86] KPMG report 2017 - Impact of internet and digitisation on SMBs in India
[87] China E-commerce Research Center (CERC) research
[88] Statista, May 2017
[89] iResearch China 2016

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:

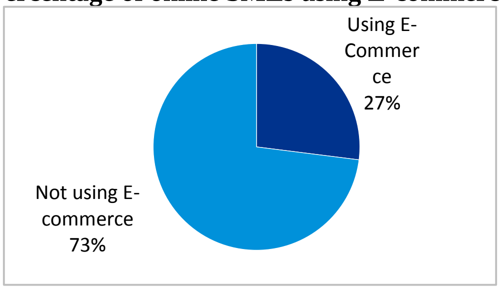
- Commission in a marketplace model – Charging a specified commission (percentage) on every transaction
- Inventory based model – Profits earned on re-selling inventory purchased beforehand from sellers
- Advertising –Platforms also monetize through selling space on the website for display advertising

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

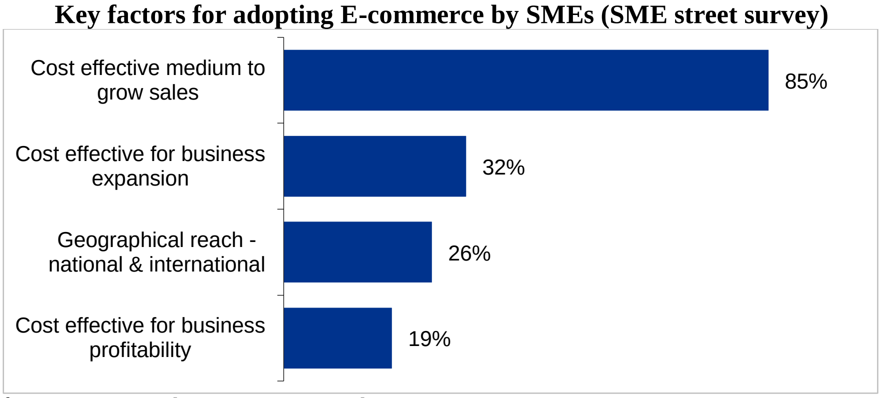
Business processes are increasingly becoming data-driven and SME sector has been benefitting from the continued expansion of E-commerce in India. As per a KPMG Snapdeal report 'Impact of e-commerce on SMEs in India', 27 percent of the SMEs using internet are engaging in use of e-commerce for business.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

Percentage of online SMEs using E-commerce



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

Key factors for adopting E-commerce by SMEs (SME street survey)



Source: Impact of e-commerce on Indian SMEs, KPMG India, SME Street survey, 2014

Paid customers on third party B2B Ecommerce platforms

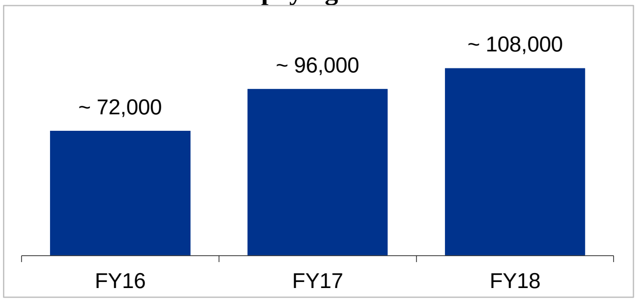
With the increasing benefits of e-commerce, the number of SMEs on B2B platforms have been growing over time. This has resulted in increased competition on such platforms for customer leads and made it imperative for suppliers to improve their visibility in the respective categories and capture relevant 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.[90]

[90] 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[91].

Growth in number of paying customers for IndiaMart



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[92]. 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 on boarded a large number of small business, as outlined below:

Number of suppliers on a select B2B e-commerce platforms

B2B platform	No. of users	No. of suppliers
Indiamart	59.8 million[93]	4.7 million
Trade India	4.3 million[94]	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

[91] Based on Industry Discussions

[92] KPMG report 2015 - Impact of e-commerce on SMEs in India

[93] Information provided by Indiamart management; The platform has 4.7 million sellers and 59.8 million buyers (all suppliers are also considered as buyers)

[94] 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[95]. 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[96] 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[97].

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[98]. 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[99].

ExportersIndia:
ExportersIndia was incepted 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.[100] [101]

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.[102]

Alibaba[103]:
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.

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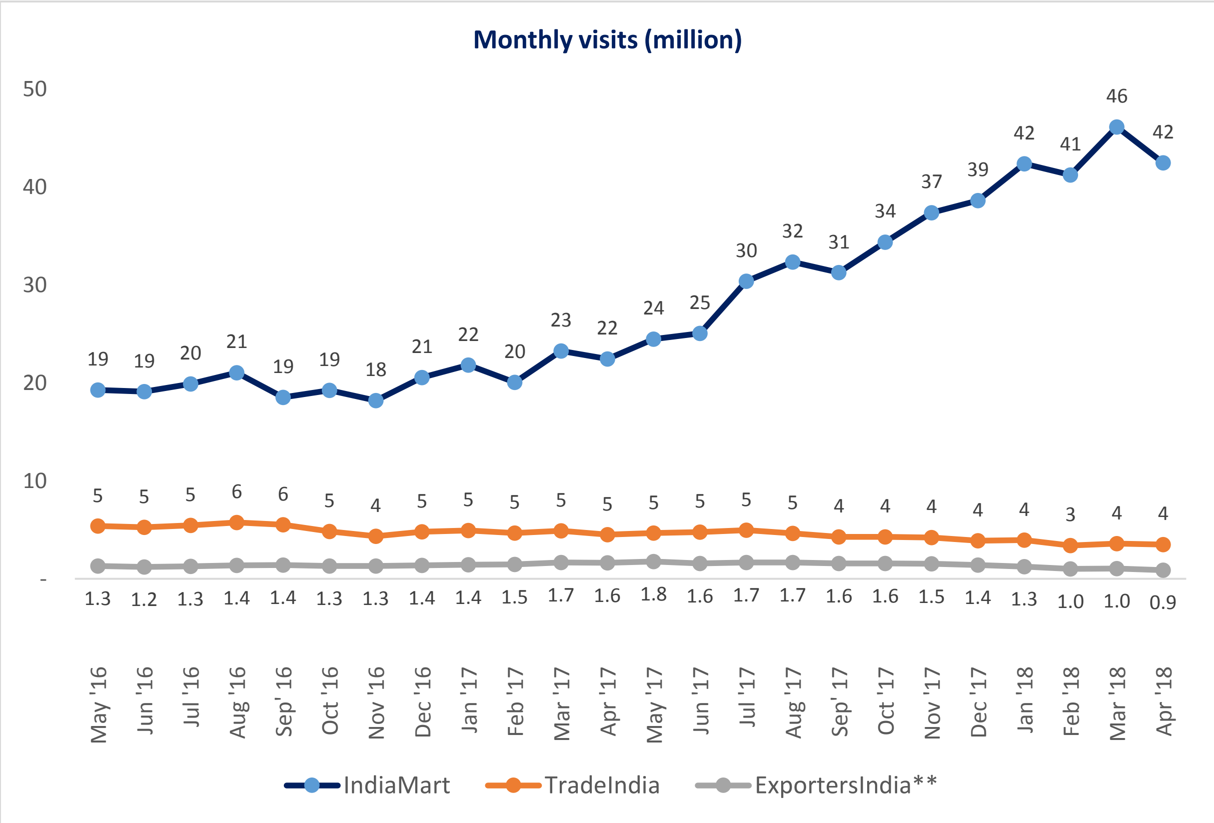
[95] E-commerce Retail Logistics in India, KPMG in India, 2016
[96] Information provided by IndiaMart management
[97] B2B classified market size does not include revenues earned by Google or any other search engines
[98] TradeIndia company website
[99] B2B classified market size does not include revenues earned by Google or any other search engines
[100] ExportersIndia company website
[101] Interview of ExportersIndia owner to BW Disrupt
[102] Just Dial annual report and company presentation
[103] Alibaba India company website

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

	IndiaMart	TradeIndia	ExportersIndia	Alibaba
Classification	Horizontal	Horizontal	Horizontal	Horizontal
Industry categories	52	38	40	9
No of users***	59.8 Mn[104]	4.28 Mn[105]	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*

[104] Information provided by Indiamart management; The platform has 4.7 million sellers and 59.8 million buyers (all suppliers are also considered as buyers)
[105] 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[106], 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

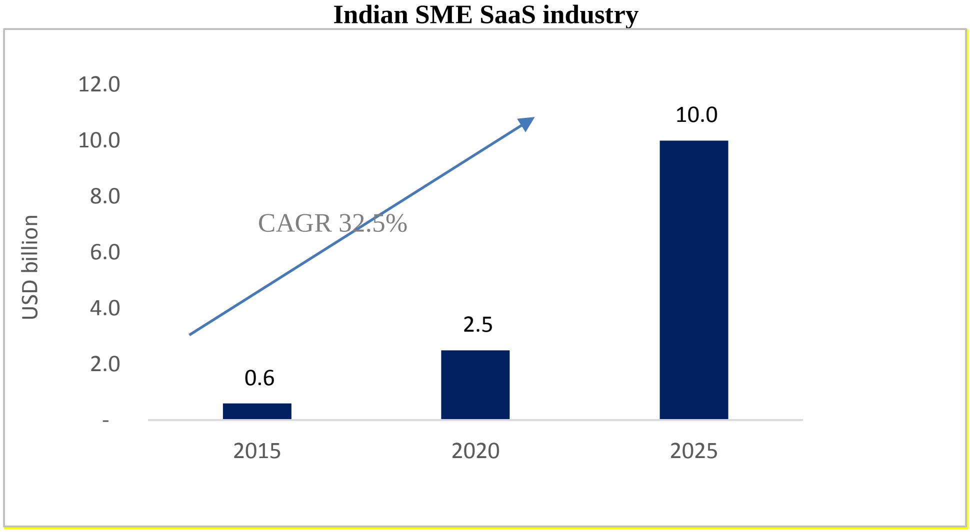
Indian SaaS companies are positioned at the forefront in exploiting this opportunity with a strong base of 25,000+ cloud / SaaS developers[107] and a ready ecosystem with skilled IT workforce trained in product management. There are over 6,100 start-ups[108] registered for selling software-as-a-service since 2010 and a handful of them raking in annual revenues greater than $100 million.[109]

On an average, 80% of the customers[110] 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.[111]

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[112] forming approx. 8 per cent of the global market.[113] E-commerce, CRM, marketing, healthcare and education are likely to contribute significantly to the above SaaS growth.

Indian SME SaaS industry



Source: SaaS in India: Google Accel report –March, 2016

[106]SaaS in India: Google Accel report – March, 2016
[107] SaaS in India: Google Accel report – March, 2016
[108] TechinAsia : Update on SaaS
[109] TechinAsia : Update on SaaS
[110] INC42 : India SaaS market
[111] INC42 : India SaaS market
[112]SaaS in India: Google Accel report – March, 2016
[113] 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, it’s 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[114] and nearly 59%[115] 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

[114] ET: Update on advertising for SME businesses
[115] 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[116]. 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.

[116] 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**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Restated Financial Statements**" on pages 17, 19, 437 and 202, 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 Grover Lalla & Mehta, independent Chartered Accountants. The information relating to the B2B e-commerce and digital classifieds industry in this section is derived from the report titled "Market assessment of B2B e-commerce and digital classifieds in India", dated May 29, prepared by KPMG India Private Limited ("**KPMG**").*

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 KPMG. We primarily operate through our product and supplier discovery marketplace, www.indiamart.com or "IndiaMART". Our online marketplace provides a platform for mostly business buyers, to discover products and services and contact the suppliers of such business products and services. IndiaMART had an aggregate of 325.8 million and 552.6 million visits in fiscal 2017 and 2018, respectively, of which 204.8 million and 396.9 million comprised mobile traffic, or 63% and 72% 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, 2018, we had 59.81 million registered buyers, and we had 4.72 million supplier storefronts in India. These Indian supplier storefronts had listed 50.13 million products, of which 75% of goods comprised products and 25% 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 business enquiries were delivered to IndiaMART suppliers in fiscal 2017 and 289.98 million business enquires were delivered in fiscal 2018. For the year ended March 31, 2018, we had 52.59 million daily unique buyer requests, of which 52% were repeat buyers calculated on the basis of the past 90 days.

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, 2018, we had organized our listings across 52 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 KPMG, 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 KPMG 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 KPMG. 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, 2018, we had 52% were repeat buyers calculated on the basis of the past 90 days. In addition, as 42% of the suppliers as of March 31, 2018 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 59%, 63% and 72% of total traffic to IndiaMART for fiscal 2016, 2017 and 2018, respectively. Buyers can make business enquiries on IndiaMART through telephone, SMS, email or by posting RFQs. Also, as on March 31, 2018, 62% 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 fiscal 2016, 2017 and 2018, 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 between fiscal 2016, 2017 and 2018:

	As of and for fiscal year ended March 31,			
	2016	**2017**	**2018**	**CAGR (2016/18)**
As of March 31	(in millions unless indicated)			
Indian supplier storefronts	2.32	3.16	4.72	22%
YoY Growth -Indian supplier storefronts	-	36%	49%	
Paying subscription suppliers [(1)]	72,335	96,025	108,347	22%
YoY Growth -Paying subscription suppliers	-	33%	13%	
Registered buyers	27.06	39.37	59.81	49%
YoY Growth -Registered buyers	-	45%	52%	
For the year ended March 31				
Total traffic[(3)]	262.2	325.8	552.6	45%
YoY Growth -Total traffic	-	24%	70%	-
Percentage of mobile traffic to total traffic	59%	63%	72%	-
Total business enquiries delivered[(2)]	115.09	156.84	289.98	59%
YoY Growth -Total business enquiries delivered (for the fiscal year)	-	36%	85%	
Revenue from operations	₹ 2,377.09	₹ 3,086.29	₹ 4,035.48	
Indian registered buyers (a)	21.87	32.91	51.71	54%
Foreign registered buyers (b)	5.18	6.46	8.10	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, 2018:

	As of and for the quarter ended								
	March 31, 2016	**June 30, 2016**	**September 30, 2016**	**December 31, 2016**	**March 31, 2017**	**June 30, 2017**	**September 30, 2017**	**December 31, 2017**	**March 31, 2018**
	(in millions unless indicated)								
Indian supplier Storefronts	2.32	2.46	2.74	3.00	3.16	3.43	3.93	4.35	4.72
Growth corresponding QoQ	-	27%	36%	40%	36%	39%	43%	45%	49%
Paying customers	104,457	109,587	112,954	114,456	116,921	122,936	123,196	121,673	118,967
Registered buyers	27.06	29.59	33.40	36.12	39.37	42.97	47.86	53.37	59.81
Total business enquiries delivered[(1)]	31.91	34.59	40.88	37.02	44.35	51.14	65.69	80.38	92.77
Growth corresponding QoQ	-	50%	42%	18%	39%	48%	61%	117%	109%
Total traffic	74.2	69.5	78.9	81.9	96.5	105.5	134.8	140.0	172.2
Growth corresponding QoQ	-	18%	21%	28%	30%	52%	71%	71%	78%

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 KPMG, 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 KPMG, 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 KPMG. 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, Finolex Industries Limited, Hilti India Private Limited, JCB India Limited, Nobel Hygiene Pvt Ltd, Stanley Black & Decker India Private Limited, we estimate that a majority of the suppliers and buyers on our marketplace are Indian SMEs.

According to KPMG, 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 KPMG, 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 KPMG. 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 KPMG, 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 on March 31, 2018, a total of 472,855 availed the IndiaMART premium number service. In addition, as there were a total of 108,347 paying subscription suppliers compared to 4.72 million supplier storefronts on IndiaMART as on March 31, 2018, 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 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' concern of payment risk and assures buyers that they will receive the product or service before any payment is released to the suppliers.

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 KPMG. As of March 31, 2018, IndiaMART provided 59.81 million registered buyers with access to 4.72 million supplier storefronts in India which list 50.13 million products and services across 52 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 ending March 31, 2018, paid visits comprised of less than 1% 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, 2018, our online marketplace had a total of 4.72 million Indian supplier storefronts, of which 42% 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 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 52 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, 2018, our online marketplace had a total of 50.13 million listed products, of which 75% comprised products and 25% 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 39% and 50% of buyers and suppliers are respectively derived from the top 8 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 472,855 suppliers as of March 31, 2018, 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, and 289.98 million business enquires were delivered in fiscal 2018 from our 59.81 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, users from 47 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 RFQs credits.

- *A cost-effective platform*. We believe that we provide suppliers with a ROI 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 472,855 suppliers as of March 31, 2018, 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 18 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, or "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 KPMG, mobile internet has been increasingly contributing to digital media advertising spends increasing from 53% in 2015 to 78% in 2017. Further, according to KPMG, 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% of total traffic to IndiaMART as of March 31, 2018, 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.

Our IndiaMART mobile app had been installed 6.76 million times and 62% of paid suppliers have been active on the app in the last 30 days as of March 31, 2018, and is available for Android and iOS devices. As of March 31, 2018, 172,897 users had rated our IndiaMART app 4.52 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 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 2,921 sales and service representatives as of March 31, 2018, 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, 2018, we had 4.72 million Indian supplier storefronts, with 50.13 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, Geo location, 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 the quarter ended March 31, 2018, the 74% percentage 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 provides assurance to buyers that they will receive an expected product or service before any payment is made to the supplier. 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 KPMG. As of March 31, 2018, 72% of traffic to IndiaMART comprises 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 27.06 million as of March 31, 2016, to 39.37 million as of March 31, 2017 and to 59.81 million as of March 31, 2018. As of March 31, 2018, IndiaMART's registered buyers were based in over 1,000 cities across India, with 39% share of top 8 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 on March 31, 2018, we had 50.13 million products and services across 52 industries, 4.72 million Indian supplier storefronts and 108,347 paying subscription suppliers 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 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*. Under our IndiaMART payment protection program, we provide buyers with an escrow service in which Buyers are provided payment security by depositing money with IndiaMART through secured payment options, and IndiaMART subsequently pays the supplier after the supplier confirms the product delivery and no dispute has been raised by the buyer within a defined timeframe.

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, 2018, we have 108,347 paying subscription suppliers 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, Finolex Industries Limited, Hilti India Pvt Ltd, JCB India Ltd, Nobel Hygiene Pvt Ltd, Stanley Black & Decker India Private Limited**.** The top 10% of customers accounted for 38.58% of revenue as of March 31, 2018, 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 2.32 million as of March 31, 2016, to 3.16 million as of March 31, 2017 and to 4.72 million as of March 31, 2018. 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 the 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 472,855 participating suppliers as of March 31, 2018. 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*. Our suppliers benefit from assured payments in case the buyer opts for the IndiaMART payment protection program, which is in the beta experimentation stages. In these secured payment transactions, once the buyer and supplier agree to a deal the buyers will deposit the 100% of the transaction amount in advance to IndiaMART by choosing from multiple payment options, and then suppliers will deliver the products and receive the transaction amount from IndiaMART, upon confirmation of the delivery of the product and services by supplies, provided no dispute has been raised by buyers within a defined timeframe.

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 7 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 ₹ 25,000;

    - "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-tem 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 fiscal 2016, 2017 and 2018, 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 inquires. Relationship managers are readily accessible through phone or email. The close contact that we have with our paying subscription suppliers provides us with more frequent opportunities to engage with them and upsell our subscription packages by recommending additional paid services as we accumulate more information about each supplier's usage, business operations and needs.

- *TrustSEAL*. Our TrustSEAL program is our verification program that addresses buyers' concerns over the credibility of suppliers. Under the TrustSEAL program, our third-party service provider independently verifies certain of a supplier's corporate filings, registrations, certifications and licenses to ensure that the supplier is legitimate. We believe that concern over the reliability of online suppliers deters potential buyers from using B2B online platforms and that our TrustSEAL program, together with our strong brand and reputation, addresses this concern and draws more buyers to our IndiaMART marketplace.

- *RFQ credits*. IndiaMART connects buyers with suppliers through an automated behavioral data driven algorithmic matchmaking engine that matches buyers RFQs with relevant suppliers listed on our platform and shares the buyer's requirements with such suppliers. Furthermore, most of the buyer requirements are posted on our platform are made visible to all suppliers, whether they are listed or not. Any supplier who is interested in obtaining the buyer's contact information may do so by utilizing an RFQ credit, which was either purchased 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 fiscal 2016, 2017 and 2018.

- *Pay with IndiaMART*. This service enables paying subscription suppliers to receive payments from their buyers via debit or credit cards 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 52 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 52 industry categories for products and services listed on IndiaMART as of March 31, 2018, as provided below.

	Industry category*	Total Number of suppliers*	% of total suppliers
1	Apparel, Clothing & Garments	358,450	8%
2	Architectural & Designing Services	96,327	2%
3	Automobiles, Spare Parts and Accessories	121,815	3%
4	Building Construction Material, Equipment, Civil Engineering and Real Estate	362,060	8%
5	Business & Management Consultants	56,429	1%
6	Chemicals, Dyes & Allied Products	58,610	1%
7	Computers, Software, IT Support & Solutions	141,857	3%
8	Cosmetics, Toiletries & Personal Care Products	61,652	1%
9	Educational & Professional Training Institutes	158,231	3%
10	Electronics & Electrical Goods & Supplies	314,046	7%
11	Fashion & Garment Accessories for Men, Women & Kids	60,719	1%
12	Fertilizers, Seeds, Plants, Agro Machines & Tools, Poultry & Animal Husbandry	58,858	1%
13	Financial & Legal Advisory Services	124,025	3%
14	Furniture, Furniture Supplies & Furniture Hardware	86,204	2%
15	Gems, Jewellery, Precious Stones, Vaastu & Astrology	82,611	2%
16	Housewares, Home Appliances, Household Decorations & Consumables	78,011	2%
17	Industrial & Engineering Products, Spares and Supplies	161,931	3%
18	Industrial & Engineering Services, Solutions & Consultancy	80,779	2%
19	Industrial Plants, Machinery & Equipment	105,802	2%
20	Information Technology and Telecommunication Services	145,279	3%
21	Kitchen Containers, Utensils, Stove, Cookware, Tableware and Food Choppers	57,282	1%
22	Mechanical Components & Parts	80,192	2%
23	Media, Advertising, Copywriting & Publishing Services	109,442	2%
24	Medical, Pharma, Surgical & Healthcare	250,372	5%
25	Packaging Material, Supplies & Machines	67,675	1%
26	Packers & Movers, Clearing Agents & Logistic Services	86,990	2%
27	Pen, Pencil, Books, Notebooks, Stationery, Whiteboard & Publications	52,577	1%
28	Products Rental, Leasing & Maintenance Services	121,833	3%
29	Security Devices, Safety Systems and Security Services	54,644	1%
30	Telecom Products, Equipment & Supplies	99,493	2%
31	Trade Event Organizers, Event Management & Event Planners	135,220	3%
32	Travel, Tourism, Recreational & Other Hospitality Services	146,732	3%
33	Vegetables, Fruits, Grains, Dairy Products & Other FMCG and Grocery Items	302,974	6%
34	Other(2)	435353	10%
Grand Total		**4,714,475**	

Notes:

(1) If a supplier 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' include the following 19 categories: 1. Ayurvedic & Herbal Product, 2. Bags, Handbags, Luggage Bags, Belts, Wallets and Accessories, 3. Bicycles, Rickshaws, Spares and Accessories, 4. Call Centers and Business Process Outsourcing, 5. Facility Management & House Keeping Services, 6. Gifts, Crafts, Antiques & Handmade Decoratives, 7. Home Furnishings and Home Textiles, 8. HR Consultants & Placement Agencies, 9. Independent Contractors & Freelance Workers, 10. Leather and Leather Products & Accessories, 11. Metals, Minerals, Ores & Alloys, 12. Paper and Paper Products, 13. Railway, Shipping & Aviation Products, Spares & Equipment, 14. Research, Development, Testing & Laboratory Services, 15. Scientific, Measuring, Laboratory Instruments & Supplies, 16. Sports Goods, Games, Toys & Accessories, 17. Stones, Marble & Granite Supplies, 18. Textiles, Yarn, Fabrics & Allied Industries, and 19. Tools, Machine Tools, Power Tools & Hand Tools.

Buyer and Supplier Geographical Spread

The table below illustrates the locations of the buyers and suppliers on our marketplace for the year ended March 31, 2018.

City categorization definition	Number of cities	Buyers Percentage	Suppliers Percentage
Delhi NCR, Mumbai, Bangalore, Hyderabad, Kolkata, Ahmedabad, Pune and Chennai	8	39%	50%
Population more than 500,000 excluding the cities covered above	69	27%	27%
Population 100,000-500,000 excluding the cities covered above	394	19%	13%
Remaining cities	Rest of India	15%	10%

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 fiscal 2016, 2017 and 2018, respectively.

IndiaMART Payment Facilitation

In April 2017, we launched the IndiaMART payment protection program, which addresses the suppliers' concern of payment risk and assure buyers that they will receive the product or service prior to payment being made. Through this program, the buyer and supplier first finalizes the deal, the buyer makes the payment to IndiaMART, and once the supplier confirms delivery and no dispute is raised by buyer within a definitive timeframe, IndiaMART pays the supplier. We also offer payment gateway services which require minimal set up, and enable suppliers to receive debit card or credit card payments 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 23.

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, geo location, 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. Our sales team operates from 76 offices across 40 cities in India to provide us with a direct presence in each of these cities. As of March 31, 2018, we utilize an in-house sales team of 488 employees as well as outsourced sales team of 979 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, 2018, we had a 1,454 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 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 76 offices 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 enterprise resource planning (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 OTP 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 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;
- 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 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 allegation 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.

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 products;
- 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 that are applicable to our website (www.indiamart.com/terms-of-use.html) and take necessary measures to prevent any breaches of such terms and conditions from occurring. For example, we reserve rights to delist the products and services which violate the terms of use and privacy policy listed on our website. We may, in our sole discretion, refuse services to anyone, or, temporarily or indefinitely, discontinue products and categories on our website.

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 year ended March 31, 2018, we had 52.59 million daily unique buyer requests, of which 52% 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) 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) 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 2018.

INTELLECTUAL PROPERTY

We have registered "IndiaMART" (device and label) under several classes as a trademark in India. Additionally, we have also obtained trademark protection over several of our other marks, such as "indiamart", "indiamart.com", "TRUST SEAL", "STAR SUPPLIER", "IIL", "INDIAMART TRUSTSEAL" and "INTERMESH" and applied for the registration of certain trademarks including "INDIAMART LEADING SUPPLIER" under several classes in India. For further details, see "***Government and Other Approvals***" on page 465. 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. Calcutta HC has passed an interim order restraining such persons who are either infringing or may infringe our trademark and copyright during the proceedings and directed the concerned regulatory authority to identify and take down from 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 463 and 32.

EMPLOYEES

As of March 31, 2016, 2017 and 2018, we had 3,249, 2,713 and 2,539 permanent employees, respectively, in IndiaMART.

In addition, the table below sets forth the number of employees employed at our Company as well as each of our Subsidiaries as of March 31, 2018:

Count in Absolute (As on date)

Particulars	**Mar 31, 2016**	**Mar 31, 2017**	**Mar 31, 2018**
IndiaMART workforce			
Employees			
Sales (a)	1,149	817	488
Servicing (b)	1,482	1,289	1,454
Product & Tech	437	436	424
Corporate	181	171	173
Total IndiaMART employees (c)	**3,249**	**2,713**	**2,539**
Other workforce			
Tolexo employees (d)	421	25	20
Tentimes employees (e)	26	36	50
Total employees (f)=c+d+e	**3,696**	**2,774**	**2,609**
Outsourced field sales representative (g)	-	532	979
Total sales and service representative (d)=a+b+g	**2,631**	**2,615**	**2,921**

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, 2018, 21% 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, 2018, an average age of our employees was 28 years and 27% 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 30.

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 176.

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 Draft Red Herring 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 lease our registered office located at 1st Floor 29 Daryaganj, Netaji Subhash Marg, New Delhi and our corporate office located at 7th and 8th Floors, Advant-Navis Business Park, Plot No. 7, Sector 142, Noida, Uttar Pradesh, covering over 61,000 square feet. In addition, we have 74 offices across India which are also leased.

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 465.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 under 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. Our registered, copyright protection in artistic work, remains valid until 60 years from commencing from of 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 90.

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 149, 118 and 437, respectively. For details of the management of our Company and its managerial competence, see "***Our Management***" on page 182.

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

Date of Amendment/ Shareholders Resolution	Nature of amendment
	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	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: "*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, stearing 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*." 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: "*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.*" Clause III(C)(10) of other objects was deleted.
April 8, 2006	The main objects clause III(A)(4) was deleted.
November 10, 2008	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 was 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.
June 17, 2010	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. 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. The liability clause of the MoA was re-numbered from Clause 41 to Clause IV of the MoA.
November 26, 2010	Clause III(A)(3) of the main objects was amended to the following: "*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*" Further, clause III(C)(41) of other objects was added after clause III(C)(40) as follows: "*To retail through e-commerce, web shopping web auction, mail order, teleshopping, electronic trading, physical trading of any products and services.*"
September 23, 2015	The heading of Clause III (A) and III (B) were modified as follows, to align them with the Companies Act, 2013: ***Clause III (A) "THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:"*** ***Clause III (B) "THE MATTERS WHICH ARE NECESSARY FOR FURTHERENCE OF THE OBJECTS SPECIFIED IN CLAUSE III A ARE:"***

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 2013. 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 Draft Red Herring Prospectus, our Company has 171 holders of Equity Shares, one holder of CCPS A, four holders of CCPS B and three holders of CCPS B1. For further details on the shareholding of our Company, see "***Capital Structure***" on page 90.

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)

Calendar year	Award/Certification/Recognition
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

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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus we do not have any debt outstanding. For details of our equity issuances see “***Capital Structure***” on page 90.

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 Draft Red Herring Prospectus.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.

Except as disclosed below, our Company has not undergone 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. For more information, see "*- **Brief History of our Company***" above and "***Capital Structure***" on page 90.

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, 2013, 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% OCPRS 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 44.

Material Agreements

Except as stated below, as on the date of this Draft Red Herring 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 Draft Red Herring Prospectus.

A. <u>Shareholders' Agreements</u>

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 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 90.

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 CCPS 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 Draft Red Herring 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. <u>Other Agreements</u>

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 Draft Red Herring 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*', 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 Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries

As on the date of this Draft Red Herring 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, 2013 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 0.01% OCRPS of ₹ 10 each. It's paid up share capital is ₹ 132.28 million divided into 7,001,800 equity shares of ₹10 each and 6,226,325 0.01% OCRPS of ₹ 10 each. Our Company (directly and through its nominees) holds 100% of the issued, subscribed and paid up equity shares and 0.01% OCRPS 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, 2013 on February 26, 2014. Its CIN is U72300DL2014PTC265480. TTOPL is engaged in the business of operating 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 employees, 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 ₹ 0.20 million divided into 20,000 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 500,000 redeemable preference shares of ₹ 10 each, and 2,000,000 optionally convertible redeemable preference shares of ₹ 10 each and its paid up share capital is ₹ 19,800,000 divided into 110,000 equity shares of ₹ 10 each and 500,000 0.01% redeemable preference shares and 1,370,000 0.01% optionally convertible redeemable preference shares 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, 2013 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 ₹ 11.00 million divided into 100,000 equity shares of ₹ 10 each and 10,000,000 preference shares of ₹ 10 each and its paid up share capital is ₹ 7,500,000 divided into 100,000 equity shares of ₹10 each and 6,500,000 2% optionally convertible redeemable preference shares 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 Draft Red Herring Prospectus, our Company does not have any associate company.

Confirmations

Common Pursuits of our Subsidiaries

As on the date of this Draft Red Herring 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 200, 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 200, 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 Draft Red Herring 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 Draft Red Herring 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 2013 and the SEBI Listing Regulations.

Our Board

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other Directorships
Dinesh Chandra Agarwal *Designation:* Managing Director *Address:* 408, Ashirwad Enclave, 104, I.P. Extension, Delhi 110 092, India *Occupation:* Business *Nationality:* Indian *Term:* Five years from January 8, 2015 *DIN:* 00191800	49	*Indian private limited companies* 1. Hello Trade Online Private Limited 2. Ten Times Online Private Limited 3. Tolexo Online Private Limited 4. Tradezeal International Private Limited
Brijesh Agrawal *Designation:* Whole-time Director *Address:* 408, Ashirwad Enclave, 104, I.P. Extension, Delhi 110 092, India *Occupation:* Business *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 00191760	41	*Indian private limited companies* 1. Hello Trade Online Private Limited 2. Ten Times Online Private Limited 3. Tolexo Online Private Limited 4. Tradezeal International Private Limited
Dhruv Prakash *Designation:* Non-executive Director *Address:* A 14, Sector 26, Noida 201 301, Uttar Pradesh, India *Occupation:* Professional Consultant *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 05124958	66	*Indian public limited companies* 1. Bharat Hotels Limited *Indian private limited companies* 1. SBI Mutual Fund Trustee Company Private Limited
Rajesh Sawhney *Designation:* Independent Director *Address:* A/402, The IVY Residential Complex, Sushant Lok, Phase 1, Gurugram 122 001, Haryana, India	52	*Indian public limited companies* 1. Microland Limited 2. Neilsoft Limited *Indian private limited companies*

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other Directorships
Occupation: Entrepreneur *Nationality:* Indian *Term:* Five years from September 23, 2015 *DIN:* 01519511		1. Chintee Software Private Limited 2. Gastrotope Private Limited 3. Indiginus Learning Private Limited 4. Inner Chef Marketplace Private Limited 5. Inner Chef Private Limited 6. RRA Media & Entertainment Private Limited
Elizabeth Lucy Chapman *Designation:* Independent Director *Address:* Flat 5, Jaijee Terrace, NB Marg/ Sleater Road, Grant Road West, Near Post Office, Mumbai 400 007, Maharashtra, India *Occupation:* Professional *Nationality:* British *Term:* Five years from September 23, 2015 *DIN:* 06459440	37	*Indian private limited companies* 1. Camden Town Technologies Private Limited 2. Chalk Farm Ventures Private Limited *Foreign companies* 1. Primerose Hill Ventures Pvt Ltd. (Singapore)
Vivek Narayan Gour *Designation:* Independent Director *Address:* MG 1203, The Magnolias, DLF Golf Links, DLF City Phase 5, Gurugram 122 009, Haryana, India *Occupation:* Service *Nationality:* Indian *Term:* Five years from May 7, 2018 *DIN:* 00254383	55	*Indian private limited companies* 1. Advait Lakshmi Foundation 2. Affle (India) Private Limited *Foreign companies* 1. MakeMy Trip Limited, Mauritius 2. Affle International Pte. Ltd. Singapore

In compliance with Section 152 of the Companies Act 2013, 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 49 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.

Brijesh Agrawal, aged 41 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 66 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 52 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 37 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 55 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 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. In terms of such resolution, set forth below are details of remuneration payable to Dinesh Chandra Agarwal for fiscal 2019.

A total compensation of ₹ 43.47 million per annum, which comprises:	
Fixed compensation	₹ 25.08 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 Linked Variable Compensation	₹ 17.39 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

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 2018 was ₹ 36.67 million (which included performance linked incentive for fiscal 2018, payable in fiscal 2019).

Brijesh Agrawal

Our Board and shareholders, by their resolutions dated April 30, 2018 and May 7, 2018, respectively, fixed Brijesh Agrawal's remuneration for a period three years. In terms of such resolutions, set forth below are details of remuneration payable to Brijesh Agrawal for fiscal 2019.

A total compensation of ₹ 31.75 million per annum, which comprises:	
Fixed compensation	₹ 18.05 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	₹ 12.70 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

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 Agrawal's aggregate compensation for fiscal 2018 was ₹ 25.12 million (which included performance linked incentive for fiscal 2018, payable in fiscal 2019).

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 2018.

(₹ in million)

S. No.	Name of Director	Amount paid
1.	Dhruv Prakash[#]	2.76
2.	Bhavanipratapsinh B. Rana[1]	Nil
3.	Elizabeth Lucy Chapman	0.15
4.	Mahendra Kumar Chouhan[2]	0.30
5.	Rajesh Sawhney	0.60
6.	Vivek Narayan Gour	Nil[*]

[#] *Includes ₹ 0.60 million paid towards sitting fees and ₹ 2.07 million paid towards coaching fess. For details see* ***"– Interest of Directors"*** *below*

[1] *Bhavanipratapsinh. B. Rana resigned from our Board on April 27, 2018*

[2] *Mahendra Kumar Chouhan resigned from our Board on April 30, 2018*
* *No remuneration was paid to Vivek Narayan Gour as he was appointed in fiscal 2019*

Loans to Directors

No loans that have been availed of by our Directors from our Company are outstanding as on the date of this Draft Red Herring Prospectus.

None of our Directors are related to the sundry debtors of our Company.

Bonus or profit sharing plan for the Directors

Our Directors, Dinesh Chandra Agrawal and Brijesh 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 Key Managerial Personnel in our Company***" on page 107, none of our Directors hold any Equity Shares in our Company as on the date of this Draft Red Herring 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 Key Managerial Personnel, see "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" on page 107.

Further, our Directors are not interested in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus, or presently proposed to be acquired by it.

Except Dinesh Chandra Agarwal and Brijesh Agrawal, none of our Directors are interested in the promotion of our Company as promoters, as on the date of this Draft Red Herring Prospectus. For further details of interests of our executive Directors, who are also our Promoters, see "***Our Promoters and Promoter Group***" on page 194.

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 200.

Other confirmations

None of our Directors are, or for the five years prior to the date of filing of this Draft Red Herring 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).

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 Draft Red Herring Prospectus are set forth below.

Name of Director	Date of Change	Reasons
Rajesh Sawhney	September 23, 2015	Regularisation of appointment as an Independent Director
Elizabeth Lucy Chapman	September 23, 2015	Regularisation of appointment as an Independent Director
Mahendra Kumar Chouhan	September 23, 2015	Regularisation of appointment as an Independent Director
Dhruv Prakash	October 28, 2015	Appointment as a Non-Executive Director[1]
Bhavanipratapsinh B. Rana	May 4, 2017	Appointment as a Non-executive Director[2]
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 [3]

[1]*Regularized pursuant to the Shareholders' resolution dated September 1, 2016*
[2]*Regularised pursuant to the Shareholder's resolution dated November 17, 2017*
[3] *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 Draft Red Herring 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 2013 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 2013.

Board committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations and the Companies Act 2013:

(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, 2013;
  (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; 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 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.

- Considering and resolving grievances of shareholders, debenture holders and other security holders;
- Redressal of grievances of the security holders of the Company, including complaints in respect of transfer of shares, non-receipt of declared dividends, balance sheets of the Company, etc.; and
- Carrying out any other function contained in the SEBI Listing Regulations as and when amended from time to time.

The Stakeholders' Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to our Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of our Company. The quorum shall be two members present.

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; and
- Carrying out any other functions required to be undertaken by the Nomination and Remuneration Committee under applicable law.

The Nomination and Remuneration Committee is required to meet at least four times a year with maximum interval of four months between two meetings. The quorum shall be two members present.

Corporate Social Responsibility Committee

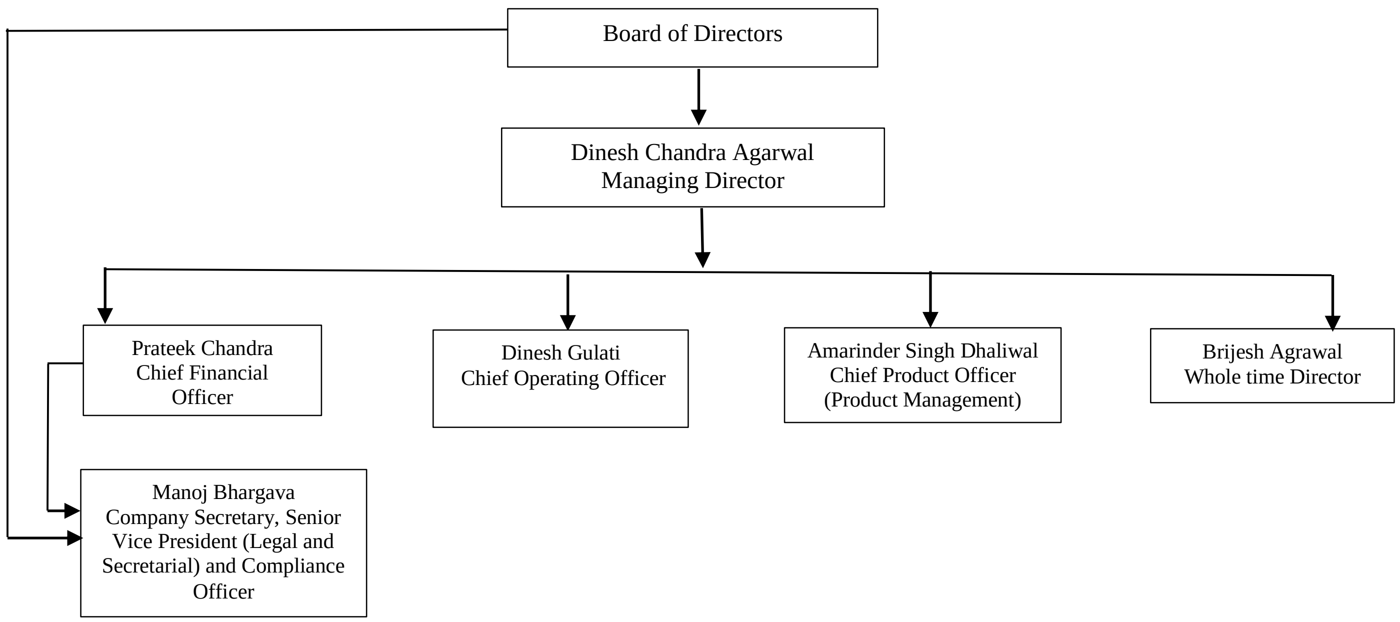
Our CSR Committee was constituted by a resolution dated August 23, 2017 of our Board. Our CSR Committee comprises:

1. Vivek Narayan Gour, Independent Director (Member);
2. Brijesh 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 2013 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 2013 or statutorily prescribed under any other law or by any other regulatory authority.

Management Organization Structure



Key Managerial Personnel

In addition to Dinesh Chandra Agarwal, our Managing Director and Brijesh Agrawal, our whole time Director, whose details are provided in " ***- Brief Profile of our Directors***" above, the details of our other Key Managerial Personnel, as on the date of this Draft Red Herring Prospectus, are set forth below.

Prateek Chandra, aged 37 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 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 2018 was ₹ 20.75 million (including performance linked incentive for fiscal 2018, payable in fiscal 2019).

Dinesh Gulati, aged 50 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 has experience in the field of sales and marketing. 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 2018 was ₹ 33.23 million (including performance linked incentive for fiscal 2018, payable in fiscal 2019).

Amarinder Singh Dhaliwal, aged 46 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, PowerGen India Limited, TIL and PowerGen (India) Private Limited. His gross remuneration for fiscal 2018 was ₹ 12.93 million (including performance linked incentive for fiscal 2018, payable in fiscal 2019).

Manoj Bhargava, aged 42 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 ₹ 2.17 million in fiscal 2018.

All our key managerial personnel are permanent employees of our Company.

Relationship among Key Managerial Personnel

Except as disclosed under the ***"-Relationship between Directors"*** above, none of our key managerial personnel are related to each another.

Bonus or profit sharing plan for the Key Managerial Personnel

Except as disclosed under the ***"- Bonus or Profit sharing Plan for Directors"*** above, there is no profit sharing plan for the Key Managerial Personnel. Additionally, our Company makes bonus payments to Key Managerial Personnel in accordance with their terms of appointment.

Shareholding of the Key Managerial Personnel

Other than as provided under "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel***" on page 107, none of our Key Managerial Personnel hold Equity Shares as on the date of this Draft Red Herring Prospectus. Further, certain of our Key Managerial Personnel also hold stock options granted to them. For details, see "***Capital Structure – Employee Stock Option Scheme***" and "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel***" on pages 94 and 107, respectively.

Service contracts with Key Managerial Personnel

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including Key Managerial Personnel 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 Key Managerial Personnel

There is no outstanding loan availed by our Key Managerial Personnel from our Company, as on the date of this Draft Red Herring Prospectus.

Interest of Key Managerial Personnel

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 Key Managerial Personnel in the ordinary course of business in their respective capacity of our Company and stock options that have been or may be granted to them from time to time under the IndiaMART ESOS 2015 and IndiaMART ESBS 2018, none of our Key Managerial Personnel have any interest in our Company.

For details regarding the stock options held by our Key Managerial Personnel, as applicable, see "***Capital Structure – Employee Stock Option Scheme***" and "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel***" on pages 94 and 107, respectively.

Our Key Managerial Personnel may also be interested to the extent of Equity Shares, if any, as applicable, 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 Key Managerial Personnel during the last three years

Set forth below are the changes in our Key Managerial Personnel in the last three years:

Name and designation	Date	Reason
Anil Dwivedi	July 25, 2015	Appointed as the company secretary
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 Draft Red Herring Prospectus, the IndiaMART ESOS 2015 and IndiaMART ESBS 2018 are in place. For details, see "***Capital Structure- Employee Stock Option Scheme***" on page 94.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel 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

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 Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

None of the sundry debtors or beneficiaries of loans and advances made by our Company are related to our Directors.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Dinesh Chandra Agarwal and Brijesh Agrawal. As on the date of this Draft Red Herring Prospectus, our Promoters hold, in the aggregate, 15,909,400 Equity Shares which constitute 64.37% 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 90.

I. Details of our Promoters

Dinesh Chandra Agarwal

Dinesh Chandra Agarwal, aged 49 years, is our Promoter and Managing Director.

Residential Address: 408, Ashirwad Enclave, 104, I.P. Extension, Delhi 110 092, India

Driving license number: DL-1320110092494

Voter identification number: DCV0789594

For further details in respect of Dinesh Chandra Agarwal, see "***Our Management***" on page 182.

Brijesh Agrawal

Brijesh Agrawal, aged 41 years, is a Whole Time Director and a Promoter of our Company.

Residential Address: 408, Ashirwad Enclave, 104, I.P. Extension, Delhi 110 092, India

Driving license number: UP16 20170005615

Voter identification number: DCV0789586

For further details in respect of Brijesh Agrawal, see "***Our Management***" on page 182.

We confirm that our Promoters' PAN, passport number and bank account numbers will be submitted to the Stock Exchanges at the time of submission of this 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 90. 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 184. For further details of interest of our Promoters in our Company, see ***"Our Management –Interest of Directors***" on page 186. Further, our Promoters are interested to the extent of rent payable to Mansa Enterprises Private Limited ("**MEPL**") under the lease agreements dated August 31, 2015 and 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 199.

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 this Draft Red Herring Prospectus 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***" below and "***Related Party Transactions***" on page 200, no amount or benefit has been paid or given to our Promoters, members of our Promoter Group or our Group Company in fiscals 2018 and 2017 nor is any amount or benefit proposed to be paid or given to them as on the date of this Draft Red Herring 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 Draft Red Herring 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*', 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 this Draft Red Herring Prospectus.

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 Draft Red Herring 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
Dinesh Chandra Agarwal		
1.	Chetna Agrawal	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
8.	Bharat Agarwal	Son
9.	Ishwar Prasad Jalan	Spouse's father

S. No.	Name of member of the Promoter Group	Relationship with the Promoter
10.	Vijay Jalan	Spouse's brother
11.	Bela Agarwal	Spouse's sister
12.	Beena Agarwal	Spouse's sister
Brijesh Agrawal		
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
Dinesh Chandra Agarwal	
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 Limited
17.	Clickindia Infomedia Private Limited
18.	Mothers Herbs Private Limited
19.	Alok Trading Co.
20.	Amit Vikram (sole proprietorship)
21.	Kamadgiri Vastralaya (sole proprietorship)
22.	Shri Govind Vastralaya (sole proprietorship)
23.	Nanpara Family Trust
24.	Nanpara Business Trust
25.	CBD Advisory Private Limited
26.	CDA Advisory Private Limited
27.	PDK Advisory Private Limited
28.	Naresh Advisory Private Limited
29.	Hellotravel Online Private Limited
Brijesh Agrawal	
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.	Deokinanadan Agarwal (HUF)
9.	Clickindia Infomedia 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 Limited
13.	Mothers Herbs Private Limited
14.	Alok Trading Co.
15.	Gaurav Enterprises (sole proprietorship)
16.	Priya Traders (sole proprietorship)
17.	Brijesh Advisory Private Limited
18.	Pankaj Advisory Private Limited
19.	Hellotravel Online Private Limited
20.	Hamirwasia Family Trust
21.	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 103 and 467, 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 Draft Red Herring 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. Extention, 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

(₹ in million, except per share data)

Particulars	As on and for the fiscal ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity share capital	6.00	6.00	6.00
Reserves and surplus (excluding revaluation reserves)	7.38	6.52	5.16
Revenue from operations	5.31	5.01	4.86
Profit/(Loss) for the year	0.86	1.36	1.75
Earnings/(loss) per share (Basic and Diluted) (in ₹)	1.44	2.26	2.91
Net asset value per share* (in ₹)	22.30	20.87	18.60

**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 2017 and it did not make losses in fiscals 2017, 2016 and 2015.

Confirmations and disclosures by our Group Company

As on the date of this Draft Red Herring 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 202, 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 lease agreements dated November 22, 2013 and September 30, 2016, for use by our Company as a sales office. These lease agreements are valid until October 31, 2022 and September 30, 2025, respectively. The lease agreement dated September 30, 2016 is automatically renewable for periods of nine years each, unless otherwise communicated through a written notice by either party. In terms of these lease agreements, our Company is required to pay a monthly rent of ₹ 230,000 and ₹ 115,000, respectively, plus applicable service tax. Each of these agreements provide 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 periods 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 a 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 202.

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 this Draft Red Herring Prospectus 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 2018.

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 Draft Red Herring 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 Draft Red Herring Prospectus, our Group Company has not been declared as a Wilful Defaulter, as defined under the SEBI ICDR Regulations and no violations 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 Draft Red Herring 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 2015 and 2014, and (ii) IndAS 24 for fiscals 2018, 2017 and 2016 (proforma) 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 312 and "***Restated Financial Statements – Annexure XXV – Notes to the Restated Consolidated Summary Statement***" on page 429, "***Restated Financial Statements – Annexure XXXI – Notes to Restated IndAS Unconsolidated Summary Statements***" on page 271 and "***Restated Financial Statements – Annexure XXIX – Notes to Restated IndAS Consolidated Summary Statements***" on page 387.

DIVIDEND POLICY

As on the date of this Draft Red Herring 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 years.

SECTION V – FINANCIAL INFORMATION
RESTATED FINANCIAL STATEMENTS

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Auditors' Report on the restated unconsolidated summary statements of assets and liabilities as at March 31, 2018, 2017 and 2016, profits and losses, cash flows and changes in Equity for each of the years ended March 31, 2018, 2017 and 2016 of IndiaMART InterMESH Limited (collectively, the "Restated Ind AS Unconsolidated Summary Statements")

To
The Board of Directors
IndiaMART InterMESH Limited
7th and 8th Floor, Advantis 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 and for each of the years ended March 31, 2018, 2017 and 2016 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document 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. Sub-section (1) of 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 Draft Red Herring Prospectus ("DRHP"), 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 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, 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 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 financial statements of the Company as at and for the year ended March 31, 2018, which were prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, read with Section 133 of the Act (“Ind AS”) and which have been approved by the Board of Directors at their meetings held on June 22, 2018 and

   b. the audited unconsolidated financial statements of the Company as at and for the year ended March 31, 2017 and 2016 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, 2017and July 28, 2016, respectively.

6. For the purpose of our examination, we have relied on:

   a. 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

   b. Auditors’ Report issued by us dated October 17, 2017 and July 28, 2016 on the Unconsolidated financial statements of the Company as at and for each of the years ended March 31, 2017 and 2016, respectively;

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, 2018, 2017 and 2016, 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 years ended March 31, 2018, 2017 and 2016, 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 years ended March 31, 2018, 2017 and 2016, 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 years ended March 31, 2018, 2017 and 2016 , 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 the year ended March 31, 2018 are materially consistent with the policies adopted as at and for the year ended March 31, 2017 and 2016. 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, 2018, 2017 and 2016 and for each of the years ended March 31, 2018, 2017 and 2016 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 yzear 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, 2018, 2017 and 2016, 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, 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

B. 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	Paid till date	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	6,683,827	217,709	6,466,118	Financial Year 2006-07 to 2010-11	Additional Commissioner of service tax
Finance Act, 1994	Servi/ce Tax	905,430	-	905,429	Financial Year 2011-12	Additional Commissioner of service tax
Finance Act, 1994	Service Tax	360,814	-	360813	Financial Year 2012-13	Additional Commissioner of service tax
Finance Act, 1994	Service Tax	1,302,668	-	1302668	FY 2013-14 to 2015-16	Office of Deputy Commissioner
The Income Tax Act, 1961	Additional fringe benefit tax & income tax demand	21,530	-	21,530	Assessment Year 2006-07	Commissioner of income tax (appeals)

B. 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	6,466,118	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)

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2018. Accordingly, we express no opinion on the financial position, results of operations, cash flows and changes in equity of the Company as of any date or for any period subsequent to March 31, 2018.

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 DRHP, 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, 2018, 2017 and 2016:

   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 Deferred Revenue, 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 and other income 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 Capitalisation, enclosed as Annexure XXVIII;
   xxiii. Restated Unconsolidated Statement of Accounting Ratios, 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, 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 offer document to be filed with SEBI, National Stock Exchange of India Limited and BSE Limited 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: Noida
Date: June 22, 2018

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure I
Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities
(Amounts in INR millions, unless otherwise stated)

S.No.	Particulars	Annexures	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 (Proforma)
	Assets				
A	**Non-current assets**				
	Property, plant and equipment	VII	71.79	73.63	88.60
	Capital work-in-progress	VII	1.77	1.77	1.77
	Goodwill	VII	-	1,175.55	-
	Other Intangible assets	VII	7.62	12.03	6.12
	Investment in subsidiaries	VIII	71.62	71.62	539.20
	Financial Assets				
	(i) Investments	IX	65.34	132.95	321.00
	(ii) Loans	X	0.92	1.76	0.33
	(iii) Bank deposits	XI	302.20	-	113.52
	(iv) Others financial assets	XII	35.03	39.73	33.20
	Deferred tax assets (net)	XIII	1,155.58	-	-
	Other non-current assets	XIV	6.78	11.79	12.66
	Total non-current assets		**1,718.65**	**1,520.83**	**1,116.40**
B	**Current assets**				
	Financial assets				
	(i) Investments	IX	3,087.70	1,352.36	1,286.30
	(ii) Trade receivables	XV	2.79	5.60	5.05
	(iii) Cash and cash equivalents	XI	452.48	173.73	115.20
	(iv) Bank deposits	XI	-	229.96	-
	(v) Loans	X	63.20	14.20	9.43
	(vi) Others financial assets	XII	38.85	36.40	9.82
	Current tax assets (Net)	XVI	86.60	82.03	72.22
	Other current assets	XIV	46.13	143.67	27.25
	Total current assets		**3,777.75**	**2,037.95**	**1,525.27**
	Total assets (A+B)		**5,496.40**	**3,558.78**	**2,641.67**
	Equity and liabilities				
C	**Equity**				
	Equity share capital	XVII	99.77	91.69	91.69
	Other Equity				
	(i) Share premium	IV	279.49	153.05	153.05
	(ii) General reserve	IV	8.45	8.45	8.45
	(iii) Employee Share based Payment Reserve	IV	54.18	46.12	36.90
	(iv) Retained earnings	IV	(3,564.63)	(2,830.59)	(2,704.69)
	Total equity attributable to equity holders		**(3,122.74)**	**(2,531.28)**	**(2,414.60)**
	Liabilities				
D	**Non-current liabilities**				
	Financial liabilities				
	(i) Share buyback obligation	XVIII	3,729.30	2,460.90	2,195.18
	(ii) Other financial liabilities	XIX	2.62	5.36	6.66
	Provisions	XX	58.36	16.32	4.05
	Deferred Revenue	XXI	1,660.91	1,213.32	921.96
	Total non-current liabilities		**5,451.19**	**3,695.90**	**3,127.85**
E	**Current liabilities**				
	Financial liabilities				
	(i) Trade payables	XIX	412.73	291.66	237.68
	(ii) Other financial liabilities	XIX	0.18	0.17	0.17
	Provisions	XX	46.85	38.23	29.86
	Deferred Revenue	XXI	2,253.52	1,714.23	1,438.74
	Other current liabilities	XXII	454.67	349.87	221.97
	Total current liabilities		**3,167.95**	**2,394.16**	**1,928.42**
	Total liabilities (D+E)		**8,619.14**	**6,090.06**	**5,056.27**
	Total equity and liabilities (C+D+E)		**5,496.40**	**3,558.78**	**2,641.67**

Note
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 Agarwal
Managing Director
DIN:00191800

Brijesh Agrawal
Director
DIN:00191760

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

Noida
22 June, 2018

Noida
22 June, 2018

Noida
22 June, 2018

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure II
Restated Ind AS Unconsolidated Summary Statement of Profits and Losses
(Amounts in INR millions, unless otherwise stated)

S. No.	Particulars	Annexures	For the years ended		
			31 March 2018	31 March 2017	31 March 2016 (Proforma)
F	**Income**				
	Revenue from operations	XXIII	4,035.48	3,086.29	2,377.09
	Net gain on financial assets measured at FVTPL	XXIV	36.52	118.68	37.16
	Other income	XXV	28.61	18.50	14.61
	Total income		**4,100.61**	**3,223.47**	**2,428.86**
G	**Expenses**				
	Employee benefits expense	XXVI	1,887.84	1,805.47	1,538.49
	Depreciation and amortization expense	VII	27.97	40.16	26.30
	Impairment of goodwill	VII	1,175.55	-	-
	Net loss on financial liability designated at FVTPL	XVIII	1,228.62	192.79	70.90
	Other expenses	XXVII	1,655.45	1,316.01	1,377.27
	Total expenses		**5,975.43**	**3,354.43**	**3,012.96**
H	**Restated loss before tax (F-G)**		**(1,874.82)**	**(130.96)**	**(584.10)**
	Tax expense				
	Current Tax		-	-	-
	Adjustment of tax relating to earlier years	XIII	-	-	3.71
	Deferred tax credit	XIII	(1,150.41)	-	-
I	**Total tax expenses**		**(1,150.41)**	**-**	**3.71**
J	**Loss for the year attributable to equity shareholders (H-I)**		**(724.41)**	**(130.96)**	**(587.81)**
K	**Other comprehensive income (OCI)**				
	Items not to be reclassified to profit or loss in subsequent periods				
	Re-measurement losses on defined benefit plans		(14.80)	(5.23)	(3.97)
	Income tax effect	XIII	5.17	-	-
	OCI for the year, net of tax		**(9.63)**	**(5.23)**	**(3.97)**
L	**Total comprehensive loss for the year attributable to equity shareholders (J + K)**		**(734.04)**	**(136.19)**	**(591.78)**

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 Agarwal
Managing Director
DIN:00191800

Brijesh Agrawal
Director
DIN:00191760

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

Noida
22 June, 2018

Noida
22 June, 2018

Noida
22 June, 2018

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure III
Restated Ind AS Unconsolidated Summary Statement of Cash Flows
(Amounts in INR millions, unless otherwise stated)

S. No.	Particulars	For the years ended		
		31 March 2018	31 March 2017	31 March 2016 (Proforma)
A	**Cash flow from operating activities**			
	Loss before tax (as restated)	**(1,874.82)**	**(130.96)**	**(584.10)**
	Adjustments for:			
	Depreciation of property, plant and equipment	23.16	37.41	22.25
	Amortisation of intangible assets	4.82	2.75	4.05
	Other Income	(28.08)	(18.51)	(14.61)
	Fair value change in investment in debt instruments of subsidiaries	124.38	13.70	-
	Fair value change in investment in mutual funds	(88.36)	(113.35)	(13.49)
	Fair value change in share buyback obligation	1,228.62	192.79	70.90
	(Gain)/loss on disposal of property, plant and equipment	(0.53)	0.03	-
	Share-based payment expense	29.87	19.51	10.28
	Finance cost	-	-	0.03
	Gain on disposal of mutual fund investments	(72.54)	(19.03)	(23.67)
	Impairment of goodwill	1,175.55	-	-
	Impairment allowance on investment in subsidiaries	-	5.10	-
	Operating loss before working capital changes	**522.07**	**(10.56)**	**(528.36)**
	Movement in working capital :			
	(Increase)/decrease in trade receivables	2.83	(0.58)	(0.74)
	(Increase) in other financial assets	(39.39)	(36.46)	(15.93)
	(Increase)/decrease in other assets	102.53	(117.83)	(4.01)
	Decrease in other financial liabilities	(2.73)	(1.30)	(1.10)
	Increase in trade payables	121.07	53.98	42.94
	Increase in other liabilities	1,091.69	694.74	690.41
	Increase/(decrease) in provisions	35.87	15.41	(14.02)
	Cash generated from operations	**1,833.94**	**597.40**	**169.19**
	Income tax paid (net)	(4.59)	(9.80)	(17.84)
	Net cash from operating activities	**1,829.35**	**587.60**	**151.35**
B	**Cash flow from investing activities**			
	Proceeds from sale of property, plant and equipment	1.06	0.02	-
	Purchase of property, plant and equipment & other intangible assets	(22.25)	(28.84)	(60.60)
	Purchase of mutual fund investments	(3,229.70)	(1,586.06)	(2,359.09)
	Investments in subsidiaries (net of cancellations)	(56.70)	(538.72)	(779.50)
	Proceeds from sale of mutual fund investments	1,655.25	1,652.38	1,740.85
	Interest received	21.49	15.66	12.55
	Investments in bank deposits (having original maturity of more than three months)	(72.24)	(116.44)	(8.99)
	Net cash used in investing activities	**(1,703.09)**	**(602.00)**	**(1,454.78)**
C	**Cash flow from financing activities**			
	Proceeds from issues of preference shares under share buyback obligation	39.78	72.93	1,326.00
	Proceeds from issues of equity shares on exercise of ESOP	112.71	-	-
	Interest paid	-	-	(0.03)
	Repayment of short-term borrowings	-	-	(0.57)
	Net cash generated from financing activities	**152.49**	**72.93**	**1,325.40**
D	**Net increase in cash and cash equivalents (A +B +C)**	**278.75**	**58.53**	**21.97**
E	Cash and cash equivalents at the beginning of the year	173.73	115.20	93.23
	Cash and cash equivalents at end of the year (D + E)	**452.48**	**173.73**	**115.20**
	Components of cash and cash equivalents			
	Cash on hand	1.00	0.14	0.02
	Cheques on hand	121.42	82.36	94.45
	With banks - on current account	330.06	91.23	20.73
	Total	**452.48**	**173.73**	**115.20**
	Non-cash investing activities			
	Transactions pursuant to the scheme (refer note 6 in Annexure XXX)			
	- Cancellation of Investment	34.80	1,366.63	-
	- Recognition of Goodwill	-	1,175.55	-
	Non-cash financing activities			
	Fair value change in share buyback obligations (Refer Annexure XVIII)	1,228.62	192.79	70.90

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

per Yogesh Midha
Partner
Membership No.: 94941

Noida
22 June, 2018

For and on behalf of the Board of Directors of
IndiaMart InterMesh Limited

Dinesh Agarwal
Managing Director
DIN:00191800

Brijesh Agrawal
Director
DIN:00191760

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

Noida
22 June, 2018

Noida
22 June, 2018

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure IV
Restated Ind AS Unconsolidated Statement of Statement of changes in equity
(Amounts in INR millions, unless otherwise stated)

Particulars	Equity Share capital	Reserve and surplus				Total reserve and surplus	Total Equity
		Share premium	General reserve	Employee Share based Payment Reserve	Retained earnings		
As at 1 April 2015 (Proforma)*	**91.69**	**153.03**	**8.45**	**26.62**	**(2,112.91)**	**(1,924.81)**	**(1,833.12)**
Loss for the year	-	-	-	-	(587.81)	(587.81)	(587.81)
Other comprehensive loss	-	-	-	-	(3.97)	(3.97)	(3.97)
Total comprehensive income	-	-	-	-	**(591.78)**	**(591.78)**	**(591.78)**
Issue of equity shares	0.00	0.02	-	-	-	0.02	0.02
Employee stock based payment expense	-	-	-	**10.28**	-	10.28	10.28
As at 31 March 2016 - Proforma	**91.69**	**153.05**	**8.45**	**36.90**	**(2,704.69)**	**(2,506.29)**	**(2,414.60)**
Balance as at 1 April 2016*	**91.69**	**153.05**	**8.45**	**26.61**	**(2,694.40)**	**(2,506.29)**	**(2,414.60)**
Loss for the year	-	-	-	-	(130.96)	(130.96)	(130.96)
Other comprehensive loss	-	-	-	-	(5.23)	(5.23)	(5.23)
Total comprehensive income	**-**	**-**	**-**	**-**	**(136.19)**	**(136.19)**	**(136.19)**
Employee stock based payment expense	-	-	-	19.51		19.51	19.51
Balance as at 31 March 2017	**91.69**	**153.05**	**8.45**	**46.12**	**(2,830.59)**	**(2,622.97)**	**(2,531.28)**
Loss for the year	-	-	-	-	(724.41)	(724.41)	(724.41)
Other comprehensive loss	-	-	-	-	(9.63)	(9.63)	(9.63)
Total comprehensive loss	**-**	**-**	**-**	**-**	**(734.04)**	**(734.04)**	**(734.04)**
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
Balance as at 31 March 2018	**99.77**	**279.49**	**8.45**	**54.18**	**(3,564.63)**	**(3,222.51)**	**(3,122.74)**

Notes:

*Opening balance of employee share based payment reserve as at 1 April 2016 is different from the restated closing balance as at 31 March 2016 due to the difference in the transition date for adoption of Ind AS financial statements (i.e. 1 April 2016) and for preparation of proforma numbers (i.e. 1 April 2015). Ind AS 101 allows an entity not to apply Ind AS 102 Share-based payments to equity instruments that vested before the date of transition to Ind AS. Accordingly, the expense for the options vested during the year 2015-16 has been recognised in the proforma numbers only which has resulted in a difference of INR 10.28 million.

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 Agarwal
Managing Director
DIN:00191800

Brijesh Agrawal
Director
DIN:00191760

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

Noida
22 June, 2018

Noida
22 June, 2018

Noida
22 June, 2018

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 Subash Marg, New Delhi-110002, India.

The financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on 22 June 2018.

2. Significant accounting policies

2.1 Basis of preparation

The restated Summary Statement of Assets and Liabilities of the Company as at 31 March 2018; 2017 and 2016 and 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 2018; 2017 and 2016and accompanying annexures to the Financial information (hereinafter collectively referred to as “Restated Ind AS Financial Information”) have been prepared specifically for inclusion in the draft red herring prospectus to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) in connection with proposed Initial Public Offering (“IPO”) of equity shares of the Company.

These Restated Ind AS Consolidated Financial Information have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 and requirement of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013, as amended read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014.

These restated Ind AS financial information have been 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs (‘MCA’) 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) Audited financial statements of the Company as at and for the year ended March 31, 2018 which include the comparative Ind AS financial statements as at and for the year ended March 31, 2017 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 Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs (‘MCA’); and

b) Proforma Ind AS financial statements (“Proforma FS 2016”) as at and for the year ended March 31, 2016. These Proforma FS 2016 have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2016 in accordance with the provisions of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (“SEBI Circular”) and Guidance Note on Reports in Company Prospectuses (Revised 2016) (“Guidance Note”).

For the preparation of Proforma Ind AS Financial statements as at and for the year ended 31 March 2016, following accounting policy choices/ restatements were made:

i) Ind AS transition adjustments and accounting policy choices as initially adopted on 1 April 2016 were affected from 1 April 2015 for the preparation of Proforma Ind AS financial information;

ii) Opening balance sheet was restated to recognise all assets and liabilities whose recognition is required by Ind AS;

iii) All mandatory exceptions and optional exemptions available under Ind AS 101 was analysed on case to case basis for the first-time adoption and restatement adjustments were made accordingly. For details of assumptions and exceptions AS refer annexure 5 for First Time Adoption of Ind AS

iv) In accordance with Ind AS 101, the Company has elected to continue with the carrying value for all of its property, plant and equipment including capital work-in-progress and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the same accounting policy choice has been followed as at 1 April 2015 for the purpose of measuring property plant and equipment including capital work in progress and intangible assets.

v) In accordance with Ind AS 101, the Company has elected to no to apply Ind AS 102 “Share based payment” to equity instruments that vested before the date of transition to Ind AS. Accordingly, the same accounting policy choice has been followed as at 1 April 2015 for the purpose of measuring employee share based payment reserve.

Therefore, the accounting policies set out elsewhere in this document should be read along with the approach adopted for the preparation of the financial information as set out in (i) to (v) above.

These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (‘IGAAP’), which is considered as the previous GAAP, for purposes of Ind AS 101. Refer to Annexure V for detailed information on how the Company transitioned to Ind AS.

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:

•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 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.

Further, though the company has negative net worth of INR 3,122.74 mn (Previous Year: INR 2,531.28 mn), but in view of the substantially improved operational performance and cash generated from operations, the management considers it appropriate to prepare these accounts on a going concern basis. To quantify, the revenue from operations has increased from INR 3,086.29 mn in 2016-17 to INR 4,035.48 mn in 2017-18 and cash generated from operations have increased from INR 587.60 mn in 2016-17 to INR 1,829.35 mn in 2017-18.

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.

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 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of government.

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

<u>Rendering of services</u>

Revenue from development, hosting and promotion of web catalogues are recognised pro-rata over the period of the contract as and when services are rendered. Revenues from lead based services are recognised as and when leads are consumed by the customer or on the expiry of contract whichever is earlier.

Activation revenue are amortised over the estimated customer relationship period. However, any excess of activation costs over activation revenue are expensed as incurred.

The unaccrued amounts are not recognised as revenue till all related performance obligation are fulfilled and are reflected in balance sheet as deferred revenue (income received in advance).

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

Capital work in progress and property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates then separately based on their specific useful lives.

Capital work in progress includes cost of property, plant and equipment under development as at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

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 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:

Asset	Annual rates
Computers	63.16%
Furniture and fittings	26.89%
Office equipment	45.07%
Vehicles	25.89%

Leasehold improvements are depreciated on a straight line basis over the lease period or assessed useful life of three years, whichever is lower.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Intangible assets

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

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

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

Intangible assets (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.

<u>Transition to Ind AS</u>

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 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

<u>Current Income tax</u>

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.

<u>Deferred Tax</u>

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.

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 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

<u>Other long-term employee benefit obligations</u>

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.

l) Share-based payments

Employees of the Company also receive remuneration in the form of share based payment transactions under Company’s Employee stock option plan (ESOP).

Equity settled transaction

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

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the 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:

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

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.

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.

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.

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 and other deductible temporary differences since the management is of the view that it is probable the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

The Company has tax business and capital losses carried forward amounting to INR 74.77 million (31 March 2017: INR 3,840.28 million; 31 March 2016 proforma: 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) Deferred revenue

The Company 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 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 XXXI.

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.

4. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 *Revenue from Contracts with Customers*

On March 28, 2018, Ministry of Company Affairs ('MCA') has notified that Ind AS 115 will be effective for accounting periods beginning on or after April 1, 2018. Company's first quarter 2018-19 interim financial statements will be first financial statements issued in accordance with Ind AS 115. Ind AS 115 supersedes current accounting standards for revenue, including Ind AS 18, Revenue and Ind AS 11, Construction Contracts.

Ind AS 115 introduces a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other Ind ASs. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps:

(i) Identify the contract with a customer;
(ii) Identify the performance obligations in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations in the contract; and
(v) Recognize revenue when (or as) the entity satisfies a performance obligation.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The new standard also provides guidance relating to principal versus agent relationships, licences of intellectual property, contract costs and the measurement and recognition of gains and losses on the sale of certain non-financial assets such as property, plant and equipment. Additional disclosures will also be required under the new standard.

The Company has performed preliminary impact analysis of the application of the new standard. The Company do not expect the application of Ind AS 115 to affect the cash flows from operations or the methods and underlying economics through which the Company transact with the customers.

Significant judgment is needed to define the enforceable rights and obligations of a contract and to determine when the customer obtains control of the distinct good or service.

Under Ind AS 115, certain practical expedients are permitted both on transition and on an ongoing basis:

- On transition, completed contracts that begin and end within the same annual reporting period and those completed before April 1, 2018 are not restated.
- When the Company's right to consideration from a customer corresponds directly with the value to the customer of the products and services transferred to date, the Company will recognize revenue in the amount to which the Company have a right to invoice.
- Costs of obtaining a contract that would be amortized within one year or less will be immediately expensed.

The Company continue to make progress towards adoption of Ind AS 115 according to the detailed implementation plan. Changes and enhancements to the existing information technology (IT) systems, business processes, and systems of internal control are being completed. A dedicated project team that leverages key resources throughout the Company is in place to effect the necessary changes.

Under Ind AS 115, the Company can elect to use either the full retrospective method or the modified retrospective method. Under the full retrospective method, the Company need to recognize the cumulative effect of applying the new standard at the start of the earliest period presented whereas under modified retrospective method, the Company need to recognize the cumulative effect of applying the new standard at the date of initial application, with no restatement of the comparative periods presented. The Company is still evaluating the method to be adopted for the application of new revenue standard, therefore the impact on financial statements is not ascertainable

Amendments to Ind AS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company.

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

Since, the Company has not classified its interest in subsidiaries as held for sale therefore, the amendment is not applicable to the Company.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight. The amendments are effective for annual periods beginning on or after 1 April 2018.

The Company does not have any investment property and also not intends to undergo any transfer of its property into investment property. Therefore, the amendment is not applicable to the Company.

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint

venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. Since the Company does not have any investment in associates and joint ventures therefore, these amendments are not applicable to the Company.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or
(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

5. First Time Adoption of Ind AS

As mentioned in basis of preparation of financial statements, the principal adjustments made by the Group in restating its Indian GAAP financial statements have been explained in below para.

A) Exemptions Applied:-

"Ind AS 101 First-Time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain Ind AS.

The Company has applied the following exemptions:"

a) Deemed cost

"Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment including capital work-in-progress as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets including intangible assets under development covered by Ind AS 38 Intangible assets.

Accordingly, the Company has elected to measure the above mentioned assets at their previous GAAP carrying value."

b) Leases

Ind AS 101 allows an entity to apply Appendix C of Ind AS 17 "Determining whether an Arrangement contains a Lease" to determine whether an arrangement existing at the date of transition to Ind AS contains a lease on the basis of facts and circumstances existing at the date of transition to Ind AS. Accordingly, the Company has elected to use exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

c) Share based payment

Ind AS 101 allows an entity not to apply Ind AS 102 Share-based payment to equity instruments that vested before the date of transition to Ind AS. Accordingly, the Company has elected to use exemption and has not applied Ind AS 102 on the options granted and vested before the date of transition to Ind AS.

B The following mandatory exceptions have been applied:

a) Estimates

"An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 and 31 March 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Company made estimates for following item in accordance with Ind AS at the date of transition as this was not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

- Initial and subsequent measurement of share buy back obligation and investment in debt instruments.

- Determination of the discounted value for financial instruments carried at amortised cost."

b) Classification and measurement of financial assets

"Ind AS 101 requires an entity to assess classification and measurement of financial assets into amortised cost or FVTOCI on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification and measurement of financial assets into amortised cost or FVTOCI based on the facts and circumstances that exist on the date of transition. "

c) De-recognition of financial assets and liabilities

"Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS."

d) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

IndiaMART InterMESH Limited
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Annexure V
Unconsolidated Ind AS Statement of reconciliation of equity as per Indian GAAP and Ind AS
(Amounts in INR millions, unless otherwise stated)

Reconciliation of equity as per Indian GAAP and Ind AS for year ended as at March 31, 2017 , as at March 31, 2016 (Proforma) and as at April 1, 2015 (Proforma) is as under:

Particulars	Notes	31 March 2017	31 March 2016 (Proforma)	1 April 2015 (Proforma)
Restated Equity as per Indian GAAP		163.03	83.16	(811.34)
Effect of transition to Ind AS on account of (Refer Note B below):				
Reclassification of preference shares as financial liabilities	1	(1,888.91)	(1,815.98)	(490.00)
Gain/(loss) on financial liabilities measured at fair value through profit or loss	1	(571.99)	(379.20)	(308.30)
Impact of discounting of security deposit	2	(1.14)	(0.80)	(0.50)
Gain/(loss) on financial assets measured at fair value through profit or loss	3	142.35	35.43	30.83
Deferred revenue and contract modification	4	(437.24)	(341.52)	(256.16)
Reversal of goodwill amortisation	5	58.78	-	-
Investment in subsidiaries- Preference instrument	6	-	-	-
Capitalisation of advance rent to Leasehold land	7	3.85	4.31	2.35
		(2,694.31)	(2,497.75)	(1,021.78)
Restated Equity as per Ind AS		(2,531.28)	(2,414.60)	(1,833.12)

Reconciliation of loss after tax as previously reported under IGAAP to Ind AS for the year ended March 31, 2017 and March 31, 2016:

Particulars	Notes	31 March 2017	31 March 2016
Restated net profit / (loss) as per Indian GAAP		4.34	(431.51)
Material adjustments on account of restatement			
Proforma Ind AS adjustments (Refer Note B (i) below):			
Gain/(loss) on financial liabilities measured at fair value through profit or loss	1	(192.79)	(70.90)
Rental expense on amortisation of security deposit	2	(3.20)	(2.36)
Finance income on amortisation security deposit	2	(0.37)	2.06
Unwinding of discount on security deposits	2	2.85	2.05
Gain/(loss) on financial assets measured at fair value through profit or loss	3	106.92	4.60
Deferred revenue and contract modification	4	(95.72)	(85.36)
Reversal of amortization of Intangible assets	5	58.78	-
Depreciation of Tangible assets	7	(0.09)	(0.09)
Fair value adjustment related to Employee stock option plan	8	(16.91)	(10.28)
Total		**(140.54)**	**(160.27)**
Restated total comprehensive loss as per Ind AS		**(136.20)**	**(591.78)**

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 2,195.18 mn as at 31 March 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 as at 31 March 2016) with corresponding adjustment to total equity.

5. Goodwill

Under Indian GAAP, the company amortised the goodwill over the period of 5 years. Under Ind AS, the goodwill with indefinite useful lives is not amortised but tested for impairment on annual basis. Therefore, the goodwill amortisation expense amounting to INR 58.78 has been reversed 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 31 March 2016 and 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 summariesd 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 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 financials statements for the respective years and its impact on the profit of the Company is as follows:

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Net loss as per audited financial statements	(734.04)	(136.19)	(591.78)
Restatement adjustments	-	-	-
Net Loss as per restated financial statements	(734.04)	(136.19)	(591.78)

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, 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	Amount in million	Period to which it relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1.3	2013-14 to 2015-16	Commissioner of GST & Central Excise
Income Tax Act, 1961	Income Tax	4.58	2010-11, 2011-12 and 2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	0.29	2012-13	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	3.31	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)

Annexure to auditor’s report 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 in million	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)

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Restated Ind AS Unconsolidated Statement of Property, plant and equipment and Intangible assets
(Amounts in INR millions, unless otherwise stated)

Property, plant and equipment

Particulars	Leasehold Land	Computers	Office Equipments	Furniture & Fittings	Motor Vehicles	Total Property, plant and equipment	Capital work in progress
Gross carrying amount							
Deemed cost as at 1 April 2015 - Proforma	**37.59**	**2.80**	**8.25**	**2.73**	**1.36**	**52.73**	**1.77**
Additions	-	44.48	11.37	2.23	0.04	58.12	
At 31 March 2016 - Proforma	**37.59**	**47.28**	**19.62**	**4.96**	**1.40**	**110.85**	**1.77**
Additions	-	16.44	5.60	0.46	-	22.50	
Disposals	-	(0.12)	-	-	-	(0.12)	
At 31 March 2017	**37.59**	**63.60**	**25.22**	**5.42**	**1.40**	**133.23**	**1.77**
Additions	-	9.56	7.78	0.75	3.75	21.84	
Disposals	-	(0.14)	-	-	(0.95)	(1.09)	
At 31 March 2018	**37.59**	**73.02**	**33.00**	**6.17**	**4.20**	**153.98**	**1.77**
						-	
Accumulated depreciation						**-**	
As at 1 April 2015 - Proforma						**-**	
Charge for the year	0.46	13.79	6.35	1.25	0.40	**22.25**	
Disposals	-	-	-	-	-		
At 31 March 2016 - Proforma	**0.46**	**13.79**	**6.35**	**1.25**	**0.40**	**22.25**	
Charge for the year	0.46	27.84	7.59	1.23	0.29	37.41	
Disposals during the year	-	(0.05)	-	-	-	(0.05)	
At 31 March 2017	**0.92**	**41.57**	**13.94**	**2.48**	**0.69**	**59.60**	
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)	
At 31 March 2018	**1.38**	**56.35**	**20.59**	**3.45**	**0.43**	**82.19**	
Net book value							
At 1 April 2015 - Proforma	**37.59**	**2.80**	**8.25**	**2.73**	**1.36**	**52.73**	**1.77**
At 31 March 2016 - Proforma	**37.13**	**33.49**	**13.27**	**3.71**	**1.00**	**88.60**	**1.77**
At 31 March 2017	**36.67**	**22.03**	**11.28**	**2.94**	**0.71**	**73.63**	**1.77**
At 31 March 2018	**36.21**	**16.68**	**12.41**	**2.72**	**3.77**	**71.79**	**1.77**

1. Capital work in progress as at March 31 represent 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 2018.

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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	Software	Unique telephone numbers	Total*
Gross carrying amount				
Deemed cost as at 1 April 2015 - Proforma	-	2.17	7.85	**10.02**
Additions	-	0.15	-	**0.15**
At 31 March 2016 - Proforma	**-**	**2.32**	**7.85**	**10.17**
Additions	1,175.55	8.66	-	8.66
At 31 March 2017	**1,175.55**	**10.98**	**7.85**	**18.83**
Additions		0.41	-	0.41
At 31 March 2018	**1,175.55**	**11.39**	**7.85**	**19.24**
Accumulated amortisation				
As at 1 April 2015 - Proforma				-
Charge for the year		0.90	3.15	4.05
At 31 March 2016 - Proforma	**-**	**0.90**	**3.15**	**4.05**
Amortisation for the year	-	0.87	1.88	2.75
At 31 March 2017	**-**	**1.77**	**5.03**	**6.80**
Amortisation for the year		3.69	1.13	4.82
Impairment	1,175.55			-
At 31 March 2018	**1,175.55**	**5.46**	**6.16**	**11.62**
Net book value				
At 1 April 2015 - Proforma	**-**	**2.17**	**7.85**	**10.02**
At 31 March 2016 - Proforma	**-**	**1.42**	**4.70**	**6.12**
At 31 March 2017	**1,175.55**	**9.21**	**2.82**	**12.03**
At 31 March 2018	**-**	**5.93**	**1.69**	**7.62**

Depreciation and amortisation expenses

Particulars	2018	2017	2016
Depreciation	23.15	37.41	22.25
Amortisation	4.82	2.75	4.05
Total	27.97	40.16	26.30

* the total above doesnot include goodwill

1. The Company has elected to avail Ind AS 101 exemption and continue with the carrying value under Indian GAAP for all of intangibles as its deemed cost at the date of transition.

2. 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 XXX 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.

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.

IndiaMART InterMESH Limited
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Annexure VIII
Restated Ind AS Unconsolidated Statement of Investment in subsidiaries
(Amounts in INR millions, unless otherwise stated)

Particulars	As At					
	No. of Shares (units)			Amount		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Investment in subsidiaries						
Investment in equity instruments - Unquoted fully paid up						
Tradezeal International Private Limited*	110,000	110,000	109,900	3.15	3.15	1.10
Hello Trade Online Private Limited	20,000	20,000	9,900	0.20	0.20	0.10
Ten Times Online Private Limited	60,000	60,000	60,000	0.60	0.60	0.60
Tolexo Online Private Limited	7,001,800	7,001,800	53,860,000	70.02	70.02	538.60
Pay With Indiamart Private Limited	100,000	100,000	-	1.00	1.00	-
				74.97	**74.97**	**540.40**
Less: Impairment allowance in value of investments				(3.35)	(3.35)	(1.20)
Investment in equity instruments				**71.62**	**71.62**	**539.20**
					-	-

Notes:

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. For the purpose of Proforma Ind AS financial statements for the year ended 31 March 2016, this exemption has been availed on 1 April 2015.

The above equity investment in Tradezeal International Private Limited includes deemed equity investment amounting to INR 2.05 mn (31 March 2017: INR 2.05 mn ; 31 March 2016 proforma: Nil).

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
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Annexure IX

Restated Ind AS Unconsolidated Statement of Non-Current and Current Investments

(Amounts in INR millions, unless otherwise stated)

Non-current Investment

Particulars	As At					
	No. of Shares (units)			Amount		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Investment in subsidiaries (fully paid-up)						
Investment in debt instruments of subsidiaries (fully paid-up) - Unquoted (measured at FVTPL)						
Optionally Convertible Redeemable Preference Shares of Rs. 10 each in Tolexo Online Pvt Ltd	3,739,275	639,275	5,750,000	37.39	6.39	57.50
Optionally Convertible Redeemable Preference Shares of Rs. 10 each (including premium of Rs. 90 each) in Tolexo Online Private Limited	1,298,050	1,265,500	2,635,000	12.98	126.56	263.50
Optionally Convertible Redeemable Preference Shares of INR 10 each Tradezeal International Pvt Ltd	1,370,000	1,370,000	-	-	-	-
Optionally Convertible Redeemable Preference Shares of INR 10 each Tolexo Online Pvt Ltd	189,000	-	-	1.89	-	-
Optionally Convertible Redeemable Preference Shares of INR 10 each Pay With Indiamart Pvt Ltd	650,000	-	-	13.08	-	-
Total				**65.34**	**132.95**	**321.00**
Unquoted (measured at amortised cost)						
Redeemable Preference Shares of INR 10 each in Tradezeal International Pvt Ltd	500,000	500,000	-	2.95	2.95	-
Total				**2.95**	**2.95**	
Less: Impairment allowance for investments				**(2.95)**	**(2.95)**	-
Total				**-**	**-**	**-**
Total non current investments				**65.34**	**132.95**	**321.00**

Current Investment

Particulars	No. of Shares (units)			Amount		
	31 March 2018	31 March 2017	31 March 2016	31 March 2018	31 March 2017	31 March 2016
Investment in mutual funds - Quoted (measured at FVTPL)						
HDFC Prudence Fund - Growth	47,993	82,414	56,749	23.28	37.72	20.05
HDFC Top 200 Fund - Growth	30,646	140,545	67,033	13.15	56.48	20.72
HDFC Liquid Fund-Growth	-	90,917	18,085	-	290.90	53.98
IDFC Premier Equity Fund -Growth	13,400	899,898	695,136	1.21	73.72	47.38
Birla Sun Life Cash Plus-Growth-Regular Plan	-	2,081	14,882	-	0.54	3.61
Birla Sunlife Frontline Equity Fund-Growth Regular Plan	75,282	482,849	320,768	15.75	93.24	49.86
Birla Sunlife Short Term Plan-Growth Regular Plan	3,360,316	3,008,967	3,008,967	96.96	81.64	74.61
HDFC Short Term Plan- Growth	3,315,675	391,447	391,447	114.17	12.69	11.58
IDFC Money Manager – Treasury Plan	-	-	123,203	-	-	2.92
HDFC Floating Rate Income Fund	7,229,251	-	8,678,191	218.64	-	226.50
Birla Sun Life Treasury Plan-Grow-Direct Plan	1,074,783	1,074,783	1,074,783	241.31	226.07	204.22
IDFC ultra short term fund	18,214,024	4,272,145	4,272,145	451.65	98.91	91.07
IDFC Super Saver Income Fund - Short Term Plan	5,468,770	5,468,770	5,468,770	199.92	187.68	172.46
HDFC Short Term Opportunities Fund-Direct Growth Plan	10,359,979	10,359,979	10,359,979	200.19	187.52	171.96
Birla Sun Life Treasury Cash Plus-Grow-Direct Plan	-	-	183,633	-	-	44.68
Birla Sun Life Floating Rate Fund Short Term Plan Growth	-	-	449,425	-	-	90.70
Icici Prudential Balanced Advantage Fund	258,974	130,026	-	8.57	3.93	-
Icici Prudential Flexible Income Plan	373,280	4,227	-	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 Ultra Short Term Fund-Growth (Regular Plan	16,451,049	-	-	405.11	-	-
HDFC Short Term Opportunities Fund - Regular Plan	1,560,259	-	-	29.92	-	-
IDFC Super Saver Income Fund-STP-Regular Fund	372,699	-	-	13.18	-	-
ICICI Prudential Short Term Fund - Direct	1,263,533	-	-	423.15	-	-
Total current investments				**3,087.70**	**1,352.36**	**1,286.30**

Aggregate amount of unquoted investments				**136.96**	**204.57**	**860.20**

Notes:

1. The company has invested in optionally convertible preference shares of its subsidiaries. Based on the terms of OCRPS, these has been classified as financial instrument in the nature of financial assets to be measured at fair value. Fair value of the instruments has been determined based on discounted cash flow valuation technique using cash flow projections, discount rate and the credit risk. Gain/loss on subsequent re-measurement has been recognised through Statement of Profit and Loss and is disclosed under "Net (loss)/gain on financial assets measured at FVTPL".

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.

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Annexure X
Restated Ind AS Unconsolidated Statement of loans
(Amounts in INR millions, unless otherwise stated)

Particulars	As At		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Unsecured, considered good			
Non-current	0.92	1.76	0.33
Current	63.20	14.20	9.43
Total	**64.12**	**15.96**	**9.76**

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XI
Restated Ind AS Unconsolidated Statement of Cash and Bank balances
(Amounts in INR millions, unless otherwise stated)

Particulars	As At					
	Non-current			Current		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Cash and cash equivalents						
Cash on hand				1.00	0.14	0.02
Cheques on hand				121.42	82.36	94.45
Balance with banks						
- On current accounts				330.06	87.48	20.73
- On nodal accounts				-	3.75	-
Cash and cash equivalents as per statement of cash flows				**452.48**	**173.73**	**115.20**
Bank balances other than cash and cash equivalents						
Deposits with						
- Deposits with original maturity of less than twelve months	-	-	-	-	229.96	-
- Deposits with original maturity of more than twelve months	302.20	-	113.52	-	-	-
Total	**302.20**	**-**	**113.52**	**-**	**229.96**	**-**

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XII
Restated Ind AS Unconsolidated Statement of other financial assets
(Amounts in INR millions, unless otherwise stated)

Other non-current financial assets

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Unsecured, considered good			
Security deposits	35.03	39.73	33.20
Total	**35.03**	**39.73**	**33.20**

Other current financial assets

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Unsecured, considered good			
Security deposits	1.50	1.43	0.41
Interest accrued on deposits	-	0.46	-
Amount recoverable from payment gateway banks	37.33	34.51	9.41
Total	**38.85**	**36.40**	**9.82**

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 XXX
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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XIII
Restated Ind AS Unconsolidated Statement of Deferred Tax Assets
(Amounts in INR millions, unless otherwise stated)

Reconciliation of tax expense and the accounting loss multiplied by statutory income tax rate.

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Loss before tax from continuing operations	(1,874.82)	(130.96)	(584.10)
Accounting profit before income tax	(1,874.82)	(130.96)	(584.10)
Tax expense at statutory income tax rate of 30.90% (March 31, 2017: 30.90%; March 31, 2016: 30.90%)	(579.32)	(40.47)	(180.49)
Adjustments in respect of current income tax of previous years			
- 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	10.95	-	-
Adjustments in respect of differences taxed at lower tax rates	4.79	-	-
Utilisation of previously unrecognised tax losses	10.20	-	-
Non-deductible expenses for tax purposes:	-	-	-
Impairment of goodwill	363.25	-	-
Loss on fair valuation of Share buyback obligation	379.64	59.57	21.91
Income non-taxable for tax purposes	(23.15)	-	-
Other non-deductible expenses	(0.02)	(40.00)	4.08
Temporary differences for which no deferred tax was recognised	-	20.90	154.50
Tax expense at the effective income tax rate of 34.94% (March 31, 2017: 30.90%; March 31, 2016: 30.90%)	**(1,150.41)**	**-**	**-**

Deferred tax assets (net):

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Deferred tax assets			
Property, plant and equipment and other intangible assets	7.43	4.69	3.39
Provision for gratuity	35.82	19.31	14.54
Provision for compensated absences	22.56	16.37	10.86
Provision for bonus	-	-	1.09
Re-measurement of investment in debt instruments to fair value	24.88	-	-
Deferred revenue	44.91	135.11	105.53
Tax losses	1,003.01	948.89	632.59
Unabsorbed depreciation	58.24	67.67	56.59
Others	9.92	9.61	3.66
Total	**1,206.77**	**1,201.65**	**828.26**
Total deferred tax assets recognised (A)	**1,206.77**	**39.62**	**18.98**
Deferred tax liabilities			
Re-measurement of investment in mutual funds to fair value	(29.62)	(21.35)	(5.31)
Accelerated deduction for tax purposes	(21.57)	(17.08)	(12.33)
Others	-	(1.19)	(1.33)
Total deferred tax liabilities (B)	**(51.19)**	**(39.62)**	**(18.98)**
Net deferred tax assets/(liabilities)	**1,155.58**	**-**	**-**

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 and 31 March 2016 due to lack of reasonable certainty in those years.

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 expense recognised in Statement of profit and loss

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Deferred tax expense relates to the following:			
Provision for gratuity	35.81	-	
Provision for compensated absences	22.56	-	
Re-measurement of investment in debt instruments to fair value	24.88	-	
Deferred revenue	44.91	-	
Tax losses	1,003.01	-	
Unabsorbed depreciation	58.24		
Re-measurement of investment in mutual funds to fair value	(29.62)	-	
Accelerated deduction for tax purposes	(21.57)	-	
Property, plant and equipment and other intangible assets	7.43	-	
Others	9.93	-	
Deferred tax income	**1,155.58**	**-**	

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XIII
Restated Ind AS Unconsolidated Statement of Deferred Tax Assets
(Amounts in INR millions, unless otherwise stated)

Reconciliation of Deferred tax asset (Net):

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Opening balance as of 1 April	-		
Tax income/(expense) during the year recognised in Statement of profit and loss	1,150.41		
Tax income/(expense) during the year recognised in OCI	5.17		
Closing balance as of 31 March	**1,155.58**	-	

Detail of deductible temporary differences and unused tax losses for which no deferred tax asset is recognised in the balance sheet:

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:			
- tax business losses	-	3,070.83	2,047.22
- unabsorbed depreciation	-	219.01	183.15
- tax capital losses	74.77	79.68	79.68
- other deductible temporary differences	-	470.76	388.67
Closing balance as of 31 March	**74.77**	**3,840.28**	**2,698.72**

Income tax expense recognised in Statement of profit and loss

Particulars	For the years ended		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Current income tax			
Current income tax for the year			
Adjustments in respect of current income tax of previous year	-	-	3.71
	-	-	**3.71**

* The unused tax capital losses will expire up to FY 2019-20.

1. 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.

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
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 2018	31 March 2017	31 March 2016 (Proforma)
Unsecured, considered good			
Capital advance	-	-	2.32
Prepaid expenses	0.09	0.08	0.13
Deferred lease expense	6.69	11.71	10.21
Total	**6.78**	**11.79**	**12.66**

Other current assets

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Unsecured, considered good			
Advances recoverable	12.86	19.10	9.03
Indirect taxes recoverable	15.80	103.79	3.46
Prepaid expenses	15.11	17.60	12.19
Deferred lease expense	2.36	3.18	2.57
Total	**46.13**	**143.67**	**27.25**

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 XV
Restated Ind AS Unconsolidated Statement of Trade Receivables
(Amounts in INR millions, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Unsecured, considered good			
Trade receivables	2.79	1.99	1.74
Receivables from related parties (refer Annexure XXX)	-	3.61	3.31
Total	**2.79**	**5.60**	**5.05**

Notes:
1. Trade receivables are non-interest bearing and are generally on terms of not more than 30 days.
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.

4. 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 2018	31 March 2017	31 March 2016 (Proforma)
Tolexo Online Pvt. Ltd	-	3.61	3.31
Total	**-**	**3.61**	**3.31**

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 2018	31 March 2017	31 March 2016 (Proforma)
Current tax assets and liabilities			
Advance income tax	86.60	82.03	72.22
Total	**86.60**	**82.03**	**72.22**

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 XVII
Restated Ind AS Unconsolidated Statement of Share capital
(Amounts in INR millions, unless otherwise stated)

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Authorised equity share capital			
At the beginning of the year	182.78	200.00	200.00
Increase/(decrease) during the year	-	(17.22)	-
At the end of the year	**182.78**	**182.78**	**200.00**
18,277,930 (31 March 2017: 18,277,930, 31 March 2016: 20,000,000) equity shares of Rs. 10 each	**182.78**	**182.78**	**200.00**
Authorised preference share capital			
Compulsory Convertible Preference Shares Series A 14,93,903 (31 March 2017: 14,93,903, 31 March 2016: 14,93,903) of Rs. 328 each	490.00	490.00	490.00
Compulsory Convertible Preference Shares Series B 17,22,047 (31 March 2017: 17,22,047, 31 March 2016: 17,22,047) of Rs. 100 each	172.20	172.20	172.20
Compulsory Convertible Preference Shares Series B1 172,207 (31 March 2017: 172,207, 31 March 2016: Nil) of Rs. 100 each	17.22	17.22	-
Issued, subscribed and fully paid up equity share capital:			
9,976,805 (31 March 2017: 9,168,989, 31 March 2016: 9,168,989) equity shares of Rs. 10 each	99.77	91.69	91.69
Total	**99.77**	**91.69**	**91.69**
Issued, subscribed and fully paid up preference share capital:			
Compulsory Convertible Preference Shares Series A 14,93,903 (31 March 2017: 14,93,903, 31 March 2016: 14,93,903) of Rs. 328 each	490.00	490.00	490.00
Compulsory Convertible Preference Shares Series B 17,22,047 (31 March 2017: 17,22,047, 31 March 2016: 17,22,047) of Rs. 100 each	172.20	172.20	172.20
Compulsory Convertible Preference Shares Series B1 146,375 (31 March 2017: 94,713, 31 March 2016: Nil) of Rs. 100 each	14.64	9.47	-
Total	**676.84**	**671.68**	**662.20**

(a) **Reconciliation of the number of equity shares outstanding at the beginning and end of the year**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	No of Shares	Amt	No of Shares	Amt	No of Shares	Amt
At the beginning of the year	9,168,989	91.69	9,168,989	91.69	9,168,959	91.69
Issued during the year	807,816	8.08	-	-	30	0.00
Outstanding at the end of the year	**9,976,805**	**99.77**	**9,168,989**	**91.69**	**9,168,989**	**91.69**

(b) **Reconciliation of the number of preference shares outstanding at the beginning and end of the year**

Series A

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	No of Shares	Amt	No of Shares	Amt	No of Shares	Amt
At the beginning of the year	1,493,903	490.00	1,493,903	490.00	1,493,903	490.00
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**1,493,903**	**490.00**	**1,493,903**	**490.00**	**1,493,903**	**490.00**

Series B

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	No of Shares	Amt	No of Shares	Amt	No of Shares	Amt
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	-	-	-	-	-	-
Outstanding at the end of the year	**1,722,047**	**172.20**	**1,722,047**	**172.20**	**1,722,047**	**172.20**

Series B1

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Porforma)	
	No of Shares	Amt	No of Shares	Amt	No of Shares	Amt
At the beginning of the year	94,713	9.47	-	-	-	-
Issued during the year	51,662	5.17	94,713	9.47	-	-
Outstanding at the end of the year	**146,375**	**14.64**	**94,713**	**9.47**	-	-

(c) **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.

(d) **Details of shareholders holding more than 5% equity shares in the company**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Porforma)	
	No of Shares	Percentage	No of Shares	Percentage	No of Shares	Percentage
Equity shares of Rs. 10 each fully paid						
Dinesh Agarwal	4,741,600	47.53%	4,741,600	51.71%	4,741,600	51.71%
Brijesh Agrawal	3,213,100	32.21%	3,213,100	35.04%	3,213,100	35.04%

(e) **Details of shareholders holding more than 5% preference shares in the company**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Porforma)	
	No of Shares	Percentage	No of Shares	Percentage	No of Shares	Percentage
CCPS of Rs 328 each fully paid up (Series A)						
Intel Capital (Mauritius) Limited	1,493,303	100%	1,493,303	100%	1,493,303	100%
CCPS of Rs 100 each fully paid up (Series B)						
Amadeus IV DPF Limited	516,613	30.00%	516,613	30.00%	516,613	30.00%
Westbridge Crossover Fund LLC	430,509	25.00%	430,509	25.00%	430,509	25.00%
Accion Frontier Inclusion Mauritius	516,613	30.00%	516,613	30.00%	516,613	30.00%
Intel Capital (Mauritius) Limited	258,312	15.00%	258,312	15.00%	258,312	15.00%
CCPS of Rs 100 each fully paid up (Series B1)						
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%	-	-	-	-

(f) **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.

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 Equity Shares).

Terms of conversion/ redemption of Series B -CCPS

1) Each Series B CCPS holder is entitled to participate pari-passu in any dividends paid to the holders of the shares of any other class (including Equity Shares) or series on a pro-rata, as if converted basis.

2) Each Series B CCPS may be converted into equity shares at any time at the option of the holder of the Series B preference share. Series B Conversion Price initially shall be equal to the Original Series B Share Issue Price (the "Initial Series B Conversion Price"), and shall be subject to adjustment from time to time on account of stock split, certain anti dilution protection and combination.

3) Subject to compliance with applicable laws, each Series B Preference share shall automatically be converted at a conversion price (then in effect) subject to prescribed adjustment, into Equity Shares upon the earlier of (i) 20 (twenty) years from the date of their issuance, or (ii) immediately prior to the IPO for the purpose of enabling the listing of the shares in accordance with the requirement under the applicable law.

4) In the event of liquidation, each holder of Series B Preference Shares shall be entitled to receive an amount per Series B Preference Share equal to the Original Series B Share Issue Price plus any arrears of accumulated but unpaid dividends calculated to the date of such payment (the "Series B Preference Amount"), which shall rank pari passu with the Series A Preference Amount and upon receipt of such Series B Preference Amount by the holders of the Series B Preference Shares and upon receipt of the Series A Preference Amount by the holders of the Series A Preference Shares, any assets or funds remaining and distributable to the shareholders of the Company shall be distributed pari passu among the holders of the outstanding Series A Preference Shares, Series B Preference Shares, Equity Shares on a pro-rata, as if converted basis. However the amount so payable shall not exceed an amount that is higher of 3 (Three) times the Original Series B Share Issue Price plus any arrears of declared & accrued but unpaid dividend calculated to the date of such payment or the percentage of the proceeds from such deemed liquidation that is equal to the percentage of the share capital of the company on a fully diluted basis represented by each Series B Preference Share plus any arrears of declared & accrued but unpaid dividend calculated to the date of such payment.

5) Subject to Applicable Laws, the holders of the Series B Preference Shares shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the shareholders of the Company (including the holders of Equity Shares).

Terms of conversion/ redemption of Series B1 -CCPS

1) During the year ended 31 March 2018, the company issued 51,662 Series B1 Preference Shares (of INR100 each fully paid-up at a premium of INR 670 per share. The Series B1 Preference Shares are cumulative and issued at a preferential dividend rate of 0.01% (zero point zero one percent) per annum (the "Series B1 Preferential Dividend"). Following the Cut-Off Date, the Series B1 Preference Shares shall, subject to Applicable Law, carry a dividend of INR 77 (Indian Rupees Seventy Seven only) per Series B1 Preference Share per annum and calculated from the beginning of the fourth (4th) period from the Series B1 Closing.

2) Each Series B1 CCPS holder is entitled to participate pari-passu in any dividends paid to the holders of the shares of any other class (including Equity Shares) or series on a pro-rata, as if converted basis.

3) Each Series B1 CCPS may be converted into equity shares at any time at the option of the holder of the Series B1 preference share. Series B1 Conversion Price initially shall be equal to the Original Series B Share Issue Price (the "Initial Series B Conversion Price"), and shall be subject to adjustment from time to time on account of stock split, certain anti dilution protection and combination.

4) Subject to compliance with applicable laws, each Series B1 Preference share shall automatically be converted at a conversion price (then in effect) subject to prescribed adjustment, into Equity Shares upon the earlier of (i) 20 (twenty) years from the date of their issuance, or (ii) immediately prior to the IPO for the purpose of enabling the listing of the shares in accordance with the requirement under the applicable law.

5) In the event of liquidation and upon receipt of Series B Preference Amount by the holders of the Series B Preference Shares and upon receipt of the Series A Preference Amount by the holders of the Series A Preference Shares, any assets or funds remaining and distributable to the shareholders of the Company shall be distributed pari passu among the holders of the outstanding Series A Preference Shares, Series B Preference Shares, Series B1 Preference Shares and Equity Shares on a pro-rata, as if converted basis .

6) Subject to Applicable Laws, the holders of the Series B1 Preference Shares shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the shareholders of the Company (including the holders of Equity Shares).

The above convertible preference shares contains the feature for the conversion ratio to be adjusted to the lower price of any later issue in the underlying shares.

Refer Annexure XVIII for details

g) **Shares reserved for issue under options**

Information relating to the Company's employee option plan (ESOP), including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 4 of Annexure XXX.

Notes:

1. The figures disclosed above are based on the Restated Ind AS unconsolidated Summary Statement of Assets and Liabilities of the Group.
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 Obligations
(Amounts in INR millions, unless otherwise stated)

Particulars	Units			Amount		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Measured at fair value through profit or loss (FVTPL)						
Non-current						
Share buyback obligation of preference shares						
0.01% Series A cumulative convertible preference shares (CCPS) of INR 328 each	1,493,903	1,493,903	1,493,903	1,630.00	958.10	869.20
0.01% Series B compulsory convertible preference shares (CCPS) of INR 100 each	1,722,047	1,722,047	1,722,047	1,971.30	1,464.50	1,325.98
0.01% Series B1 compulsory convertible preference shares (CCPS) of INR 100 each	146,375	94,713	-	128.00	38.30	-
Total				**3,729.30**	**2,460.90**	**2,195.18**

Notes:
The company has issued 1,493,903 Series A CCPS at price of INR 328 per share amounting to INR 490 mn. Company has further issued 1,722,047 and 146,375 Series B and Series B1 preference shares at price of INR 770 per share amounting to INR 1,325.98 mn and INR 112.71 mn respectively. As per the terms and conditions of issue of CCPS, Company has given right to the holders of CCPS to require the Company to buyback CCPS 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 2018	31 March 2017	31 March 2016 (Proforma)
At the beginning of the year*	2,460.90	2,195.18	798.30
Preference share capital issued during the year	5.17	9.47	172.20
Security premium received on issue of preference shares	34.61	63.46	1,153.77
Loss on re-measurement for the year (recognised through Statement of Profit and Loss)	1,228.62	192.79	70.90
At the end of the year	**3,729.30**	**2,460.90**	**2,195.18**

*Represent issue price (including premium) amounting to INR 1,815.98 mn re-measured at fair value of INR 2,195.18 on the date of transition to Ind AS.

Notes:
1. The figures disclosed above are based on the Restated Ind AS unconsolidated Summary Statement of Assets and Liabilities of the Group.
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 XIX
Restated Ind AS Unconsolidated Statement of Trade and other financial liabilities
(Amounts in INR millions, unless otherwise stated)

Trade payables

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Current			
Outstanding dues to micro enterprises and small enterprises (refer Annexure XXX serial no 9)	11.31	-	-
Dues to other than MSMEDs	-	-	-
- outstanding dues to related parties	-	-	-
- others	401.42	291.66	237.68
Total	**412.73**	**291.66**	**237.68**

Trade payables are non-interest bearing and are normally settled on 30-day terms.

Other Financial liabilities

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Non-current			
Outstanding dues to micro enterprises and small enterprises			
Dues to other than MSMEDs (refer Note 9 in Annexure XXX)			
- outstanding dues to related parties			
- others	2.62	5.36	6.66
Total	**2.62**	**5.36**	**6.66**
Current			
Payable to employees	0.04	0.03	0.03
Security deposits	0.14	0.14	0.14
Total	**0.18**	**0.17**	**0.17**

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 XX
Restated Ind AS Unconsolidated Statement of Provisions
(Amounts in INR millions, unless otherwise stated)

Particulars	As At					
	Non-current			Current		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Provision for employees benefits*						
For gratuity	58.36	16.32	4.05	9.27	11.29	8.38
For leave encashment	-	-	-	37.58	26.94	21.48
	58.36	**16.32**	**4.05**	**46.85**	**38.23**	**29.86**

*For details of movement in provision for gratuity and leave encashment, refer Note 2 in Annexure XXX

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 XXI

Restated Ind AS Unconsolidated Statement of deferred revenue

(Amounts in INR millions, unless otherwise stated)

Particulars	**As At**		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Non- Current	1,660.91	1,213.32	921.96
Current	2,253.52	1,714.23	1,438.74
Total	**3,914.43**	**2,927.55**	**2,360.70**

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 XXII
Restated Ind AS Unconsolidated Statement of Other Liabilities

(Amounts in INR millions, unless otherwise stated)

Particulars	**As At**		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Advances from customers	320.22	322.80	201.89
Statutory dues			
Tax deducted at source payable	63.20	23.78	15.89
Contribution to provident fund payable	2.33	2.38	1.98
Contribution to ESI payable	0.22	0.50	0.14
GST and Service tax payable	68.53	0.20	1.84
Professional tax payable	0.11	0.16	0.21
Payable for labour welfare fund	0.01	0.01	0.02
Others	0.07	0.04	-
Total	**454.67**	**349.87**	**221.97**

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 XXIII
Restated Ind AS Unconsolidated Statement of Revenue from operations
(Amounts in INR millions, unless otherwise stated)

Particulars	For the year ended		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Sale of services			
Income from web services	4,007.68	3,042.41	2,335.42
Advertisement and marketing services	27.80	43.88	41.67
Total	**4,035.48**	**3,086.29**	**2,377.09**

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXIV
Restated Ind AS Unconsolidated Summary Statement of Net (loss)/gain on financial assets measured at FVTPL
(Amounts in INR millions, unless otherwise stated)

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)	Nature: Recurring/ non-recurring	Related/Not related to business activity
Net (loss)/gain on financial assets measured at FVTPL					
Net gain on disposal of current investments	72.54	19.03	23.67	Recurring	Not related
Fair value gain/ (loss) on financial assets measured at FVTPL					
- Investment in mutual funds	88.36	113.35	13.49	Recurring	Not related
- Investment in debt instruments in subsidiaries (note to annexure no XXX, 11 (d))	(124.38)	(13.70)	-	Recurring	Not related
Total	**36.52**	**118.68**	**37.16**		

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXV
Restated Ind AS Unconsolidated Summary Statement of Other Income
(Amounts in INR millions, unless otherwise stated)

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)	Nature: Recurring/ non-recurring	Related/Not related to business activity
Other Income					
Interest income from financial assets measured at amortised costs					
- on bank deposits	16.43	12.09	11.35	Recurring	Not related
- on security deposits	6.59	2.85	2.06	Recurring	Not related
Other interest income	5.06	3.56	1.20	Recurring	Related
Net gain on disposal of property, plant and equipment	0.53	-	-	Non-Recurring	Not related
Total	**28.61**	**18.50**	**14.61**		

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXVI
Restated Ind AS Unconsolidated Statement of Employee benefit expenses

(Amounts in INR millions, unless otherwise stated)

Particulars	For the year ended		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Salaries, allowance and bonus	1,732.31	1,689.69	1,433.32
Gratuity expenses (refer note 2 in Annexure XXX)	25.22	9.12	9.08
Leave encashment expense (refer note 2 in Annexure XXX)	21.26	13.51	10.15
Contribution to provident and other funds	13.34	13.06	11.93
Staff welfare expenses	65.84	60.58	63.73
Employee share based payment expense (refer note 4 in Annexure XXX)	29.87	19.51	10.28
Total	**1,887.84**	**1,805.47**	**1,538.49**

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXVII
Restated Ind AS Unconsolidated Statement of Other expenses
(Amounts in INR millions, unless otherwise stated)

Particulars	For the year ended		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Content development expenses	233.21	211.54	211.92
Buyer engagement expenses	147.06	127.11	117.42
Customer support expenses	239.83	177.43	175.02
Outsourced sales costs	441.55	212.87	141.85
Internet and other online expenses	115.30	83.07	63.01
Rent	208.33	156.97	128.02
Rates and taxes	1.81	1.95	8.21
Communication costs	8.89	10.19	10.72
Outsourced support cost	13.17	12.22	3.96
Advertisement expenses	28.13	77.62	294.35
Power and fuel	28.61	26.80	25.80
Printing and stationery	8.83	9.84	10.23
Repair and maintenance:			
-Plant and machinery	11.72	9.50	10.54
-Others	64.73	61.02	51.71
Travelling and conveyance	30.90	37.64	22.89
Recruitment and training expenses	16.49	23.29	39.60
Legal and professional fees	16.17	36.89	40.87
Directors' sitting fees	1.67	1.90	1.66
Auditor's remuneration	3.70	1.84	1.69
Insurance expenses	22.04	16.24	7.40
Provision for diminution in value of investments	-	5.10	-
Collection charges	12.56	10.40	10.14
Miscellaneous expenses	0.75	4.58	0.27
Total	**1,655.45**	**1,316.01**	**1,377.27**

Payment to auditors	For the year ended		
	31 March 2018	31 March 2017	31 March 2016
As auditor:			
- Audit fee	3.50	1.73	1.43
In other capacity:			
Reimbursement of expenses	0.20	0.11	0.26
Total	**3.70**	**1.84**	**1.69**

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXVIII
Restated Ind AS Unconsolidated Statement of Accounting Ratios
(Amounts in INR millions, unless otherwise stated)

S.No.	Particulars		31 March 2018	31 March 2017	31 March 2016 (Proforma)
	Basic earnings per share (Rs.) (refer note 3(a) below)	A / C	(37.83)	(7.14)	(32.05)
	Diluted earnings per share (Rs.) (refer note 3(b) below)	B / D	(37.83)	(7.14)	(32.05)
	Return on Net Worth (%) (refer note 3(c) below)	A / E	-23.20%	-5.17%	-24.34%
	Net asset value per equity share (Rs.) (refer note 3(d) below)	E / F	(313.00)	(276.07)	(263.34)
1	Restated loss after tax, attributable to equity shareholders	A	(724.41)	(130.96)	(587.81)
	Add: Adjustment for loss on fair valuation of convertible preference shares		-	-	-
	Net loss available for calculation of DEPS	B	(724.41)	(130.96)	(587.81)
2	Weighted average number of equity shares considered for calculating basic earnings per share	C	19,148,007	18,337,978	18,337,956
	Effect of dilution:				
	Stock option under ESOP (refer note 7)		-	-	-
	Compulsory convertible preference shares (refer note 7)		-	-	-
	Weighted average number of equity shares considered for calculating diluted earnings per share (Note 7)	D	19,148,007	18,337,978	18,337,956
3	Restated net worth at the end of the year (refer note 5 below)	E	(3,122.74)	(2,531.28)	(2,414.60)
	Face value per share		10	10	10
	Total number of equity shares outstanding at the end of the year	F	9,976,805	9,168,989	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 (refer note 8 below)	H	19,148,007	18,337,978	18,337,956

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

3 The Ratios have been computed as below:

a) Basic Earnings per share (Rs.) = $\frac{\text{Restated loss after tax, attributable to equity shareholders}}{\text{Weighted average number of equity shares considered for calculating basic earnings per share}}$

b) Diluted Earnings per share (Rs.) = $\frac{\text{Net loss available for calculation of DEPS}}{\text{Weighted average number of diluted equity shares}}$

c) Return on net worth (%) = $\frac{\text{Restated loss after tax, attributable to equity shareholders}}{\text{Restated Net worth at the end of the year}}$

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, 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.

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXIX
Restated Ind AS Unconsolidated Capitalisation Statement as at March 31, 2018
(Amounts in INR millions, unless otherwise stated)

Particulars	Pre-issue as at March 31, 2018	As adjusted for issue
Debt (A)		
Share Buyback Obligations	3,729.30	
Total debt (A)	**3,729.30**	
Shareholder's funds		
Share Capital	99.77	-
Reserve and surplus, as restated		
Shares securities premium	279.49	-
General Reserve	8.45	-
Employee stock options outstanding	54.18	-
Surplus in the statement of profit and loss account	(3,564.63)	-
Total Shareholder's Fund (B)	**(3,122.74)**	-
Total debt/equity (A/B)	**(1.19)**	-

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXX
Restated Ind AS Unconsolidated Tax Shelter Statement
(Amounts in INR millions, unless otherwise stated)

	Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
A	Restated loss before tax	(1,874.84)	(130.96)	(584.10)
B	Tax rate (%)	30.90%	30.90%	30.90%
C	Tax thereon at the above rate (A x B)	(579.33)	(40.47)	(180.49)
D	**Adjustments for Permanent differences**			
1	Expenses disallowed under Income Tax Act	-	0.06	1.91
2	Loss/(Profit) on sale of FA	-	0.03	-
3	Interest on late deposit of TDS	0.00	-	0.72
4	Gain/(loss) on financial liabilities measured at fair value through profit or loss	1,228.62	192.79	70.90
5	Fair value adjustment related to Employee stock option plan	-	16.91	10.28
6	Rental expense on amortisation of security deposit	6.48	3.20	2.36
7	Unwinding of discount on security deposits	(6.59)	(2.85)	(2.05)
8	Impairment of goodwill	1,175.55	(146.94)	-
9	Exempt income of capital Gain	(74.93)	-	-
10	share issue expense	0.00	-	-
	Total (D)	**2,329.14**	**63.20**	**84.11**
E	**Adjustments for Timing Differences**			
1	Difference in book depreciation and Depreciation under Income Tax Act 1961 ("I.T. Act")	6.60	4.21	(6.91)
2	Expenses allowable on payment basis	-	(15.37)	(6.46)
3	Provision for Diminution of Investments in subsidiaries	-	17.37	1.43
4	Provision for gratuity	25.22	10.20	8.21
5	Provision for leave encashment	11.59	17.81	(14.87)
6	Provision for Bonus	-	-	2.71
7	Provision for Doubtful advances	0.05	-	-
8	Expenditure on demerger	0.13	2.48	-
9	Straight line of leases	(2.86)	(0.60)	1.42
10	Gain/(loss) on financial assets measured at fair value through profit or loss	69.25	(106.92)	(4.60)
11	Preponement of advance lease payments	(2.58)	0.47	(1.97)
12	Deferred revenue and contract modification	(308.70)	95.72	85.36
13	Profit on sale of tangible assets	(0.53)	-	-
	Total (E)	**(201.83)**	**25.36**	**64.33**
F	**Net Adjustments (D+E)**	**2,127.32**	**88.56**	**148.44**
G	**Taxable income/(loss) before set off of losses**			
	Taxable Income for the year	**252.48**	**(42.40)**	**(435.66)**
H	Losses/unabsorbed depreciation pursuant to demerger for the current year		(431.37)	
I	**Total (G+H)**	**252.48**	**(473.77)**	**(435.66)**
J	**Net Taxable Income**			
K	**Tax Expenses**			
	-Current tax*			
	-Deferred tax	**1,155.58**		
L	**Brought forward Losses**			
	- Business Losses	**(3,070.83)**	**(2,047.22)**	**(1,653.67)**
	- Unabsorbed depreciation	**(365.96)**	**(183.15)**	**(141.04)**
	- Long term capital loss	**(74.77)**	**(79.68)**	**(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.

(Amounts in INR millions, unless otherwise stated)

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 is has only one business segment which is business-to-business e-marketplace, which acts as an interactive hub for domestic and international buyers and suppliers and operates in a single business segment based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. Hence the 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 2018	**31 March 2017**	**31 March 2016 (Proforma)**
	4,011.83	3,056.13	2,340.27
India	23.66	30.16	36.82
Others			
Total	**4,035.48**	**3,086.29**	**2,377.09**

Non-current assets*

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
India	159.58	1,346.40	648.35
Other	-	-	-
Total	**159.58**	**1,346.40**	**648.35**

** Non-current assets exclude financial instruments, deferred tax assets, post-employment benefit assets and prepayments.*

2 Employee benefit

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 is as follows:

Statement of Profit and Loss

Net employee benefit expense recognized in Employee Cost

Gratuity - defined benefit plan

Particulars	**for the years ended**		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Current service cost	13.83	8.13	7.19
Past service cost	9.36	-	-
Net interest expense	2.03	0.99	1.89
Actuarial (gain) loss on defined benefit obligation	-	-	-
Components of defined benefit costs recognised in profit or loss	**25.22**	**9.12**	**9.08**
Remeasurement of the net defined benefit liability:			
Actuarial (gain) loss on plan assets	0.16	(1.23)	0.03
Actuarial (gain) loss on defined benefit obligation	14.64	6.46	3.94
Components of defined benefit costs recognised in other comprehensive income	**14.80**	**5.23**	**3.97**

Net employee benefit expense recognized in Employee Cost

Leave encashment

Particulars	**for the years ended**		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Current service cost	11.68	9.27	9.88
Past service cost	-	-	-
Net interest expense	1.98	1.72	1.52
Actuarial (gain) loss on defined benefit obligation	7.60	2.51	(1.25)
Components of defined benefit costs recognised in profit or loss	**21.26**	**13.50**	**10.15**
Remeasurement of the net defined benefit liability:			
Actuarial (gain) loss on plan assets	-	-	-
Actuarial (gain) loss on defined benefit obligation	-	-	-
Components of defined benefit costs recognised in other comprehensive income	**-**	**-**	**-**

Balance Sheet

Benefit asset/liability

Gratuity

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Present value of funded defined benefit obligation	92.18	56.90	45.16
Fair value of plan assets	(24.55)	(29.28)	(32.72)
Net liability arising from defined benefit obligation	**67.63**	**27.62**	**12.44**

Leave encashment

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Present value of funded defined benefit obligation	37.58	26.94	21.48
Fair value of plan assets			
Net liability arising from defined benefit obligation	**37.58**	**26.94**	**21.48**

(Amounts in INR millions, unless otherwise stated)

Changes in the present value of the defined benefit obligation are as follows:

Gratuity

Particulars	As at		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Balance at the beginning of the year	56.89	45.15	35.98
Defined benefit obligation pursuant to the scheme (refer Annexure XXX point 6)	-	1.08	-
Benefits paid	(6.72)	(7.53)	(4.75)
Current service cost	13.83	8.13	7.19
Interest cost	4.18	3.61	2.79
Past service cost	9.36	-	-
Actuarial (gains) losses recognised in other comprehensive income	-	-	-
- changes in demographic assumptions	2.24	(2.96)	-
- changes in financial assumptions	12.60	4.43	(0.44)
- experience adjustments	(0.20)	4.99	4.39
Balance at the end of the year	**92.18**	**56.90**	**45.16**

Changes in the present value of the defined benefit obligation are as follows:

Leave Encashment

Particulars	As at		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Balance at the beginning of the year	26.94	21.48	19.57
Defined benefit obligation pursuant to the scheme (refer Annexure XXX point 6)	-	5.24	-
Benefits paid	(10.62)	(13.28)	(8.19)
Current service cost	11.68	9.27	9.83
Interest cost	1.98	1.72	1.52
Past service cost	-	-	-
Actuarial (gains) losses recognised in other comprehensive income	-	-	-
- changes in demographic assumptions	1.47	0.30	-
- changes in financial assumptions	4.44	1.16	(0.15)
- experience adjustments	1.69	1.05	(1.10)
Balance at the end of the year	**37.58**	**26.94**	**21.48**

Changes in fair value of planned assets are as follows:

Gratuity

Particulars	As at		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Opening fair value of plan assets	29.29	32.71	11.60
Interest income	2.15	2.62	0.90
Remeasurement gain/(loss):			
Actuarial gains/(losses)	(0.16)	1.23	(0.03)
Contributions from the employer	-	0.25	25.00
Benefits paid	(6.72)	(7.53)	(4.75)
Closing fair value of planned assets	**24.55**	**29.28**	**32.72**

Changes in fair value of planned assets are as follows:

Leave encashment

Particulars	As at		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Opening fair value of plan assets	-	-	-
Interest income	-	-	-
Remeasurement gain/(loss):	-	-	-
Excess Return on plan assets (excluding amounts included in net	-	-	-
Actuarial gains/(losses)	-	-	-
Contributions from the employer	-	-	-
Benefits paid	-	-	-
Closing fair value of planned assets	**-**	**-**	**-**

Each year the management of the Company reviews the level of funding requried as per its risk management strategy

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
The Company expects to contribute to gratuity	19.45	9.17	12.26
The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:			
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 2018	31 March 2017	31 March 2016 (Proforma)
Discount rate				7.80%	7.35%	8.00%
Expected rate of return on assets				7.80%	7.35%	8.00%
Future salary growth				13.00%	8.00%	7.00%
Attrition rate					3.00%	3.00%
	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
Ages	57.00%	22.00%	75.97%	36.06%	75.00%	17.00%
Upto 30 years	43.00%	14.00%	67.63%	25.43%	75.00%	17.00%
From 31 to 44 years	0.00%	8.00%	0.00%	0.00%	75.00%	17.00%
Above 44 years		India Assured Life Mortality (2006-08)		India Assured Life Mortality (2006-08)		India Assured Life Mortality (2006-08)

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

A quantitative sensitivity analysis for the significant assumptions on defined benefit obligation is as shown below

Particulars	31 March 2018		31 March 2017		31 March 2016 (Proforma)	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (-/+0.5%)	(3.30)	3.55	(1.27)	1.29	(2.99)	1.08
Salary growth rate (-/+0.5%)	2.34	(2.34)	1.27	(1.26)	2.99	(0.99)

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.

(Amounts in INR millions, unless otherwise stated)

The table below summarises the maturity profile and duration of the gratuity liability:

Particulars	As at		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Within one year	9.27	11.29	8.38
Within one - three years	20.54	18.04	17.93
Within three - five years	15.25	9.72	8.22
Above five years	47.12	17.85	10.62
Total	**92.18**	**56.90**	**45.15**

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 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Lease payments (for non cancellable lease)	77.54	86.73	89.39

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Within one year	52.83	129.55	90.19
After one year but not more than five years	54.02	211.02	114.78
More than five years	-	15.44	-
	106.85	**356.01**	**204.97**

4 Employee stock option plans

The Company has provided various share-based payment schemes to its employees in the preceding Financial year. During the previous year ended 31 March 2018, the following schemes were in operation:

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	**As at**					
	31 March 2018		**31 March 2017**		**31 March 2016 (Proforma)**	
	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	364,967	100	364,967	100	364,967	100
Granted during the year	Nil	Nil	Nil	Nil	Nil	Nil
Forfeited/expired during the year	Nil	Nil	Nil	Nil	Nil	Nil
Expired during the year	Nil	Nil	Nil	Nil	Nil	Nil
Exercised during the year	301,681	100	Nil	Nil	Nil	Nil
Outstanding at the end of the year	63,286	100	364,967	100	364,967	100
Exercisable at the end of the year	63,286	100	Nil	Nil	Nil	Nil

Nil

The details of activity under ESOP 2012 scheme is as under

Particulars	**As at**					
	31 March 2018		**31 March 2017**		**31 March 2016 (Proforma)**	
	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	499,859	150	499,859	150	501,059	150
Granted during the year	Nil	Nil	Nil	Nil	Nil	Nil
Forfeited/expired during the year	Nil	Nil	Nil	Nil	1,200	150
Exercised during the year	349,723	150	Nil	Nil	Nil	Nil
Outstanding at the end of the year	150,136	150	499,859	150	499,859	150
Exercisable at the end of the year	150,136	150	Nil	Nil	Nil	Nil

The details of activity under ESOP 2013 scheme is as under

Particulars	**As at**					
	31 March 2018		**31 March 2017**		**31 March 2016 (Proforma)**	
	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	24,000	150	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	24,000	150	Nil	Nil	Nil	Nil
Outstanding at the end of the year	Nil	Nil	24,000	150	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	**As at**					
	31 March 2018		**31 March 2017**		**31 March 2016 (Proforma)**	
	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	472,000	200	539,000	200	NA	NA
Granted during the year	Nil	Nil	Nil	Nil	539,000	200
Forfeited/ expired during the year	12,000	200	67,000	200	Nil	Nil
Exercised during the year	105,900	200	Nil	Nil	Nil	Nil
Outstanding at the end of the year	354,100	200	472,000	200	539,000	200
Exercisable at the end of the year	83,500	200	Nil	Nil	Nil	Nil

(Amounts in INR millions, unless otherwise stated)

The details of activity under ESOP 2016 scheme is as under

Particulars	As at					
	31 March 2018		31 March 2017		31 March 2016 (Proforma)	
	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	253,980	200	Nil	Nil	Nil	Nil
Granted during the year	Nil	Nil	276,980	200	Nil	Nil
Forfeited/ expired during the year	33,200	200	23,000	200	Nil	Nil
Exercised during the year	26,512	200	Nil	Nil	Nil	Nil
Outstanding at the end of the year	194,268	200	253,980	200	Nil	Nil
Exercisable at the end of the year	22,284	200	Nil	Nil	Nil	Nil

The details of activity under ESOP 2017 scheme is as under

Particulars	As at					
	31 March 2018		31 March 2017		31 March 2016 (Proforma)	
	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	Nil	Nil	Nil	Nil
Granted during the year	200,730	200	Nil	Nil	Nil	Nil
Forfeited/ expired during the year	2,930	200	Nil	Nil	Nil	Nil
Exercised during the year	Nil	Nil	Nil	Nil	Nil	Nil
Outstanding at the end of the year	197,800	200	Nil	Nil	Nil	Nil
Exercisable at the end of the year	Nil	Nil	Nil	Nil	Nil	Nil

The details of exercise price for stock options outstanding under ESOP 2010 are as under

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Range of exercise prices	100	100	100
Number of options outstanding	63,286	364,967	364,967
Weighted average remaining contractual life of options (in years)	1	2	1
Weighted average exercise price	100	100	100
Weighted average share price for options exercised during the year	300	NA	NA

The details of exercise price for stock options outstanding under ESOP 2012 are as under

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Range of exercise prices	150	150	150
Number of options outstanding	150,136	499,859	499,859
Weighted average remaining contractual life of options (in years)	1	2	2
Weighted average exercise price	150	150	150
Weighted average share price for options exercised during the year	300	NA	NA

The details of exercise price for stock options outstanding under ESOP 2013 are as under

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Range of exercise prices	150	150	150
Number of options outstanding	Nil	24,000	24,000
Weighted average remaining contractual life of options (in years)	1	2	3
Weighted average exercise price	150	150	150
Weighted average share price for options exercised during the year	300	NA	NA

The details of exercise price for stock options outstanding under ESOP 2015 are as under

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Range of exercise prices	200	200	200
Number of options outstanding	354,100	472,000	539,000
Weighted average remaining contractual life of options (in years)	1	2	5
Weighted average exercise price	200	200	200
Weighted average share price for options exercised during the year	300	NA	NA

The details of exercise price for stock options outstanding under ESOP 2016 are as under

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Range of exercise prices	200	200	NA
Number of options outstanding	194,268	253,980	NA
Weighted average remaining contractual life of options (in years)	2	3	NA
Weighted average exercise price	200	200	NA
Weighted average share price for options exercised during the year	300	NA	NA

The details of exercise price for stock options outstanding under ESOP 2017 are as under

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Range of exercise prices	200	NA	NA
Number of options outstanding	197,800	NA	NA
Weighted average remaining contractual life of options (in years)	3	NA	NA
Weighted average exercise price	200	NA	NA
Weighted average share price for options exercised during the year	-	NA	NA

ESOP 2010

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
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	7.5	7.5	4.25
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	6.69%

ESOP 2012

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Weighted average share price	150	150	149.52
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	8	4
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	8.39%

(Amounts in INR millions, unless otherwise stated)

ESOP 2013

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Weighted average share price	150	150	148.91
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	8	5.5
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	8.36%

ESOP 2015

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Weighted average share price	200	200	148.91
Exercise Price	200	200	200
Expected Volatility	0	0.00%	0.00%
Historical Volatility	0.001	0.10%	0.10%
Life of the options granted (Vesting and exercise period) in years	7.7	7.7	5
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	0.0777	7.77%	7.75%

ESOP 2016

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Weighted average share price	275.93	275.93	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	7.7	7.7	NA
Expected dividends	Nil	Nil	NA
Average risk-free interest rate	7.77%	7.77%	NA

ESOP 2017

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Weighted average share price	280.5	NA	NA
Exercise Price	200	NA	NA
Expected Volatility	0.00%	NA	NA
Historical Volatility	0.10%	NA	NA
Life of the options granted (Vesting and exercise period) in years	7.7	NA	NA
Expected dividends	Nil	NA	NA
Average risk-free interest rate	7.20%	NA	NA

Effect of the employee share-based payment plans on the statement on profit and loss and on its financial position:

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Total Employee Compensation Cost pertaining to share-based payment plans	29.87	19.51	10.28
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	29.87	19.51	10.28
Total Liability for employee stock options outstanding as at year end	54.18	46.12	36.90

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 XXX 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 Tolexo 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 assets 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 occured from the beginning of the preceeding period presented in the financial statements.

In view of the above,

(Amounts in INR millions, unless otherwise stated)

(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
Total non-current assets		14.41
Current assets		
Financial assets		
(i) Cash and cash equivalents		87.07
(ii) Others financial assets		2.28
Other current assets		83.59
Total current assets		172.94
Total Assets (A)		**187.35**
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Trade payables		40.74
Total non-current liabilities		40.74
Current liabilities		
Financial liabilities		
(i) Trade payables		-
Short-term provisions		7.59
Other current liabilities		8.84
Total current liabilities		16.43
Total liabilities (B)		**57.17**
(c) Net assets aquired 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
	1,366.63
made after 1 April 2017 till order date (refer clause (d) above)	34.80
Total	**1,401.43**

7 Contingent Liabilities

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Claims against the Company not acknowledged as debt			
Income Tax in respect of Assessment Year 2006-07 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.	-	0.02	0.82
Service Tax in respect of Financial Years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16. Based on judicial pronouncements, the company's claim is likely to be accepted by appellate authorities.	-	9.04	6.57
Dividend on 0.01% Series A CCPS	0.46	0.41	0.36
Dividend on 0.01% Series B & B1 CCPS	0.04	0.02	0.00
Total	**0.50**	**9.49**	**7.75**

Notes
* 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 expense has been accrued in the financial statements for these demand 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.

8 Capital and other commitments

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Estimated amount of contract remaining to be executed on capital account			1.49
	-	-	1.49

9 Details of dues to micro and small enterprises as defined under MSMED Act 2006:

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
- Principal amount due to micro and small enterprises	11.31	-	-
- Interest due on above	-	-	-
	11.31	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year			
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.			
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 V			
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	-	-	

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXXI
Notes to Restated Ind AS unconsolidated summary statements
(Amounts in INR millions, unless otherwise stated)

10 Related party disclosures, as required by notified Indian Accounting Standard 24 - "Related Party Disclosures" are given below

a)

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Related parties where control exists			
Subsidiaries	Hello Trade Online Pvt	Hello Trade Online Pvt Ltd	Hello Trade Online Pvt
	Tradezeal International	Tradezeal International Pvt	Tradezeal International
	Ten Times Online Pvt Ltd	Ten Times Online Pvt Ltd	Ten Times Online Pvt Ltd
	Tolexo Online Private	Tolexo Online Private	Tolexo Online Private
	Pay With Indiamart Private Limited (w.e.f 08.02.2017)	Pay With Indiamart Private Limited (w.e.f 08.02.2017)	
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Mansa Enterprises Pvt Ltd	Mansa Enterprises Pvt Ltd	Mansa Enterprises Pvt Ltd
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)			
Managing Director	Mr. Dinesh Agarwal	Mr. Dinesh Agarwal	Mr. Dinesh Agarwal
Whole time director	Mr. Brijesh Agarwal	Mr. Brijesh Agarwal	Mr. Brijesh Agarwal
Chief financial officer	Mr. Prateek Chandra	Mr. Prateek Chandra	Mr. Prateek Chandra
Company Secretary	Mr. Anil Dwivedi (resigned on April 30, 2018	Mr. Anil Dwivedi	Mr. Anil Dwivedi
Company Secretary	Mr. Manoj Bhargava (Joined on June 04, 2018)		
Non-executive director	Mr. Dhruv Prakash	Mr. Dhruv Prakash	Mr. Dhruv Prakash
Independent director	Mr, Mahendra Kumar	Mr, Mahendra Kumar	Mr, Mahendra Kumar
Independent director	Mr. Rajesh Sawhney	Mr. Rajesh Sawhney	Mr. Rajesh Sawhney
Independent director	Ms. Elizabeth Lucy	Ms. Elizabeth Lucy	Ms. Elizabeth Lucy
Other related parties	Indiamart Intermesh Employees Group Gratuity Assurance Scheme		

b) **Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. These transactions are approved by the Audit Committee of the Board of Directors. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties during the year ended March 31, 2018; March 31, 2017 and March 31, 2016. This assessment is undertaken in 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 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
Short-term employee benefits	83.24	67.60	65.56
Post- employment benefits	0.51	0.08	0.06
Other long-term employee benefits	0.08	0.05	0.04
Employee share based payment expense	1.14	1.04	0.79
	84.97	**68.77**	**66.45**

Refer note 28 for information and transactions in post employement 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.

IndiaMART InterMESH Limited
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d) Summary of transactions with the above related parties are as follows:

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Enterprises owned or significantly influenced by Key Management Personnel or their relatives			
Expenses for rent			
Mansa Enterprises Private Limited	4.14	4.62	5.01
Interest received on Loan to subsidiaries	-	-	-
Tolexo Online Pvt. Ltd	0.05	-	-
Key Management Personnel			
Recruitment and training expenses			
Dhruv Prakash	2.07	1.02	0.68
Director's sitting fees	1.67	1.90	1.66
Investment in subsidiaries			
Tolexo Online Pvt. Ltd	78.50	710.00	779.50
Tradezeal International Pvt. Ltd	-	18.70	-
Hello Trade Online Pvt. Ltd	-	0.10	-
Pay With Indiamart Pvt. Ltd	13.00	1.00	-
Cancellation of Investment in subsidiaries			
Tolexo Online Pvt. Ltd (refer Annexure XXXI (s.no. 6))	34.80	1,366.63	-
Loans to subsidiaries	-	-	-
Tolexo Online Pvt. Ltd	4.00	-	-
Services provided to			
Pay With Indiamart Pvt. Ltd	0.31	-	-
Tentimes Online Pvt. Ltd	0.10	-	-
Tolexo online private limited	-	8.07	3.17
Contribution to Trust	-	-	-
Indiamart Intermesh Employees Group Gratuity Assurance Scheme	-	0.25	25.00
Balance Receivable at the year end			
Investment in subsidiaries			
Tolexo Online Pvt. Ltd	122.28	260.50	1,377.10
Tradezeal International Pvt. Ltd	3.15	3.15	1.10
Hello Trade Online Pvt. Ltd	0.20	0.20	0.10
Pay With Indiamart Pvt. Ltd	14.08	1.00	-
Tentimes Online Pvt. Ltd	0.60	0.60	0.60
Trade receivable			
Tolexo Online private limited	-	3.61	3.31
Amount recoverable			
Tolexo Online private limited	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.

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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, 2018:

Particulars	Level	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Financial assets				
a) Measured at fair value through profit or loss (FVTPL)				
- Investment in mutual funds	Level 1	3,087.70	1,352.36	1,286.30
- Investment in debt instruments in subsidiaries	Level 3	65.34	132.95	321.00
		3,153.04	**1,485.31**	**1,607.30**
b) Measured at Amortised cost				
- Trade receivables	Level 2	2.79	5.60	5.05
- Cash and cash equivalents	Level 1	452.48	173.73	115.20
- Loan to employees	Level 2	64.12	15.96	9.76
- Security deposits	Level 2	36.53	41.16	33.62
- Bank deposits	Level 2	302.20	229.96	113.52
- Other financial assets	Level 2	37.33	34.51	9.41
		895.45	**500.92**	**286.56**
Total financial assets		**4,048.49**	**1,986.23**	**1,893.86**
Financial liabilities				
a) Measured at fair value through profit or loss (FVTPL)				
-Share buy back obligation	Level 3	3,729.30	2,460.90	2,195.18
		3,729.30	**2,460.90**	**2,195.18**
b) Measured at Amortised cost				
- Trade payables	Level 2	412.73	291.66	237.68
- Security deposits	Level 2	0.14	0.14	0.14
- Other financial liabilities	Level 2	2.66	5.39	6.70
		415.53	**297.19**	**244.52**
Total financial liabilities		**4,144.83**	**2,758.09**	**2,439.70**

b) The following methods / assumptions were used to estimate the fair values:

i) The carrying value of bank deposits, trade receivables, cash and cash equivalents, trade payables, security deposits and other current financial assets and other current financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments.

ii) The fair value of non-current financial assets and financial liabilities measured are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used does not reflect significant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.

iii) Fair value of quoted mutual funds is based on quoted market prices at the reporting date.

iv) Fair value of debt instruments is estimated based on discounted cash flows valuation technique using the cash flow projections, discount rate and credit risk.

v) Fair value of the share buy back obligation is estimated based on discounted cash flow valuation technique using cash flow projections and financial projections/budgets approved by the management.

c)

Following table describes the valuation techniques used and key inputs thereto for the level 3 financial assets / liabilities as of 31 March 2018, 31 March 2017 and 31 March 2016 proforma:

Financial assets	**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	Refer note below**
Financial liabilities			
-Share buy back obligation	Refer note below*	i) Discount rate ii) 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**

	Investment in debt instruments		
Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Opening balance	132.95	321.00	-
Gains or loss recognised in profit or loss	(124.38)	-	-
Purchases	56.77	92.30	321.00
Disposals	-	(280.35)	-
Closing balance	**65.34**	**132.95**	**321.00**

	Share buy back obligation		
Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Opening balance	2,460.90	2,195.18	798.30
Gains or loss recognised in profit or loss	1,228.62	192.79	70.90
Purchases	39.78	72.93	1,325.98
Disposals	-	-	-
Closing balance	**3,729.30**	**2,460.90**	**2,195.18**

(Amounts in INR millions, unless otherwise stated)

e) During the year ended 31 March 2018, 2017 and 2016 Proforma, 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 (Debts (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 balance sheet).

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Share buyback obligation	3,729.30	2,460.90	2,195.18
Cash and cash equivalents	452.48	173.73	115.20
Net debt	3,276.82	2,287.17	2,079.98
Total equity	(3,122.74)	(2,531.28)	(2,414.60)

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 and loans

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 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**

31 March 2016 Proforma	**Within 1 year**	**Between 1 and 5 years**	**Total**
Share buyback obligation	-	2,195.18	2,195.18
Trade payables	237.68	-	237.68
Other financial liabilities	0.17	6.66	6.83
	237.85	**2,201.84**	**2,439.69**

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.

(Amounts in INR millions, unless otherwise stated)

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 2018, 31 March 2017 and 1 April 2016 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 2018	31 March 2017	31 March 2016 (Proforma)
Trade receivable	USD 0.03 (INR 2.21 mn)	USD 0.03 (INR 1.99 mn)	USD 0.03 (INR 1.74 mn)

Sensitivity

Particulars	Impact on profit/loss before tax for the years ended		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
USD sensitivity			
INR/USD - increase by 2%	0.04	0.04	0.03
INR/USD - decrease by 2%	(0.04)	(0.04)	(0.03)

Interest rate risk

Investment of short-term surplus funds of the Company in liquid schemes of mutual funds provides high level of liquidity from a portfolio of money market securities and high quality debt and categorized as 'low risk' product from liquidity and interest rate risk perspectives

Sensitivity	Impact on profit/loss before tax		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
+ 5% change in NAV of mutual funds	154.39	67.62	64.32
- 5% change in NAV of mutual funds	(154.39)	(67.62)	(64.32)

14 Events after the reporting period

Subsequent to the Balance sheet date, following transactions are made:

a) The Company has allotted bonus shares to the exiting equity shareholders as on 9 May 2018 in the ratio of 1:1 as approved by the shareholders at the general meeting held on 07 May 2018. Consequently, the number of shares have increased from 9,976,805 equity shares to 19,953,610 equity shares (refer annexure XXVIII).

b) The Company has introduced Indiamart employees stock benefits scheme 2018 the pool of which includes stock appreciation rights and stock options as approved by the shareholder at the general meeting held on 07 May 2018. All new grants will be governed by this scheme.

c) The Company has decided in the Board meeting dated 06 June 2018 for the conversion of 9,30,000 Series A 0.01% Cumulative compulsory preference shares of Rs. 328 into 20,76,091 equity shares of Rs. 10 each, 5,52,816 0.01% Series B Cumulative compulsory preference shares of Rs. 100 into 11,05,632 equity shares of Rs. 10 each, 7,749 0.01% Series B1 Cumulative compulsory preference shares of Rs. 100 into 15,498 equity shares of Rs. 10 each.

15 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 2018	31 March 2017	31 March 2016
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	96.26%	96.26%	96.26%
Tolexo Online Private Limited	Ecommerce services	India	100%	100%	100%
Pay With Indiamart Private Limited	Payment gateway and consultancy services	India	100%	100%	NA

(Amounts in INR millions, unless otherwise stated)

16 Function-wise classification of Statement of Profit and Loss

S.No.	Particulars	For the year ended	
		31 March 2018	31 March 2017
A	Revenue from operations	4,035.48	3,086.29
B	Customer service cost	(1,347.19)	(1,129.07)
C	**Surplus over customer service cost (A-B)**	**2,688.29**	**1,957.22**
	Selling & Distribution Expenses	899.98	773.54
	Technology & Content Expenses	811.29	711.82
	Marketing Expenses	52.02	94.99
	Depreciation & Amortization	27.97	40.16
	Other operating expenses	432.81	412.06
D	**Total**	2,224.07	2,032.57
E	**Operating Profit (C-D)**	**464.22**	**(75.35)**
	Net (loss)/gain on financial assets/liability measured at FVTPL	(1,192.10)	(74.12)
	Impairment of goodwill	(1,175.55)	-
	Other income	28.61	18.51
F	**Total**	(2,339.04)	(55.61)
G	**Loss before tax (E-F)**	**(1,874.82)**	**(130.96)**
H	Income tax expense	(1,150.41)	-
I	**Loss for the year**	(724.41)	(130.96)

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, curation 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 unconsolidated summary statements of assets and liabilities as at March 31, 2015 and 2014, profits and losses and cash flows for each of the years ended March 31, 2015 and 2014 of IndiaMART InterMESH Limited (collectively, the "Restated Indian GAAP Unconsolidated Summary Statements")

To
The Board of Directors
IndiaMART InterMESH Limited
7th and 8th Floor, Advantis 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, 2015 and 2014 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document 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. Sub-section (1) of 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 Draft Red Herring Prospectus ("DRHP"), 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, 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. 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, 2015 and 2014, which were 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 25, 2015 and April 30, 2014, respectively.

6. For the purpose of our examination, we have relied on the Auditors' Report issued by us dated July 25, 2015 and April 30, 2014, respectively. on the unconsolidated financial statements of the Company as at and for each of the years ended March 31, 2015 and 2014 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, 2015 and 2014, 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, 2015 and 2014, 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, 2015 and 2014, 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, 2015 are materially consistent with the policies adopted as at and for the years ended March 31, 2014. 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 are no qualifications in the auditors' reports on the audited unconsolidated financial statements of the Company as at March 31, 2015 and 2014 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, 2015 and 2014, 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, 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**	**Demand**	**Amount (Rs.)**	**Period to which the amount relates**	**Forum where dispute is pending**
Finance Act, 1994	Service Tax	6,568,335	6,466,118	Financial Year 2006-07 to 2010-11	Additional Commissioner of service tax
The Income Tax Act, 1961	Additional fringe benefit tax & income tax demand	21,530	21,530	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

B. As at and for the year ended March 31, 2014

Clause (ix) (c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Disputed amount (In Rs Mn)	Amount paid under protest (In Rs Mn)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Additional fringe benefit tax & income tax demand	692,540	21,530	Assessment Year 2006-07	Commissioner of income tax (appeals)
Finance Act, 1994	Service Tax	6,207,522	6,466,118	Financial Year 2006-07 to 2010-11	Additional Commissioner of service tax
The Income Tax Act, 1961	Additional fringe benefit tax & income tax demand	21,530	21,530	Assessment Year 2006-07	Commissioner of income tax (appeals)

Clause (x)

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, 2018. 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, 2018.

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 DRHP, 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, 2015 and 2014:

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 Long term 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 offer document to be filed with SEBI, National Stock Exchange of India Limited and BSE Limited 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: Noida
Date: June 22, 2018

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure I
Restated Indian GAAP Unconsolidated Summary Statement of Assets and Liabilities
(Amount in INR million, unless otherwise stated)

S.No.	Particulars	Annexure	31 March 2015	31 March 2014
	Equity and Liabilities			
A	**Shareholder's Funds**			
	Share capital	VI	581.69	581.69
	Reserves and surplus	VII	(1,393.02)	(1,203.23)
	Total of Shareholders' funds		**(811.33)**	**(621.54)**
B	**Non-current liabilities**			
	Borrowings	VIII	-	0.57
	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	7.32	6.70
	Other long-term liabilities	IX	535.35	356.62
	Total of Non-current liabilities		**542.67**	**363.89**
C	**Current liabilities**			
	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	194.73	179.79
	Other current liabilities	X	1,101.92	868.61
	Short-term provisions	XI	43.96	32.45
	Total of Current liabilities		**1,340.61**	**1,080.85**
	Total (A+B+C)		**1,071.95**	**823.20**
D	**Assets**			
	Non-current assets			
	Fixed assets			
	Property, plant and equipment	XII	45.18	61.73
	Intangible assets	XII	10.02	2.13
	Capital work-in-progress		1.77	1.77
	Non-current investments	XIII	80.70	0.60
	Loans and advances	XIV	42.97	34.37
	Other non current Assets	XVIII	104.53	-
	Total of Non - current assets		**285.17**	**100.60**
E	**Current assets**			
	Current investments	XV	600.08	579.54
	Trade receivables	XVI	4.30	5.34
	Cash and bank balances	XVII	93.23	66.16
	Loans and advances	XIX	89.17	71.56
	Total of Current assets		**786.78**	**722.60**
	Total (D+E)		**1,071.95**	**823.20**

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 Agarwal
Director
DIN:00191800

Brijesh Agrawal
Director
DIN:00191760

Place: Noida
Date : 22 June 2018

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure II
Restated Indian GAAP Unconsolidated Summary Statement of Profits and Losses
(Amount in INR million, unless otherwise stated)

S.No.	Particulars	Annexure	31 March 2015	31 March 2014
F	**Income:**			
	Revenue from operations	XX	1,728.90	1,357.46
	Other income	XXI	118.86	75.55
	Total revenue		**1,847.76**	**1,433.01**
G	**Expenses:**			
	Employee benefits expense	XXII	1,136.97	938.90
	Other expenses	XXIII	866.17	545.61
	Depreciation and amortization expenses	XII	29.91	22.32
	Financial costs	XXIV	4.50	3.11
I	**Restated loss before tax**		**(189.79)**	**(76.93)**
J	**Tax expense/(income)**			
	Tax expense		-	-
	Total tax expenses		-	-
K	**Restated loss after tax**		**(189.79)**	**(76.93)**

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 Agarwal
Director
DIN:00191800

Brijesh Agrawal
Director
DIN:00191760

Place: Noida
Date : 22 June 2018

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

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 2015	31 March 2014
A	**Cash Flow From Operating Activities**		
	Restated loss before tax	(189.79)	(76.93)
	Adjustment to reconcile loss before tax to net cash flows		
	Depreciation and amortization	29.90	22.32
	Write off on property, plant and equipment	-	3.51
	Provision for diminution in value of investment	-	1.20
	(Gain)/loss on sale of fixed assets	(0.00)	(28.93)
	Employee stock compensation expense /(written back)	-	(0.18)
	Net (gain) on sale of current investments	(113.25)	(45.89)
	Interest expenses	0.09	0.14
	Interest (income)	(5.05)	(0.58)
	Operating loss before working capital changes	(278.10)	(125.34)
	Movement in working capital :		
	Increase in other long-term liabilities	178.74	120.07
	Increase in trade payables	15.56	60.55
	Increase in other current liabilities	233.30	161.48
	Increase in short-term provisions	11.51	12.86
	Decrease in trade receivables	1.04	2.50
	(Increase) in long term loans & advances	(44.23)	(10.76)
	Cash generated from/ (used in) operations	**117.82**	**221.36**
	Direct taxes paid (net of refund)	18.02	1.72
	Net cash from/(used in) operating activities	**135.84**	**223.08**
B	**Cash Flow From Investing Activities**		
	Purchase of fixed assets including CWIP and capital advance	(21.26)	(4.23)
	Proceeds from sale of fixed assets	0.03	44.16
	Advance against purchase of Mutual Fund	-	(7.50)
	Investments in bank deposits (having original maturity of more than three months)	(104.53)	-
	Investments in subsidiary company	(80.10)	-
	Purchase of current investments	(1,188.03)	(442.61)
	Interest received	5.05	0.58
	Proceeds from sale/maturity of current investments	1,280.72	198.80
	Net cash from/(used in) investing activities	**(108.12)**	**(210.80)**
C	**Cash Flow From Financing Activities**		
	Repayment of short term borrowings	(0.56)	(0.51)
	Interest paid	(0.09)	(0.14)
	Net cash from/(used in) financing activities	**(0.65)**	**(0.65)**
D	**Net increase in cash and cash equivalents (A+B+C)**	27.07	11.63
E	Cash and cash equivalents at the beginning of the year	66.16	54.53
	Cash and cash equivalents at end of the year (D+E)	**93.23**	**66.16**
	Components of cash and cash equivalents		
	Cash on hand	0.20	0.53
	Cheques on hand	75.53	2.34
	With banks - on current account	17.50	63.29
	Total cash and cash equivalents	**93.23**	**66.16**
	Cash and cash equivalent in cash flow statement (Annexure XVII)	**93.23**	**66.16**

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 Agarwal
Director
DIN:00191800

Brijesh Agrawal
Director
DIN:00191760

Place: Noida
Date : 22 June 2018

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

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, 2015 and March 31, 2014 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, 2015 and March 31, 2014 and accompany annexures thereto, (hereinafter collectively referred to as "Restated Indian GAAP Unconsolidated Financial Statements") have been prepared specifically for inclusion in the Offer Document 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 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, 2015 and March 31, 2014 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, Companies (Accounting Standards) Amendment Rules, 2016 and SEBI Circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 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, 2015 and March 31, 2014 under Indian GAAP and year ended March 31, 2018, March 31, 2017 and March 31, 2016 (proforma) under Ind AS. Financial statements presented under Ind AS have been prepared in a separate set of financial statements.

These Unconsolidated financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013.

The Restated Indian GAAP Unconsolidated Summary Statements have been prepared by the Company to comply in all materialrespects with the requirements of Sub-section (1) of Section 26 of Part I of Chapter III of The Companies Act, 2013 and the 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 SEBI on August 26, 2009 as amended from time to time.

b) **Depreciation on fixed assets**

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From 1 April 2014, Schedule XIV 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

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. 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. 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.

(Amount in INR million, unless otherwise stated)

(ii) Depreciation on assets costing less than Rs.5,000/-

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than Rs.5,000 in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of 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 change in accounting for depreciation of assets costing less than Rs.5,000/- did not have any material impact on financial statements of the company for the current year.

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, 2015)**	**Annual rate (for the year ended March 31, 2014)**
Computer equipment	63.16%	40.00%
Furniture and fittings	26.89%	18.10%
Office equipments	45.07%	13.91%
Vehicles	25.89%	25.89%
Building	N/A	5.00%

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

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
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 financials statements for the respective years and its impact on the profit of the Company is as follows:

Particulars	31 March 2015	31 March 2014
Net loss as per audited financial statements	(189.79)	(76.93)
Restatement adjustments	-	-
Net Loss as per restated financial statements	(189.79)	(76.93)

B Restatement adjustments made in the audited opening balance of net surplus in the statement of profit and loss as at April 01, 2013

Particulars	As at April 01, 2013
Net loss in the Statement of Profit and Loss as at April 01, 2013 as per audited financial statement	(1,305.44)
Restatement adjustments	-
Net loss in the Statement of Profit and Loss as at April 1, 2013 (as restated)	(1,305.44)

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, 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 loses 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.

Annexure to auditor's report for the financial year ended March 31, 2014

(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	Period to which it relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	6.21	Financial years 2006-07 to 2011-12	Additional Commissioner of Service tax
The Income-tax Act, 1961	Additional fringe benefits tax demand	0.69	Assessment year 2006-07	Commissioner of Income tax (Appeals)
The Income-tax Act, 1961	Additional income tax demand	0.02	Assessment year 2006-07	Commissioner of Income tax (Appeals)

(ii) Clause x

The Company's accumulated loses 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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure VI
Restated Indian GAAP unconsolidated Statement of Share Capital
(Amount in INR million, unless otherwise stated)

The summary of results of restatement made in the audited Indian GAAP unconsolidated financials statements for the respective years and its impact on the profit of the Company is as follows:

Particulars	March 31, 2015	March 31, 2014
Authorised shares		
12,000,000 equity shares of Rs. 10 each	120.00	120.00
1,000,000 non cumulative redeemable preference shares of Rs. 10 each	10.00	10.00
1,493,903 0.01% Series A cumulative convertible preference shares (CCPS) of Rs. 328 each	490.00	490.00
	620.00	**620.00**
Issued, subscribed and fully paid up:		
9,168,959 equity shares of Rs. 10 each	91.69	91.69
1,493,903 0.01% Series A CCPS of Rs. 328 each	490.00	490.00
	581.69	**581.69**

a) Reconciliation of the shares outstanding at the beginning and as at the end of the year
Equity Shares

	March 31, 2015		March 31, 2014	
	Number	Amount	Number	Amount
At the beginning of the year	**91,68,959**	**91.69**	**91,68,959**	**91.69**
Issued during the year				
Outstanding at the beginning of the year	**91,68,959**	**91.69**	**91,68,959**	**91.69**

Preference Shares

	March 31, 2015		March 31, 2014	
	Number	Amount	Number	Amount
At the beginning of the year	**14,93,903**	**490.00**	**91,68,959**	**490.00**
Issued during the year				
Outstanding at the beginning of the year	**14,93,903**	**490.00**	**91,68,959**	**490.00**

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.

(d) Details of shareholders holding more than 5% shares in the company

	March 31, 2015		March 31, 2014	
	Number	% Holding	Number	% Holding
Equity shares of Rs. 10 each fully paid				
Dinesh Agarwal	**47,41,600**	**51.71%**	**47,41,600**	**51.71%**
Brijesh Agrawal	**32,13,100**	**35.04%**	**32,13,100**	**35.04%**

	March 31, 2015		March 31, 2014	
	Number	% Holding	Number	% Holding
CCPS of Rs. 10 each fully paid	**14,93,903**	**100%**	**1493903**	**100%**

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
(Amount in INR million, unless otherwise stated)

Particulars	As At	
	31 March 2015	31 March 2014
A. Securities Premium Account	153.03	153.03
B. Employee stock options outstanding		
Gross employee stock compensation for options granted in earlier years	17.66	17.84
Less: Deferred employee stock compensation	-	(0.18)
Closing Balance	**17.66**	**17.66**
C. General Reserve	8.45	8.45
D. Deficit in the statement of profit and loss		
Balance at the beginning of the year	(1,382.37)	(1,305.44)
Add: Loss for the year	(189.79)	(76.93)
Net deficit in the statement of profit and loss	**(1,572.16)**	**(1,382.37)**
Total (A+B+C+D)	**(1,393.02)**	**(1,203.23)**

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 VIII

Restated Indian GAAP Unconsolidated Statement of Long-term and Short-term Borrowings
(Amount in INR million, unless otherwise stated)

(a) Long-term borrowings

Particulars	As at	
	31 March 2015	31 March 2014
Vehicle loan - From financial institution (Secured)		
From banks/Fis	-	0.57
Total Long term secured loans	**-**	**0.57**

(b) Short-term borrowings

Particulars	As at	
	31 March 2015	31 March 2014
Vehicle loan - From financial institution (Secured)		
From banks/Fis	0.57	0.56
The above amount includes		
Current maturities	0.57	0.56
Less: *Current maturities disclosed under the head “Other Current Liabilities”	(0.57)	(0.56)
Total Long term secured loans	**-**	**-**

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure IX
Restated Indian GAAP Unconsolidated Statement of Other Long-Term Liabilities
(Amount in INR million, unless otherwise stated)

Particulars	As at	
	31 March 2015	31 March 2014
Other long-term liabilities		
Unearned revenue	535.35	356.62
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.”	7.32	6.70
Total other long-term liabilities	**542.67**	**363.32**

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)

Particulars	As at	
	31 March 2015	31 March 2014
Current liabilities		
A. Trade Payables		
(A) total outstanding dues of micro enterprises and small enterprises; and (refer annexure XXVII serial no 8), and	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.”	194.73	179.79
B. Other current liabilities		
Current maturities of long-term borrowings (refer annexure VIII)	0.57	0.57
Unearned Revenue	927.64	748.36
Advance from customers	157.43	109.32
Payable to employees	0.47	0.35
Security deposits	0.14	-
Other statutory dues (employee related liabilities)	2.08	1.31
Tax deducted at source payable	13.59	8.70
Total other current liabilities (B)	**1,101.92**	**868.61**
Total current liabilities (A+B)	**1,296.65**	**1,048.40**

* 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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XI
Restated Indian GAAP Unconsolidated Statement of Provisions
(Amount in INR million, unless otherwise stated)

Particulars	**As at**	
	31 March 2015	**31 March 2014**
Provisions for empoyee benefits		
Provision for gratuity (refer annexure XXVII, serial no 5)	24.39	15.86
Provision for leave encashment	19.57	16.59
Total	**43.96**	**32.45**

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 XII
Restated Indian GAAP Unconsolidated Statement of Fixed Assets
(Amount in INR million, unless otherwise stated)

Property, plant and equipment Assets

Particulars	Leasehold Land	Buidlings	Computers	Office Equipments	Furniture & Fittings	Motor Vehicles	Leasehold Improvements	Total
Gross block								
At 31 March 2013	39.01	9.88	84.42	34.63	34.23	5.08	27.02	234.27
Additions	-	-	0.81	3.23	0.20	-	-	4.24
Disposals	(5.62)	(9.88)	(0.03)	(7.24)	(4.38)	(2.12)	-	(29.27)
Asset Written off	-	-	-	(9.42)	(4.32)	(0.13)	-	(13.89)
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)
At 31 March 2015	**33.39**	**-**	**88.72**	**27.20**	**25.79**	**2.83**	**27.02**	**204.94**
Depreciation								
At 31 March 2013	**3.56**	**3.79**	**61.99**	**18.32**	**26.47**	**2.01**	**20.99**	**137.13**
Charge for the year	0.41	0.15	9.12	3.00	1.51	0.68	6.03	20.90
Disposals	(1.00)	(3.95)	(0.03)	(4.03)	(3.37)	(1.66)	-	(14.04)
Asset Written off	-	-	-	(7.00)	(3.24)	(0.13)	-	(10.37)
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)
At 31 March 2015	**3.34**	**-**	**85.94**	**18.95**	**23.06**	**1.46**	**27.02**	**159.76**
Net block								
At 31 March 2014	**30.42**	**-**	**14.12**	**10.91**	**4.36**	**1.93**	**-**	**61.73**
At 31 March 2015	**30.05**	**-**	**2.78**	**8.25**	**2.73**	**1.37**	**-**	**45.18**

Intangible assets

Particulars	Web Portals	Software	Unique telephone numbers	Total
Gross block				
At 31 March 2013	96.04	21.42	-	**117.46**
Additions	-	-	-	-
Disposals	-	-	-	-
At 1 April 2014	96.04	21.42	-	**117.46**
Additions	-	1.14	10.50	11.64
Disposals	-	-	-	-
At 31 March 2015	96.04	22.56	10.50	**129.10**
	-	-	-	
Amortization	-	-	-	
At 31 March 2013	96.04	17.87	-	**113.91**
Charge for the year	-	1.42	-	1.42
Disposals	-	-	-	-
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**
Net Block				
At 31 March 2014	**-**	**2.13**	**-**	**2.13**
At 31 March 2015	**-**	**2.17**	**7.85**	**10.02**

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Depreciation and amortisation expenses

Particulars	31 March 2015	31 March 2014
Depreciation	26.16	20.90
Amortisation	3.75	1.42
Total	**29.91**	**22.32**

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, 2016

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XIII
Restated Indian GAAP Unconsolidated Statement of Non-Current Investments
(Amount in INR million, unless otherwise stated)

Particulars	No of shares/units		As at	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Non Current Investments				
Investment in equity instruments (subsidiaries) - other than trade unquoted (valued at cost)				
Tradezeal International Private Limited, equity shares of Rs. 10 each (fully paid up)	1,09,900	1,09,900	1.10	1.10
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)	80,10,000	-	80.10	-
Less:				
Provision for diminution in Investment in subsidiaries	-	-		
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)
Total non current investments			**80.70**	**0.60**

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 XIV
Restated Indian GAAP Unconsolidated Statement of Long-Term Loans and Advances
(Amount in INR million, unless otherwise stated)

Particulars	As at	
	31 March 2015	31 March 2014
Long-Term loans and advances		
Unsecured, considered good		
Loans and advances to related parties		
Security deposits - Rent	38.40	29.49
Other loans and advances		
Prepaid expenses	3.24	3.46
Loan to employees*	1.33	1.42
Total Long-Term loans and advances	**42.97**	**34.37**

**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

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XV
Restated Indian GAAP Unconsolidated Statement of Current Investments
(Amount in INR million, unless otherwise stated)

Particulars	Number of units/ shares		Amount In Rs.	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Current Investments				
Non-trade investments (valued at lower of cost and fair value, unless stated otherwise)				
Unquoted investment				
HDFC High Interest Fund - Short Term Plan - Growth	-	29,02,493	-	65.60
HDFC Prudence Fund - Growth	16,474	2,00,457	6.10	32.73
HDFC Top 200 Fund - Growth	11,913	70,414	4.10	11.59
HDFC Liquid Fund-Growth	66,44,814	24,77,566	182.93	54.83
IDFC Premier Equity Fund -Growth	5,22,739	3,22,904	25.08	12.30
IDFC Dynamic Bond Fund		23,619	-	0.52
IDFC Dynamic Bond Fund - Regular Plan	2,95,953	76,12,663	4.29	109.40
HDFC Gilt Fund Long Term- Growth	8,73,960	8,73,960	20.00	20.00
Birla Sun Life Cash Plus-Growth-Regular Plan	7,77,764	69,431	173.94	14.07
Sunlife Frontline Equity Fund-Growth Regular Plan	1,73,216	83,806	21.50	8.50
Sunlife Short Term Opportunity Plan-Growth Regular Plan		75,43,334	-	150.00
Franklin Templeton (I) Short Term income Plan-Growth	57,792	39,101	162.14	100.00
Total non current investments			**600.08**	**579.54**

Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	**600.08**	**579.54**
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

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XVI
Restated Indian GAAP Unconsolidated Statement of Trade Receivables
(Amount in INR million, unless otherwise stated)

Particulars	As at	
	31 March 2015	31 March 2014
Trade Receivables (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables		
Considered good	4.30	5.34
Total	**4.30**	**5.34**

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 XVII
Restated Indian GAAP Unconsolidated Statement of Cash and Bank Balances
(Amount in INR million, unless otherwise stated)

Particulars	As at			
	Non-Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Cash and Cash equivalent				
Balance with banks				
In current accounts	-	-	17.50	63.29
Cheques on hand	-	-	75.53	2.34
Cash in hand	-	-	0.20	0.53
Total	**-**	**-**	**93.23**	**66.16**

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 XVIII
Restated Indian GAAP Unconsolidated Statement of Other assets
(Amount in INR million, unless otherwise stated)

Particulars	As at			
	Non-Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Cash and Cash equivalent				
Deposits with originai maturity for more than 12 months	104.53	-	-	-
	104.53	**-**	-	**-**

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 XIX
Restated Indian GAAP Unconsolidated Statement of Short-Term Loans and Advances
(Amount in INR million, unless otherwise stated)

Particulars	As at	
	31 March 2015	31 March 2014
Short-Term loans and advances		
Unsecured, considered good		
Security deposits	-	0.27
Advances recoverable in cash or kind or for value to be received	4.74	4.90
Doubtful		
Security deposits	-	0.84
Provision for doubtful advances	-	(0.84)
Other loans and advances		
Service tax input credit	5.18	1.05
Advance to employees	5.45	4.19
Advance tax/Tax deducted at source [Net off provision for tax Rs. Nil)	58.08	40.07
Advance against purchase of mutual fund	-	7.50
Receivable against sale of mutual fund	-	0.30
Prepaid expenses	15.72	13.28
Total Short-Term loans and advances	**89.17**	**71.56**

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 XX
Restated Indian GAAP Unconsolidated Statement of Revenue from operations
(Amount in INR million, unless otherwise stated)

Particulars	For the year ended	
	31 March 2015	31 March 2014
Revenue from operations		
Income from web services	1,728.90	1,357.46
Total	**1,728.90**	**1,357.46**

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

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXI
Restated Indian GAAP unconsolidated Summary Statement of Other Income
(Amount in INR million, unless otherwise stated)

Particulars	31 March 2015	31 March 2014	Nature: Recurring/ non-recurring	Related/Not related to business activity
Interest				
Others	-	0.58	Non-Recurring	Not related
Bank deposits	5.05	-	Recurring	Not related
Net gain on sale of current investments (non trade)	113.25	45.89	Recurring	Not related
Miscellaneous Income	-	0.01	Non-Recurring	Not related
Profit on sale of buildings	-	28.93	Non-Recurring	Not related
Excess provision written back	0.56	0.14	Non-Recurring	Not related
Total	**118.86**	**75.55**		

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXII
Restated Indian GAAP Unconsolidated Statement of Employee benefit expenses
(Amount in INR million, unless otherwise stated)

Particulars	For the year ended	
	31 March 2015	31 March 2014
Salaries, allowance and bonus	1,060.09	879.49
Contribution to provident and other funds	10.21	8.28
Gratuity expenses	19.02	11.81
Staff welfare expenses	47.65	39.31
Total	**1,136.97**	**938.90**

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

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXIII
Restated Indian GAAP Unconsolidated Statement of Other expenses
(Amount in INR million, unless otherwise stated)

Particulars	For the year ended	
	31 March 2015	31 March 2014
Content development expenses	185.54	82.53
Buyer Engagement Expenses	69.58	18.26
Customer Support Expenses	79.54	3.33
Outsourced sales cost	34.60	75.99
Internet and other online expenses	41.79	64.23
Rent	93.32	79.51
Rates and taxes	0.71	3.93
Communication costs	9.02	8.13
Advertisement expenses	200.16	69.32
Exhibition expenses	1.89	5.00
Power and fuel	19.01	21.55
Printing and stationery	7.79	7.38
Repairs and maintenance :		
- Plant and machinery	8.53	7.19
- Others	37.17	31.18
Travelling and conveyance	24.52	25.08
Recruitment and training expenses	30.35	20.20
Legal and professional fees	14.06	9.21
Directors' sitting fees	0.48	0.48
Payment to auditor	1.78	1.76
Insurance expenses	5.62	5.07
Business promotion	-	0.04
Provision for diminution in Investment in subsidiaries	-	1.20
Write off on Property, plant and equipment	-	3.51
Less: Provision for doubtful advances	-	0.76
Donation	-	0.25
General expenses	0.71	0.52
	866.17	**545.61**

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

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXIV
Restated Indian GAAP Unconsolidated Statement of Finance costs
(Amount in INR million, unless otherwise stated)

Particulars	For the year ended	
	31 March 2015	31 March 2014
Interest	0.09	0.14
Bank charges	4.41	2.97
	4.50	**3.11**

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

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXV
Restated Indian GAAP unconsolidated statement of Accounting Ratios
(Amount in INR million, unless otherwise stated)

S.No.	Particulars		31 March 2015	31 March 2014
1	Restated profit after tax	A	(189.79)	(76.93)
2	Less: Preference dividend for the year including tax thereon	B	-	-
3	**Net profit available to equity shareholders**	C= A+B	(189.79)	(76.93)
4	Number of equity shares outstanding at the end of the year	D	91,68,959	91,68,959
5	Number of Compulsory convertible preference shares outstanding at the end of the year	E	14,93,903	14,93,903
6	Weighted average number of equity shares considered for calculating basic earnings per share	F	1,83,37,918	1,83,37,918
7	Weighted average number of equity shares considered for calculating diluted earnings per share	G	1,83,37,918	1,83,37,918
8	Restated net worth (refer note 4 below)	H	(811.33)	(621.54)
9	**Accounting ratios:**			
	Basic earnings per share (Rs.)	C / F	(10.35)	(4.20)
	Diluted earnings per share (Rs.) (Refer Note 5 below)	A / G	(10.35)	(4.20)
	Return on Net Worth (%)	A / H	(23.39)	(12.38)
	Net asset value per equity share (Rs.)	H / D	(88.49)	(67.79)

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.) = $\dfrac{\text{Restated Net Profit/ (Loss) after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

b) Diluted Earnings per share (Rs.) = $\dfrac{\text{Restated Net Profit/ (Loss) after tax attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares}}$

c) Return on net worth (%) = $\dfrac{\text{Restated Net Profit/ (Loss) after tax attributable to equity shareholders}}{\text{Restated Net worth at the end of the year}}$

d) Net asset value per share (Rs.) = $\dfrac{\text{Restated net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year}}$

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 2015 and 31 March 2014 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 comings/(less) per share.

6. Subsequent to the Balance sheet date, the Company has alloted 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 calculatiing 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)

	Particulars	31 March 2015	31 March 2014
A	Restated loss before tax	(189.79)	(76.93)
B	Tax rate	30.90%	30.90%
C	Tax thereon at the above rate (A x B)		
D	**Permanent differences**		
	Expenses disallowed under Income Tax Act	0.22	2.26
	Exempt income of capital Gain u/s 10(38)	(52.21)	-
	(Profit) on sale of investments	-	12.51
	Loss/(Profit) on sale of FA	(0.00)	(28.93)
	Donation	-	0.25
	Interest on late deposit of TDS	0.20	0.00
	Assets written off	-	3.51
	Provision written back	-	(0.15)
	Total (D)	**(51.79)**	**(10.54)**
E	**Timing Differences**		
	Difference in book depreciation and Depreciation under Income Tax Act 1961 (“I.T. Act”)	15.09	8.83
	Expenses allowable on payment basis	(9.06)	(10.79)
	Provision for Dimmunition of Investments in subsidiaries	-	1.20
	Provision for gratuity	19.02	4.47
	Provision for leave encashment	9.06	13.08
	Provision for Bonus	0.32	0.48
	Straight line of leases	0.44	7.37
	Total (E)	**34.87**	**24.65**
F	**Net Adjustments (D +E)**	**(16.92)**	**14.11**
G	**Taxable income/(loss) before set off of losses**		
	Taxable at normal rate	**(206.72)**	**(62.82)**
	Taxable at special rate		
H	**Tax Expenses**		
	-Current tax	**-**	**-**
	-Deferred tax	**-**	**-**
I	**Brought forward Losses**		
	- Business losses	(1,463.24)	(1,413.91)
	- Unabsorberd depreciation	(124.75)	(111.26)
	- 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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXVII
Notes to the Restated Unconsolidated Summary Statement
(Amount in INR million, unless otherwise stated)

1. Related party disclosures, as required by notified Accounting Standard 18 - "Related Party Disclosures" are given below

a)

Particulars	**31 March 2015**	**31 March 2014**
Related parties where control exists		
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	
Related parties where transactions have been entered into during the year/ period		
Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
	Mansa Enterprises Pvt Ltd	Mansa Enterprises Pvt Ltd
Key Management Personnel	Mr. Dinesh Agarwal (Managing Director)	Mr. Dinesh Agarwal (Managing Director)
	Mr. Brijesh Agrawal (Whole time Director)	Mr. Brijesh Agrawal (Whole time Director)
	Mr. Prateek Chandra	Mr. Prateek Chandra
	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)
	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 2015	31 March 2014
1	Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
	Expenses for rent		
	Mansa Enterprises Private Limited	4.80	3.40
2	**Key Management Personnel**		
	Recruitment and training expenses		
	Dhruv Prakash	1.43	2.29
	Remuneration		
	Salaries, performance linked incentive and perquisites	38.09	29.58
3	**Reimbursement of expenses received from**		
	Tolexo online private limited	2.14	-
	Amount collected on behalf of and reimbursed to		-
	Tolexo online private limited	2.39	-
4	**Director's sitting fee**		
	Mr. Mahendra Kumar Chauhan	0.16	0.16
	Mr. Rajesh Sawhney	0.20	0.20
	Mr. Dhruv Prakash	0.12	0.12
	Balance Outstanding at the year end		
5	**Key Management Personnel**		
	Dinesh Agarwal	-	0.76
	Brijesh Kumar Agrawal	-	0.52
	Dhruv Prakash	-	-
	Balance Receivable at the year end		
5	**Investment in subsidiaries**		
	Tradezeal International Private Limited	1.10	1.10
	HelloTrade Online Private Limited	0.10	0.10
	Ten Times Online Private Limited	0.60	0.60
	Tolexo Online Pvt. Ltd	80.10	-

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

Particulars	31 March 2015	31 March 2014
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	0.71
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	6.21
Dividend on 0.01% Series A CCPS	0.31	0.26
Total	**7.70**	**7.18**

3. Capital Commitments

Particulars	31 March 2015	31 March 2014
Estimated amount of contract remaining to be executed on capital account not provided	-	-

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

(Amount in INR million, unless otherwise stated)

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 2015	31 March 2014
India	1,683.75	1,291.46
Others	45.15	66.00
Total	**1,728.90**	**1,357.46**

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 2015	31 March 2014
India	1,067.65	817.85
Other	4.30	5.34
Total	**1,071.95**	**823.19**

Particulars	31 March 2015	31 March 2014
India	21.26	4.24
Other	-	-
Total	**21.26**	**4.24**

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 2015	31 March 2014
Current service cost	5.61	2.18
Interest cost on benefit obligation	1.43	1.04
Expected return on plan assets	(0.24)	(0.35)
Net actuarial (gain) / loss recognized in the period	12.22	8.94
Net benefit expense	**19.02**	**11.81**
Actual return on plan assets	1.35	0.40

Balance Sheet

Benefit asset/liability

Particulars	31 March 2015	31 March 2014
Present value of defined benefit obligation	35.98	18.51
Fair value of planned assets	(11.60)	(2.64)
Plan (asset)/liability	**24.38**	**15.87**

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31 March 2015	31 March 2014
Opening defined benefit obligation	18.51	13.03
Defined benefit obligation pursuant to the scheme (refer note 36)	-	-
Current service cost	5.61	2.18
Interest cost	1.43	1.04
Benefits paid	(2.90)	(6.75)
Actuarial (gain) / losses on obligation	13.33	8.99
Closing defined benefit obligation	**35.98**	**18.49**

(Amount in INR million, unless otherwise stated)

Changes in fair value of planned assets are as follows:

Particulars	31 March 2015	31 March 2014
Opening fair value of planned assets	2.64	3.99
Expected return	0.24	0.35
Contribution by the employer	10.50	4.99
Benefits paid	(2.90)	(6.75)
Actuarial gain / (losses)	1.35	0.06
Closing fair value of planned assets	**11.83**	**2.64**

Estimated amounts of benefits payable within next year are set out in table below:

Particulars	31 March 2015	31 March 2014
Estimated amounts of benefits payable within next year	7.48	2.48
	7.48	**2.48**

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

Particulars	31 March 2015	31 March 2014
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 2015	31 March 2014
Discount rate	7.75%	8.75%
Expected rate of return on assets	9.00%	8.75%
Future salary increase	7.00%	7.00%
Attrition rate	For Service:4 years and below 75% p.a and 17% thereafter	Service related: 4 years and below 70% p.a. and 2% 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 2015	31 March 2014
Gratuity		
Defined benefit obligation	35.98	18.51
Plan assets	11.83	2.64
Surplus/(deficit)	24.15	15.86
Experience adjustments on plan liabilities: Gain/ (Loss)	13.33	7.98
Experience adjustments on plan assets: Gain/ (Loss)	1.11	0.06

(Amount in INR million, unless otherwise stated)

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 2015	31 March 2014
Lease payments (for non cancellable lease)	58.26	45.10

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	31 March 2015	31 March 2014
Within one year	79.66	46.97
After one year but not more than five years	171.19	115.41
More than five years	2.59	9.02
	253.44	**171.40**

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, 2015, and 2014, 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	4,53,420	Equity	0 to 48 Months
Plan II	March 15, 2012	January 25, 2012	November 10,2008	6,45,560	Equity	0 to 48 Months
Plan III	July 31, 2013	October 28, 2013	October 27,2012	24,000	Equity	0 to 48 Months

The details of activity under Plan I of ESOP scheme is as under

Particulars	As at			
	31 March 2015 (No of options)	Weighted average exercise price (in Rs)	31 March 2014 (No of options)	Weighted average exercise price (in Rs)
Outstanding at the beginning of the year	3,64,967	100	3,82,885	100
Granted during the year	Nil	Nil	Nil	Nil
Forfeited/expired during the year	Nil	Nil	17,918	100
Exercised during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	3,64,967	100	3,64,967	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 2015 (No of options)	Weighted average exercise price	31 March 2014 (No of options)	Weighted average exercise price (in Rs)
Outstanding at the beginning of the year	5,14,182	150	6,19,697	150
Granted during the year	Nil	Nil	Nil	Nil
Forfeited/expired during the year	13,123	150	1,05,515	Nil
Exercised during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	5,01,059	150	5,14,182	150
Exercisable at the end of the year	Nil	Nil	Nil	Nil

(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 2015 (No of options)	**Weighted average exercise price**	**31 March 2014 (No of options)**	**Weighted average exercise price (in Rs)**
Outstanding at the beginning of the year	24,000	150	NA	Nil
Granted during the year	NA	NA	24,000	150
Forfeited/expired during the year	NA	NA	Nil	Nil
Exercised during the year	NA	NA	Nil	Nil
Outstanding at the end of the year	24,000	150	24,000	150
Exercisable at the end of the year	NA	NA	Nil	Nil

The details of exercise price for stock options outstanding under plan I are as under

Particulars	**31 March 2015**	**31 March 2014**
Range of exercise prices	100	100
Number of options outstanding	3,64,967	3,64,967
Weighted average remaining contractual life of options (in years)	2.25	3.25
Weighted average exercise price	100	100

The details of exercise price for stock options outstanding under plan II are as under

Particulars	**31 March 2015**	**31 March 2014**
Range of exercise prices	150	150
Number of options outstanding	5,01,059	5,14,182
Weighted average remaining contractual life of options (in years)	2.54	3.54
Weighted average exercise price	150	150

The details of exercise price for stock options outstanding under plan III are as under

Particulars	**31 March 2015**	**31 March 2014**
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	4.5
Weighted average exercise price	150	150

Particulars	**31 March 2015**	**31 March 2014**
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

Plan I

Particulars	**31 March 2015**	**31 March 2014**
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 2015**	**31 March 2014**
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%

Plan III

Particulars	**31 March 2015**	**31 March 2014**
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%

Effect of the employee share-based payment plans on the statement on profit and loss and on its financial position:

Particulars	**31 March 2015**	**31 March 2014**
Total Employee Compensation Cost pertaining to share-based payment plans	Nil	(0.18)
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

(Amount in INR million, unless otherwise stated)

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 2015	31 March 2014
Restated Loss as reported	(189.79)	(76.93)
Add: Employee stock compensation under intrinsic value method	-	(0.18)
Less: Employee stock compensation under fair value method	-	0.29
Proforma profit	(189.79)	(76.82)
Earnings Per Share		
Basic		
- As reported	(20.70)	(8.39)
- Proforma	(20.70)	(8.39)

8 Details of dues to micro and small enterprises as defined under MSMED Act 2006.

Particulars	31 March 2015	31 March 2014
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 2015	31 March 2014
Internet and other online expenses	22.93	14.46
Content development expenses	11.32	7.28
Buyer engagement expenses	7.12	5.76
Customer support expenses	0.02	0.00
Advertisement expenses	1.39	0.14
Recruitment and training expenses	0.71	-
Other expenses	0.41	-
	43.90	**27.64**

10 Earnings in foreign currency (accrual basis)

Particulars	31 March 2015	31 March 2014
Web services	45.15	66.01
	45.15	**66.01**

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, 2018, 2017 and 2016, profits and losses, cash flows and changes in equity for each of the years ended March 31, 2018, 2017 and 2016 of IndiaMART InterMESH Limited (collectively, the "Restated Ind AS Consolidated Summary Statements")

To
The Board of Directors
IndiaMART InterMESH Limited
7th and 8th 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 and for each of the years ended March 31, 2018, 2017 and 2016 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document 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. Sub-section (1) of 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 Draft Red Herring Prospectus ("DRHP"), 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 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, 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, 2018, prepared in accordance with have been prepared under Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act and which have been approved by the Board of Directors at their meetings held on June 22, 2018; and

   b. the audited consolidated financial statements of the Company as at and for each of the years ended March 31, 2017 and 2016 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 July 28, 2016, respectively; 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, 2018.
Paywith IndiaMart Private Limited	Pankaj Priti & Associates	As at and for the year ended March 31, 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, 2018, 2017 and 2016.
Tradezeal International Private Limited	Pankaj Priti & Associates	As at and for each of the years ended March 31, 2018, 2017 and 2016.
Hello Trade Online Private Limited	Pankaj Priti & Associates	As at and for each of the years ended March 31, 2018, 2017 and 2016.

6. For the purpose of our examination, we have relied on:

   a. 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;

   b. Auditors' Report issued by us dated October 17, 2017 and July 28, 2016 on the Consolidated financial statements of the Group as at and for each of the years ended March 31, 2017 and 2016, respectively; as referred in Para 5(a) above; and

c. 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	**As at and for the year ended (Amounts in INR Million)**		
	March 31, 2018	**March 31, 2017**	**March 31, 2016**
Total Assets	69.23	16.23	4.82
Total revenue	70.00	49.69	36.69
Profit/(Loss) before Tax	(6.95)	(12.28)	2.40
Net Cash Inflow/(outflow)	11.77	(1.76)	1.80

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, 2018 are materially consistent with the policies adopted for each of the year ended March 31, 2017 and 2016 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, 2018, 2017 and 2016, 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 years ended March 31, 2018, 2017 and 2016, 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 years ended March 31, 2018, 2017 and 2016, 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 years ended March 31, 2018, 2017 and 2016, 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, 2018 are materially consistent with the policies adopted as at and for each of the years ended March 31, 2016 and 2015. 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, 2018, 2017 and 2016 and for each of the years ended March 31, 2018, 2017 and 2016 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, 2018. Accordingly, we express no opinion on the financial position, results of operations, cash flows and changes in equity of the Company as of any date or for any period subsequent to March 31, 2018.

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 DRHP, 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 each of the years ended March 31, 2018, 2017 and 2016:

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 Deferred Revenue, enclosed as Annexure XX;
xv. Restated Consolidated Statement of Other Liabilities, enclosed as Annexure XXI;
xvi. Restated Consolidated Statement of Revenue, 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 offer document to be filed with SEBI, National Stock Exchange of India Limited and BSE Limited 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: Noida
Date: June 22, 2018

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure I
Restated Ind AS Consolidated Summary Statement of Assets and Liabilities
(Amounts in INR million, unless otherwise stated)

S.No.	Particulars	Annexures	As At		
			31 March 2018	31 March 2017	31 March 2016 (Proforma)
	Assets				
A	**Non-Current Assets**				
	Property, plant and equipment	VII	72.86	74.80	98.23
	Capital work in progress	VII	1.77	1.77	1.77
	Intangible assets	VII	7.80	12.33	8.26
	Financial Assets				
	(i) Investments	XIII	-	-	-
	(ii) Loans	VIII	0.92	1.76	0.33
	(iii) Bank deposits	IX	302.20	-	113.52
	(iv) Others financial assets	X	35.27	39.74	34.28
	Deferred tax assets (net)	XI	1,155.57	-	-
	Other non-current assets	XII	6.78	11.79	12.66
	Total non-current assets		**1,583.17**	**142.19**	**269.05**
B	**Current assets**				
	Financial assets				
	(i) Investments	XIII	3,110.70	1,362.62	1,286.30
	(ii) Trade receivables	XIV	6.79	5.31	2.41
	(iii) Cash and cash equivalents	IX	467.11	176.59	187.47
	(iv) Bank deposits	IX	-	229.96	-
	(v) Loans	VIII	63.20	14.50	9.62
	(vi) Others financial assets	X	41.44	36.47	18.09
	Current tax assets (Net)	XV	91.15	83.07	73.17
	Other current assets	XII	63.57	158.35	100.35
	Total current assets		**3,843.96**	**2,066.87**	**1,677.41**
	Total assets (A+B)		**5,427.13**	**2,209.06**	**1,946.46**
	Equity and liabilities				
C	**Equity**				
	Equity share capital	XVI	99.77	91.69	91.69
	Other equity	IV	(3,312.46)	(3,992.15)	(3,362.42)
	Equity attributable to equity holders of the parent		**(3,212.69)**	**(3,900.46)**	**(3,270.73)**
	Non-controlling interests	IV	**0.46**	**0.27**	**0.09**
	Total equity		**(3,212.23)**	**(3,900.19)**	**(3,270.64)**
	Liabilities				
D	**Non-current liabilities**				
	Financial liabilities				
	(i) Share buyback obligation	XVII	3,729.30	2,460.90	2,195.18
	(ii) Other financial liabilities	XVIII	2.62	5.36	6.66
	Provisions	XIX	59.31	17.31	4.88
	Deferred revenue	XX	1,660.91	1,213.32	921.96
	Total non-current liabilities		**5,452.14**	**3,696.89**	**3,128.68**
E	**Current liabilities**				
	Financial liabilities				
	(i) Trade payables	XVIII	418.92	302.40	376.35
	(ii) Other financial liabilities	XVIII	0.18	0.17	0.17
	Provisions	XIX	47.94	39.57	34.90
	Current tax liabilities (net)	XV			0.10
	Deferred revenue	XX	2,259.23	1,718.45	1,438.74
	Other current liabilities	XXI	460.95	351.77	238.16
	Total current liabilities		**3,187.22**	**2,412.36**	**2,088.42**
	Total liabilities (D+E)		**8,639.36**	**6,109.25**	**5,217.10**
	Total equity and liabilities (C+D+E)		**5,427.13**	**2,209.06**	**1,946.46**

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 Agarwal
Managing Director

Brijesh Agrawal
Director

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

Noida
22nd June 2018

Noida
22nd June 2018

Noida
22nd June 2018

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure II
Restated Ind AS Consolidated Summary Statement of Profits and Losses
(Amounts in INR million, unless otherwise stated)

S. No.	Particulars	Annexures	For the years ended 31 March 2018	31 March 2017	31 March 2016 (Proforma)
A	**Income**				
	Revenue from operations	XXII	4,105.08	3,177.63	2,457.53
	Net gain on financial assets measured at FVTPL	XXIII	161.63	119.14	37.17
	Other income	XXIV	28.55	22.59	15.39
	Total income		**4,295.26**	**3,319.36**	**2,510.09**
B	**Expenses**				
	Employee benefits expense	XXV	1,948.57	2,096.74	1,819.22
	Depreciation and amortization expense	VII	28.85	46.32	36.82
	Net loss on financial liability designated at FVTPL	XVII	1,228.62	192.79	70.90
	Other expenses	XXVI	1,690.19	1,624.95	1,894.28
	Total expenses		**4,896.23**	**3,960.80**	**3,821.22**
C	**Restated Loss before tax**	-	**(600.97)**	**(641.44)**	**(1,311.13)**
	Income tax expense				
	Current tax	XI	1.81	2.02	4.55
	Deferred tax credit	XI	(1,150.37)	-	-
	Total tax expense		**(1,148.56)**	**2.02**	**4.55**
D	**Profit / (Loss) for the year**		**547.59**	**(643.46)**	**(1,315.68)**
E	**Other comprehensive income (OCI)**				
	Items that will not be reclassified to profit or loss in subsequent periods				
	Re-measurement losses on defined benefit plans		(14.36)	(5.60)	(3.78)
	Income tax effect		5.20	-	-
	Other comprehensive loss for the year, net of tax		**(9.16)**	**(5.60)**	**(3.78)**
F	**Total comprehensive income / (loss) for the year**		**538.43**	**(649.06)**	**(1,319.46)**
	Attributable to:				
	Equity holders of the parent		538.24	(649.24)	(1,319.52)
	Non-controlling interests		0.19	0.18	0.06

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 Agarwal
Managing Director

Brijesh Agrawal
Director

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

Noida
22nd June 2018

Noida
22nd June 2018

Noida
22nd June 2018

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure III
Restated Ind AS Consolidated summary statement of cash flows
(Amounts in INR million, unless otherwise stated)

S. No.	Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
A	**Cash flow from operating activities:**			
	Loss before tax (as restated)	**(600.97)**	**(641.44)**	**(1,311.13)**
	Adjustments to reconcile profit before tax to net cash flow:			
	Depreciation of Property, plant and equipment	23.91	42.68	32.21
	Amortisation of Intangible assets	4.94	3.64	4.61
	Other Income	(28.02)	(22.59)	(15.39)
	Fair value change in investment in mutual funds	(89.09)	(100.11)	(13.51)
	Fair value change in share buyback obligation	1,228.62	192.79	70.90
	(Gain)/loss on disposal of property, plant and equipment	(0.53)	0.03	-
	Share-based payment expense	36.83	19.51	10.28
	(Gain)/loss on disposal of mutual fund investments	(72.54)	(19.03)	(23.81)
	Allowances for doubtful debts and advances	-	5.00	-
	Operating loss/(profit) before working capital changes	**503.15**	**(519.52)**	**(1,245.84)**
	Movement in working capital :			
	(Increase)/decrease in trade receivables	(1.48)	(2.89)	1.89
	(Increase)/decrease in other financial assets	(48.38)	(35.13)	(21.75)
	(Increase)/decrease in other assets	99.83	(57.19)	(68.25)
	Increase/(decrease) in other financial liabilities	(2.73)	(1.30)	(3.61)
	Increase/(decrease) in trade payables	116.52	(73.96)	108.62
	Increase in other liabilities	1,097.54	684.68	701.88
	Increase/(decrease) in provisions	36.01	11.50	(9.59)
	Cash generated from/ (used in) operations	**1,800.46**	**6.19**	**(536.65)**
	Income tax paid (net)	(9.90)	(12.01)	(18.62)
	Net cash from/(used in) operating activities (A)	**1,790.56**	**(5.82)**	**(555.27)**
B	**Cash flow from investing activities**			
	Proceeds from sale of property, plant and equipment	1.06	0.02	-
	Purchase of property, plant and equipment and other intangible assets	(22.92)	(27.01)	(74.17)
	Purchase of mutual fund investments	(3,241.70)	(1,599.56)	(2,359.09)
	Proceeds from sale of mutual fund investments	1,655.25	1,642.41	1,741.26
	Interest received	28.02	22.59	15.39
	Investments in bank deposits (having original maturity of more than three months)	(72.24)	(116.44)	(5.50)
	Net cash from/(used in) investing activities (B)	**(1,652.53)**	**(77.99)**	**(682.11)**
C	**Cash flow from financing activities**			
	Proceeds from issues of preference shares under share buyback obligation	39.78	72.93	1,326.00
	Proceeds from issues of equity shares on exercise of ESOP	112.71	-	-
	Interest paid	-	-	(0.03)
	Repayment of short-term borrowings	-	-	(0.57)
	Net cash from/(used in) financing activities (C)	**152.49**	**72.93**	**1,325.40**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**290.52**	**(10.88)**	**88.02**
	Cash and cash equivalents at the beginning of the year	176.59	187.47	99.45
	Cash and cash equivalents at end of the year	**467.11**	**176.59**	**187.47**
	Components of cash and cash equivalents			
	Cash on hand	1.03	0.20	0.12
	Cheques on hand	121.42	82.36	94.45
	With banks - on current account	344.66	90.28	90.58
	- On nodal accounts	-	3.75	2.32
	Total	**467.11**	**176.59**	**187.47**

Non-cash financing activities			
Fair value change in share buyback obligations	1228.62	192.79	70.9

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

per Yogesh Midha
Partner
Membership No.: 94941

Noida
22nd June 2018

For and on behalf of the Board of Directors of
IndiaMart InterMesh Limited

Dinesh Agarwal
Managing Director

Brijesh Agrawal
Director

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

Noida
22nd June 2018

Noida
22nd June 2018

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure IV
Restated Ind AS Consolidated Statement of changes in equity
(Amounts in INR million, unless otherwise stated)

Particulars	Equity Share Capital	Reserve and surplus				Total reserve and surplus	Non-controlling interests	Total Other Equity
		Share premium	General reserve	Employee share based payment reserve	Retained earnings			
Balance as at 1 April 2015 - Proforma	**91.69**	**153.03**	**8.45**	**26.62**	**(2,241.29)**	**(2,053.19)**	**0.03**	**(2,053.16)**
Loss for the year	-	-	-		(1,315.75)	(1,315.75)	0.06	(1,315.69)
Other comprehensive loss	-	-	-		(3.78)	(3.78)		(3.78)
Total comprehensive loss	-	-	-	-	**(1,319.53)**	**(1,319.53)**	**0.06**	**(1,319.47)**
Issue of equity Shares	-	0.02	-	-	-	0.02		0.02
Employee share based payment expense	-	-	-	10.28	-	10.28	-	10.28
Balance as at 31 March 2016 - Proforma*	**91.69**	**153.05**	**8.45**	**36.90**	**(3,560.82)**	**(3,362.42)**	**0.09**	**(3,362.33)**
Balance as at 1 April 2016*	**91.69**	**153.05**	**8.45**	**26.63**	**(3,550.55)**	**(3,362.42)**	**0.09**	**(3,362.33)**
Loss for the year	-	-	-	-	(643.64)	(643.64)	0.18	(643.46)
Other comprehensive loss	-	-	-	-	(5.60)	(5.60)		(5.60)
Total comprehensive loss	-	-	-	-	**(649.24)**	**(649.24)**	**0.18**	**(649.06)**
Employee share based payment expense	-	-	-	19.51		19.51		19.51
Balance as at 31 March 2017	**91.69**	**153.05**	**8.45**	**46.14**	**(4,199.79)**	**(3,992.15)**	**0.27**	**(3,991.88)**
Profit for the year	-	-	-	-	547.40	547.40	0.19	547.59
Other comprehensive loss	-	-	-	-	(9.16)	(9.16)		(9.16)
Total comprehensive loss	-	-	-	-	**538.24**	**538.24**	**0.19**	**538.43**
Transactions with owners in their capacity as owners:								
Issue of equity shares 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
Balance as at 31 March 2018	**99.77**	**279.49**	**8.45**	**61.15**	**(3,661.55)**	**(3,312.46)**	**0.46**	**(3,312.00)**

Notes:

*Opening balance of employee share based payment reserve as at 1 April 2016 is different from the restated closing balance as at 31 March 2016 due to the difference in the transition date for adoption of Ind AS financial statements (i.e. 1 April 2016) and for preparation of proforma numbers (i.e. 1 April 2015). Ind AS 101 allows an entity not to apply Ind AS 102 Share-based payments to equity instruments that vested before the date of transition to Ind AS. Accordingly, the expense for the options vested during the year 2015-16 has been recognised in the proforma numbers only which has resulted in a difference of INR 10.27 million.

1. The figures disclosed above are based on the Restated Ind AS Consolidated Financial Information 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.

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 Agarwal
Managing Director

Brijesh Agrawal
Director

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

Noida
22nd June 2018

Noida
22nd June 2018

Noida
22nd June 2018

1. Corporate Information

IndiaMART Intermesh Limited ("the Company" or "the Parent Company") is a public company domiciled in India and was incorporated on September 13, 1999 under the provisions of the Companies Act applicable in India. The company and its consolidated subsidiaries (hereinafter collectively referred to as "the Group") is engaged in e-marketplace for business needs, which acts as an interactive hub for domestic and international buyers and suppliers. The registered office of the Company is located at 1st Floor, 29-Daryagang, Netaji Subash Marg New Delhi-110002, India.

The consolidated financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on 22th June 2018.

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 2018; 2017 and 2016 and 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 2018; 2017 and 2016 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 draft red herring prospectus to be filed by the Group with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering ("IPO") of equity shares of the Company.

These Restated Ind AS Consolidated Financial Information have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 and requirement of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013, as amended read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014.

These restated Ind AS consolidated financial information have been 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs ('MCA') 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) Audited financial statements of the Group as at and for the year ended March 31, 2018 which include the comparative Ind AS financial statements as at and for the year ended March 31, 2017 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 Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs ('MCA'); and

b) Proforma Ind AS financial statements ("Proforma FS 2016") as at and for the year ended March 31, 2016. These Proforma FS 2016 have been prepared by making Ind AS adjustments to the audited previous GAAP financial statements as at and for the year ended March 31, 2016 in accordance with the provisions of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance Note on Reports in Company Prospectuses (Revised 2016) ("Guidance Note").

For the preparation of Proforma Ind AS Financial statements as at and for the year ended 31 March 2016, following accounting policy choices/ restatements were made:

i) Ind AS transition adjustments and accounting policy choices as initially adopted on 1 April 2016 were effected from 1 April 2015 for the preparation of Proforma Ind AS financial information;

ii) Opening balance sheet was restated to recognise all assets and liabilities whose recognition is required by Ind AS;

iii) All mandatory exceptions and optional exemptions available under Ind AS 101 was analysed on case to case basis for the first-time adoption and restatement adjustments were made accordingly. For details of assumptions and exceptions refer serial no 4 for First Time Adoption of Ind AS

iv) In accordance with Ind AS 101, the Group has elected to continue with the carrying value for all of its property, plant and equipment including capital work-in-progress and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the same accounting policy choice has been followed as at 1 April 2015 for the purpose of measuring property plant and equipment including capital work in progress and intangible assets.

v) In accordance with Ind AS 101, the Group has elected to no to apply Ind AS 102 "Share based payment" to equity instruments that vested before the date of transition to Ind AS. Accordingly, the same accounting policy choice has been followed as at 1 April 2015 for the purpose of measuring employee share based payment reserve.

Therefore, the accounting policies set out elsewhere in this document should be read along with the approach adopted for the preparation of the financial information as set out in (i) to (v) above.

These restated consolidated financial statements for the year ended March 31, 2018 are the first the Group has prepared in accordance with Ind AS. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('IGAAP'), which is considered as the previous GAAP, for purposes of Ind AS 101. Refer to point no 5 to this annexure below for detailed information on how the Group transitioned to Ind AS.

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.

Further, though the Group has negative net worth of INR 3,212.69 mn (Previous Year: INR 3,900.46 mn) but in view of the substantially improved operational performance and cash generated from operations, the management considers it appropriate to prepare these accounts on a going concern basis. To quantify, the revenue from operations has increased from INR 3,177.63 mn in 2016-17 to INR 4,105.08 mn in 2017-18 and cash generated from operations have increased from negative INR 5.82 mn in 2016-17 to INR 1,790.56 mn in 2017-18.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(Amounts in INR million, unless otherwise stated)

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group had the following subsidiaries (The Parent Company together with its subsidiaries are hereinafter collectively referred as the 'Group'):

S. No.	Name of subsidiaries and date of shareholding	Proportion of ownership interest as at 31 March 2018	Proportion of ownership interest as at 31 March 2017
1	Tradezeal International Private Limited (from May 31,2005)	100.00%	100.00%
2	Hello Trade Online Private Limited (from July 03,2008)	100.00%	100.00%
3	Ten Times Online Private Limited (from February 26, 2014)	96.26%	96.26%
4	Tolexo Online Private Limited (from May 28, 2014)	100.00%	100.00%
5	Pay With IndiaMART Private Limited (from February 7, 2017)	100.00%	100.00%

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March since the Group's subsidiaries have the same reporting period end.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill, if any) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Summary of significant accounting policies

The accounting policies, as set out in the following paragraphs of this 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 no 3 of this annexure)
- Disclosures for valuation methods and quantitative disclosure of fair value measurement hierarchy (serial no 9 of Annexure XXIX)

c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of government.

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

Rendering of services

Revenue from development, hosting and promotion of web catalogues are recognised pro-rata over the period of the contract as and when services are rendered. Revenues from lead-based services are recognised as and when leads are consumed by the customer or on the expiry of contract whichever is earlier.

Activation revenue are amortised over the estimated customer relationship period. However, any excess of activation costs over activation revenue are expensed as incurred.

Revenue from marketing fees & service fee is recognized as and when the services are rendered. The Group provides services of marketing exhibitions, trade shows and concerts for the clients. Revenue is recognized as and when the services are rendered.. The Group collects GST on behalf of Government and therefore it is not an economic benefit. Hence, it is excluded from revenue.

The unaccrued amounts are not recognised as revenue till all related performance obligation are fulfilled and are reflected in balance sheet as deferred revenue (income received in advance).

Interest income

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

Dividends

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

d) Property, plant and equipment

Capital work in progress and property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates then separately based on their specific useful lives.

Capital work in progress includes cost of property, plant and equipment under development as at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

The Group has adopted component accounting as required under Schedule II to the Companies Act, 2013. The Group identifies the components separately, if it has useful life different from the respective property, plant and equipment.

Based on the analysis, Group believes that it does not have any asset having useful life of its major components different from the property, plant and equipment, hence Group believes that there is no material impact on the financial statement of the Group due to component accounting.

<u>Transition to Ind AS</u>

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 useful lives prescribed under Schedule II to Companies Act, 2013. The Group has used the following rates to provide depreciation on its Property, plant and equipment:

Asset	Annual rates
Computers	63.16%
Furniture and fittings	26.89%
Office equipment	45.07%
Vehicles	25.89%

Leasehold improvements are depreciated on a straight line basis over the lease period or assessed useful life of three years, whichever is lower.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Intangible assets

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

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

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

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

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

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

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

<u>Transition to Ind AS</u>

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 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

<u>Current Income tax</u>

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.

<u>Deferred Tax</u>

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

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

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

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

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

i) Provisions and contingent liabilities

Provisions

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

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

<u>Contingent liabilities</u>

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

<u>Short-term obligations</u>

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.

<u>Post-employment obligations</u>

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan for its employees i.e. gratuity. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Other long-term employee benefit obligations

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gain/loss are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

k) Share-based payments

Employees of the Group also receive remuneration in the form of share based payment transactions under Group's Employee stock option plan (ESOP).

Equity settled transaction

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

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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

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

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

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

l) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans to employees, trade and other receivables. For more information on receivables, refer to 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.

<u>Derecognition</u>

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.

<u>Impairment of financial assets</u>

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

<u>Initial recognition and measurement</u>

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.

<u>Subsequent measurement</u>

The measurement of financial liabilities depends on their classification, as described below:

<u>Financial liabilities at fair value through Profit or Loss:</u>

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as

FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has designated convertible preference shares issued with share buyback obligation, to be measured at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.This category generally applies to borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) Foreign currency transactions

The Group’s financial statements are presented in INR which is also the Group’s functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

p) Segment reporting

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group activities of providing e-marketplace for business goods is considered to be a single business segment. The analysis of geographical segments is based on the areas in which customers are based.

Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

q) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. Significant accounting estimates and assumptions

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Group considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has recognised deferred tax assets on the unused tax losses and other deductible temporary differences since the management is of the view that it is probable the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

The Group has tax business and capital losses carried forward amounting to INR 318.72 million (31 March 2017: INR 4,055.10 million; 31 March 2016 proforma: 3,550.61). 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 XXXI.

c) Deferred revenue

The Group recognise the activation fee received in advance over the estimated customer churn period of two years. The estimate is based on the historical trend analysis of the time period over which the customer is expected to be associated with the Group. The Group reviews its estimate at each reporting date.

d) Defined benefit plans (gratuity benefit)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Further details about gratuity obligations are given in serial no 2 of Annexure XXXI.

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 XXXI for further disclosures.

f) Useful life of assets considered for depreciation of Property, Plant and Equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed at each financial year end.

4. **Standards issued but not yet effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 ***Revenue from Contracts with Customers***

On March 28, 2018, Ministry of Company Affairs ('MCA') has notified that Ind AS 115 will be effective for accounting periods beginning on or after April 1, 2018. Group's first quarter 2018-19 interim financial statements will be first financial statements issued in accordance with Ind AS 115. Ind AS 115 supersedes current accounting standards for revenue, including Ind AS 18, Revenue and Ind AS 11, Construction Contracts.

Ind AS 115 introduces a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other Ind ASs. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps:

(i) Identify the contract with a customer;
(ii) Identify the performance obligations in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations in the contract; and
(v) Recognize revenue when (or as) the entity satisfies a performance obligation.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The new standard also provides guidance relating to principal versus agent relationships, licences of intellectual property, contract costs and the measurement and recognition of gains and losses on the sale of certain non-financial assets such as property, plant and equipment. Additional disclosures will also be required under the new standard.

The Group has performed preliminary impact analysis of the application of the new standard. The Group do not expect the application of Ind AS 115 to affect the cash flows from operations or the methods and underlying economics through which the Group transact with the customers.

Significant judgment is needed to define the enforceable rights and obligations of a contract and to determine when the customer obtains control of the distinct good or service.

Under Ind AS 115, certain practical expedients are permitted both on transition and on an ongoing basis:

- On transition, completed contracts that begin and end within the same annual reporting period and those completed before April 1, 2018 are not restated.
- When the Group's right to consideration from a customer corresponds directly with the value to the customer of the products and services transferred to date, the Group will recognize revenue in the amount to which the Group have a right to invoice.
- Costs of obtaining a contract that would be amortized within one year or less will be immediately expensed.

The Group continue to make progress towards adoption of Ind AS 115 according to the detailed implementation plan. Changes and enhancements to the existing information technology (IT) systems, business processes, and systems of internal control are being completed. A dedicated project team that leverages key resources throughout the Group is in place to effect the necessary changes.

Under Ind AS 115, the Group can elect to use either the full retrospective method or the modified retrospective method. Under the full retrospective method, the Group need to recognize the cumulative effect of applying the new standard at the start of the earliest period presented whereas under modified retrospective method, the Group need to recognize the cumulative effect of applying the new standard at the date of initial application, with no restatement of the comparative periods presented. The Group is still evaluating the method to be adopted for the application of new revenue standard, therefore the impact on financial statements is not ascertainable

Amendments to Ind AS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Group.

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity’s interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

Since, the Group has not classified its interest in subsidiaries as held for sale therefore, the amendment is not applicable to the Group.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management’s intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight. The amendments are effective for annual periods beginning on or after 1 April 2018.

The Group does not have any investment property and also not intends to undergo any transfer of its property into investment property. Therefore, the amendment is not applicable to the Group.

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. Since the Group does not have any investment in associates and joint ventures therefore, these amendments are not applicable to the Group.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or
(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its consolidated financial statements.

5. First Time Adoption of Ind AS

As mentioned in basis of preparation of financial statements, the principal adjustments made by the Group in restating its previous GAAP financial statements have been explained in below para:

A. Exemptions Applied:-

"Ind AS 101 First-Time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain Ind AS.

The Group has applied the following exemptions:"

a) Deemed cost

"Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment including capital work-in-progress as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets including intangible assets under development covered by Ind AS 38 Intangible assets.

Accordingly, the Group has elected to measure the above mentioned assets at their previous GAAP carrying value."

b) Leases

Ind AS 101 allows an entity to apply Appendix C of Ind AS 17 "Determining whether an Arrangement contains a Lease" to determine whether an arrangement existing at the date of transition to Ind ASs contains a lease on the basis of facts and circumstances existing at the date of transition to Ind AS. Accordingly, the Group has elected to use exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

c) Share based payment

Ind AS 101 allows an entity not to apply Ind AS 102 Share-based payment to equity instruments that vested before the date of transition to Ind AS. Accordingly, the Group has elected to use exemption and has not applied Ind AS 102 on the options granted and vested before the date of transition to Ind AS.

B. The following mandatory exceptions have been applied:

a) Estimates

"The Group’s estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 and 31 March 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Group made estimates for following item in accordance with Ind AS at the date of transition as this was not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model

- Initial and subsequent measurement of share buy back obligation

- Determination of the discounted value for financial instruments carried at amortised cost"

b) Classification and measurement of financial assets

"Ind AS 101 requires an entity to assess classification and measurement of financial assets into amortised cost or FVTOCI on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification and measurment of financial assets into amortised cost or FVTOCI based on the facts and circumstances that exist on the date of transition. "

c) De-recognition of financial assets and liabilities

"Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity’s choosing provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS."

d) Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

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Annexure V
Ind AS Consolidated Statement of reconciliation of equity as per previous GAAP and Ind AS
(Amounts in INR million, unless otherwise stated)

Reconciliation of equity as per previous GAAP and Ind AS for year ended March 31, 2017 and March 31, 2016 and as at March 31, 2015 is as under:

The summary of results of restatement made in the audited previous Ind AS Consolidated financials statements for the respective years and its impact on the profit of the Group is as follows:

Particulars	Note	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma
Total equity under previous GAAP		(1,147.63)	(772.98)	(939.72)
Effect of transition to Ind AS on account of (Refer Note B (i) below):		-	-	-
Reclassification of certain equity and preference shares as financial liabilities	b	(1,877.30)	(1,815.98)	(490.00)
Impact of discounting of security deposit	a	(1.14)	(0.80)	(0.50)
Gain/(loss) on financial liabilities measured at fair value through profit or loss	b	(583.60)	(379.20)	(204.40)
Gain/(loss) on financial assets measured at fair value through profit or loss	c & e	142.62	35.43	30.83
Deferred revenue and contract modification	f	(437.24)	(341.52)	(256.16)
Others	g	3.83	4.32	2.35
		(2,752.83)	**(2,497.75)**	**(917.88)**
Total equity under Ind AS		**(3,900.46)**	**(3,270.73)**	**(1,857.60)**

Reconciliation of profit after tax as previously reported under IGAAP to Ind AS

Particulars	Note	31 March 2017	31 March 2016 (Proforma)
Net loss as per audited financial statements		(450.01)	(1,159.19)
Material adjustments on account of restatement			
Proforma Ind AS adjustments (Refer Note B (i) below):		-	-
Rental expense on amortisation of security deposit	a	(5.00)	(2.36)
Finance income on amortisation security deposit	a	2.85	2.06
Gain/(loss) on financial liability measured at fair value through profit or loss	b	(192.79)	(70.88)
Gain/(loss) on financial assets measured at fair value through profit or loss	c &e	108.62	4.60
Fair value adjustment related to Employee stock option plan	d	(11.32)	(10.28)
Deferred revenue and contract modification	f	(95.72)	(85.36)
Others	g	(5.71)	1.96
Total		**(199.07)**	**(160.26)**
Restated total comprehensive income		**(649.08)**	**(1,319.45)**

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 as at 31 March 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 (INR 8.96 mn as at 31 March 2016). 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 as at 31 March 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.

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.

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Annexure VI
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 financials statements for the respective years and its impact on the profit of the Group is as follows:

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Net loss as per audited financial statements (A)	547.59	(643.46)	(1,315.68)
Restatement adjustments:			
a. Material items relating to previous years	-	-	-
Total impact of restatement adjustments (B)	-	-	-
Net profit as per restated financial statements (A)-(B)	**547.59**	**(643.46)**	**(1,315.68)**

B **Non adjusting items**

Audit qualifications for the respective years, which do not require any adjustments in the restated Ind AS Consolidated financial information are as follows:

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Annexure VII
Restated Ind AS Consolidated Statement of Property, plant and equipment and Intangible assets
(Amounts in INR million, unless otherwise stated)

Property, plant and equipment

Particulars	Leasehold Land (refer note 3)	Computers	Office Equipments	Furniture & Fittings	Motor Vehicles	Total Property, plant and equipment	Capital work in progress
Gross carrying amount							
Deemed cost as at 1 April 2015 - Proforma	**37.59**	**7.65**	**9.45**	**2.73**	**1.36**	**58.78**	**1.77**
Additions	-	56.98	12.41	2.23	0.04	71.66	-
At 31 March 2016 - Proforma	**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**
						-	
Accumulated depreciation						-	
As at 1 April 2015 - Proforma	-	-	-	-	-	-	-
Charge for the year	**0.46**	**22.87**	**7.23**	**1.25**	**0.40**	32.21	-
Disposals	-	-	-	-	-		-
At 31 March 2016 - Proforma	**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**	**-**
Net book value	-	-	-	-	-	-	-
At 1 April 2015 - Proforma	**37.59**	**7.65**	**9.45**	**2.73**	**1.36**	**58.78**	**1.77**
At 31 March 2016 - Proforma	**37.13**	**41.76**	**14.63**	**3.71**	**1.00**	**98.23**	**1.77**
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**

Intangible Assets

Particulars	Software	Unique telephone numbers	Total
Gross carrying amount			
Deemed cost as at 1 April 2015 - Proforma	**2.51**	**7.85**	10.36
Additions	**2.51**	**-**	2.51
At 31 March 2016 - Proforma	**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**
Accumulated amortisation			
As at 1 April 2015 - Proforma	-	-	-
Charge for the year	**1.46**	**3.15**	4.61
At 31 March 2016 - Proforma	**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
Net book value			
At 1 April 2015 - Proforma	**2.51**	**7.85**	**10.36**
At 31 March 2016 - Proforma	**3.56**	**4.70**	**8.26**
At 31 March 2017	**9.51**	**2.82**	**12.33**
At 31 March 2018	**6.11**	**1.69**	**7.80**

Depreciation and amortisation expenses

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Depreciation	23.91	42.68	32.21
amortisation	4.94	3.64	4.61
Total	**28.85**	**46.32**	**36.82**

Notes:

1. Capital work in progress as at March 31 represent the amount incurred on construction of boundary wall for leasehold land.
2. The Group has elected to avail Ind AS 101 exemption to continue with the carrying value under Previous GAAP for all of its property, plant and equipment and capital work in progress as its deemed cost on the date of transition to Ind AS.
3.The Group has taken land under finance lease for the purpose of construction and setting up a software IT unit for a period of 90 years. As per the terms of the lease arrangement, the Group is required to complete the construction of building within 5 years from the date of handing over the possession. The Group has obtained extension for construction of building on the leasehold land till 5 October 2018.

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.

IndiaMART InterMESH Limited
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Annexure VIII
Restated Ind AS Consolidated Statement of loans
(Amounts in INR million, unless otherwise stated)

Non-current financial assets

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Unsecured, considered good			
Loan to employees (measured at amortised cost)	0.92	1.76	0.33
Total	**0.92**	**1.76**	**0.33**

Current financial assets

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Unsecured, considered good			
Loan to employees (measured at amortised cost)	63.20	14.50	9.62
Total	**63.20**	**14.50**	**9.62**

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
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Annexure IX
Restated Ind AS Consolidated Statement of Cash and Bank balances
(Amounts in INR million, unless otherwise stated)

Particulars	As At					
	Non-current			Current		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Cash and cash equivalents						
Cash on hand	-	-	-	1.03	0.20	0.12
Cheques on hand	-	-	-	121.42	82.36	94.45
Balance with banks						
- On current accounts	-	-	-	344.66	90.28	90.58
- On nodal accounts	-	-	-	-	3.75	2.32
Cash and cash equivalents as per statement of cash flows				**467.11**	**176.59**	**187.47**
Bank balances other than cash and cash equivalents						
Deposits with						
- Deposits with original maturity of less than twelve months	-	-	-	-	229.96	-
- Deposits with original maturity of more than twelve months	302.20	-	113.52	-	-	-
	302.20	**-**	**113.52**	**-**	**229.96**	**-**
Total	**302.20**	**-**	**113.52**	**467.11**	**406.55**	**187.47**

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 Group, and earn interest at the respective short-term deposit rates.

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.

IndiaMART InterMESH Limited
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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 2018	31 March 2017	31 March 2016 (Proforma)
Unsecured, considered good			
Security deposits	35.27	39.74	34.28
Total	**35.27**	**39.74**	**34.28**

Other current financial assets

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Unsecured, considered good			
Security deposits	1.62	1.45	1.76
Amount recoverable from payment gateway banks	39.82	34.56	16.12
Interest accrued on deposits	-	0.46	0.21
Total	**41.44**	**36.47**	**18.09**

Notes:

1. Security deposits are non-interest bearing and are generally on term of 3 to 9 years. For credit risk management, refer 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.

IndiaMART InterMESH Limited
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Annexure XI
Restated Ind AS Consolidated Statement of Deferred Tax Assets (net)
(Amounts in INR million, unless otherwise stated)

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Deferred tax assets			
Property, plant and equipment and other intangible assets	7.50	4.71	3.39
Provision for gratuity	36.36	19.87	14.78
Provision for compensated absences	24.36	18.25	12.33
Provision for bonus	-	-	1.09
Re-measurement of investment in debt instruments to fair value	24.88	-	-
Deferred revenue	44.91	135.11	105.53
Tax losses	1,074.00	1,010.86	890.82
Unabsorbed depreciation	60.34	69.62	60.34
Others	9.93	9.61	3.67
Total deferred tax assets (A)	**1,282.28**	**1,268.03**	**1,091.95**
Total deferred tax assets recognised (A) *	**1,206.90**	**39.62**	**19.40**
Deferred tax liabilities			
Re-measurement of investment in mutual funds to fair value	(29.77)	(21.35)	(5.31)
Property, plant and equipment and other intangible assets	-	-	(0.43)
Accelerated deduction for tax purposes	(21.56)	(17.08)	(12.33)
Accelerated depreciation for tax purposes	(0.00)	-	-
Others	-	(1.19)	(1.33)
Total deferred tax liabilities (B)	**(51.33)**	**(39.62)**	**(19.40)**
Net deferred tax assets/(liabilities)	**1,155.57**	**-**	**-**

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 and 31 March 2016 due to lack of reasonable certainity in those years.

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 expense recognised in Statement of profit and loss

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Deferred tax expense relates to the following:			
Provision for gratuity	35.89	-	-
Provision for compensated absences	22.61	-	-
Provision for bonus	-	-	-
Re-measurement of investment in debt instruments to fair value	24.88	-	-
Deferred revenue	44.91	-	-
Tax losses	1,003.01	-	-
Unabsorbed depreciation	58.24	-	-
Re-measurement of investment in mutual funds to fair value	(29.77)	-	-
Accelerated deduction for tax purposes	(21.56)	-	-
Property, plant and equipment and other intangible assets	7.43	-	-
Others	9.93	-	-
Deferred tax income	**1,155.57**	**-**	**-**

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XI
Restated Ind AS Consolidated Statement of Deferred Tax Assets (net)

Reconciliation of Deferred tax asset:

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Opening Balance			
Tax income/(expense) during the year recognised in Statement of profit and loss	1,150.37	-	-
Tax income/(expense) during the year recognised in OCI	5.20	-	-
Closing Balance	**1,155.57**	**-**	**-**

Detail of deductible temporary differences and unused tax losses for which no deferred tax asset is recognised in the balance sheet:

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:			
- tax business losses	229.73	3,271.39	2,882.91
- unabsorbed depreciation	6.80	225.30	195.27
- tax capital losses*	74.77	79.68	79.68
- other deductible temporary differences	7.42	478.73	392.75
	318.72	**4,055.10**	**3,550.61**

* The unused tax capital losses will expire upto FY 2019-20.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Income tax credit recognised in Statement of profit and loss

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Current income tax			
Current income tax for the year	1.81	2.02	0.84
Adjustments in respect of current income tax of previous year	-	-	3.71
	1.81	**2.02**	**4.55**
Deferred tax			
Relating to origination and reversal of temporary differences	(1,150.37)	-	-
	(1,150.37)	**-**	**-**
Total income tax credit	**(1,148.56)**	**2.02**	**4.55**

Income tax recognised in other comprehensive income (OCI)

Deferred tax related to items recognised in OCI during the year

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Net loss on remeasurements of defined benefit plans	**(5.19)**	**-**	**-**
	(5.19)	**-**	**-**

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XI
Restated Ind AS Consolidated Statement of Deferred Tax Assets (net)
Reconciliation of tax expense and the accounting loss multiplied by statutory income tax rate.

	For the year ended 31 March 2018	For the year ended 31 March 2017	31 March 2016 (Proforma)
Loss before tax from continuing operations	(600.97)	(641.44)	(1,311.13)
Accounting profit before income tax	**(600.97)**	**(641.44)**	**(1,311.13)**
Tax expense at statutory income tax rate of 30.90% (March 31, 2017: 30.90%)	(185.70)	(198.21)	(405.14)
Adjustments in respect of current income tax of previous years			3.71
Adjustments in respect of unrecognised deferred tax assets of previous years			
- tax business losses	(1,072.95)	-	-
- unabosrbed depreciation	(76.52)	-	-
- other deductible temporary differences	(167.24)	-	-
Adjustments in respect of differences in current tax rates and deferred tax rates	10.95	0.00	-
Adjustments in respect of differences taxed at lower tax rates	(33.74)	(0.04)	-
Utilisation of previously unrecognised tax losses	10.20	-	-
Non-deductible expenses for tax purposes:	-	-	-
Loss on fair valuation of Share buyback obligation	379.64	59.57	21.91
Income non-taxable for tax purposes	(23.15)	-	-
Other non-deductible expenses	(0.25)	(39.75)	5.82
Temporary differences for which no deferred tax was recognised	10.18	180.45	378.25
Tax expense at the effective income tax rate of 30.90% (March 31, 2017: 30.90%)	**(1,148.57)**	**2.02**	**4.54**

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 2018	31 March 2017	31 March 2016 (Proforma)
Unsecured, considered good			
Capital advance	-	-	2.32
Prepaid expenses	0.09	0.08	0.13
Deferred lease expense	6.69	11.71	10.21
Total	**6.78**	**11.79**	**12.66**

Other current assets

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Unsecured, considered good			
Advances recoverable in cash or kind	13.16	19.24	15.41
Indirect taxes recoverable	32.46	118.20	67.99
Prepaid expenses	15.59	17.73	14.38
Deferred lease expense	2.36	3.18	2.57
Total	**63.57**	**158.35**	**100.35**

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)			Amount		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Investment in shares - Unquoted (measured at FVTPL)						
0.001% Optionally Convertible redeemable Preference Shares of Rs. 10 each in Instant Procurement Services Private Limited	12,446	12,446	NA	-	-	NA
0.001% Compulsory Convertible redeemable Preference Shares of Rs. 10 each in Instant Procurement Services Private Limited	3,764	3,764	NA	-	-	NA
Less: Provison for diminution in value of investments						
Total			-	-	-	-

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 FVTPL".

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XIII
Restated Ind AS Consolidated Statement of Investments
(Amounts in INR million, unless otherwise stated)

Current Investment

Particulars	No. of Shares (units)			Amount		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Investment in mutual funds - Quoted (measured at FVTPL)						
HDFC Prudence Fund - Growth	47,993	82,414	56,749	23.28	37.72	20.05
HDFC Top 200 Fund - Growth	30,646	1,40,545	67,033	13.15	56.48	20.72
HDFC Liquid Fund-Growth	-	90,917	18,085	-	290.90	53.98
IDFC Premier Equity Fund -Growth	13,400	8,99,898	6,95,136	1.21	73.72	47.38
Birla Sun Life Cash Plus-Growth-Regular Plan	-	2,081	14,882	-	0.54	3.61
Birla Sunlife Frontline Equity Fund-Growth Regular Plan	75,282	4,82,849	3,20,768	15.75	93.24	49.86
Birla Sunlife Short Term Plan-Growth Regular Plan	33,60,316	30,08,967	30,08,967	96.96	81.64	74.61
HDFC Short Term Plan- Growth	33,15,675	3,91,447	3,91,447	114.17	12.69	11.58
IDFC Money Manager – Treasury Plan	-	-	1,23,203	-	-	2.92
HDFC Floating Rate Income Fund	72,29,251	-	86,78,191	218.64	-	226.50
Birla Sun Life Treasury Plan-Grow-Direct Plan	10,74,783	10,74,783	10,74,783	241.31	226.07	204.22
IDFC ultra short term fund	1,82,14,024	42,72,145	42,72,145	451.65	98.91	91.07
IDFC Super Saver Income Fund - Short Term Plan	54,68,770	54,68,770	54,68,770	199.92	187.68	172.46
HDFC Short Term Opportunities Fund-Direct Growth Plan	1,03,59,979	1,03,59,979	1,03,59,979	200.19	187.52	171.96
Birla Sun Life Treasury Cash Plus-Grow-Direct Plan	-	-	1,83,633	-	-	44.68
Birla Sun Life Floating Rate Fund Short Term Plan Growth	-	-	4,49,425	-	-	90.70
ICICI Prudential Balanced Advantage Fund	2,58,974	1,30,026	-	8.57	3.93	-
ICICI Prudential Flexible Income Plan	3,73,280	4,227	-	124.35	1.32	-
HDFC Liquid Fund-Direct Plan Growth Option	69,517	-	-	238.02	-	-
ICICI Prudential Value Discovery Fund-Growth	1,63,952	-	-	22.79	-	-
Birla Sun Life Cash Plus-Growth-Direct Plan	8,82,080	-	-	246.38	-	-
IDFC Ultra Short Term Fund-Growth (Regular Plan	1,64,51,049	-	-	405.11	-	-
HDFC Short Term Opportunities Fund - Regular Plan	15,60,259	-	-	29.92	-	-
IDFC Super Saver Income Fund-STP-Regular Fund	3,72,699	-	-	13.18	-	-
ICICI Prudential Short Term Fund - Direct	12,63,533	-	-	423.15	-	-
HDFC Equity saving fund-regular-growth	1,40,386	-	-	4.85	-	-
HDFC Cash management-retail-regular-growth	1,96,990	-	-	7.21	-	-
HDFC Liquid fund - Growth	3,208	3,208	-	10.94	10.26	-
Total current investments				**3,110.70**	**1,362.62**	**1,286.30**

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 - Annexur

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XIV
Restated Ind AS Consolidated Statement of Trade Receivables
(Amounts in INR million, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Unsecured			
Trade receivables	6.79	5.31	2.41
Total	**6.79**	**5.31**	**2.41**
Current portion	6.79	5.31	2.41
Non-current portion	-	-	-

Notes:

1. Trade receivables are non-interest bearing and are generally on terms of not more than 30 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 of Annexure XXIX.

4. 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.

5. There are no amounts due from Directors / Promoter / Promoter Group Companies / Group Companies / Relatives of Promoter / Relatives of Directors / Subsidiary Companies:

6. 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)

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Current tax assets (net of provisions)			
Advance income tax	94.98	85.09	74.09
Less: Provision for income tax	3.83	2.02	1.02
Total	**91.15**	**83.07**	**73.07**
Less: amount disclosed Current tax liabilities (net)			(0.10)
Total Current tax assets (net)	**91.15**	**83.07**	**73.17**

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 XVI
Restated Ind AS Consolidated Statement of Share Capital
(Amounts in INR million, unless otherwise stated)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016 (Proforma)
Authorised share capital			
At the beginning of the year	182.78	200.00	200.00
Increase/ decrease during the year	-	(17.22)	-
At the end of the year	182.78	182.78	200.00
18,277,930 (31 March 2017: 18,277,930, 31 March 2016: 20,000,000) equity shares of Rs. 10 each	**182.78**	**182.78**	**200.00**
Authorised preference share capital			
Compulsory Convertible Preference Shares Series A 14,93,903 (31 March 2017: 14,93,903, 31 March 2016: 14,93,903) preference shares of Rs. 328 each	490.00	490.00	490.00
Compulsory Convertible Preference Shares Series B 17,22,047 (31 March 2017: 17,22,047, 31 March 2016: 17,22,047) preference shares of Rs. 100 each	172.20	172.20	172.20
Compulsory Convertible Preference Shares Series B1 172,207 (31 March 2017: 172,207, 31 March 2016: Nil) preference Shares of Rs. 100 each	17.22	17.22	-
Issued, subscribed and fully paid up shares:		-	
9,976,805 (31 March 2017: 9,168,989, 31 March 2016: 9,168,989) equity shares of Rs. 10 each	99.77	91.69	91.69
	99.77	**91.69**	**91.69**
Issued, subscribed and fully paid up preference share capital:			
Compulsory Convertible Preference Shares Series A 14,93,903 (31 March 2017: 14,93,903, 31 March 2016: 14,93,903) preference shares of Rs. 328 each	490.00	490.00	490.00
Compulsory Convertible Preference Shares Series B 17,22,047 (31 March 2017: 17,22,047, 31 March 2016: 17,22,047) preference shares of Rs. 100 each	172.20	172.20	172.20
Compulsory Convertible Preference Shares Series B1 146,375 (31 March 2017: 94,713, 31 March 2016: Nil) preference shares of Rs. 100 each	14.64	9.47	-
	676.84	**671.67**	**662.20**

(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the year

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	No of Shares	Amt	No of Shares	Amt	No of Shares	Amt
At the beginning of the year	91,68,989	91.69	91,68,989	91.69	91,68,959	91.69
Issued during the year	8,07,816	8.08	-	-	30	0.00
Outstanding at the end of the year	**99,76,805**	**99.77**	**91,68,989**	**91.69**	**91,68,989**	**91.69**

(b) Reconciliation of the number of preference shares outstanding at the beginning and end of the year

Series A

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	No of Shares	Amt	No of Shares	Amt	No of Shares	Amt
At the beginning of the year	14,93,903	490.00	14,93,903	490.00	14,93,903	490.00
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	14,93,903	490.00	14,93,903	490.00	14,93,903	490.00

Series B

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	No of Shares	Amt	No of Shares	Amt	No of Shares	Amt
At the beginning of the year	17,22,047	172.20	17,22,047	172.20	17,22,047	172.20
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	17,22,047	172.20	17,22,047	172.20	17,22,047	172.20

Series B1

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	No of Shares	Amt	No of Shares	Amt	No of Shares	Amt
At the beginning of the year	94,713	9.47	-	-	-	-
Issued during the year	51,662	5.17	94,713	9.47	-	-
Outstanding at the end of the year	1,46,375	14.64	94,713	9.47	-	-

c) 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 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.

(d) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	No of Shares	Percentage	No of Shares	Percentage	No of Shares	Percentage
Equity shares of Rs. 10 each fully paid						
Dinesh Agarwal	47,41,600	47.53%	47,41,600	51.71%	47,41,600	51.71%
Brijesh Agrawal	32,13,100	32.21%	32,13,100	35.04%	32,13,100	35.04%

(e) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	No of Shares	Percentage	No of Shares	Percentage	No of Shares	Percentage
CCPS of Rs 328 each fully paid up (Series A)						
Intel Capital (Mauritius) Limited	14,93,303	100.00%	14,93,303	100.00%	14,93,303	100.00%
CCPS of Rs 100 each fully paid up (Series B)						
Amadeus IV DPF Limited	5,16,613	30.00%	5,16,613	30.00%	5,16,613	30.00%
Westbridge Crossover Fund LLC	4,30,509	25.00%	4,30,509	25.00%	4,30,509	25.00%
Accion Frontier Inclusion Mauritius	5,16,613	30.00%	5,16,613	30.00%	5,16,613	30.00%
Intel Capital (Mauritius) Limited	2,58,312	15.00%	2,58,312	15.00%	2,58,312	15.00%
CCPS of Rs 100 each fully paid up (Series B1)						
Amadeus IV DPF Limited	51,662	35.00%	51,662	55.00%	-	0.00%
Westbridge Crossover Fund LLC	43,051	29.00%	43,051	45.00%	-	0.00%
Accion Frontier Inclusion Mauritius	51,662	35.00%	-	-	-	0.00%

(f) 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.

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).

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 unpaid dividend calculated to the date of such payment.

5) Subject to Applicable Laws, the holders of the Series B Preference Shares shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the shareholders of the Company (including the holders of Equity Shares).

Terms of conversion/ redemption of Series B1 -CCPS

1) During the year ended 31 March 2018, the Group issued 51,662 Series B1 Preference Shares (of INR100 each fully paid-up at a premium of INR 670 per share. The Series B1 Preference Shares are cumulative and issued at a preferential dividend rate of 0.01% (zero point zero one percent) per annum (the "Series B1 Preferential Dividend"). Following the Cut-Off Date, the Series B1 Preference Shares shall, subject to Applicable Law, carry a dividend of INR 77 (Indian Rupees Seventy Seven only) per Series B1 Preference Share per annum and calculated from the beginning of the fourth (4th) period from the Series B1 Closing.

2) Each Series B1 CCPS holder is entitled to participate pari-passu in any dividends paid to the holders of the shares of any other class (including Equity Shares) or series on a pro-rata, as if converted basis.

3) Each Series B1 CCPS may be converted into equity shares at any time at the option of the holder of the Series B1 preference share. Series B1 Conversion Price initially shall be equal to the Original Series B Share Issue Price (the "Initial Series B Conversion Price"), and shall be subject to adjustment from time to time on account of stock split, certain anti dilution protection and combination.

4) Subject to compliance with applicable laws, each Series B1 Preference share shall automatically be converted at a conversion price (then in effect) subject to prescribed adjustment, into Equity Shares upon the earlier of (i) 20 (twenty) years from the date of their issuance, or (ii) immediately prior to the IPO for the purpose of enabling the listing of the shares in accordance with the requirement under the applicable law.

5) In the event of liquidation and upon receipt of Series B Preference Amount by the holders of the Series B Preference Shares and upon receipt of the Series A Preference Amount by the holders of the Series A Preference Shares, any assets or funds remaining and distributable to the shareholders of the 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 .

6) Subject to Applicable Laws, the holders of the Series B1 Preference Shares shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the shareholders of the Company (including the holders of Equity Shares).

The above convertible preference shares contains the feature for the conversion ratio to be adjusted to the lower price of any later issue in the underlying shares.

Refer Annexure XVII for further details.

(g) 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 year and options outstanding at the end of the reporting period, is set out in Annexure XXIX, serial no 4 .

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 XVII
Restated Ind AS Consolidated Statement of Share Buyback Obligation
(Amounts in INR million, unless otherwise stated)

Particulars	Units			Amount		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Measured at fair value through profit or loss (FVTPL)						
Non-current						
Share buyback obligation of preference shares						
0.01% Series A cumulative convertible preference shares (CCPS) of INR 328 each	14,93,903	14,93,903	14,93,903	1,630.00	958.10	869.20
0.01% Series B compulsory convertible preference shares (CCPS) of INR 100 each	17,22,047	17,22,047	17,22,047	1,971.30	1,464.50	1,325.98
Series B1 compulsory convertible preference shares (CCPS) of INR 100 each	1,46,375	94,713	-	128.00	38.30	-
				-	-	-
Total				**3,729.30**	**2,460.90**	**2,195.18**

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 FVTPL".

Carrying amount of financial liability and gain/loss on subsequent re-measurement is set out below:

Particulars	Amount		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
At the beginning of the year*	2,460.89	2,195.17	798.30
Preference share capital issued during the year	5.17	9.47	172.20
Security premium received on issue of preference shares	34.61	63.46	1,153.77
Loss on re-measurement for the year (recognised through Statement of Profit and Loss)	1,228.62	192.79	70.90
At the end of the year	**3,729.29**	**2,460.89**	**2,195.17**

*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.
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 XVIII
Restated Ind AS Consolidated Statement of Trade Payables and Financial Liabilities
(Amounts in INR million, unless otherwise stated)

Trade payables

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Current			
Payable to micro, small and medium enterprises (refer serial no 7 Annexure XXIX)	11.31	-	-
Other trade payables	407.61	302.40	376.35
Total	**418.92**	**302.40**	**376.35**

Trade payables are non-interest bearing and are normally settled on 60-day terms.

Financial liabilities

Particulars	As At		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Non-current			
Lease rent equilisation	2.62	5.36	6.66
Total	**2.62**	**5.36**	**6.66**
Current			
Payable to employees	0.04	0.03	0.03
Security deposits	0.14	0.14	0.14
Total	**0.18**	**0.17**	**0.17**
Total	**2.80**	**5.53**	**6.83**

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 XIX
Restated Ind AS Consolidated Statement of Provisions
(Amounts in INR million, unless otherwise stated)

Particulars	As At					
	Non-current			Current		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Provision for employees benefits						
For gratuity	59.31	17.31	4.88	9.27	11.29	8.38
For leave encashment	-	-	-	38.67	28.28	26.52
Total Provision	**59.31**	**17.31**	**4.88**	**47.94**	**39.57**	**34.90**

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XX
Restated Ind AS Consolidated Statement of Deferred Revenue
(Amounts in INR million, unless otherwise stated)

Deferred revenue

Particulars	As At		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Non-Current	1,660.91	1,213.32	921.96
Current	2,259.23	1,718.45	1,438.74
Total	**3,920.14**	**2,931.77**	**2,360.70**

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 XXI
Restated Ind AS Consolidated Statement of Other Liabilities
(Amounts in INR million, unless otherwise stated)

Current Liabilities

Particulars	As At		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Advances from customers	324.30	322.85	209.32
Statutory dues			
Tax deducted at source payable	64.99	25.59	24.23
Contribution to provident fund payable	2.36	2.42	2.40
Contribution to ESI payable	0.23	0.50	0.14
GST & Service tax payable	68.88	0.20	1.84
Professional tax payable	0.11	0.16	0.21
Payable for labour welfare fund	0.01	0.01	0.02
Others	0.07	0.04	-
Total	**460.95**	**351.77**	**238.16**

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 XXII
Restated Ind AS Consolidated Statement of Revenue
(Amounts in INR million, unless otherwise stated)

Particulars	For the year ended		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Sale of services:			
Income from web services	4,076.94	3,058.28	2,351.81
Advertisement and marketing services	28.14	119.35	105.72
Total	**4,105.08**	**3,177.63**	**2,457.53**

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXIII
RestatedInd AS Consolidated Summary Statement of Net gain on financial assets measured at FVTPL
(Amounts in INR million, unless otherwise stated)

Particulars	For the year ended		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Net gain on disposal of current investments	72.54	19.03	23.81
Fair value gain on financial assets measured at FVTPL			
- Investment in mutual funds	89.09	100.11	13.36
Total	**161.63**	**119.14**	**37.17**

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXIV
Restated Ind AS Consolidated Summary Statement of Other Income
(Amounts in INR million, unless otherwise stated)

Particulars	For the year ended			Nature: Recurring/ non-recurring	Related/Not related to business activity
	31 March 2018	31 March 2017	31 March 2016 (Proforma)		
Interest income from financial assets measured at amortised cost					
- Bank deposits	16.50	16.07	12.12	Recurring	Not related
- on security deposits	6.50	2.85	2.06	Recurring	Not related
Other interest income	5.02	3.67	1.21	Recurring	Not related
Net gain on disposal of property, plant and equipment	0.53	-	-	Non-recurring	Not related
Total	**28.55**	**22.59**	**15.39**		

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 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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXV
Restated Ind AS Consolidated Statement of Employee benefit expenses
(Amounts in INR million, unless otherwise stated)

Particulars	**For the year ended**		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Salaries, allowance and bonus	1,783.72	1,970.76	1,700.83
Gratuity expenses (refer Annexure XXIX serial no 2)	25.62	10.00	9.80
Leave Encashment Expense (refer Annexure XXIX serial no 2)	21.82	17.20	14.45
Contribution to provident and other funds	13.50	14.60	13.53
Employee share based payment expense (refer Annexure XXIX serial no 4)	36.82	19.51	10.28
Staff welfare expenses	67.09	64.67	70.33
Total	**1,948.57**	**2,096.74**	**1,819.22**

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXVI
Restated Ind AS Consolidated Statement of Other expenses
(Amounts in INR million, unless otherwise stated)

Other expenses	**For the year ended**		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Content development expenses	233.23	208.31	225.26
Buyer engagement expenses	147.06	127.11	117.42
Customer support expenses	240.14	177.43	175.02
Outsourced sales cost	441.55	270.84	212.14
Internet and other online expenses	119.56	101.69	98.68
Rent	210.71	189.67	156.50
Rates and taxes	2.36	6.84	15.54
Communication costs	9.33	11.05	12.04
Outsourced support cost	27.16	27.04	18.18
Advertisement expenses	31.09	173.19	468.24
Power and fuel	28.63	29.01	28.94
Printing and stationery	8.92	10.28	11.81
Repair and maintenance:			
-Plant and machinery	11.89	9.81	11.24
-Others	65.04	63.40	54.25
Travelling and conveyance	32.61	39.38	24.73
Recruitment and training expenses	16.76	23.38	45.07
Legal and professional fees	21.61	42.51	48.30
Directors' sitting fees	1.79	2.09	1.69
Insurance expenses	22.74	18.36	9.20
Collection charges	16.84	10.51	10.33
Allowances for doubtful debts and advances	-	5.00	-
Packaging charges	0.00	5.17	7.59
Freight, cartage and payment collection charges	0.37	70.72	141.47
Miscellaneous expenses	0.80	2.16	0.64
Total	**1,690.19**	**1,624.95**	**1,894.28**

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

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXVII
Restated Ind AS Consolidated Statement of Accounting Ratios
(Amounts in INR million, unless otherwise stated)

S. No	Particulars		31 March 2018	31 March 2017	31 March 2016 (Proforma)
	Basic earnings per share (Rs.) (refer note 3(a) below)	A / C	28.60	(35.09)	(71.75)
	Diluted earnings per share (Rs.) (refer note 3(b) below)	B / D	20.22	(35.09)	(71.75)
	Return on Net Worth (%) ((refer note 3(c) below)	A / E	17.04%	-16.50%	-40.23%
	Net asset value per equity share (Rs.) (refer note 3(d) below)	E / F	(322.02)	(425.40)	(356.72)
1	Restated profit/(loss) after tax, attributable to equity shareholders	A	547.59	(643.46)	(1,315.68)
	Add: Adjustment for loss on fair valuation of convertible preference shares		-	-	-
	Net (loss)/profit available for calculation of DEPS	B	547.59	(643.46)	(1,315.68)
2	Weighted average number of equity shares considered for calculating basic earnings per share	C	1,91,48,007	1,83,37,978	1,83,37,956
	Effect of dilution:				
	Stock option under ESOP (refer note 7)		8,89,230	-	-
	Compulsory convertible preference shares (refer note 7)		70,45,937	-	-
	Weighted average number of equity shares considered for calculating diluted earnings per share (refer Note 7)	D	2,70,83,174	1,83,37,978	1,83,37,956
3	Restated net worth (refer note 5 below)	E	(3,212.69)	(3,900.46)	(3,270.73)
	Face value per share		10.00	10.00	10.00
	Total number of equity shares outstanding at the end of the year	F	99,76,805	91,68,989	91,68,966
	Weighted average number of equity shares outstanding during the year, after giving the impact of bonus shares, used for diluted earning per share (refer note 8 below)	H	2,70,83,174	1,83,37,978	1,83,37,956

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.) = $\frac{\text{Restated net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year}}$

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 appicable. For the 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 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 alloted 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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXVIII
Restated Ind AS Consolidated Capitalisation
(Amounts in INR million, unless otherwise stated)
Capitalisation statement as on March 31, 2018

Particulars	Pre-issue as at March 31, 2018	As adjusted for issue
Debt (A)		
Share Buyback Obligations	3,729.30	-
Total debt (A)	**3,729.30**	**-**
Shareholder's funds:		
Share Capital	99.77	-
Reserve and surplus, as restated:	-	
Shares securities premium	279.49	-
General Reserve	8.45	-
Employee stock options outstanding	61.14	-
Surplus in the statement of profit and loss account	(3,661.55)	-
Total Shareholder's Fund (B)	**(3,212.70)**	-
Total debt/equity (A/B)	**(1.16)**	-

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. 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 as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements appearing in Annexure VI

4. 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.

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.

(Amounts in INR million, unless otherwise stated)

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 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 2018	31 March 2017	31 March 2016 (Proforma)
India	4,043.05	3,124.60	2,401.36
Others	62.03	53.03	56.17
Total	**4,105.08**	**3,177.63**	**2,457.53**

Non-current assets*

Particulars	As at		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
India	89.21	100.69	120.92
Other			
Total	**89.21**	**100.69**	**120.92**

* Non-current assets exclude financial instruments, deferred tax assets, post-employement benefit assets and prepayments.

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 benefit expense recognized in Employee Cost

Gratuity

Particulars	Gratuity			Leave encashment		
	for the years ended			for the years ended		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Current service cost	14.16	8.99	7.89	12.18	12.98	14.36
Past service cost	9.36	-	-	-	-	-
Net interest expense	2.10	1.01	1.91	2.08	2.13	1.62
Actuarial (gain) loss on other long term employee benefit plan	-	-	-	7.56	2.09	(1.53)
Components of defined benefit costs recognised in profit or loss	**25.62**	**10.00**	**9.80**	**21.82**	**17.20**	**14.45**
Remeasurement of the net defined benefit liability:						
Actuarial (gain) loss on plan assets	0.16	(1.23)	0.03	-	-	-
Actuarial (gain) loss on defined benefit obligation	14.20	6.83	3.76	-	-	-
Components of defined benefit costs recognised in other comprehensive income	**14.36**	**5.60**	**3.79**	**-**	**-**	**-**

Balance Sheet

Benefit asset/liability

Particulars	Gratuity- Defined benefit			Leave encashment- long term employee benefit plan		
	As at			As at		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Present value of funded defined benefit obligation	93.14	57.89	45.97	38.67	28.28	26.52
Fair value of plan assets	(24.56)	(29.29)	(32.71)	-	-	-
Net liability arising from defined benefit obligation	**68.58**	**28.60**	**13.26**	**38.67**	**28.28**	**26.52**

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity			Leave encashment		
	As at			As at		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Balance at the beginning of the year	57.90	45.98	36.27	28.30	26.53	20.92
Benefits paid	(6.72)	(7.53)	(4.75)	(11.43)	(15.44)	(8.80)
Current service cost	14.16	8.99	7.89	12.18	12.98	14.32
Interest cost	4.25	3.63	2.81	2.08	2.13	1.62
Past service cost	9.36	-	-	-	-	-
Actuarial (gains) losses recognised in other comprehensive income						
- changes in demographic assumptions	2.24	(2.96)	(1.21)	1.47	0.30	(0.11)
- changes in financial assumptions	12.58	4.47	(0.50)	4.42	1.21	(0.21)
- experience adjustments	(0.62)	5.32	5.47	1.67	0.59	(1.21)
Balance at the end of the year	**93.15**	**57.90**	**45.98**	**38.69**	**28.30**	**26.53**

Changes in fair value of planned assets are as follows:

Particulars	Gratuity			Leave encashment		
	As at			As at		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Opening fair value of plan assets	29.29	32.72	11.60	-	-	-
Interest income	2.15	2.62	0.90	-	-	-
Acturial gains/(losses)	(0.16)	1.23	(0.03)	-	-	-
Contributions from the employer	-	0.25	25.00	-	-	-
Benefits paid	(6.72)	(7.53)	(4.75)	-	-	-
Closing fair value of planned assets	**24.56**	**29.29**	**32.72**	**-**	**-**	**-**

Each year the management of the Company reviews the level of funding requried as per its risk management strategy.

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
The Group expects to contribute Gratuity	19.95	9.80	13.55
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 2018	31 March 2017	31 March 2016 (Proforma)
Discount rate	7.70%	7.35%	8.00%
Expected rate of return on assets	7.70%	7.35%	8.00%
Future salary growth	12.85%	8.00%	7.03%

Attrition rate	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	57%	22%	75%	36%	74%	17%
From 31 to 44 years	43%	14%	67%	25%	74%	17%
Above 44 years	1%	8%	1%	0%	74%	17%
Mortality table		India Assured Life Moratility (2006-08)		India Assured Life Moratility (2006-08)		India Assured Life Moratility (2006-08)

The Group regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

A quantitative sensitivity analysis for the significant assumptions on defined benefit obligation is as shown below

Particulars	31 March 2018		31 March 2017		31 March 2016 (Proforma)	
	Increase in	Decrease in	Increase in	Decrease in	Increase in	Decrease in
Discount rate (-/+0.5%)	(3.32)	3.57	(1.30)	1.32	(3.22)	1.48
Salary growth rate (-/+0.5%)	2.36	(2.36)	1.31	(1.30)	3.39	0.68

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: **Amount in million**

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Within one year	9.27	11.29	8.39
Within one - three years	20.86	18.12	17.95
Within three - five years	15.46	9.67	8.34
Above five years	47.25	17.53	11.30
	92.84	**56.61**	**45.98**

(Amounts in INR million, unless otherwise stated)

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.

Particluars	for the years ended		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Lease payments (for non cancellable lease)	77.54	86.73	91.39

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particluars	As at		
	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Within one year	52.83	129.55	90.19
After one year but not more than five years	54.02	211.02	114.78
More than five years	-	15.44	-
	106.85	**356.01**	**204.97**

4 Employee stock option plans

The Group has provided various share-based payment schemes to its employees in the preceding Financial year. During the previous year ended 31 March 2018, the following schemes were in operation:

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	4,53,420	Equity	0 to 48 Months
ESOP 2012	March 15, 2012	January 25, 2012	November 10,2008	6,45,560	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	5,39,000	Equity	0 to 48 Months
ESOP 2016	July 28, 2016	July 28, 2016	September 23,2015	2,76,980	Equity	0 to 48 Months
ESOP 2017	June 02, 2017	May 04, 2017	September 23,2015	2,00,730	Equity	0 to 48 Months

The details of activity under ESOP 2010 scheme is as under

Particulars	As at					
	31 March 2018		31 March 2017		31 March 2016 (Proforma)	
	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	3,64,967	100	3,64,967	100	3,64,967	100
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	3,01,681	100	Nil	Nil	Nil	Nil
Outstanding at the end of the year	63,286	100	3,64,967	100	3,64,967	100
Exercisable at the end of the year	63,286	100	Nil	Nil	Nil	Nil

The details of activity under ESOP 2012 scheme is as under

Particulars	As at					
	31 March 2018		31 March 2017		31 March 2016 (Proforma)	
	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	4,99,859	150	4,99,859	150	5,01,059	150
Granted during the year	Nil	Nil	Nil	Nil	Nil	Nil
Forfeited/expired during the year	Nil	Nil	Nil	Nil	1,200	150
Exercised during the year	3,49,723	150	Nil	Nil	Nil	Nil
Outstanding at the end of the year	1,50,136	150	4,99,859	150	4,99,859	150
Exercisable at the end of the year	1,50,136	150	Nil	Nil	Nil	Nil

The details of activity under ESOP 2013 scheme is as under

Particulars	As at					
	31 March 2018		31 March 2017		31 March 2016 (Proforma)	
	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	24,000	150	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	24,000	150	Nil	Nil	Nil	Nil
Outstanding at the end of the year	Nil	Nil	24,000	150	24,000	150
Exercisable at the end of the year	Nil	Nil	Nil	Nil	Nil	Nil

(Amounts in INR million, unless otherwise stated)

The details of activity under ESOP 2015 scheme is as under

Particulars	As at					
	31 March 2018		31 March 2017		31 March 2016 (Proforma)	
	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	4,72,000	200	5,39,000	200	NA	NA
Granted during the year	Nil	Nil	Nil	Nil	5,39,000	200
Forfeited/ expired during the year	12,000	200	67,000	200	Nil	Nil
Exercised during the year	1,05,900	200	Nil	Nil	Nil	Nil
Outstanding at the end of the year	3,54,100	200	4,72,000	200	5,39,000	200
Exercisable at the end of the year	83,500	200	Nil	Nil	Nil	Nil

The details of activity under ESOP 2016 scheme is as under

Particulars	As at					
	31 March 2018		31 March 2017		31 March 2016 (Proforma)	
	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	2,53,980	200	Nil	Nil	Nil	Nil
Granted during the year	Nil	Nil	2,76,980	200	Nil	Nil
Forfeited/ expired during the year	33,200	200	23,000	200	Nil	Nil
Exercised during the year	26,512	200	Nil	Nil	Nil	Nil
Outstanding at the end of the year	1,94,268	200	2,53,980	200	Nil	Nil
Exercisable at the end of the year	22,284	200	Nil	Nil	Nil	Nil

The details of activity under ESOP 2017 scheme is as under

Particulars	As at					
	31 March 2018		31 March 2017		31 March 2016 (Proforma)	
	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	Nil	Nil	Nil	Nil
Granted during the year	2,00,730	200	Nil	Nil	Nil	Nil
Forfeited/ expired during the year	2,930	200	Nil	Nil	Nil	Nil
Exercised during the year	Nil	Nil	Nil	Nil	Nil	Nil
Outstanding at the end of the year	1,97,800	200	Nil	Nil	Nil	Nil
Exercisable at the end of the year	Nil	Nil	Nil	Nil	Nil	Nil

The details of exercise price for stock options outstanding under ESOP 2010 are as under

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Range of exercise prices	100.00	100.00	100.00
Number of options outstanding	63,286.00	3,64,967.00	3,64,967.00
Weighted average remaining contractual life of options (in years)	1.00	2.00	1.25
Weighted average exercise price	100.00	100.00	100.00
Weighted average share price for the options exercised during the period	300.00	NA	NA

The details of exercise price for stock options outstanding under ESOP 2012 are as under

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Range of exercise prices	150.00	150.00	150.00
Number of options outstanding	1,50,136.00	4,99,859.00	4,99,859.00
Weighted average remaining contractual life of options (in years)	1.00	2.00	1.54
Weighted average exercise price	150.00	150.00	150.00
Weighted average share price for the options exercised during the period	300.00	NA	NA

The details of exercise price for stock options outstanding under ESOP 2013 are as under

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Range of exercise prices	150.00	150.00	150.00
Number of options outstanding	Nil	24,000.00	24,000.00
Weighted average remaining contractual life of options (in years)	1.00	2.00	2.50
Weighted average exercise price	150.00	150.00	150.00
Weighted average share price for the options exercised during the period	300.00	NA	NA

The details of exercise price for stock options outstanding under ESOP 2015 are as under

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Range of exercise prices	200.00	200.00	200.00
Number of options outstanding	3,54,100.00	4,72,000.00	5,39,000.00
Weighted average remaining contractual life of options (in years)	1.25	2.25	4.50
Weighted average exercise price	200.00	200.00	200.00
Weighted average share price for the options exercised during the period	300.00	NA	NA

The details of exercise price for stock options outstanding under ESOP 2016 are as under

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Range of exercise prices	200.00	200.00	NA
Number of options outstanding	1,94,268.00	2,53,980.00	NA
Weighted average remaining contractual life of options (in years)	2.25	3.25	NA
Weighted average exercise price	200.00	200.00	NA
Weighted average share price for the options exercised during the period	300.00	NA	NA

(Amounts in INR million, unless otherwise stated)

The details of exercise price for stock options outstanding under ESOP 2017 are as under

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Range of exercise prices	200.00	NA	NA
Number of options outstanding	1,97,800.00	NA	NA
Weighted average remaining contractual life of options (in years)	3.17	NA	NA
Weighted average exercise price	200.00	NA	NA
Weighted average share price for the options exercised during the period	NA	NA	NA

ESOP 2010

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
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	4.25
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	6.69%

ESOP 2012

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Weighted average share price	150.00	150.00	149.52
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	4.00
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	8.39%

ESOP 2013

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Weighted average share price	150.00	150.00	148.91
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	5.50
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	8.36%

ESOP 2015

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Weighted average share price	200.00	200.00	148.91
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	5.00
Expected dividends	Nil	Nil	Nil
Average risk-free interest rate	7.77%	7.77%	7.75%

ESOP 2016

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Weighted average share price	275.93	275.93	NA
Exercise Price	200.00	200.00	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

ESOP 2017

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Weighted average share price	280.50	NA	NA
Exercise Price	200.00	NA	NA
Expected Volatility	0.00%	NA	NA
Historical Volatility	0.10%	NA	NA
Life of the options granted (Vesting and exercise period) in years	7.70	NA	NA
Expected dividends	Nil	NA	NA
Average risk-free interest rate	7.20%	NA	NA

Effect of the employee share-based payment plans on the statement on profit and loss and on its financial position:

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Total Employee Compensation Cost pertaining to share-based payment plans	36.83	19.51	10.28
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	36.83	19.51	10.28
Total Liability for employee stock options outstanding as at year end	61.14	46.13	36.89
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)			

(Amounts in INR million, unless otherwise stated)

5 Contingent Liabilities

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Claims against the Group not acknowledged as debt			
Income Tax in respect of Assessment Year 2006-07 in respect of which Group has gone on appeal in CIT(A). Based on judicial pronouncements, the Group's claim is likely to be accepted by appellate authorities	-	0.02	0.82
Service Tax in respect of Financial Years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16. Based on judicial pronouncements, the Group's claim is likely to be accepted by appellate authorities.	-	9.04	6.57
Dividend on 0.01% Series A CCPS	0.46	0.41	0.36
Dividend on 0.01% Series B & B1 CCPS	0.04	0.02	0.00
Total	**0.50**	**9.49**	**7.75**

*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 company has gone on appeal in CIT(A). Based on judicial pronouncements, the Group's claim is likely to be accepted by appellate authorities.

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 Group's claim is likely to be accepted by appellate authorities.

6 Capital and other commitments

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
Estimated amount of contract remaining to be executed on capital account	-	-	2.47

7 Details of dues to micro and small enterprises as defined under MSMED Act 2006:

Particulars	31 March 2018	31 March 2017	31 March 2016 (Proforma)
- Principal amount due to micro and small enterprises	11.31	-	-
- 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 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	-	-	-

(Amounts in INR million, unless otherwise stated)

8 **Related party disclosures, as required by notified Indian Accounting Standard 24 - "Related Party Disclosures" are given below**

a)

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
i) Names of related parties and related party relationship:			
a) Key Management Personnel (KMP)			
Managing director	Dinesh Agarwal	Dinesh Agarwal	Dinesh Agarwal
Whole time director	Brijesh Agrawal	Brijesh Agrawal	Brijesh 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	Anil Dwivedi
Non executive Director	Dhruv Prakash	Dhruv Prakash	Dhruv Prakash
	Mahendra Kumar Chouhan (resigned w.e.f 30 April 2018)	Mahendra Kumar Chouhan	Mahendra Kumar Chouhan
	Rajesh Sawhney	Rajesh Sawhney	Rajesh Sawhney
	Elizabeth Lucy Chapman	Elizabeth Lucy Chapman	
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 employement defined benefit plan	Indiamart Intermesh Employees Group Gratuity Assurance Scheme - post employement defined benefit plan	Indiamart Intermesh Employees Group Gratuity Assurance Scheme - post employement defined benefit plan

b) **Terms and conditions of transactions with related parties**

The services from related parties are made 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. The Group has not recorded any impairment of receivables relating to amounts owed by related parties during the year ended March 31, 2018, March 31, 2017 and April 01, 2016. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

(Amounts in INR million, unless otherwise stated)

c) **Key management personnel compensation**

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 (Proforma)**
Short-term employee benefits	83.24	93.28	65.56
Post-employment benefits	0.51	0.08	0.06
Long-term employee benefits	0.08	0.05	0.04
Employee share based payment expense	0.79	1.04	1.14
	84.62	**94.45**	**66.80**

Notes:
Refer Serial No 2 in the same annexure for information and transactions in post employement defined benefits plan

d) **Transaction that has been taken place from related parties**

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Enterprises owned or significantly influenced by Key Management Personnel or their relatives			
Expenses for rent			
Mansa Enterprises Private Limited	5.52	5.31	5.01
Director's sitting fees	1.67	1.90	-
Key Management Personnel			
Recruitment and training expenses			
Dhruv Prakash	2.07	1.02	0.68

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

(Amounts in INR million, unless otherwise stated)

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, 2018:

Particulars	**Level**	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Financial assets				
a) Measured at fair value through profit or loss (FVTPL)				
- Investment in mutual funds	Level 1	3,110.70	1,362.62	1,286.30
- Investment in shares	Level 2	-	-	-
		3,110.70	**1,362.62**	**1,286.30**
b) Measured at Amortised cost				
- Trade receivables	Level 2	6.79	5.31	2.41
- Cash and cash equivalents	Level 1	467.11	176.59	187.47
- Loan to employees	Level 2	64.12	16.26	9.95
- Security deposits	Level 2	36.90	41.18	36.05
- Bank deposits	Level 2	302.20	229.96	113.52
- Others financial Assets	Level 2	39.82	35.03	16.32
		916.94	**504.33**	**365.72**
Total financial assets		**4,027.64**	**1,866.95**	**1,652.02**
Financial liabilities				
a) Measured at fair value through profit or loss (FVTPL)				
-Share buy back obligation	Level 3	3,729.30	2,460.90	2,195.18
		3,729.30	**2,460.90**	**2,195.18**
b) Measured at Amortised cost				
- Trade payables	Level 2	418.92	302.40	376.35
- Security deposits	Level 2	0.14	0.14	0.14
- Others financial liabilities	Level 2	2.66	5.39	6.70
		421.72	**307.93**	**383.19**
Total financial liabilities		**4,151.02**	**2,768.83**	**2,578.37**

b) The following methods / assumptions were used to estimate the fair values:

i) The carrying value of bank deposits, trade receivables, cash and cash equivalents, trade payables, security deposits and other current financial assets and other current financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments.

ii) The fair value of non-current financial assets and financial liabilities measured are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used does not reflect signifcant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate theri fair value.

iii) Fair value of quoted mutual funds is based on quoted market prices at the reporting date.

iv) Fair value of debt instruments is estimated based on discounted cash flows valuation technique using the cash flow projections, discount rate and credit risk.

(v) Fair value of the share buy back obligation is estimated based on discounted cash flow valuation technique using cash flow projections and financial projections/budgets approved by the management.

c) Following table describes the valuation techniques used and key inputs thereto for the level 3 financial assets / liabilities as of 31 March 2018, 31 March 2017 and 31 March 2016 proforma:

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	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	Refer note below**

* The fair values of financial liabilities included in level 3 have been determined in accrodance with generally accepted pricing models based on a discounted cashflow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counter parties.

* Sensitivity to changes in unobservable inputs: The fair value of these financial 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%.

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d) **Reconciliation of level 3 fair value measurements**

	Share buy back obligation		
Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
Opening balance	2,460.90	2,195.18	798.30
Gains or loss recognised in profit or loss	1,228.62	192.79	70.90
Purchases	39.78	72.93	1,325.98
Disposals	-	-	-
Closing balance	**3,729.30**	**2,460.90**	**2,195.18**

	Investment in debt instruments		
Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 (Proforma)**
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 2018, 2017 and 2016 Proforma, 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 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 Group consists of net debt (Debts (Annexure XVII) offset by cash and bank balance note (Annexure IX) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

The Group's financial management committee reviews the capital structure on a regular basis. As part of this review, the committee considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

Gearing ratio

The Group monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total equity (as shown in the balance sheet).

Particulars	As at		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Share buyback obligation	3,729.29	2,460.89	2,195.17
Cash and cash equivalents	(467.11)	(176.59)	(187.47)
Net debt	4,196.40	2,637.48	2,382.63
Total equity	(3,212.69)	(3,900.46)	(3,270.73)
Net debt to equity ratio	**-76.56%**	**-147.89%**	**-137.27%**

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 Company'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 maintaines its cash and cash equivalents, bank deposits and investment in mutual funds with reputed banks and financial institutions. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Security deposits

The Group monitors the credit rating of the counterparties on regular basis. These instruments carry very minimal credit risk based on the financial position of parties and Company'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 Company"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

Particulars	Within 1 year	Between 1 and 5 years	Total
Share buyback obligation	-	3,729.30	3,729.30
Trade payables	418.90	-	418.90
Other financial liabilities	0.18	2.62	2.80
	419.08	**3,731.92**	**4,151.00**

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
	302.56	**2,466.26**	**2,768.82**

Particulars	Within 1 year	Between 1 and 5 years	Total
Share buyback obligation	-	2,195.18	2,195.18
Trade payables	376.35	-	376.35
Other financial liabilities	0.17	6.66	6.83
Total	**376.52**	**2,201.84**	**2,578.36**

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include foreign currency reeivables, deposits, investments in mutual funds.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). The Group's exposure to unhedged foreign currency risk as at 31 March 2018, 31 March 2017 and 31 March 2016 Proforma 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 2018	**31 March 2017**	**31 March 2016 (Proforma)**
Trade receivable	USD 33,957.68 (Rs. 2,208,747)	USD 29,947.36 (Rs. 1,986,495)	USD 26,166.23 (Rs. 1,735,682)

Sensitivity

Particulars	**Impact on profit/loss before tax for the years ended**		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
USD sensitivity			
INR/USD - increase by 2%	0.04	0.04	0.03
INR/USD - decrease by 2%	(0.04)	(0.04)	(0.03)

Interest rate risk

The Group has not availed borrowings, hence is not exposed to interest rate risk.

Price risk

Investment of short-term surplus funds of the Group in liquid schemes of mutual funds provides high level of liquidity from a portfolio of money market securities and high quality debt and categorized as 'low risk' product from liquidity and interest rate risk perspectives

Sensitivity	**Impact on profit/loss before tax for the years ended**		
	31 March 2018	**31 March 2017**	**31 March 2016 (Proforma)**
+ 5% change in NAV of mutual funds	155.54	68.13	64.32
- 5% change in NAV of mutual funds	(155.54)	(68.13)	(64.32)

12 Events after the reporting period

Subsequent to the Balance sheet date, following transactions are made:

a) The Group has alloted bonus shares to the exiting equity shareholders as on 9 May 2018 in the ratio of 1:1 as approved by the shareholders at the general meeting held on 07 May 2018. Consequently, the number of shares have increased from 9,976,805 equity shares to 19,953,610 equity shares (refer Annexure XXVIII).

b) The Group has introduced Indiamart employees stock benefits scheme 2018 the pool of which includes stock appreciation rights and stock options as approved by the shareholder at the general meeting held on 07 May 2018. All new grants will be governed by this scheme.

c) The Group has decided in the Board meeting dated 06 June 2018 for the conversion of 9,30,000 Series A 0.01% Cumulative compulsory preference shares of Rs. 328 into 20,76,091 equity shares of Rs. 10 each, 5,52,816 0.01% Series B Cumulative compulsory preference shares of Rs. 100 into 11,05,632 equity shares of Rs. 10 each, 7,749 0.01% Series B1 Cumulative compulsory preference shares of Rs. 100 into 15,498 equity shares of Rs. 10 each.

13 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 2018	31 March 2017	31 March 2016 (Proforma)
Hello Trade Online Pvt Ltd	Business facilitation services	India	100%	100%	99.00%
Tradezeal International Pvt Ltd	Business facilitation services	India	100%	100%	99.91%
Ten Times Online Pvt Ltd	Business facilitation services	India	96.25%	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%	-

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXIX
Notes to Restated Ind AS consolidated summary statements
(Amounts in INR million, unless otherwise stated)

14. 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
Parent								
Indiamart Intermesh Limited								
Balance as at 31 March, 2018	95.76%	(3,124.27)	105.73%	538.21	105.07%	(9.63)	105.74%	528.58
Balance as at 31 March, 2017	96.33%	(3,710.44)	19.30%	(125.25)	93.32%	(5.22)	19.93%	(130.48)
Balance as at 31 March, 2016, proforma	88.40%	(2,417.91)	45.08%	(594.81)	104.93%	(3.97)		(598.78)
		-		-				-
Subsidiaries		-		-				-
Tolexo Online Private Limited		-		-				-
Balance as at 31 March, 2018	4.45%	(145.12)	-5.73%	(29.15)	-5.67%	0.52	-5.73%	(28.63)
Balance as at 31 March, 2017	3.46%	(133.23)	78.49%	(509.43)	5.22%	(0.29)	77.86%	(509.72)
Balance as at 31 March, 2016, Proforma	11.71%	(320.23)	55.04%	(726.20)	-5.23%	0.20		(726.00)
Ten Times Online Private Limited		-		-		-		-
Balance as at 31 March, 2018	-0.59%	19.14	0.57%	2.90	0.60%	(0.06)	0.57%	2.84
Balance as at 31 March, 2017	-0.18%	7.11	-0.72%	4.66	1.46%	(0.08)	-0.70%	4.58
Balance as at 31 March, 2016, Proforma	-0.09%	2.49	-0.13%	1.71	0.30%	(0.01)		1.71
Hello Trade Online Pvt Ltd		-		-		-		-
Balance as at 31 March, 2018	0.00%	0.03	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Balance as at 31 March, 2017	0.00%	0.05	0.01%	(0.04)	0.00%	-	0.01%	(0.04)
Balance as at 31 March, 2016, Proforma	0.00%	(0.01)	0.00%	(0.03)	0.00%	-		(0.03)
Tradezeal International Pvt Ltd		-		-		-		-
Balance as at 31 March, 2018	0.52%	(16.89)	-0.02%	(0.08)	0.00%	-	-0.02%	(0.08)
Balance as at 31 March, 2017	0.43%	(16.46)	2.92%	(18.98)	0.00%	-	2.90%	(18.98)
Balance as at 31 March, 2016, Proforma	-0.02%	0.46	0.01%	(0.14)	0.00%	-		(0.14)
Pay with Indiamart Private Limited		-		-		-		-
Balance as at 31 March, 2018	-0.13%	4.36	-0.55%	(2.80)	0.00%	-	-0.56%	(2.80)
Balance as at 31 March, 2017	-0.03%	0.97	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
Balance as at 31 March, 2016, Proforma	0.00%	-	0.00%	-	0.00%	-		-
Total								
Balance as at 31 March, 2018		(3,262.76)		509.06		(9.17)		499.89
Balance as at 31 March, 2017		(3,852.00)		(649.07)		(5.60)		(654.67)
Balance as at 31 March, 2016, Proforma		(2,735.19)		(1,319.48)		(3.78)		(1,323.25)

Auditors' Report on the restated consolidated summary statements of assets and liabilities as at March 31, 2015 and 2014, profits and losses and cash flows for each of the year ended March 31, 2015 and 2014 of IndiaMART InterMESH Limited (collectively, the "Restated Indian GAAP Consolidated Summary Statements")

To
The Board of Directors
IndiaMART InterMESH Limited
7th and 8th Floor, Advantis 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, 2015 and 2014 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document 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. Sub-section (1) of 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 Draft Red Herring Prospectus ("DRHP"), 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, 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. 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 statements of the Company as at and for the year ended March 31, 2015 and 2014, which were 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 25, 2015 and April 30, 2014, respectively; 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:

<table>
<tr><th>Name of the entity</th><th>Name of the audit firm</th><th>Period covered</th></tr>
<tr><td rowspan="2">Ten Times Online Private Limited</td><td>Pankaj Priti & Associates</td><td>As at and for the year ended March 31, 2015</td></tr>
<tr><td>Mukesh Raj & Co</td><td>As at March 31, 2014 and for the period February 26, 2014 to March 31, 2014</td></tr>
<tr><td rowspan="2">Tradezeal International Private Limited</td><td>Pankaj Priti & Associates</td><td>As at and for the year ended March 31, 2015</td></tr>
<tr><td>Mukesh Raj & Co</td><td>As at and for the year ended March 31, 2014</td></tr>
<tr><td rowspan="2">Hello Trade Online Private Limited</td><td>Pankaj Priti & Associates</td><td>As at and for the year ended March 31, 2015</td></tr>
<tr><td>Mukesh Raj & Co</td><td>As at and for the year ended March 31, 2014</td></tr>
</table>

6. For the purpose of our examination, we have relied on:

   a. Auditors' Report issued by us dated July 25, 2015 and April 30, 2014 on the Consolidated financial statements of the Group as at and for the year ended March 31, 2015 and 2014, respectively; 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, 2015	**March 31, 2014**
Total Assets	3.13	1.20
Total revenue	29.16	Nil
Net Cash outflow	1.22	0.62
Profit/(Loss) before tax	0.29	(0.11)

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, 2015 are materially consistent with the policies adopted for the year ended March 31, 2014 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, 2015 and 2014, 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, 2015 and 2014, 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, 2015 and 2014, 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, 2015 are materially consistent with the policies adopted as at and for the year ended March 31, 2014. 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 auditors' reports on the audited consolidated financial statements of the Company as at March 31, 2015 and 2014 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 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, 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, 2018. 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, 2018.

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 DRHP, 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 each of the years ended March 31, 2015 and 2014:

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 Long term 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 and Other Assets, 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 offer document to be filed with SEBI, National Stock Exchange of India Limited and BSE Limited 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: Noida
Date: June 22, 2018

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure I
Restated IGAAP Consolidated Summary Statement of Assets and Liabilities
(Amount in INR million, unless otherwise stated)

S.No.	Particulars	Annexure	March 31, 2015	31 March 2014
	Equity and Liabilities			
A	**Shareholder's Funds**			
	Share capital	VI	581.69	581.69
	Reserves and surplus	VII	(1,521.54)	(1,202.69)
	Minority interest		0.03	0.00
	Total Shareholder's fund		**(939.82)**	**(621.00)**
B	**Non-current liabilities**			
	Borrowings	VIII	-	0.57
	Trade payables			
	(A) total outstanding dues of micro enterprises and small enterprises; and	IX	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	IX	7.32	6.70
	Other long-term liabilities	IX	535.36	356.62
	Total of Non-current liabilities		**542.68**	**363.89**
C	**Current liabilities**			
	Trade payables	X		
	(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	267.79	179.85
	Other current liabilities	X	1,108.54	868.61
	Short-term provisions	XI	45.59	32.45
	Total of Current liabilities		**1,421.92**	**1,080.91**
	Total (A+B+C)		**1,024.78**	**823.80**
D	**Assets**			
	Non-current assets			
	Fixed assets			
	Property, plant and equipment	XII	51.24	61.73
	Intangible assets	XII	10.36	2.13
	Capital work-in-progress		1.77	1.77
	Loans and advances	XIII	44.19	34.37
	Other non current Assets	XIV	104.53	-
	Total of Non - current assets		**212.09**	**100.00**
E	**Current assets**			
	Current investments	XV	600.35	579.81
	Trade receivables	XVI	4.30	5.34
	Cash and bank balances	XVII	102.95	67.08
	Loans and advances	XVIII	100.51	71.57
	Other Current Assets	XIV	4.58	-
	Total of Current assets		**812.69**	**723.80**
	Total (D+E)		**1,024.78**	**823.80**

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 Agarwal
Director
DIN:00191800

Brijesh Agrawal
Director
DIN:00191760

Place: Noida
Date : 22 June 2018

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure II
Restated IGAAP Consolidated Summary Statement of Profits and Losses
(Amount in INR million, unless otherwise stated)

S.No.	Particulars	Annexure	31 March 2015	31 March 2014
F	**Income:**			
	Revenue from operations	XIX	1,760.72	1,357.47
	Other income	XX	119.55	75.57
	Total revenue		**1,880.27**	**1,433.04**
G	**Expenses:**			
	Employee benefits expense	XXI	1,190.09	938.96
	Other expenses	XXII	973.91	544.48
	Depreciation and amortization expenses	XII	30.21	22.32
	Financial costs	XXIII	4.72	3.11
	Total expenses		**2,198.93**	**1,508.87**
H	**Restated loss before tax**		**(318.66)**	**(75.83)**
I	**Tax expense**			
	Tax expense		0.18	-
	Total tax expenses		**0.18**	**-**
J	**Loss for the year**		(318.84)	(75.83)
	Less: Minority interest - share of Loss		0.01	(0.00)
K	**Restated loss for the year attributable to shareholders of parent**		**(318.85)**	**(75.83)**

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 Agarwal
Director
DIN:00191800

Brijesh Agrawal
Director
DIN:00191760

Place: Noida
Date : 22 June 2018

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure III
Restated IGAAP Consolidated summary statement of Cash Flows
(Amount in INR million, unless otherwise stated)

S.No.	Particulars	31 March 2015	31 March 2014
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Restated Loss before tax	(318.66)	(75.83)
	Adjustment to reconcile loss before tax to net cash flows		
	Depreciation and amortization	30.21	22.32
	Write off on Property, plant and equipment	-	3.51
	Provision for advances	0.57	-
	Gain on sale of fixed assets	-	(28.93)
	Employee stock compensation expense /(written back)	-	(0.18)
	Net (gain) on sale of current investments	(113.25)	(45.92)
	Interest expenses	0.09	0.14
	Interest (income)	(5.74)	(0.58)
	Operating loss before working capital changes	**(406.78)**	**(125.47)**
	Movement in working capital :		
	Increase in other long-term liabilities	178.74	120.07
	Increase in trade payables	88.57	60.60
	Increase in other current liabilities	239.36	161.48
	Increase in short-term provisions	13.14	12.86
	Decrease in trade receivables	1.03	2.51
	Decrease in other current assets	(4.58)	-
	Decrease in long term loans and advances	(57.33)	(7.33)
	Cash generated from operations	**52.15**	**224.72**
	Direct taxes paid (net of refund)	18.38	(1.72)
	Net cash from operating activities	**70.53**	**223.00**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets including CWIP and capital advance	(27.98)	(4.23)
	Proceeds from sale of fixed assets	0.03	44.16
	Advance against purchase of Mutual Fund	-	(7.50)
	Investments in bank deposits (having original maturity of more than three months)	(108.02)	-
	Purchase of current investments	(1,188.02)	(442.00)
	Interest received	5.74	0.58
	Proceeds from sale/maturity of current investments	1,280.73	198.89
	Net cash (used in) investing activities	**(37.52)**	**(210.10)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of share capital	0.02	-
	Repayment of short term borrowings	(0.56)	(0.51)
	Interest paid	(0.09)	(0.14)
	Net cash (used in) financing activities	**(0.63)**	**(0.65)**
D	**Net increase in cash and cash equivalents (A+B+C)**	32.38	12.25
E	Cash and cash equivalents at the beginning of the year	67.08	54.83
	Cash and cash equivalents at end of the year (D+E)	**99.46**	**67.08**
	Components of cash and cash equivalents		
	Cash on hand	0.39	0.76
	Cheques on hand	76.15	2.34
	With banks - on current account	22.92	63.98
	Total cash and cash equivalents	**99.46**	**67.08**
	Cash and cash equivalent in cash flow statement (Annexure XVII)	**99.46**	**67.08**

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 Agarwal
Director
DIN:00191800

Brijesh Agrawal
Director
DIN:00191760

Place: Noida
Date : 22 June 2018

Prateek Chandra
Chief Financial Officer

Manoj Bhargava
Company Secretary

(Amount in INR million, unless otherwise stated)

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 Basis of preparation

The Restated Indian GAAP Consolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2015 and March 31, 2014 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, 2015 and March 31, 2014 and accompany annexures thereto (hereinafter collectively referred to as "Restated Indian GAAP Consolidated Financial Statements") have been prepared specifically for inclusion in the Offer Document 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 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, 2015 and March 31, 2014 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, Companies (Accounting Standards) Amendment Rules, 2016 and SEBI Circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 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, 2015 and March 31, 2014 under Indian GAAP and year ended March 31, 2018, March 31, 2017 and March 31, 2016 (proforma) under Ind AS.
Financial statements presented under Ind AS have been prepared in a separate set of financial statements.

These Consolidated financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013.

The Restated Indian GAAP Consolidated Summary Statements have been prepared by the Company to comply in all material respects with the requirements of Sub-section (1) of Section 26 of Part I of Chapter III of The Companies Act, 2013 and the 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 SEBI on August 26, 2009 as amended from time to time.

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 2015	Year ended 31 Mar 2014
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%	100.00%
4	Tolexo India Private Limited (from May 28, 2014)	28 May, 2014	100.00%	NA

2.1 Statement of Significant accounting policies

a) **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

(Amount in INR million, unless otherwise stated)

b) **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.

c) **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.

d) **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 Group has used the following rates to provide depreciation on its fixed assets.

Categories	**Annual rate (for the year ended March 31, 2015)**	**Annual rate (for the year ended March 31, 2014)**
Computer equipment	63.16%	40.00%
Furniture and fittings	26.89%	18.10%
Office equipments	45.07%	13.91%
Vehicles	25.89%	25.89%
Building	N/A	5.00%

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.

e) **Impairment of Property, plant and equipment and intangible 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.

f) **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.

g) **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.

h) **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.

i) **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.

i) **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.

j) **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.

k) **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 occur, 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.

l) **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.

m) **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.

n) **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.

o) **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.

p) **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.

q) **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

r) **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

(Amount in INR million, unless otherwise stated)

A The summary of results of restatement made in the audited Indian GAAP Consolidated financials statements for the respective years and its impact on the profit of the group is as follows:

Particulars	**31 March 2015**	**31 March 2014**
Net loss as per audited financial statements	(318.84)	(75.83)
Restatement adjustments		
Material items relating to previous years		-
Net loss as per restated financial statements	(318.84)	(75.83)

B Restatement adjustments made in the audited opening balance of net surplus in the statement of profit and loss as at April 01, 2013

Particulars	**As at April 01, 2013**
Net loss in the statement of Profit and Loss as at April 01, 2013 as per audited financial statement	(1,306.00)
Restatement adjustments	-
Net loss in the statement of profit and Loss as at April 1, 2013 (as restated)	**(1,306.00)**

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 loses 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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure VI
Restated Indian GAAP Consolidated Statement of Share Capital
(Amount in INR million, unless otherwise stated)

The summary of results of restatement made in the audited Indian GAAP Consolidated financials statements for the respective years and its impact on the profit of the group is as follows:

Particulars	March 31, 2015	March 31, 2014
Authorised shares		
12,000,000 equity shares of Rs. 10 each	120.00	120.00
1,000,000 non cumulative redeemable preference shares of Rs. 10 each	10.00	10.00
1,493,903 0.01% Series A cumulative convertible preference shares (CCPS) of Rs. 328 each	490.00	490.00
	620.00	**620.00**
Issued, subscribed and fully paid up:		
9,168,959 equity shares of Rs. 10 each	91.69	91.69
1,493,903 0.01% Series A CCPS of Rs. 328 each	490.00	490.00
	581.69	**581.69**

a) Reconciliation of the shares outstanding at the beginning and as at the end of the year
Equity shares

	March 31, 2015		March 31, 2014	
	Number	**Amount**	**Number**	**Amount**
At the beginning of the year	**91,68,959**	**91.69**	**91,68,959**	**91.69**
Issued during the year				
Outstanding at the beginning of the year	**91,68,959**	**91.69**	**91,68,959**	**91.69**

Preference shares

	March 31, 2015		March 31, 2014	
	Number	**Amount**	**Number**	**Amount**
At the beginning of the year	**14,93,903**	**490.00**	**14,93,903**	**490.00**
Issued during the year				
Outstanding at the beginning of the year	**14,93,903**	**490.00**	**14,93,903**	**490.00**

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.

(d) Details of shareholders holding more than 5% shares in the group

	March 31, 2015		March 31, 2014	
	Number	**% Holding**	**Number**	**% Holding**
Equity shares of Rs. 10 each fully paid				
Dinesh Agarwal	**47,41,600**	**51.71%**	**47,41,600**	**51.71%**
Brijesh Agrawal	**32,13,100**	**35.04%**	**32,13,100**	**35.04%**

	March 31, 2015		March 31, 2014	
	Number	**% Holding**	**Number**	**% Holding**
CCPS of Rs. 10 each fully paid	**14,93,903**	**100%**	**14,93,903**	**100%**

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 Annexure 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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure VII
Restated Indian GAAP Consolidated Statement of Reserves
(Amount in INR million, unless otherwise stated)

Particulars	As on	
	31 March 2015	March 31, 2014
A) Securities Premium Account	153.03	153.03
B) Employee stock options outstanding		
Gross employee stock compensation for options granted in earlier years	17.66	17.84
Less: Deferred employee stock compensation	-	(0.18)
Closing Balance	**17.66**	**17.66**
C) General Reserve	8.45	8.45
D) Deficit in the statement of profit and loss		
Balance at the beginning of the year	(1,381.83)	(1,306.00)
Add: Loss for the year	(318.85)	(75.83)
Net deficit in the statement of profit and loss	(1,700.68)	(1,381.83)
Total	**(1,521.54)**	**(1,202.69)**

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 VIII
Restated Indian GAAP Consolidated Statement of Long-term and Short-term Borrowings
(Amount in INR million, unless otherwise stated)

Particulars	As at	
	31 March 2015	31 March 2014
Vehicle loan - (Secured)		
From financial institutuions	-	0.57
Total Long term secured loans	-	**0.57**

(b) Short-term borrowings

Particulars	As at	
	31 March 2015	31 March 2014
Vehicle loan - (Secured)		
From financial institutuions	0.57	0.56
The above amount includes		
Current maturities	0.57	0.56
Less: * Current maturities disclosed under the head “Other Current Liabilities”	(0.57)	(0.56)
Total Long term secured loans	-	-

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)

Particulars	As at	
	31 March 2015	31 March 2014
Other long-term liabilities		
Unearned revenue	535.36	356.62
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.	7.32	6.70
Total other long-term liabilities	**542.68**	**363.32**

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 X
Restated Indian GAAP Consolidated Statement of Trade Payables and other Liabilities
(Amount in INR million, unless otherwise stated)

Particulars	As on March 31, 2015	As on March 31, 2014
Current liabilities		
A. 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. (refer annexure XXV, serial no 7)	267.79	179.85
B. Other current liabilities		
Current maturities of long-term debt	0.57	0.56
Unearned Revenue	927.64	748.36
Advance from customers	159.35	109.32
Payables to employees	0.51	0.30
Capital creditors	1.95	-
Security deposits	0.14	0.05
Other statutory dues (employee related liabilities)	2.43	1.32
Tax deducted at source payable	15.95	8.70
Total other current liabilities (B)	**1,108.54**	**868.61**
Total current liabilities (A+B)	**1,376.33**	**1,048.46**

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 XI
Restated Indian GAAP Consolidated Statement of Provisions
(Amount in INR million, unless otherwise stated)

Particulars	As at	
	March 31, 2015	March 31, 2014
Provisions for empoyee benefits		
Provision for gratuity (refer annexure XXV, serial no 4)	24.67	15.86
Provision for leave encashment	20.92	16.59
Total	**45.59**	**32.45**

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)
Property, plant and equipment

Particulars	Leasehold Land	Buidlings	Computers	Office Equipments	Furniture & Fittings	Motor Vehicles	Leasehold Improvements	Total
Gross Block								
As at March 31, 2013	**39.00**	**9.88**	**84.42**	**34.63**	**34.23**	**5.08**	**27.02**	**234.26**
Additions	-	-	0.81	3.24	0.18	-	-	4.23
Disposals	(5.62)	(9.88)	(0.03)	(7.24)	(4.37)	(2.12)	-	(29.26)
Asset Written off	-	-	-	(9.42)	(4.32)	(0.14)	-	(13.88)
At 31 March 2014	**33.38**	**-**	**85.20**	**21.21**	**25.72**	**2.82**	**27.02**	**195.35**
During the Year	-	-	8.63	7.30	0.06	-	-	15.99
Disposals	-	-	-	(0.04)	-	-	-	(0.04)
At 31 March 2015	**33.38**	**-**	**93.83**	**28.47**	**25.78**	**2.82**	**27.02**	**211.30**
Depreciation								
At 31 March 2013	**3.56**	**3.79**	**61.98**	**18.32**	**26.47**	**2.01**	**20.99**	**137.12**
Charge for the year	0.41	0.14	9.12	3.00	1.52	0.68	6.03	20.90
Disposals	(1.00)	(3.93)	(0.03)	(4.03)	(3.38)	(1.66)	-	(14.03)
Asset Written off	-	-	-	(6.99)	(3.25)	(0.13)	-	(10.37)
At 31 March 2014	**2.97**	**0.00**	**71.07**	**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	-	-	-	(0.02)	-	-	-	(0.02)
At 31 March 2015	**3.34**	**0.00**	**86.18**	**19.01**	**23.05**	**1.46**	**27.02**	**160.06**
Net block								
At 31 March 2014	**30.41**	**(0.00)**	**14.13**	**10.91**	**4.36**	**1.92**	**-**	**61.73**
At 31 March 2015	**30.04**	**(0.00)**	**7.65**	**9.46**	**2.73**	**1.36**	**-**	**51.24**

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XII
Restated Indian GAAP Consolidated Statement of Fixed Assets
(Amount in INR million, unless otherwise stated)

Intangible assets

Particulars	Web Portals	Software	Unique telephone numbers	Total
Gross block				
At 31 March 2013	96.04	21.42	-	**117.46**
Additions				-
Disposals				-
At 1 April 2014	**96.04**	**21.42**	**-**	**117.46**
Additions	-	1.48	10.50	11.98
Disposals	-	-	-	-
At 31 March 2015	**96.04**	**22.90**	**10.50**	**129.44**
Amortization				
At 31 March 2013	96.04	17.87	-	**113.91**
Charge for the year	-	1.42	-	1.42
Disposals	-	-	-	-
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**
Net Block				
At 31 March 2014	**-**	**2.13**	**-**	**2.13**
At 31 March 2015	**-**	**2.51**	**7.85**	**10.36**

Depreciation and amortisation

Particulars	March 31, 2015	March 31, 2014
Depreciation	26.46	20.90
Amortisation	3.75	1.42
Total	30.21	22.32

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 156.96 mn

2: The group entered into a lease agreement with Naiad 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, 2016

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XIII
Restated Indian GAAP Consolidated Statement of Long-Term Loans and Advances
(Amount in INR million, unless otherwise stated)

Particulars	As at	
	March 31, 2015	March 31, 2014
Long-Term loans and advances		
Unsecured, considered good		
Security deposits - Rent	39.62	29.49
Prepaid expenses	3.24	3.46
Loan to employees*	1.33	1.42
Total Long-Term loans and advances	**44.19**	**34.37**

** 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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XIV
Restated Indian GAAP Consolidated Statement of Other assets
(Amount in INR million, unless otherwise stated)

Particulars	Non-Current		Current	
	March 31, 2015	March 31, 2014	31 March 2015	31 March 2014
Interest accrued on fixed deposits	-	-	0.02	-
Receivable from logistics partners and payment gateways	-	-	4.56	-
	-	**-**	**4.58**	**-**

Particulars	Non-Current		Current	
	March 31, 2015	March 31, 2014	31 March 2015	31 March 2014
Cash and Cash equivalent				
Non-current bank balances	104.53	-	-	-
	104.53	**-**	**-**	**-**

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 XV
Restated Indian GAAP Consolidated Statement of Current Investments
(Amount in INR million, unless otherwise stated)

Particulars	**Units**		**As at**	
	31 March 2015	**31 March 2014**	**31 March 2015**	**March 31, 2014**
Current Investments				
Investments (valued at lower of cost and fair value, unless stated otherwise)				
Unquoted investment				
HDFC High Interest Fund - Short Term Plan - Growth	-	29,02,493	-	65.60
HDFC Prudence Fund - Growth	16,474	2,00,457	6.10	32.73
HDFC Top 200 Fund - Growth	11,913	70,414	4.10	11.59
HDFC Liquid Fund-Growth	66,44,814	24,77,566	182.93	54.83
IDFC Premier Equity Fund -Growth	5,22,739	3,22,904	25.08	12.30
IDFC Dynamic Bond Fund		23,619	-	0.52
IDFC Dynamic Bond Fund - Regular Plan	2,95,953	76,12,663	4.29	109.40
HDFC Gilt Fund Long Term- Growth	8,73,960	8,73,960	20.00	20.00
Birla Sun Life Cash Plus-Growth-Regular Plan	7,77,664	69,431	173.94	14.07
Sunlife Frontline Equity Fund-Growth Regular Plan	1,73,216	83,806	21.50	8.50
Sunlife Short Term Opportunity Plan-Growth Regular Plan		75,43,334	-	150.00
Franklin Templeton (I) Short term income Plan-Growth	57,792	39,101	162.14	100.00
HDFC High Interest Fund- Short term plan-Growth	14,472	14,472	0.27	0.27
Total Current investments			**600.35**	**579.81**

Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	**600.35**	**579.81**
Aggregate provision for diminution in value of investments	-	-

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 XVI
Restated Indian GAAP Consolidated Statement of Trade Receivables
(Amount in INR million, unless otherwise stated)

Particulars	As at	
	March 31, 2015	March 31, 2014
Trade Receivables (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables		
Considered good	4.30	5.34
Total	**4.30**	**5.34**

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 XVII
Restated Indian GAAP Consolidated Statement of Cash and Bank Balances
(Amount in INR million, unless otherwise stated)

Particulars	As At			
	Non-Current		Current	
	31 March 2015	31 March 2014	March 31, 2015	March 31, 2014
Cash and Cash equivalent				
Balance with banks				
In current accounts	-	-	22.92	63.98
Cheques on hand	-	-	76.15	2.34
Cash in hand	-	-	0.39	0.76
	-	**-**	**99.46**	**67.08**
Other bank balances				
Deposits with originai maturity for more than 3 months but less than 12 months	-	-	3.49	-
Deposits with originai maturity for more than 12 months	104.53	-	-	-
	104.53	**-**	**3.49**	
Amount disclosed under non-current assets	(104.53)	-	-	-
	-	**-**	**102.95**	**67.08**

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 XVIII
Restated Indian GAAP Consolidated Statement of Short-Term Loans and Advances and other assets
(Amount in INR million, unless otherwise stated)

Particulars	As at	
	March 31, 2015	31 March 2014
A. Short-Term loans and advances		
Unsecured, considered good		
Security deposits	-	0.27
Advances recoverable in cash or kind or for value to be received	6.42	4.91
Doubtful		
Security deposits	-	0.84
Advances recoverable in cash or kind or for value to be received	0.57	-
Provision for doubtful advances	(0.57)	(0.84)
Other loans and advances	-	-
Statutory dues with government	13.73	1.05
Loan to employees	5.52	4.19
Advance tax/tax deducted at source [Net off provision for tax Rs. Nil)	58.27	40.07
Advance tax fringe benefit tax	-	-
Advance against purchase of mutual fund	-	7.50
Receivable against sale of mutual fund	-	0.30
Prepaid expenses	16.57	13.28
Total Short-Term loans and advances	**100.51**	**71.57**

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.

3. Amounts due from Directors / Promoters / Promoter Group Companies / Relatives of Promoters / Relatives of Directors / Subsidiary Companies

Particulars	Amount	
	31 March 2015	31 March 2014

4. 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 XIX
Restated Indian GAAP Consolidated Statement of Revenue from operations
(Amount in INR million, unless otherwise stated)

Particulars	For the year ended	
	March 31, 2015	March 31, 2014
Revenue from operations		
Income from web services	1,728.91	1,357.47
Revenue from exhibitions	29.16	-
Revenue from marketting Fees	2.65	-
Total	**1,760.72**	**1,357.47**

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XX
Restated Indian GAAP Consolidated Summary Statement of Other Income
(Amount in INR million, unless otherwise stated)

Particulars	For the year ended			
	March 31, 2015	March 31, 2014	Nature: Recurring/ non-recurring	Related/Not related to business activity
Interest				
Others	0.68	0.58	Non-Recurring	Not related
Bank deposits	5.05	-	Recurring	Not related
Net gain on sale of current investments (non trade)	113.25	45.92	Recurring	Not related
Miscellaneous Income	0.01	-	Non-Recurring	Not related
Profit on sale of buildings	-	28.93	Non-Recurring	Not related
Excess provision written back	0.56	0.14	Non-Recurring	Not related
Total	**119.55**	**75.57**		

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXI
Restated Indian GAAP Consolidated Statement of Employee Benefit Expense
(Amount in INR million, unless otherwise stated)

Particulars	For the year ended	
	March 31, 2015	March 31, 2014
Salaries, allowances and bonus	1,110.17	879.55
Contribution to provident and other funds	10.23	8.28
Gratuity expenses	19.31	11.82
Staff welfare expenses	50.38	39.31
Total	**1,190.09**	**938.96**

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXII
Restated Indian GAAP Consolidated Statement of Other expenses
(Amount in INR million, unless otherwise stated)

Particulars	For the year ended	
	March 31, 2015	March 31, 2014
Content development expenses	200.37	138.67
Buyer engagement expenses	72.54	40.99
Customer support expenses	80.91	23.16
Outsourced sales cost	34.60	-
Internet and other online expenses	46.32	41.51
Rent	96.14	79.51
Rates and taxes	2.14	3.93
Communication costs	9.50	8.13
Advertisement expenses	254.53	69.37
Exhibition expenses	1.89	5.01
Power and fuel	19.20	21.55
Printing and stationery	7.96	7.38
Repairs and maintenance :		
- Plant and machinery	8.62	7.20
- Others	37.71	31.17
Travelling and conveyance	25.15	25.08
Recruitment and training expenses	33.84	20.20
Legal and professional fees	20.26	11.00
Directors' sitting fees	0.48	0.48
Insurance expenses	5.77	5.07
Business promotion	1.73	0.00
Write off on Propery, plant and equipment	-	3.51
Provision for doubtful advances	0.57	0.76
Donation	-	0.25
General expenses	0.78	0.51
Packing Charges	0.97	-
Freight and cartage	11.91	0.04
Exchange Differences (net)	0.02	-
Total	**973.91**	**544.48**

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXIII
Restated Indian GAAP Consolidated Statement of Finance costs
(Amount in INR million, unless otherwise stated)

Particulars	For the year ended	
	March 31, 2015	March 31, 2014
Interest	0.09	0.14
Bank charges	4.63	2.97
Total	**4.72**	**3.11**

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.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXIV
Restated Indian GAAP consolidated statement of Accounting Ratios
(Amount in INR million, unless otherwise stated)

S. No	Particulars		31 March 2015	31 March 2014
1	Restated loss after tax	A	(318.84)	(75.83)
2	Less: preference dividend for the year including tax thereon	B	-	-
3	**Net profit available to equity shareholders**	C= A+B	(318.84)	(75.83)
4	Number of equity shares outstanding at the end of the year	D	91,68,959	91,68,959
5	Number of Compulsory convertible preference shares outstanding at the end of the year	E	14,93,903	14,93,903
6	Weighted average number of equity shares considered for calculating basic earnings per share	F	1,83,37,918	1,83,37,918
7	Weighted average number of equity shares considered for calculating diluted earnings per share	G	1,83,37,918	1,83,37,918
8	Restated net worth (refer note 4 below)	H	(939.85)	(621.00)
9	**Accounting ratios:**			
	Basic earnings per share (Rs.)	C / F	(17.39)	(4.14)
	Diluted earnings per share (Rs.) (Refer Note 5 below)	A / G	(17.39)	(4.14)
	Return on Net Worth (%)	A / H	33.92	12.21
	Net asset value per equity share (Rs.)	H / D	(102.50)	(67.73)

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.) = $\dfrac{\text{Restated Net Profit/ (Loss) after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

b) Diluted Earnings per share (Rs.) = $\dfrac{\text{Restated Net Profit/ (Loss) after tax attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares}}$

c) Return on net worth (%) = $\dfrac{\text{Restated Net Profit/ (Loss) after tax attributable to equity shareholders}}{\text{Restated Net worth at the end of the year}}$

d) Net asset value per share (Rs.) = $\dfrac{\text{Restated net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year}}$

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 2015 and 31 March 2014 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 comings/(less) per share.

6. Subsequent to the Balance sheet date, the Company has alloted 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 calculatiing the weighted average number of equity shares.

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXV
Notes to the Restated Consolidated Summary Statement
(Amount in INR million, unless otherwise stated)

1. Related party disclosures, as required by notified Accounting Standard 18 - "Related Party Disclosures" are given below

a)

Particulars	**31 March 2015**	**31 March 2014**
Related parties where transactions have been entered into during the year/ period		
Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
	Mansa Enterprises Pvt Ltd	Mansa Enterprises Pvt Ltd
Key Management Personnel	Mr. Dinesh Agarwal (Managing Director)	Mr. Dinesh Agarwal (Managing Director)
	Mr. Brijesh Agrawal (Whole time Director)	Mr. Brijesh 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)
	Mr. Dhruv Prakash (Director)	Mr. Dhruv Prakash (Director)

(This space has been intentionally left blank)

(Amount in INR million, unless otherwise stated)

b) Summary of transactions with the above related parties are as follows:

S. No.	Particulars	31 March 2015	31 March 2014
1	Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
	Expenses for rent		
	Mansa Enterprises Private Limited	4.80	3.40
2	**Key Management Personnel**		
	Recuitment and training		
	Dhruv Prakash	1.58	
	Legal and Professional fees		
	Dhruv Prakash		2.29
	Remuneration		
	Salaries, performance linked incentive and perquisites	38.09	29.58
	Director's sitting fees		
	Mr. Rajesh Sawhney	0.20	0.20
	Mr. Mahendra Kumar Chauhan	0.16	0.16
	Mr. Dhruv Prakash	0.12	0.12
	Balance Outstanding at the year end		
4	**Key Management Personnel**		
	Dinesh Agarwal	-	0.76
	Brijesh Kumar Agrawal	-	0.52

IndiaMART InterMESH Limited
CIN: U74899DL1999PLC101534
Annexure XXV
Notes to the Restated Consolidated Summary Statement
(Amount in INR million, unless otherwise stated)

2. Restated Indian GAAP Consolidated Statement of Contingent Liabilities

Particulars	31 March 2015	31 March 2014
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	0.71
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	6.21
Dividend on 0.01% Series A CCPS	0.31	0.26
Total	**7.70**	**7.18**

Capital and other commitments

Particulars	31 March 2015	31 March 2014
Estimated amount of contract remaining to be executed on capital account not provided	-	-

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.

(Amount in INR million, unless otherwise stated)

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 2015	31 March 2014
India	1,695.62	1,291.46
Others	65.10	66.01
Total	**1,760.72**	**1,357.47**

Assets and additions to Property, plant and equipment 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 2015	31 March 2014
India	1,020.47	818.45
Other	4.30	5.34
Total	**1,024.77**	**823.79**

Particulars	31 March 2015	31 March 2014
India	27.98	4.23
Other	-	-
Total	**27.98**	**4.23**

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 2015	31 March 2014
Current service cost	5.90	2.18
Interest cost on benefit obligation	1.43	1.04
Expected return on plan assets	(0.24)	(0.35)
Net actuarial (gain) / loss recognized in the period	12.22	8.94
Net benefit expense	**19.31**	**11.81**
Actual return on plan assets	1.35	0.40

Balance Sheet

Benefit asset/liability

Particulars	31 March 2015	31 March 2014
Present value of defined benefit obligation	36.27	18.51
Fair value of planned assets	(11.60)	(2.64)
Plan (asset)/liability	**24.67**	**15.87**

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31 March 2015	31 March 2014
Opening defined benefit obligation	18.51	13.03
Defined benefit obligation pursuant to the scheme (refer note 36)	-	-
Current service cost	5.90	2.18
Interest cost	1.43	1.04
Benefits paid	(2.90)	(6.75)
Actuarial (gain) / losses on obligation	13.33	8.99
Closing defined benefit obligation	**36.27**	**18.49**

(Amount in INR million, unless otherwise stated)

Changes in fair value of planned assets are as follows:

Particulars	31 March 2015	31 March 2014
Opening fair value of planned assets	2.64	3.99
Expected return	0.24	0.35
Contribution by the employer	10.50	4.99
Benefits paid	(2.90)	(6.75)
Actuarial gain / (losses)	1.35	0.06
Closing fair value of planned assets	**11.83**	**2.64**

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

Particulars	31 March 2015	31 March 2014
Investments with insurer	100%	100%

The group expects to contribute Rs 8.77 mn (March 31, 2014: Rs 2.48 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:

Particulars	31 March 2015	31 March 2014
Discount rate	7.75%	8.75%
Expected rate of return on assets	9.00%	8.75%
Future salary increase	7.02%	7.00%
Attrition rate	For Service: 4 years and below 71% p.a. 17% thereafter	Service related: 4 years and below 70% p.a. and 2% 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 2015	31 March 2014
Gratuity		
Defined benefit obligation	36.27	18.51
Plan assets	11.83	2.64
Surplus/(deficit)	24.43	15.86
Experience adjustments on plan liabilities: Gain/ (Loss)	13.33	7.98
Experience adjustments on plan assets: Gain/ (Loss)	1.11	0.06

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 Rs 59.40 mn (March 31, 2014 - Rs 45.10 mn)

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	For the year ended	
	March 31, 2015	March 31, 2014
Within one year	83.33	46.97
After one year but not more than five years	171.19	115.41
More than five years	2.59	9.02
	257.11	**171.40**

(Amount in INR million, unless otherwise stated)

6. Employee stock option plans

The Group has provided various share-based payment schemes to its employees. During the last five years ended March 31, 2015, and 2014, 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	4,53,420	Equity	0 to 48 Months
Plan II	March 15, 2012	January 25, 2012	November 10,2008	6,45,560	Equity	0 to 48 Months
Plan III	July 31, 2013	October 28, 2013	October 27,2012	24,000	Equity	0 to 48 Months

The details of activity under Plan I of ESOP scheme is as under

Particulars	As at			
	31 March 2015 (No of options)	Weighted average exercise price	31 March 2014	Weighted average exercise price (in Rs)
Outstanding at the beginning of the year	3,64,967	100	3,82,885	100
Granted during the year	Nil	Nil	Nil	Nil
Forfeited/expired during the year	Nil	Nil	17,918	100
Exercised during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	3,64,967	100	3,64,967	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 2015 (No of options)	Weighted average exercise price (in Rs)	31 March 2014 (No of options)	Weighted average exercise price (in Rs)
Outstanding at the beginning of the year	5,14,182	150	6,19,697	150
Granted during the year	Nil	Nil	Nil	Nil
Forfeited/expired during the year	13,123	150	1,05,515	Nil
Exercised during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	5,01,059	150	5,14,182	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 2015 (No of options)	Weighted average exercise price (in Rs)	31 March 2014 (No of options)	Weighted average exercise price (in Rs)
Outstanding at the beginning of the year	24,000	150	NA	150
Granted during the year	NA	NA	24,000	Nil
Forfeited/expired during the year	NA	NA	Nil	Nil
Exercised during the year	NA	NA	Nil	Nil
Outstanding at the end of the year	24,000	150	24,000	150
Exercisable at the end of the year	NA	NA	Nil	Nil

The details of exercise price for stock options outstanding under plan I are as under

Particulars	31 March 2015	31 March 2014
Range of exercise prices	100	100
Number of options outstanding	3,64,967	3,64,967
Weighted average remaining contractual life of options (in years)	2.25	3.25
Weighted average exercise price	100	100

The details of exercise price for stock options outstanding under plan II are as under

Particulars	31 March 2015	31 March 2014
Range of exercise prices	150	150
Number of options outstanding	5,01,059	5,14,182
Weighted average remaining contractual life of options (in years)	2.54	3.54
Weighted average exercise price	150	150

The details of exercise price for stock options outstanding under plan III are as under

Particulars	31 March 2015	31 March 2014
Range of exercise prices	150	150
Number of options outstanding	24,000	24,000
Weighted average remaining contractual life of options (in years)	3.5	4.5
Weighted average exercise price	150	150

(Amount in INR million, unless otherwise stated)

Particulars	**31 March 2015**	**31 March 2014**
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

Plan I

Particulars	**31 March 2015**	**31 March 2014**
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 2015**	**31 March 2014**
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%

Plan III

Particulars	**31 March 2015**	**31 March 2014**
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%

Effect of the employee share-based payment plans on the statement on profit and loss and on its financial position:

Particulars	**31 March 2015**	**31 March 2014**
Total Employee Compensation Cost pertaining to share-based payment plans	Nil	(1,80,600)
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	1,76,61,012	1,76,61,012
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 2015**	**31 March 2014**
Restated loss as reported	(318.84)	(75.83)
Add: Employee stock compensation under intrinsic value method	-	(0.18)
Less: Employee stock compensation under fair value method	-	0.29
Proforma profit	(318.84)	(75.72)
Earnings Per Share		
Basic		
- As reported	(34.77)	(8.27)
- Proforma	(34.77)	(8.26)

(Amount in INR million, unless otherwise stated)

7. Details of dues to micro and small enterprises as defined under MSMED Act 2006.

Particulars	31 March 2015	31 March 2014
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 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, 2015 and March 31, 2014, 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 2015	31 March 2014
Trade Receivable	USD 0.07 mn (Rs 4.30 Mn)	USD 0.09 Mn (Rs 5.34 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 68, and our restated consolidated financial statements as of and for fiscal years ended March 31, 2014, 2015, 2016, 2017 and 2018 along with the related schedules thereto and the reports thereon, included in "**Restated Financial Statements**" on page 202. 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 Ind AS Consolidated Summary Statements**") of the Company and Subsidiaries, which comprise of the restated consolidated Statements of Assets and Liabilities as at March 31, 2016 (Proforma), 2017 and 2018, the restated Consolidated Statements of Changes in Equity as at March 31, 2016 (Proforma), 2017 and 2018, 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, 2016 (Proforma), 2017 and 2018 and accompanying annexures thereto, included in this Draft Red Herring Prospectus have been 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 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 of the restated Consolidated Statements of Assets and Liabilities as at March 31, 2014 and 2015, the restated Consolidated Statements of Profit and Loss and the restated Consolidated Statements of Cash Flows for the years ended March 31, 2014 and 2015 and accompanying annexures thereto included in this Draft Red Herring 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 Draft Red Herring Prospectus, including certain non-GAAP financial measures, some of which may not be derived from our Restated Ind AS 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 Ind AS Consolidated Summary Statements, the Restated Indian GAAP Consolidated Summary Statements and other information relating to our business and operations included in this Draft Red Herring Prospectus.

Ind AS 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 Draft Red Herring 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 Ind AS 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 Grover Lalla & Mehta, 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.*

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 KPMG. We primarily operate through our product and supplier discovery marketplace, www.indiamart.com or "IndiaMART". Our online marketplace provides a platform for mostly business buyers, to discover products and services and contact the suppliers of such business products and services. IndiaMART had an aggregate of 325.8 million and 552.6 million visits in fiscal 2017 and 2018, respectively, of which 204.8 million and 396.9 million comprised mobile traffic, or 63% and 72% 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, 2018, we had 59.81 million registered buyers, and we had 4.72 million supplier storefronts in India. These Indian supplier storefronts had listed 50.13 million products, of which 75% of goods comprised products and 25% 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 business enquiries were delivered to IndiaMART suppliers in fiscal 2017 and 289.98 million business enquires were delivered in fiscal 2018. For the year ended March 31, 2018, we had 52.59 million daily unique buyer requests, of which 52% were repeat buyers calculated on the basis of the past 90 days.

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, 2018, we had organized our listings across 52 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 KPMG, 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 KPMG 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 KPMG. 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, 2018, we had 52% were repeat buyers calculated on the basis of the past 90 days. In addition, as 42% of the suppliers as of March 31, 2018 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 59%, 63% and 72% of total traffic to IndiaMART for fiscal 2016, 2017 and 2018, respectively. Buyers can make business enquiries on IndiaMART through telephone, SMS, email or by posting RFQs. Also, as on March 31, 2018, 62% 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 fiscal 2016, 2017 and 2018, 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 2016, 2017 and 2018. 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 161. 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 ₹117.42 million, ₹127.11 million and ₹147.06 million, in fiscals 2016, 2017 and 2018, 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, IndiaMART provided 59.81 million registered buyers with access to 50.53 million live products and services from 4.72 million Indian supplier storefronts, and a total of 289.98 million tracked business enquiries were delivered to suppliers in fiscal 2018. 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 favourable 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 times as of March 31, 2018, and our mobile website and app together accounted for 72% of total traffic to IndiaMART as of March 31, 2018, 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 40 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 expenses with regards to our IndiaMART business have 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. Starting December 2014, we commenced cost optimization initiatives driven by the shift to telephone based servicing for some of our customers, and in fiscal 2017 we began outsourcing our sales functions. Consequently, our IndiaMART employees decreased from 3,696 as of March 31, 2016 to 2,609 as of March 31, 2018.

Our employee benefit expenses were ₹1,819.22 million, ₹2,096.74 million and ₹1,948.57 million in fiscals 2016, 2017 and 2018 respectively, which as a percentage of total income was 72.48%, 63.17% and 45.37% respectively. A major component of our employee benefits expense were 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 4.87% from fiscal 2016 to fiscal 2018 while the number of our employees decreased by 29.41% over the same period.

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

Our reputation, branding, marketing and sales efforts

We believe that IndiaMART has developed a well-established brand for business in India. The quality of our reputation and brand is a crucial way for us to distinguish ourselves from our competitors and maintain our market position. Most of our branding and marketing is done by our 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 ₹468.24 million, ₹173.19 million and ₹31.09 million for fiscals 2016, 2017 and 2018 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. We have a national sales force spread across 76 offices in 40 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) all 76 of our offices are leased premises with rental and maintenance expenses 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 202.

First time adoption of Ind AS

The Restated Ind AS Consolidated Summary Statements for the year ending 31 March 2018 are the first annual financial statements the group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Group has prepared its restated consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 and other relevant provisions of the Act ("**Previous GAAP**").

Accordingly, the Group has prepared restated consolidated financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these restated consolidated financial statements, the Group's opening balance sheet was prepared as at 1 April 2016, the Group's date of transition to Ind AS. This paragraph explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

A. Exemptions Applied:

"Ind AS 101 First-Time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain Ind AS.

The Group has applied the following exemptions:"

a) Deemed cost

"Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment including capital work-in-progress as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets including intangible assets under development covered by Ind AS 38 Intangible assets.

Accordingly, the Group has elected to measure the above mentioned assets at their previous GAAP carrying value."

b) Leases

Ind AS 101 allows an entity to apply Appendix C of Ind AS 17 "Determining whether an Arrangement contains a Lease" to determine whether an arrangement existing at the date of transition to Ind ASs contains a lease on the basis of facts and circumstances existing at the date of transition to Ind AS. Accordingly, the Group has elected to use exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

c) Share based payment

Ind AS 101 allows an entity not to apply Ind AS 102 share-based payment to equity instruments that vested before the date of transition to Ind AS. Accordingly, the Group has elected to use exemption and has not applied Ind AS 102 on the options granted and vested before the date of transition to Ind AS.

B. The following mandatory exceptions have been applied:

a) Estimates

"The Group's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 and 31 March 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Group made estimates for following item in accordance with Ind AS at the date of transition as this was not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model
- Initial and subsequent measurement of share buy back obligation
- Determination of the discounted value for financial instruments carried at amortized cost"

b) Classification and measurement of financial assets

"Ind AS 101 requires an entity to assess classification and measurement of financial assets into amortized cost or FVTOCI on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortized cost based on the facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification and measurment of financial assets into amortized cost or FVTOCI based on the facts and circumstances that exist on the date of transition."

c) De-recognition of financial assets and liabilities

"Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS."

d) Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of government.

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

Rendering of services

Revenue from development, hosting and promotion of web catalogues are recognised pro-rata over the period of the contract as and when services are rendered. Revenues from lead based services are recognised as and when leads are consumed by the customer or on the expiry of contract whichever is earlier.

The unaccrued amounts are not recognised as revenue until all related performance obligation are fulfilled and are reflected in balance sheet as deferred revenue (income received in advance).

Activation revenue are amortized over the estimated customer relationship period. However, any excess of activation costs over activation revenue are expensed as incurred.

The modification in contracts with customers are accounted for prospectively and the amount of remaining consideration is allocated to all the remaining services to be provided.

Revenue from marketing fees & service fee is recognized on delivery.

The Group provides services of marketing exhibitions, trade shows and concerts for the clients. Revenue is recognized on the basis of provision of services to the client. The Group collects GST on behalf of Government and therefore it is not an economic benefit. Hence, it is excluded from revenue.

Interest income

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

Dividends

Revenue is 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 categorized within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

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

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

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

For assets and liabilities that are 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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. 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 no 3 of Annexure V)
- Disclosures for valuation methods and quantitative disclosure of fair value measurement hierarchy (serial no 9 of Annexure XXXI)

Intangible assets

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

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

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

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 de-recognised.

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

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

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, 2016 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.

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 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.

Share-based payments

Employees of the Group also receive remuneration in the form of share based payment transactions under Company's Employee stock option plan (ESOP).

Equity settled transaction

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

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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

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

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

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

Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the convertible preference shares, the fair value of the liability component is determined using market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at FVTPL.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

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 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 2016, 2017 and 2018. Revenue from the sale of RFQ credits accounted for a small portion of our total revenue in fiscals 2016, 2017 and 2018. Advertising revenue and revenue from facilitation of payment services was nil in each of fiscal 2016 and 2018, and accounted for an insignificant portion of our total revenue in fiscal 2017.

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. We had positive impact on revenue on account of net gain on financial assets measured at FVTPLby ₹37.17 million, ₹119.14 million, ₹161.63 million for fiscals 2016, 2017 and 2018 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 revenue for the periods indicated.

	Fiscal ended					
	March 31,2016		March 31,2017		March 31,2018	
	(₹ in millions)	(%) of total income	(₹ in millions)	(%) of total income	(₹ in millions)	(%) of total income
Income:						
Revenue from operations	2,457.53	97.9%	3,177.63	95.7%	4,105.08	95.6%
Net gain on financial assets measured at FVTPL	37.17	1.5%	119.14	3.6%	161.63	3.8%
Other income	15.39	0.6%	22.59	0.7%	28.55	0.7%
Total income	**2,510.09**	**100.0%**	**3,319.36**	**100.0%**	**4,295.26**	**100.0%**
Expenses:						
Employee benefits expense	1,819.22	72.5%	2,096.74	63.2%	1,948.57	45.4%
Depreciation and amortization expense	36.82	1.5%	46.32	1.4%	28.85	0.7%
Net loss on financial liability designated at FVTPL	70.90	2.8%	192.79	5.8%	1,228.62	28.6%
Other expenses	1,894.28	75.5%	1,624.95	49.0%	1,690.19	39.4%
Total expenses	**3,821.22**	**152.2%**	**3,960.80**	**119.3%**	**4,896.23**	**114.0%**
Restated Loss before tax	**(1,311.13)**	**-52.2%**	**(641.44)**	**-19.3%**	**(600.97)**	**-14.0%**
Income tax expense						
Current tax	4.55	0.2%	2.02	0.1%	1.81	0.0%
Deferred tax credit	(0.00)	0.0%	0.00	0.0%	(1,150.37)	-26.8%
Total tax expense	**4.55**	**0.2%**	**2.02**	**0.1%**	**(1,148.56)**	**-26.7%**
Profit / (Loss) for the year	**(1,315.68)**	**-52.4%**	**(643.46)**	**-19.4%**	**547.59**	**12.7%**

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 suppliers 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 (loss)/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 expenses totaled ₹28.85 million in fiscal 2018, a 37.72% decrease from depreciation and amortization expenses of ₹46.32 million in fiscal 2017, primarily due to a decrease in depreciation of property, plant and equipment 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, (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 loss before tax decreased to ₹600.97 million in fiscal 2018 from ₹641.44 million in fiscal 2017. As a percentage of total revenue, 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 unabsorbed 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 decline 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.

Fiscal 2017 compared to fiscal 2016

Total income. We had a total income of ₹ 3,319.36 million in fiscal 2017, an increase of 32.24% over our total income of ₹ 2,510.09 million in fiscal 2016. This increase in total income was primarily due to an increase in revenue from operations and other income in fiscal 2017 from fiscal 2016.

- *Revenue from operations*. Our revenue from operations increased 29.30% to ₹ 3,177.63 million in fiscal 2017 from ₹ 2,457.53 million in fiscal 2016. The increase in revenue from operations was due to (i) an increase in the number of subscription suppliers on IndiaMART to 96,025 in fiscal 2017 from 72,335 in fiscal 2016 and (ii) an increase in the amount received per paying supplier on IndiaMART in fiscal 2017 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 ₹ 119.14 million in fiscal 2017, an increase of 220.53%% from ₹ 37.17 million in fiscal 2016. This increase was primarily due to an increase in fair value gain from investments in mutual fund of ₹ 100.11 million in fiscal 2017 from ₹ 13.36 million in fiscal 2016.

- *Other income*. Our other income increased to ₹ 22.59 million in fiscal 2017 from ₹ 15.39 million in fiscal

2016. This increase was primarily due to an increase in interest income from financial assets, fixed deposits with banks and others in fiscal 2018.

Total expenses. Our total expenses totaled ₹ 3,960.80 million in fiscal 2017, a 3.65% increase over our total expenses of ₹ 3,821.22 million in fiscal 2016. This increase in total expenses was primarily due to increase in employee benefits expense and depreciation and amortization expenses. As a percentage of our total revenue, our total expenses decreased to 119.32%% in fiscal 2017 from 152.23% in fiscal 2016.

- *Employee benefits expenses*. Our employee benefits expenses totaled ₹ 2,096.74 million in fiscal 2017, a 15.26% increase over our employee benefits expenses of ₹ 1,819.22 million in fiscal 2016, which was primarily attributable to (i) an increase in salaries, allowances and bonus expenses to ₹ 1,970.76 million in fiscal 2017 from ₹ 1,700.83 million in fiscal 2016 due to an increase in sales incentives paid to our field sales team for both new customer acquisitions and successful upselling, and an overall increase in salaries and (ii) an increase in employee share based payment expenses to ₹ 19.51 million in fiscal 2017 from ₹ 10.28 million in fiscal 2016, which were partially offset by cost optimization initiatives which started in fiscal 2015, focusing on the shift to telephone based servicing from field based servicing.

- *Depreciation and amortization expense*. Depreciation and amortization totaled ₹ 46.32 million in fiscal 2017, a 25.80% increase from depreciation and amortization of ₹ 36.82 million in fiscal 2016, which was primarily attributable to 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 totaled ₹ 192.79 million in fiscal 2017, an increase of 171.92% from ₹ 70.90 million in fiscal 2016.

- *Other expenses.* Our other expenses totaled ₹ 1,624.95 million for fiscal 2017, a 14.22% decrease over our other expenses of ₹1,894.28 million in fiscal 2016, which was primarily attributable to decreases in (i) advertisement expenses from ₹468.24 million in fiscal 2016 to ₹173.19 million in fiscal 2017 due to decreased marketing expenses and (ii) content development expenses from ₹225.26 million in fiscal 2016 to ₹208.31 million in fiscal 2017 due to an increase in number of suppliers, which was partially offset by increases in (i) outsourced sales costs to ₹270.84 million in fiscal 2017 from ₹212.14 million in fiscal year 2016, and (ii) rent from ₹ 156.50 million in fiscal 2016 to ₹ 189.67 million in fiscal 2017 due to the expansion of our offices in fiscal 2017.

Restated loss before tax. As a result of the factors outlined above, our loss before tax decreased 51.08% to ₹641.44 million in fiscal 2017 from ₹1,311.13 million in fiscal 2016. As a percentage of total revenue, our loss before tax, depreciation and amortization expense decreased to 17.93% in fiscal 2017 from 50.77% in fiscal 2016.

Profit/(Loss) for the year. As a result of the factors outlined above, our losses decreased 51.09%, to ₹643.46 million in fiscal 2017 from ₹1,315.68 million in fiscal 2016.

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, 2018, we had total cash and cash equivalents of ₹ 467.11 million, bank deposits of ₹ 302.20 million and investments of ₹ 3,110.70 million. As of March 31, 2018, 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 have incurred significant operating losses in the past and have a negative net worth as of March 31, 2018, and we may not be able to improve our financial position or generate sufficient revenue to achieve positive net worth***" on page 26.

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:

	As at		
	March 31, 2016	**March 31, 2017**	**March 31, 2018**
	₹ (in millions)		
Investments	1,286.30	1,362.62	3,110.70
Cash and cash equivalents	187.47	176.59	467.11
Bank deposits	113.52	229.96	302.20
Total	**1,587.29**	**1,769.17**	**3,880.01**

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

	Fiscal ended		
	March 31, 2016	**March 31, 2017**	**March 31, 2018**
	₹(in millions)		
Net cash from/(used in) operating activities	(555.27)	(5.82)	1,790.56
Net cash from/(used in) investing activities	(682.11)	(77.99)	(1,652.53)
Net cash from/(used in) financing activities	1,325.40	72.93	152.49
Net increase/(decrease) in cash and cash equivalents	88.02	(10.88)	290.52
Cash and cash equivalents at end of the year	187.47	176.59	467.11

Net cash from/(used in) operating activities

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.

In fiscal 2016, net cash used in operating activities was ₹555.27 million, primarily attributable to cash used in operations of ₹536.65 million and income tax paid of ₹18.62 million. Movement in working capital comprised primarily of increases in other liabilities of ₹701.88 million and an increase in trade payables of ₹108.62 million, which was partially offset by an increasein other assets of ₹68.25 million and increase in other financial assets of ₹21.75 million, and decrease in provisions of ₹9.59 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 that would expire within 12 months. 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.

The net decrease in movement in working capital during fiscal 2017 as compared to fiscal 2016 was driven by decreases in trade payables and decreases in other liabilities, which was partially offset by an increase in provisions. Trade payables were lower in fiscal 2017 as compared to fiscal 2016 commensurate with operation of our subsidiaries. Other liabilities were lower in fiscal 2017 as compared to fiscal 2016 due to an decrease in deferred revenue as a result of decreased subscription collections for subscription packages that would expire within 12 months. The increase in provisions in fiscal 2017 as compared to fiscal 2016 was in line with our overall expenses.

Net cash from/(used in) investing activities

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.

For fiscal 2016, our net cash used in investing activities was ₹682.11 million, as a result of purchase of mutual fund investment of ₹2,359.09 million, purchase of property, plant and equipment and other intangible assets of ₹74.17 million and investments in bank deposits having an original maturity of more than three months of ₹5.50 million, substantially offset by proceeds from sale of mutual fund investment of ₹1,741.26 million.

Net cash from/(used in) financing activities

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.

For fiscal 2016, our net cash from financing activities was ₹1,325.40 million, primarily due to proceeds from issues of preference shares under share buyback obligations of ₹1,326.00 million, partially offset by repayment of short-term borrowings of ₹0.57 million.

Borrowings

As of March 31, 2018, 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, 2016	**March 31, 2017**	**March 31, 2018**
		₹(in millions)	
Cash spent on purchase of property plant and equipment and other intangible assets	74.17	27.01	22.92

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 165.

Contractual Obligations

Following are the contractual obligations as at March 31, 2018:

Contractual Obligations	Total
Share buyback obligation	3,729.30
Trade payables	418.92
Other financial liabilities	2.80
Total	**4,151.02**

Our operating lease obligations are substantially all related to the 77 office premises, including our Registered Office and Corporate Office, which we had on lease in 40 cities in India as of March 31, 2018. 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, 2018 as per Ind AS 37 were as follows:

	Total
	₹(in millions)
Claims against the Group not acknowledged as debt	-
Service tax	0.00
Dividend on 0.01% Series A compulsorily convertible preference shares	0.46
Dividend on 0.01% Series B & B1 compulsorily convertible preference shares	0.04
Total	0.50

For details on income tax matters and service tax matters under dispute, see "***Outstanding Litigation and Material Developments***" on page 460.

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 Ind AS Consolidated Summary Statements or Restated Indian GAAP Consolidated Summary Statements included in this Draft Red Herring Prospectus. Investors should read this information in conjunction with the Restated Ind AS Consolidated Summary Statements and Restated Indian GAAP Consolidated Summary Statements included elsewhere in this Draft Red Herring Prospectus

The following table sets forth our EBITDA and EBITDA Margin for the periods indicated therein.

	Fiscal		
	2016	2017	2018
		(₹ *in million)*	
EBITDA(1)	**(1,255.97)**	**(544.06)**	**466.32**
EBITDA Margin (%)(2)	(51%)	(17%)	11%

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

The following table reconciles profit after tax to EBITDA.

	Fiscal		
	2016	2017	2018
		(₹ *in million)*	
Total comprehensive income / (loss) for the year	(1,319.46)	(649.06)	538.43
Adjustments:-			
Add:-			
Total Tax Expenses	4.55	2.02	(1,148.56)
Depreciation and Amortization Expenses	36.82	46.32	28.85
Net loss on financial liability designated at FVTPL	70.90	192.79	1,228.62
Less:-			
Other comprehensive loss for the year, net of tax	3.78	5.60	9.16
Other income	(15.39)	(22.59)	(28.55)
Net gain on financial assets measured at FVTPL	(37.17)	(119.14)	(161.63)
EBITDA	**(1,255.97)**	**(544.06)**	**466.32**
Revenue from operations	2,457.53	3,177.63	4,105.08
EBITDA Margin (%)	(51%)	(17%)	11%

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.

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 38.

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 Draft Red Herring 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 202.

New product or business segments

Other than as described in the section entitled "***Our Business***" elsewhere in this Draft Red Herring 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, 2018 that May Affect Our Future Results of Operations

On May 9, 2018, our Company completed a bonus issue of 9,976,805 Equity Shares by capitalizing the amount standing to the credit of our securities premium account, pursuant to which one Equity Share was issued for every one Equity Share held by our shareholders as of May 8, 2018.

On March 31, 2018, May 9, 2018, May 31, 2018, June 16, 2018 and June 25, 2018, certain stock options granted to our employees under the IndiaMART ESOS 2015 were exercised, pursuant to which an aggregate of 2,374,446 Equity Shares were issued to such employees.

On June 6, 2018, an aggregate of 3,197,221 Equity Shares were issued to the Investor Selling Shareholders, upon conversion of an aggregate of 1,490,565 CCPS held by them.

For details, see “***Capital Structure***” on page 90.

Additionally, our Company has agreed to transfer its business division, “Hello Travel” to HOPL whose majority share ownership is held by Pankaj Agrawal, through the BPA, and such business transfer will be effective from the Transfer Date, i.e., the date that the conditions precedent agreed under the BPA are satisfied. Our management does not believe that the transfer will have a significant impact on our business or results of operations. For further details, see “***History and Certain Corporate Matters – Material Agreements – Other Agreements***” on page 179.

To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring 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 2018, 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 Draft Red Herring 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.

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. Our Company 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.

3. Jai Prakash filed an FIR dated May 17, 2016 at the police station, Kavi Nagar, Ghaziabad, Uttar Pradesh, against certain senior officials of our Company, Radhey Shyam Sharma and Rajnesh Sharma, the owners of the property leased by us for office purposes at Raj Nagar, Ghaziabad. Jai Prakash alleged that our Company had been unlawfully using residential property at Raj Nagar for commercial purposes without providing for adequate fire safety measures, due to which there was a fire at such premises causing the death of certain employees of our Company. In addition to the FIR filed by Jai Prakash, certain relatives

of the deceased employees, filed three separate FIRs against our Company, Dinesh Chandra Agarwal, our Managing Director, Radhey Shyam Sharma, Rajnesh Sharma and Abhishek Mehta. Further, pursuant to the investigation carried out in respect of such FIRs, a final report dated September 20, 2017 was submitted by the Investigating Officer before the Chief Judicial Magistrate, Ghaziabad stating that the fire had broken out in the building due to a short circuit causing the death of the employees. It also stated that no offence was found to be committed.

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 Agarwal, our Managing Director and Brijesh Agrawal, our whole-time Director, 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.

Tax proceedings

Set forth below are the details of direct and indirect tax claims against our Company as on the date of this Draft Red Herring Prospectus.

(₹ in million)

Nature of tax	Number of Cases	Amount involved
A. Direct tax		
Income tax	5	23.62
Total (A)	**5**	**23.62**
B. Indirect tax		
Service tax	3	66.82
Total (B)	**3**	**66.82**
Total (A+B)	**8**	**90.44**

Civil and other material proceedings

From time to time, we are impleaded in civil proceedings, which as on the date of this Draft Red Herring Prospectus, are in the nature of proceedings initiated by third parties alleging infringement of their intellectual property by suppliers listed on our marketplace and consumer complaints filed by buyers alleging defects in products purchased from suppliers listed on our marketplace. Brief details of material civil proceedings are set forth below.

1. 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.

2. Exxon Mobil Corporation ("**Exxon**") had filed two commercial suits (detailed below) alleging unauthorized use of trademarks/ tradenames by the different suppliers listed on our marketplace, details of which are set forth below.

    - Exxon filed a commercial suit (C.S. (COMM.) No. 789/2018), before the Delhi High Court against Harvider Pal Singh (proprietor of EXXON India), a manufacturer and trader of school/college uniforms and a supplier listed on our marketplace and our Company, alleging unauthorized use of their trademark and trade name 'EXXON INDIA',. Exxon has sought for (i) a permanent injunction restraining Harvinder Pal Singh and our Company from allegedly using the trademark and trade name 'EXXON INDIA' or any other trade name/mark identical/deceptively or confusingly similar mark in any manner amounting to infringement of Exxon's trademark, (ii) an order/ decree directing that necessary steps be taken to block the websites that solicit such business (iii) destruction of all products, labels, signs, stationery, business cards, prints, packages, wrappers, materials and advertisements bearing the trade mark or trade name 'EXXON INDIA', and (iv) sought damages amounting to approximately ₹ 10.00 million along with any additional costs suffered by Exxon as a result of infringement of their trademark. By an order dated April 11, 2018, the Delhi High Court restrained the defendants in the suit from using the trademark 'EXXON INDIA' individually, or with any other mark or name, which is deceptively similar thereto or as part of a trade, domain or corporate name in relation to their goods or services. Our Company has removed the relevant supplier listing from our website.

    - Exxon filed a commercial suit (CS (COMM) 873/2018) before the Delhi High Court against Rakesh Goyal, a supplier listed on our marketplace and our Company, seeking a permanent injunction, alleging unauthorized usage of their trademark and tradename 'EXXON'. Exxon has sought for (i) a permanent injunction restraining them from using the trademark and trade name 'EXON' or any other trade name/mark identical/deceptively or confusingly similar mark in any manner amounting to infringement of Exxon's trademark, 'EXXON', (ii) an order/ decree directing that necessary steps be taken to block the online websites that solicit the business; (iii) destruction of all products, labels, signs, stationary, business cards, prints, packages, wrappers, materials and advertisements bearing the trade mark or tradename 'EXXON', and (iv) sought damages amounting to ₹ 10.00 million and costs. The Delhi High Court, by an order dated May 15, 2018 restrained Rakesh Goyal and us from using the mark 'EXON' or any other mark similar to the trademark 'EXXON' and also appointed local commissioners to collect photographs/photocopies of allegedly infringing material from the premises of Rakesh Goyal. Pursuant to such order, Rakesh Goyal has removed the trademark 'EXON' from his storefront.

3. 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. The Company has removed the listing of the said suppliers pursuant to such order.

Litigation by our Company

Criminal proceedings

Our Company filed a criminal complaint (Ct. Cases/ 0542222/ 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 Shrinkant Vedprakash Aggarwala for alleged fraud, cheating and criminal breach of trust and misappropriation of property belonging to the customers of our Company and for the entire misappropriated amount to be recovered from them, along with interest and expenses. Our Company also filed an application before the CMM, Tis Hazari Court, Delhi seeking directions to the police station at Daryaganj to register an FIR against the accused persons. The CMM, by an order dated February 26, 2018, while taking cognisance of the compliant, dismissed our interim application.

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 Ministry of Electronics and Information Technology, Government of India to locate the allegedly infringing web portals / sites and take appropriate measures to make such web portals/ sites defunct and take them down.

LITIGATION INVOLVING OUR SUBSIDIARIES

Tolexo Online Private Limited

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 Agrawal

Action taken against Brijesh Agrawal by a statutory/regulatory authority

For details of action taken by any statutory/regulatory authority against Brijesh 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 Agrawal

Action taken against Brijesh Agrawal by a statutory/regulatory authority

For details of action taken by any statutory/regulatory authority against Brijesh 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 Draft Red Herring Prospectus, there is no outstanding litigation involving our Group Company.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS/CREDITORS

As on March 31, 2018, we had 44 creditors to whom an aggregate outstanding amount of ₹ 15.67 million was due. For further details, see *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 ₹ 20.95 million, outstanding, were considered 'material' creditors. Based on the above, there were no material creditors of our Company as on March 31, 2018.

Based on information available with our Company, there were an aggregate of six micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, to whom an aggregate of ₹ 11.31 million was outstanding as of March 31, 2018 was.

Information provided on the website of our Company is not a part of this Draft Red Herring 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, www.10times.com, www.tolexo.com and www.hellotrade.com would be doing so at their own risk.

MATERIAL DEVELOPMENTS SINCE THE FINANCIAL YEAR

Except as stated in "***Management's Discussion and Analysis of Financial Condition and Results of Operation***" on page 437, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring 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* 171.

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 467.

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. We have 76 offices, of which, registration for 67 offices, under the relevant state specific shops and establishment related statutes have been obtained and are valid as on the date of this Draft Red Herring Prospectus. We have made applications to (a) obtain registrations under relevant shops and establishment legislations in respect of our offices located at (i) Sanad, Ahmedabad (Gujarat), (ii) Sachin, Surat (Gujarat), (iii) Vasai (Maharashtra), and (iv) Vashi (Maharashtra); and (b) to renew our registrations under the relevant shops and establishments legislations in respect of our offices located at (i) Gandhinagar (Gujarat), and (ii) Nashik (Maharashtra), which are currently pending. Further, in respect of our offices at (i) Cochin (Kerala), (ii) Adajan, Surat (Gujarat) and (iii) Swargate, Pune (Maharashtra), we have recently taken premises on lease and are in the process of making applications for registration under the relevant shops and establishment legislations.

C. Intellectual property approvals

As on the date of this Draft Red Herring 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 Draft Red Herring 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 (device), (iii) the label and device 'M', (iv) TRUST SEAL (word mark), (v) STAR SUPPLIER (word mark) and (vi) INTERMESH (word mark) under various classes specified under the Trade Marks Act, which are valid as on date of this Draft Red Herring 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) and (vii) TENTIMES.com (device) under various classes specified under the Trade Marks Act, which are valid as on date of this Draft Red Herring 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) (iv) Pooraa (under classes 9, 35 and 42), (v) BUY LEAD (under class 35) and (vi) INDIAMART LEADING SUPPLIER (under class 35), which are pending registration, as on the date of this Draft Red Herring Prospectus.

In addition, our Subsidiary, TTOPL has made applications for the registration of the trademark for the words, (i) TEN TIMES (under class 35), and (ii) 10 TIMES (under class 35), which are pending as on the date of this Draft Red Herring 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	2,076,190	May 30, 2018	June 20, 2018
2.	Amadeus IV DPF Limited	170,502	June 15, 2018	June 28, 2018
3.	Accion Frontier Inclusion Mauritius	475,000	June 19, 2018	June 27, 2018
4.	Dinesh Chandra Agarwal	852,453	N.A.	June 28, 2018
5.	Brijesh 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
	Total	**4,288,801**		

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 this 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 this Draft Red Herring Prospectus, they have resulted from the conversion of CCPS, which have been held by such Investor Selling Shareholder for a period exceeding one year prior to the date of this 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 [●] and [●], 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.

None of our Directors are in any manner associated with the securities market, including securities market related business and 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 THIS 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 THIS 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 – <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>;**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – <u>NOTED FOR COMPLIANCE</u>;**

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 - <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>;**

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 - <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>;**

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 – <u>NOT APPLICABLE</u>;**

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 – <u>NOT APPLICABLE</u>;**

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 - <u>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</u>;**

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 – <u>NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALISED FORM ONLY</u>;**

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 – <u>COMPLIED WITH</u>;**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS: – <u>COMPLIED WITH</u>**

    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 DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE ANY PERSON WHO HAS AUTHORISED THE ISSUE OF THIS DRAFT RED HERRING PROSPECTUS FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT 2013 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 DRAFT RED HERRING PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE OFFER WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE ROC IN TERMS OF SECTION 32 OF THE COMPANIES ACT 2013. ALL LEGAL REQUIREMENTS PERTAINING TO THE OFFER WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE ROC IN TERMS OF SECTIONS 26, 30, 32, 33(1) AND 33(2) OF THE COMPANIES ACT 2013.

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*

S. No.	Issue Name	Issue Size (in ₹ million)	Issue price (in ₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Housing and Urban Development Corporation Limited	12,095.70	60.00(1)	May 19, 2017	73.00	+13.17%, [+2.44%]	+34.67%, [+4.98%]	+35.67%, [+8.05%]
2.	AU Small Finance Bank Limited	19,125.14	358.00	July 10, 2017	530.00	+58.76%, [+2.12%]	+65.20%, [+2.23%]	+95.38%,[+8.06%]
3.	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-3.29%, [+1.17%]	+3.14%, [+5.40%]	+39.12%,[+8.62%]
4.	Matrimony.Com Limited	4,974.79	985.00(2)	September 21, 2017	985.00	-12.28%, [+0.62%]	-7.64%,[+3.37%]	-16.55%,[-0.27%]
5.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.10	+3.62%, [+6.25%]	+18.97%,[+8.17%]	+15.36%,[4.06%]
6.	SBI Life Insurance Company Limited	83,887.29	700.00(3)	October 3, 2017	735.00	-7.56%, [+5.89%]	-0.07%,[+5.84%]	-2.30%,[3.57%]
7.	Newgen Software Technologies Limited	4,246.20	245.00	January 29, 2018	254.10	-0.20%, [-5.18%]	+2.51%[-3.51%]	-
8.	Galaxy Surfactants Limited	9,370.90	1,480.00	February 8, 2018	1,525.00	+1.14%, [-3.31%]	-0.85%[+1.33%]	-
9.	Aster DM Healthcare Limited	9,801.4	190.00	February 26, 2018	183.00	-13.66%,[-3.77%]	-5.29%,[+1.00%]	-
10.	Sandhar Technologies Limited	5,124.80	332.00	April 2, 2018	346.10	+19.59%[+4.96%]	-	-

(1) *Discount of ₹ 2 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of ₹ 60.00 per equity share.*
(2) *Discount of ₹ 98 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of ₹ 985.00 per equity share.*
(3) *Discount of ₹ 68 per equity share offered to Eligible Employees. All calculations are based on Issue Price of ₹ 700.00 per equity share.*

Notes:
1. *All data sourced from www.nseindia.com*
2. *Benchmark index considered is NIFTY*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th 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 Funds Raised (₹ Million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th 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%25-50%	Between 25-50%	Less than 25%
2018-19	1	5,124.80	-	-	-	-	-	1-	-	-	-	-	-	-
2017-18	9	208,306.61	-	-	5	1	-	3	-	-	2	1	2	1
2016-17	12	160,855.45	-	-	3	4	4	1	-	1	1	7	2	1

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]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	ICICI Securities Limited	34,801.16	520.00	April 4, 2018	435.00	-27.93% [5.44%]	Not Applicable	Not Applicable
2	Galaxy Surfactants Limited	9,370.88	1480.00	February 8, 2018	1,525.00	1.14% [-3.31%]	-0.85% [1.33%]	Not Applicable
3	Amber Enterprises India Limited	6,000.00	859.00^^^	January 30, 2018	1,175.00	27.15% [-5.04%]	32.56% [-2.81%]	Not Applicable
4	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	3.50% [3.00%]	6.27% [-2.83%]	-5.20% [4.13%]
5	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-3.57% [3.95%]	-11.51% [0.75%]	-28.51 [4.93%]
6	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	30.16% [1.02%]	48.93% [2.11%]	74.66% [5.04%]
7	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	3.61% [-3.19%]	8.12% [2.05%]	-4.21% [1.59%]
8	Prataap Snacks Limited	4,815.98	938.00^^	October 5, 2017	1,270.00	25.12% [5.70%]	31.82% [5.60%]	40.99% [3.27%]
9	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.10	3.62% [6.25%]	18.97% [8.17%]	15.36% [4.06%]
10	Cochin Shipyard Limited	14,429.30	432.00^	August 11, 2017	440.15	30.14% [3.04%]	30.96% [6.10%]	20.01% [8.11%]

Source: 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 Rs. 859 per equity share

^^Prataap Snacks Limited - Employee Discount of ₹ 90 per Equity Share to the Issue Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion. All calculations are based on the issue price of Rs. 938 per equity share

^ Cochin Shipyard Limited - Discount of Rs.21 per equity share was offered to retail bidders & eligible employees. All calculations are based on the offer price of Rs. 432 per equity share

Notes

1. *Based on date of listing.*
2. *% of change in closing price on 30th / 90th / 180th 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 30th/ 90th / 180th calendar day from listing day.*
3. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
4. *The Nifty 50 index is considered as the Benchmark Index*
5. *Not Applicable. – Period not completed*
6. *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 - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th 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%
2018-19*	1	34,801.16	-	1	-	-	-	-	-	-	-	-	-	-
2017-18	11	218,549.76	-	-	1	1	5	4	-	1	2	3	1	2
2016 -17	6	123,361.22	-	-	1	1	3	1	-	-	-	3	2	1

**The information is as on the date of the document*

1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
3. *The Nifty 50 index is considered as the Benchmark Index.*

For the financial year 2018-19 – 1 issue has been completed.
For the financial year 2017-18 – 11 issues have been completed. All the 11 issues have completed 90 days and only 9 issues have completed 180 days yet.

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]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Syngene International Limited	5,500.00	250.00	11-Aug-15	295.00	36.00%, [-7.61%]	44.90%, [-6.47%]	57.20%, [-12.70%]
2	Narayana Hrudayalaya Limited	6,130.82	250.00	06-Jan-16	291.00	28.76%, [-4.35%]	15.86%, [0.23%]	25.56%, [8.13%]
3	Quick Heal Technologies Limited	4,512.53	321.00	18-Feb-16	305.00	-31.56%, [5.74%]	-20.05%, [9.72%]	-24.21%, [20.17%]
4	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%]
5	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%]
6	Newgen Software Technologies Limited	4,246.21	245.00	29-Jan-18	254.10	-0.20%, [-5.18%]	2.51%, [-3.51%]	n/a

***** *Discount of ₹ 40 per equity share offered to eligible employees bidding in the employee reservation portion. All calculations are based on issue price of ₹ 428.00 per equity share*

Notes:
1. *All data sourced from* www.nseindia.com
2. *Benchmark index considered is NIFTY*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th 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 IPOs	Total amount of funds raised (₹ mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th 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%
2015-16	3	16,143.35	-	1	-	-	2	-	-	-	1	1	1	-
2016-17	2	25,739.42	-	-	-	-	-	2	-	-	-	-	2	-
2017-18	1	4,246.21	-	-	1	-	-	-	-	-	-	-	-	-
2018-19*	-	-	-	-	-	-	-	-	-	-	-	-	-	-

** 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
ICICI Securities	www.icicisecurities.com
Jefferies	www.jefferies.com
Edelweiss	www.edelweissfin.com

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 Draft Red Herring 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*, *www.tolexo.com*, *www.hellotrade.com*, *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 uploading the Bids, due to faults in any software or hardware system, or otherwise.

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 will be required to confirm, and will be 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, 2013, 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. This Draft 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 Draft Red Herring 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 Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring 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 the Draft Red Herring 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 the Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus as QIBs) and "qualified purchasers" (as defined under the U.S. Investment Company Act and referred to in this Draft Red Herring

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 Bombay Stock Exchange or the National Stock Exchange). See "*Offer Information – Terms of the Offer – Eligibility and Transfer Restrictions*" on page 476.

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 the Draft Red Herring 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 the Draft Red Herring 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- l 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 Draft Red Herring 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 depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(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 the Draft Red Herring 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 the Draft Red Herring 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 this Draft 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 this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us after scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us after scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Filing

A copy of this 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, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 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
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
India

Listing

Application has been made to the Stock Exchanges for obtaining permission for listing of the Equity Shares being issued and sold in the Offer and [●] 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, 2013 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, 2013 includes imprisonment for a term of 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 of such amount.

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, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act 2013. Further, such consents shall not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus and the Prospectus with the SEBI, 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, 2013 read with the SEBI ICDR Regulations, and as "experts", as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as an auditor and in respect of their (a) examination reports dated June 22, 2018 on our Restated Financial Statements, and their (b) report dated June 26, 2018 on the Statement of Tax Benefits included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring 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 Grover Lalla & Mehta, Chartered Accountants, to include their name in this Draft Red Herring Prospectus as an "expert", as defined under Section 2(38) read with Section 26 of the Companies Act 2013, in connection with their certification on certain operational key performance indicators and certain other information included in this Draft Red Herring Prospectus.

Offer expenses

For details of the Offer related expenses, see "***Objects of the Offer – Offer Related Expenses***" on page 111.

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 shall be 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 shall be 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 Draft Red Herring 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 90, 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 90, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Our Group Company has not made any capital issues during the three years preceding the date of this Draft Red Herring 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 this Draft Red Herring Prospectus.

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 this Draft Red Herring Prospectus.

Outstanding Debentures, Bonds or Redeemable Preference Shares

Except for an aggregate of 1,871,760 CCPS held by the New Investors, as on the date of this Draft Red Herring Prospectus, 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 94.

Partly Paid-Up Shares

As on the date of this Draft Red Herring 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 Draft Red Herring 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 three 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) 3977 666
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 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 182.

Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus.

Capitalization of Reserves or Profits

Except as disclosed in "***Capital Structure***" on page 90, we have not capitalized our reserves or profits at any time during the five years preceding the date of this Draft Red Herring 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 Draft Red Herring Prospectus.

SECTION VII – OFFER RELATED INFORMATION
OFFER STRUCTURE

The Offer of up to 4,288,801 Equity Shares of face value ₹ 10 each, at an Offer Price of ₹ [●] per Equity Share for cash aggregating up to ₹ [●] million and is being made through the Book Building Process, through an Offer for Sale of up to 2,721,692 Equity Shares by the Investor Selling Shareholders; of up to 1,430,109 Equity Shares by the Promoter Selling Shareholders and up to 137,000 Equity Shares on by the Other Selling Shareholders. The offer includes a reservation of up to [●] Equity Shares, for subscription by Eligible Employees, (which shall not exceed 5% of the post-offer Equity Share capital of our Company).The Offer and the Net Offer shall constitute [●]% and [●]% of the post-Offer paid-up Equity Share capital of our Company, respectively.

The Offer is being made through Book Building Process.

	Eligible Employees	**QIBs***	**Non-Institutional Investors**	**Retail Individual Investors**
Number of Equity Shares available for allocation**	[●] Equity Shares	Not less than [●] Equity Shares	Not more than [●] Equity Shares or Offer less allocation to QIBs and Retail Individual Investors	Not more than [●] Equity Shares or Offer less allocation to QIBs and Non-Institutional Investors
Percentage of Offer size available for allocation	The Employee Reservation Portion shall constitute up to 5% of the post-Offer paid-up Equity Share capital of our Company	Not less than 75% of the Net Offer size shall Allotted to QIBs. Up to 5% of the net QIB Category (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be 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 Bidders	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; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription 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.	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be 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 533.
Mode of Bidding	Through ASBA process only (other than Anchor Investors)			

	Eligible Employees	QIBs*	Non-Institutional Investors	Retail Individual Investors
Minimum Bid	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹ 500,000, less Employee Discount, if any	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000, less Retail Discount, if any
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter		[●] 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, systemically important non-banking financial companies registered with the RBI and having a worth of more than ₹ 5,000 million as per the last audited financial statements, insurance companies registered with the Insurance Regulatory and Development	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

	Eligible Employees	QIBs*	Non-Institutional Investors	Retail Individual Investors
		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 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****	***In case of Anchor Investors:*** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ***In case of all other Bidders***: Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders (other than Anchor Investors) that is specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form			

* *Our Company may, in consultation with the BRLMs allocate up to 60% of the QIB Category to Anchor Investors at the price at which allocation is 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 will 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 will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company in consultation with the BRLMs.*

***This Offer is being 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 Allotted to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not more than 15% of the Net Offer will be 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 will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, 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 unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription 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.*

****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 shall be 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 are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

Bidders will be required to confirm and will be 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 and Retail Discount

The (i) Employee Discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion and (ii) Retail Discount, if any, will be offered to Retail Individual Investors, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion and Retail Individual Investors bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount or Retail 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 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 the 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, the SCRA, the SCRR, the MoA, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the 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 MoA 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 544.

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 MoA 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 Allottees, in accordance with applicable law. For more information, see "***Dividend Policy***" and "***Main Provisions of our Articles of Association***" on pages 201 and 544, 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 ₹ [●] and the Cap Price, of the Equity Shares is ₹ [●].

The (i) Price Band will be decided by our Company in consultation with the Selling Shareholders and the BRLMs and (ii) the minimum Bid Lot, Employee Discount and Retail Discount will be decided by our Company in consultation with the BRLMs, and shall be published at least five Working Days prior to the Bid/Offer Opening Date, in [●] edition of [●] (a widely circulated English national daily newspaper) and [●] edition of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in the place where our Registered Office is located), and shall be 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 shall 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 544.

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act, 2013, the Equity Shares will be Allotted only in dematerialized form. As per the SEBI ICDR Regulations, 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 [●] Equity Shares. For the method of Basis of Allotment, see "***Offer Procedure***" on page 496.

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, 2013, 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, 2013, 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, 2013, 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

BID/OFFER OPENS ON*	[●]
BID/OFFER CLOSES ON**	[●]
FINALIZATION OF BASIS OF ALLOTMENT	[●]
INITIATION OF REFUNDS	[●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS	[●]
COMMENCEMENT OF TRADING	[●]

** Our Company may, in consultation with the BRLMs consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
*** Our Company may in consultation with the BRLMs, decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date.*

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 will be 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 (which for QIBs may be a day prior to the Bid/Offer Closing Date for non-QIBs), Bids will be 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 are 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 will be 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.

Our Company in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a press release and by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and will also intimated to SCSBs, the Registered Brokers, CRTAs and CDPs. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

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 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 90, 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 544.

Option to receive Equity Shares in Dematerialized Form

In terms of Section 29 of the Companies Act, 2013, 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, and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018, 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 provisions of the Companies Act 2013, 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 SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.*

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 Draft Red Herring 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 the Prospectus.

PART A

Book Building Procedure

The Offer is being 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 may allocate up to 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 is 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) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be 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 shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer shall be 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. Further, [●] Equity Shares (not exceeding 5% of the post-Offer Equity Share capital of our Company), aggregating up to ₹ [●] million shall be 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 do not have the details of the Bidders' depository account,

including DP ID, Client ID and PAN, shall be treated as incomplete and will 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 will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered and Corporate Office. The Bid cum Application Forms will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (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 will be available only at our Registered Office.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors) must 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 does not contain such detail are liable to be rejected.

Further, such Bidders shall 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 must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

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^	White
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions ^	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 will be made available at the office of the BRLMs.*
**** The Bid cum Application Forms for Eligible Employees will be available only at our Registered Office.*
^Electronic Bid cum Application forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (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 Draft Red Herring 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 Draft Red Herring 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 Form 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.

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 511, 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 shall not be 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 may 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, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The Promoters, Promoter Group, BRLMs and any persons related to the BRLMs (except Mutual Funds sponsored by entities related to the BRLMs) cannot apply in the Offer under the Anchor Investor Portion.

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 therefore. 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 Designated Intermediaries. Eligible NRIs applying on a repatriation basis should authorise their SCSBs 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 are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Eligible NRIs Bidding on non-repatriation basis are 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 (Foreign Portfolio Investors) Regulations, 2014, as amended, investments by FPIs in the capital of an Indian company under the SEBI (Foreign Portfolio Investors) Regulations, 2014 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 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 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. Such 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.

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.

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 systemically important non-banking financial companies, 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. Systemically important non-banking financial companies 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, 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 [●] Equity Shares and in multiples of [●] 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 [●] Equity Shares and in multiples of [●] 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) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(h) 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 533.

Bids by Anchor Investors

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 508.

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 Draft Red Herring 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 Draft Red Herring Prospectus and the Red Herring Prospectus.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] edition of [●] (a widely circulated English national daily newspaper) and [●] edition of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in the place where our Registered Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be 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 can 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 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. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
5. 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;
6. If the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form;
7. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. 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;
10. 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;
11. 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;
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. 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;

14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. 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;
16. 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;
17. 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;
18. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
19. Instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
20. 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;
21. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) 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);
22. 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;
23. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with; and
24. Bids by Eligible NRIs 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 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 and PAN 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;
17. Do not submit more than five Bid cum Application Forms per ASBA Account;
18. 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;
19. 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;
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); and
22. 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).

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, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT). The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]"

(ii) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should 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 allotment of Equity Shares to employees of our Company pursuant to exercise of stock options granted under the IndiaMART ESOS 2015 and an aggregate of 3,874,546 Equity Shares on conversion of an aggregate of 1,871,760 CCPS prior to filing the Red Herring Prospectus, of our Company, 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 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) shall be 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 this 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 this Draft Red Herring Prospectus, they have been resulted from the conversion of CCPS, which have been held the Investor Selling Shareholders for a period exceeding one year prior to the date of this 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;

(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 2013.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and SEBI ICDR Regulations. 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/Prospectus before investing in the Offer.

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.

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 Registrar of Companies ("**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/Prospectus, the disclosures in the RHP/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 at 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, the Companies Act 2013 (to the extent notified and in effect), the Companies Act 1956 (to the extent applicable), 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**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

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 five 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.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the 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.

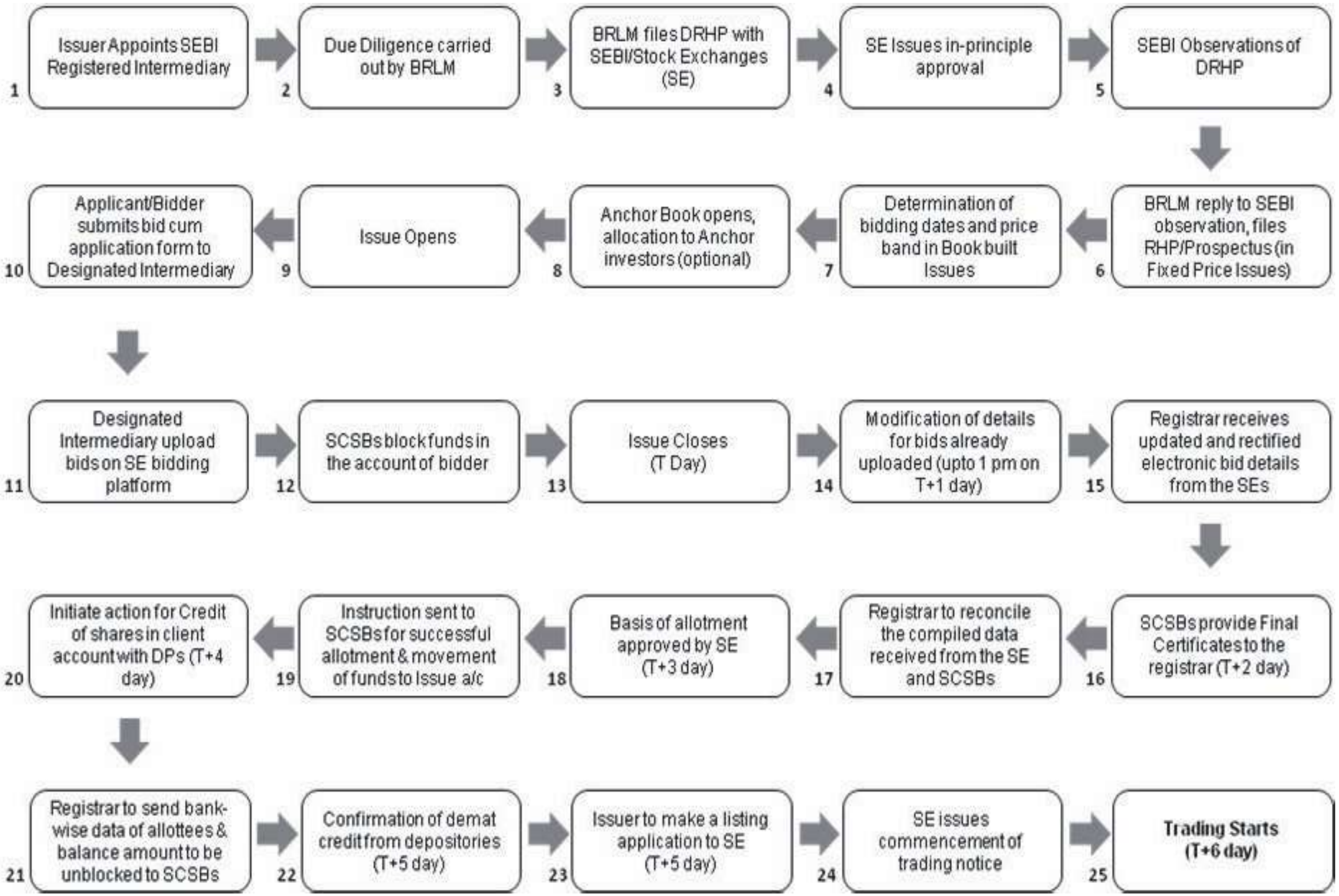
2.6 FLOWCHART OF TIMELINES

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.


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits bid cum application form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 SCSBs block funds in the account of bidder
13 Issue Closes (T Day)
14 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
15 Registrar receives updated and rectified electronic bid details from the SEs
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

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 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 NIIs 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 Bid cum Application Form 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. 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.

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, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue
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 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP 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

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : .... Contact Details: .... CIN No.	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

6. INVESTOR STATUS

- ☐ Individual(s) - IND
- ☐ Hindu Undivided Family* - HUF
- ☐ Bodies Corporate - CO
- ☐ Banks & Financial Institutions - FI
- ☐ Mutual Funds - MF
- ☐ Non-Resident Indians - NRI (Non-Repatriation basis)
- ☐ National Investment Fund - NIF
- ☐ Insurance Funds - IF
- ☐ Insurance Companies - IC
- ☐ Venture Capital Funds - VCF
- ☐ Alternative Investment Funds - AIF
- ☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with individual)

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 7 6 5 4 3 2 1	Bid Price 3 2 1	Retail Discount 3 2 1	Net Price 3 2 1	"Cut-off" (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

- ☐ Retail Individual Bidder
- ☐ Non-Institutional Bidder
- ☐ QIB

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

Application Form–For Non–Residents

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

Address : .... Contact Details: .... CIN No ....

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

- NRI Non-Resident Indian(s) (Repatriation basis)
- FII FII or Sub-account not a Corporate/Foreign Individual
- FIISA FII Sub-account Corporate/Individual
- FVCI Foreign Venture Capital Investor
- FPI Foreign Portfolio Investors
- OTH Others (Please Specify)______

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date : ______________

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)

2)

3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No. ______

Bank & Branch ______

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

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 2013 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 2013 includes imprisonment for a term which shall not be 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 of such amount.

(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 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 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 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 least five 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 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 may 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 ₹ 10,000 to ₹ 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 RII 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 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) 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 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.

(b) RIIs who Bid at Cut-off price shall be blocked on the Cap Price.

(c) All Bidders (other than Anchor Investors) can participate in the Offer only through the ASBA mechanism.

(d) 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 with a Book Running Lead Manager.

(b) Payments should be made either by RTGS, NACH or NEFT.

(c) The Escrow Bank(s) shall maintain the monies in the 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 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.

(b) Bidders must specify the Bank Account number 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 maintained with an SCSB, may not be accepted.

(c) Bidders 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 account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(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 RTA Locations or CDP at the Designated CDP Locations.

(g) **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.

(h) **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.

(i) 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.

(j) 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.

(k) 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.

(l) Upon submission of a completed Bid cum Application Form each Bidder 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.

(m) 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.

(n) 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, 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 the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs 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 to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

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 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, 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 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. 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, where the Bid was submitted or

iii. Bids, ASBA Account number in which the amount equivalent to 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

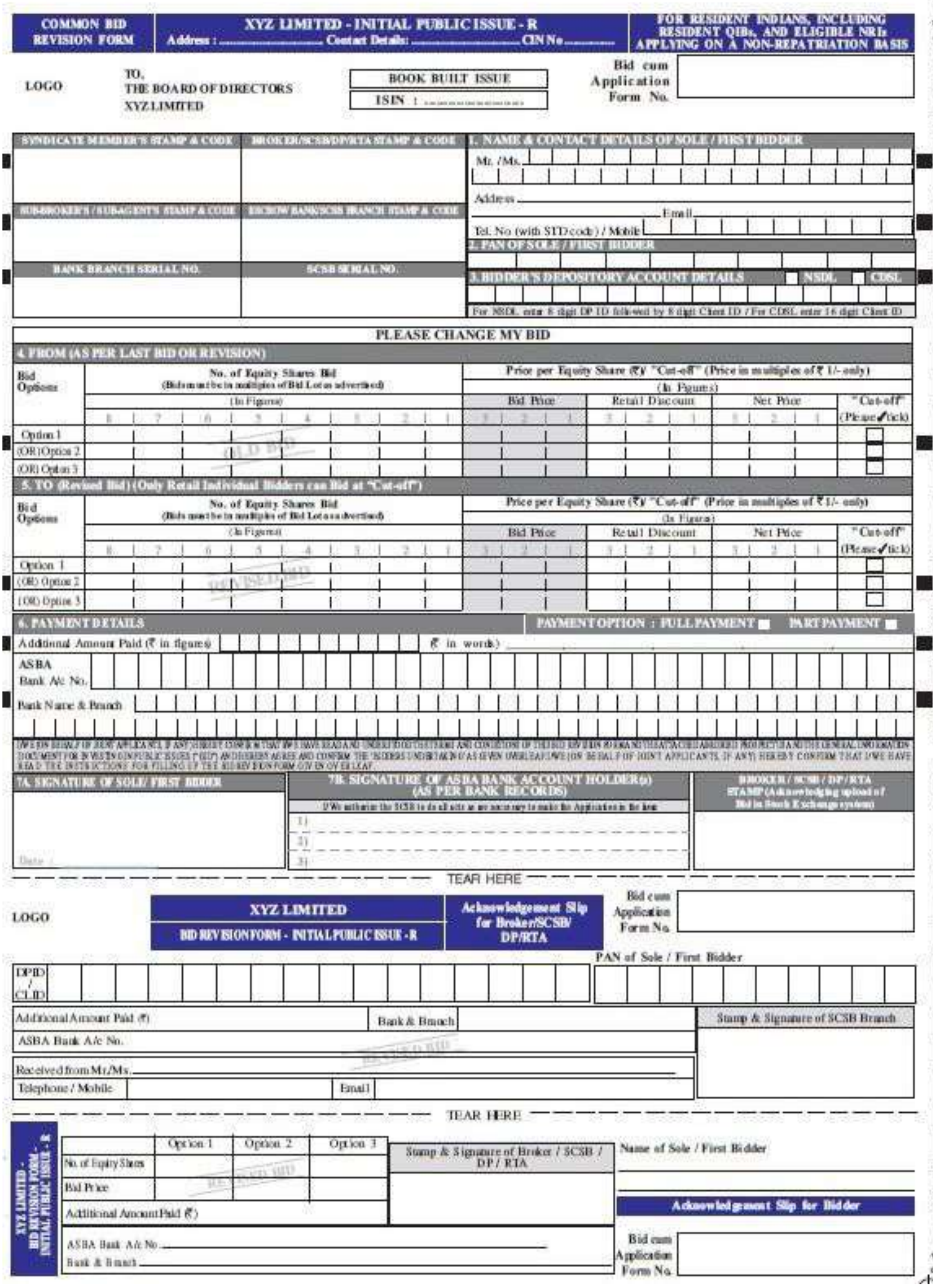
(a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part 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. 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 BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE

BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE

ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO.

SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
Option 1					
(OR) Option 2					
(OR) Option 3					

OLD BID

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
Option 1					
(OR) Option 2					
(OR) Option 3					

REVISED BID

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Additional Amount Paid (₹)

Bank & Branch

Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

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 ₹ 500,00 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 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.

(e) 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.

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 Offer 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 SCSB 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 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) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

ii. For applications from Mutual Funds submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(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 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 ASBA for applying in the Offer

(b) Application Amount cannot be paid in cash, cheques or demand drafts through money order or through postal order or through stock invest.

4.3.5.1 Payment instructions for Applicants

(a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.

(b) Applicants must specify only such Bank Account number maintained with the SCSB in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

(d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

(h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

(i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application 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 Application, as the case may be.

(l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2 **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, 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 Application, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to block the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Application 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 Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Offer Closing Date.

4.3.5.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

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:-**

Mode of Application	Submission of Bid cum Application Form
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)	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the CRTAs at the Designated RTA Locations or the CDPs at the Designated CDP Locations (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed 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 XI of SEBI ICDR Regulations. 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 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 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. The Designated Intermediaries are given till 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 unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB 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 Intermediariesare 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 by the Designated Intermediary; and

iii. The Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The BRLM 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 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) BRLM 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) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(m) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(n) Bids/Applications at Cut-off Price by NIIs and QIBs;

(o) 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;

(p) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(q) Submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;

(r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(t) 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;

(u) Bank account mentioned in the Bid cum Application Form may not be an account maintained by SCSB. 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;

(v) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Bank;

(w) Where no confirmation is received from SCSB for blocking of funds;

(x) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(y) Bid cum Application Form submitted to Designated Intermediaries at locations other than the Bidding Centers or to the 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;

(z) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(aa) 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.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations 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 BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. 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 ₹ 20 to ₹ 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.

Bid Quantity	Bid Amount (₹	Cumulative Quantity	Subscription
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., ₹ 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 ₹ 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 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 Allottees**"). 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 Allottees, (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 Allottees, 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 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 ₹ 10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 250 crores and an additional 10 Anchor Investors for every additional ₹ 250 crores or part thereof, subject to minimum allotment of ₹ 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.

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 Escrow Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Accounts, as per the terms of the Cash Escrow 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 Cash Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs 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.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) 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 2013, the Issuer may be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 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 ₹ 50,000 but which may extend to ₹ 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 SUBSCIPTION

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/ OfferClosing Date and repay, without interest, all moneys received from Anchor Investors. This is further subject to the compliance with Rule 19(2)(b) of the SCRR. In case the Offeris 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 anyone 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 Draft Red Herring Prospectus, the description as ascribed to such term in the Draft Red Herring Prospectus shall prevail.

Term	Description
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	An 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 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 in the specified bank account maintained with such SCSB
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
Banker(s) to the Offer/ Escrow Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offerwith whom the Escrow Accounts 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 Offer

Term	Description
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/ OfferPeriod 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 the 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 the Circular on Streamlining of Public Issues
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 the Circular on Streamlining of Public Issues

Term	Description
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 http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
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 (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Bank from the 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 CRTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the CRTAs where Bidders can submit the Bid cum Application Forms to CRTAs. The details of such Designated RTA Locations, along with names and contact details of the CRTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
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 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
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
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the 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

Term	Description
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 Electronic Fund Transfer
Net Offer	The Offer less Reservation portion
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
Non-Institutional Investors or NIIs	All Bidders/Applicants, including FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs 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
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

Term	Description
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 five 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 2013 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 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 SEBI ICDR Regulations
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act 2013, 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 Investors/RIIs	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)
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

Term	Description
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 http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
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
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
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Bid/Offer Opening 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 SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

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 2013 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 2013, 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 thereof 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 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 178.

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 Draft 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 will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder may be inspected 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.
2. Registrar Agreement dated June 23, 2018 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, Escrow Collection Banks, and the Registrar to the Offer.
4. Share Escrow Agreement dated June 23, 2018 entered into among the Other Selling Shareholders, our Company and a Share Escrow Agent.
5. Syndicate Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs and Syndicate Members.
6. Underwriting Agreement dated [●] 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 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, May 30, 2018 and June 15, 2018, respectively, authorizing the Offer for Sale.
6. Letters dated June 28, 2018, from Dinesh Chandra Agarwal and Brijesh Agrawal, respectively, authorizing their portion of the Offered Shares.
7. Copies of our annual reports for the five fiscals.
8. IndiaMART Employee Stock Option Scheme, 2015, as amended from time to time
9. IndiaMART Employee Stock Benefit Scheme, 2018, as amended from time to time
10. 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 Draft Red Herring Prospectus.
11. 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, 2013 read with SEBI ICDR Regulations and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an auditor and in respect of their examination reports dated June 22, 2018 on our Restated Financial Statements and their report dated June 26, 2018 on the Statement of Tax Benefits included in this Draft Red Herring Prospectus.
12. Consent of Grover Lalla & Mehta, 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 Draft Red Herring Prospectus.
13. 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 Draft Red Herring Prospectus.

14. 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.
15. In-principle listing approvals dated [●] and [●] from BSE and NSE.
16. Tripartite Agreement dated June 23, 2015, among our Company, National Securities Depository Limited and the Registrar to the Offer.
17. Tripartite Agreement dated May 29, 2015, among our Company, CDSL and the Registrar to the Offer.
18. Due diligence certificate to SEBI from the BRLMs dated June 29, 2018.
19. Industry report titled *Market assessment of B2B e-commerce and digital classifieds in India* dated May 29, 2018 by KPMG

Any of the contracts or documents mentioned in this Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Dinesh Chandra Agarwal
(Managing Director)

Brijesh 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 29, 2018

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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus.

For and on behalf of Intel Capital (Mauritius), Limited

Name: **Florrie Cheng**

Authorised Signatory

Date: June 29, 2018

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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus.

For and on behalf of Amadeus IV DPF Limited

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Name: **Krishnacoomari Bundhoo**

Authorised Signatory

Date: June 29, 2018

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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus.

For and on behalf of Accion Frontier Inclusion Mauritius

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Name: **Dilshaad Rajabalee**

Authorised Signatory

Date: June 29, 2018

DECLARATION BY DINESH CHANADRA AGARWAL

Dinesh Chandra Agarwal hereby certifies that all disclosures and undertakings specifically made or confirmed by him in this Draft Red Herring 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 Draft Red Herring Prospectus, are true and correct.

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Name: **Dinesh Chandra Agarwal**

Date: June 29, 2018

DECLARATION BY BRIJESH AGRAWAL

Brijesh Agrawal hereby certifies that all disclosures and undertakings specifically made or confirmed by him in this Draft Red Herring 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 Draft Red Herring Prospectus, are true and correct.

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Name: **Brijesh Agrawal**

Date: June 29, 2018

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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus.

For Other Selling Shareholders

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Name: **Manoj Bhargava**

Authorised Signatory

Date: June 29, 2018

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 [●] Stock Exchange or the [●] Stock Exchange, 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: