Preliminary Placement Document
Not for circulation
Private and confidential
Serial No.___
Dated April 28, 2021

AFFLE (INDIA) LIMITED

*Our Company was incorporated as 'Tejus Securities Private Limited' under the Companies Act, 1956, with a certificate of incorporation issued by the Registrar of Companies, Maharashtra ("**RoC**") on August 18, 1994 at Mumbai. Subsequently, the name of our Company was changed to 'Affle (India) Private Limited' and a fresh certificate of incorporation was issued by the RoC on September 29, 2006. Our Company was subsequently converted to a public limited company and the name of our Company was changed to our present name, i.e., 'Affle (India) Limited', and a fresh certificate of incorporation consequent upon conversion was issued by the RoC on July 13, 2018. For further details, see "General Information" on page 244.*

Corporate Identity Number: L65990MH1994PLC080451
Registered Office: 102, Wellington Business Park-I, Off Andheri Kurla Road, Marol, Andheri (East), Mumbai 400059
Corporate Office: 606-612, 6th Floor, Tower C, JMD Megapolis, Sohna Road, Sector 48, Gurgaon 122 018
Tel No.: +91 124 4992 914; **Website**: www.affle.com; **Email**: compliance@affle.com

Issue of up to [●] equity shares of face value of ₹ 10 each (the "**Equity Shares**") at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share (the "**Issue Price**"), aggregating up to ₹ [●] million (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 26.

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

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on the NSE and the BSE as on April 27, 2021 were ₹ 5,661.40 and ₹ 5,662.35 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to this Issue, from each of BSE and NSE on April 28, 2021. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

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

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" BEGINNING ON PAGE 46 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT.

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

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, please see "*Issue Procedure*" on page 193. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

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

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States (as defined in Regulation S under the Securities Act ("**Regulation S**")) in reliance on Regulations S. For the selling restrictions in certain other jurisdictions, please see "*Selling Restrictions*" on page 208.

This Preliminary Placement Document is dated April 28, 2021.

BOOK RUNNING LEAD MANAGERS		
AXIS CAPITAL LIMITED	**NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED**	**UBS SECURITIES INDIA PRIVATE LIMITED**

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

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NOTICE TO INVESTORS

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

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

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

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the Book Running Lead Managers or their respective representatives, and those retained by such Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

The distribution of this Preliminary Placement Document and the offering of the Equity Shares may be restricted by law in certain countries or jurisdictions. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States (as defined in Regulation S) in reliance on Regulations S. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" on page 208.

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

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

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

The information on the websites of our Company, Subsidiaries, or any other website directly or indirectly linked to the websites of our Company, Subsidiaries, or the respective websites of the Book Running Lead Managers or their respective affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such website. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

Purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgements and agreements set forth in "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 3, 208 and 217, respectively.

This Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. The information contained in this Placement Document has been provided by the Company and other sources identified herein. Distribution of this Preliminary Placement Document to any person other than the offeree specified by the Book Running Lead Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without prior written consent of the Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By bidding and/ or subscribing to any Equity Shares under this Issue, you are deemed to have made the representations, warranties, acknowledgements and agreements set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 208 and 217, respectively, and to have represented, warranted and acknowledged to and agreed with our Company and the Book Running Lead Managers as follows:

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

- You are eligible to invest in India under applicable law, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended ("**FEMA Non-Debt Rules**") and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise in relation to accessing capital markets in India;

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

- You will provide the information as required under the Companies Act, 2013, the PAS Rules and applicable SEBI regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details;

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

- You have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements and undertakings detailed in the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 208 and 217, respectively.

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

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

- Neither our Company, the Book Running Lead Managers nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with this Issue and your participation in this Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

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

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

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis in the manner set forth herein and are not being offered to the general public, and the Allocation of the same shall be at the absolute discretion of our Company, in consultation with the Book Running Lead Managers;

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

- You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including in particular the "*Risk Factors*" and "*Transfer Restrictions*" on pages 46 and 217, respectively;

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

- Neither our Company nor the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on our Company, the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against our Company or any of the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are seeking to subscribe to/ acquire the Equity Shares in this Issue for your own investment and not with a view to resale or distribute. You are aware that Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with the right of renunciation in favour of any person with respect to Equity Shares, proposed to be issued;

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

- If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;

- You are not a ‘promoter’ of our Company (as defined under the SEBI ICDR Regulations), and are not a person related to any of the Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any of our Promoters or Promoter Group of our Company or persons or entities related thereto;

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

- You agree that in terms of Section 42 of the Companies Act and Rule 14 of PAS Rules and other applicable provisions of the Companies Act, our Company shall make necessary filings with the RoC as may be required under the Companies Act;

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

- You are eligible to apply and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to this Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not eventually result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**SEBI Takeover Regulations**");

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

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

  b) "Control" shall have the same meaning as is assigned to it under the SEBI Takeover Regulations;

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

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

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

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

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

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

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

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

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

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

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

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

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

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

- You will make all necessary filings with appropriate regulatory authorities including the RBI as required pursuant to applicable laws; and

- Our Company, the Book Running Lead Managers, their respective affiliates, directors, shareholders, officers, counsels, employees, representatives, agents and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable. You are not an affiliate of our Company, or a person acting on behalf of an affiliate of our Company.

OFFSHORE DERIVATIVE INSTRUMENTS

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

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

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

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

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

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

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

The Stock Exchanges do not in any manner:

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

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

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

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

PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS

Certain Conventions

In this Preliminary Placement Document, unless the context otherwise indicates or implies, references to 'you,' 'your', 'offeree', 'purchaser,' 'subscriber,' 'recipient,' 'investors' and 'potential investor' are to the prospective investors in the Issue, references to 'Affle', the 'Company', 'our Company', the 'Issuer' are to Affle (India) Limited, and references to 'we', 'our' or 'us' are to Affle (India) Limited, together with its Subsidiaries on a consolidated basis.

In this Preliminary Placement Document, references to '₹', 'Rs.', 'INR' 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India and references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States.

All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'United States' are to the United States of America. All references herein to 'Singapore' are to the Republic of Singapore. All references herein to Indonesia are to the Republic of Singapore. All references herein to the 'UAE' are to the United Arab Emirates. All references herein to Spain are to the Republic of Spain.

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

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 because we believe they are indicative measures of our operating performance and are used by investors and analysts to evaluate companies in the same industry. EBITDA and EBITDA margin 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 our EBITDA and EBITDA margin are appropriate because it is a more indicative measure of our baseline performance as it excludes certain charges that our Company's management considers to be outside our 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 financial statements included in this Preliminary Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Information*" on page 243.

Financial and Other Information

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

(i) the audited standalone financial statements of our Company as at and for the financial year ended March 31, 2018, prepared in accordance with Ind AS, as notified by MCA pursuant to Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**IAS Rules**"), and other relevant provisions of the Companies Act (the "**Fiscal 2018 Audited Standalone Financial Statements**");

(ii) the audited consolidated financial statements of our Company and its Subsidiaries as at and for the financial year ended March 31, 2019 prepared in accordance with Ind AS, as notified by MCA pursuant to Section 133 of the Companies Act read with the IAS Rules, and other relevant provisions of the Companies Act (the "**Fiscal 2019 Audited Consolidated Financial Statements**");

(iii) the audited consolidated financial statements of our Company and its Subsidiaries as at and for the financial year ended March 31, 2020 prepared in accordance with Ind AS, as notified by MCA pursuant to Section 133 of the Companies Act read with the IAS Rules, and other relevant provisions of the Companies Act (the "**Fiscal 2020 Audited Consolidated Financial Statements**"); and

(iv) the unaudited special purpose interim condensed consolidated financial statements of our Company and its Subsidiaries as at and for the nine months period ended December 31, 2020 prepared in accordance with the Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act read with the IAS Rules, and other relevant provisions of the Companies Act (the "**December 2020 Special Purpose Interim Condensed Consolidated Financial Statements**").

(v) the unaudited special purpose interim condensed consolidated financial statements of our Company and its Subsidiaries as at and for the nine months period ended December 31, 2019 prepared in accordance with the Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act read with the IAS Rules, and other relevant provisions of the Companies Act. (the "**December 2019 Special Purpose Interim Condensed Consolidated Financial Statements**" and together with the December 2020 Special Purpose Interim Condensed Consolidated Financial Statements, the "**Special Purpose Interim Condensed Consolidated Financial Statements**").

Our Fiscal 2018 Audited Standalone Financial Statements, Fiscal 2019 Audited Consolidated Financial Statements and Fiscal 2020 Audited Consolidated Financial Statements were audited by S. R. Batliboi & Associates LLP, Chartered Accountants our Statutory Auditors.

Our Special Purpose Interim Condensed Consolidated Financial Statements have been subjected to limited review by our Statutory Auditors.

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

All numerical and financial information as set out and presented in this Preliminary Placement Document, except for the information in "*Industry Overview*" and the percentage numbers disclosed in "*Our Business*", "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", for the sake of consistency and convenience have been rounded off or expressed in two decimal places in ₹ million. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Unless the context otherwise requires or except as specifically indicated, the financial information for the Financial Years 2018, 2019, 2020 in this Preliminary Placement Document is derived from the Audited Financial Statements and, the financial information for the nine months periods ended December 31, 2020 and December 31, 2019 in this Preliminary Placement Document is derived from the December 2020 Special Purpose Interim Condensed Consolidated Financial Statements and December 2019 Special Purpose Interim Condensed Consolidated Financial Statements, respectively. Further, the financial information for the nine months periods ended December 31, 2020 and December 31, 2019 are not indicative of our annual results as they are for nine month periods and, are not directly comparable with figures as at and for the year ended March 31, 2018, March 31, 2019 and March 31, 2020, presented in this Preliminary Placement Document. In addition, due to the acquisitions in the nine months period ended December 31, 2020 described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations- Significant Factors Affecting our Results of Operations and Financial Condition - Acquisitions of businesses / companies*" on page 80, the financial information as at and for the nine months periods ended December 31, 2020 and December 31, 2019 on a consolidated basis are not directly comparable. Further, due to the acquisitions in Fiscal 2020 described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations- Significant Factors*

Affecting our Results of Operations and Financial Condition - Acquisitions of businesses / companies" on page 80, our financial information for Fiscal 2020 and 2019 on a consolidated basis are not directly comparable.

The fiscal year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular 'Financial Year', 'Fiscal Year' or 'Fiscal' or 'FY' are to the 12 months period ended on March 31 of that year.

INDUSTRY AND MARKET DATA

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

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Industry Insights on the Advertising and Ad Tech Market*" dated April 15, 2021 ("**Frost & Sullivan Report**"), which is a commissioned report prepared by Frost & Sullivan India Private Limited ("**Frost & Sullivan**"). Further, Frost & Sullivan has issued the following disclaimer in the Frost & Sullivan Report:

"*INDUSTRY INSIGHTS ON THE ADVERTISING AND AD TECH MARKET" has been prepared for the proposed qualified institutions placement of equity shares by Affle (India) Limited (the "Company").*

This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited ("Frost & Sullivan") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction."

Accordingly, neither the accuracy nor completeness of information contained in the Frost & Sullivan Report is guaranteed. The opinions expressed are not recommendation to buy, sell or hold an instrument.

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

The extent to which the market and industry data used in this Preliminary Placement Document are meaningful depends solely on the reader's familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and are subject to change based on various factors, including those discussed in "*Risk Factors – Statistical and industry data in this Preliminary Placement Document are derived from the Frost & Sullivan Report. The Frost & Sullivan Report is not exhaustive and is based on certain assumptions and parameters/conditions. The Frost & Sullivan Reports states that a blanket, generic use of the derived results in the report or the methodology used in the report is not encouraged. Actual* *results and future events could differ materially from the forecasts, predictions or other forward-looking statements in the Frost & Sullivan Report.*" on page 70. Thus, neither our Company nor the Book Running Lead Managers can assure you of the correctness, accuracy and completeness of such data. Accordingly, investment decisions should not be based solely on such information.

FORWARD-LOOKING STATEMENTS

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

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

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

- Our ability to collect data from various sources;
- Regulatory, legislative or self-regulatory developments regarding data protection;
- Our ability to accurately predict engagement by consumers with mobile advertisements;
- The effect of the COVID-19 pandemic on our business;
- Our ability to compete in the markets that we participate in;
- Protection of our proprietary information and other intellectual property;
- Any allegations or determination that our technology or another aspect of our business infringes the intellectual property rights of others;
- Our ability to retain our key customers and diversify our customer base;
- Our relationship with our advertising agencies;
- Our ability to innovate, adapt and respond effectively to rapidly changing technology;
- Any impairment of the proper functioning of our solutions by fraudulent or malicious activity, including non-human traffic; and
- Our ability to maintain the quality of content for our customers and publishers.

Additional factors that could cause actual results, performance or achievements to differ materially include but are not limited to, those discussed under "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" on pages 46, 78, 127 and 154, respectively. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

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

ENFORCEMENT OF CIVIL LIABILITIES

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

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

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

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

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

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

EXCHANGE RATES

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

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

(₹ per US$)

Period	Period End(1)	Average(2)	High(3)	Low(4)
Fiscal				
2021	73.50	74.20	76.81	72.29
2020	75.39	70.88	76.15	76.15
2019	69.17	69.17	69.17	69.17
Month ended				
March 31, 2021	72.40	72.74	73.35	72.29
February 28, 2021	73.04	72.76	73.04	72.29
January 31, 2021	72.95	73.11	73.45	72.82
December 31, 2020	73.05	73.59	73.89	73.05
November 30, 2020	73.80	74.22	74.69	73.80
October 31, 2020*	73.97	73.46	73.97	73.14

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

**FBIL reference rate for October 30, 2020 has been used since October 31, 2020 was a Saturday.*

Notes:
1. The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.
2. Average of the official rate for each Working Day of the relevant period.
3. Maximum of the official rate for each Working Day of the relevant period.
4. Minimum of the official rate for each Working Day of the relevant period.
5. The reference rates are rounded off to two decimal places.

DEFINITIONS AND ABBREVIATIONS

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

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

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections "*Industry Overview*", "*Taxation*", "*Legal Proceedings*" and "*Financial Information*" beginning on pages 127, 226, 237 and 243, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
Issuer/ Our Company/ the Company/ Affle	Affle (India) Limited
December 2019 Special Purpose Interim Condensed Consolidated Financial Statements	The unaudited special purpose interim condensed consolidated financial statements of our Company and its Subsidiaries as at and for the nine months period ended December 31, 2019 prepared in accordance with the Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act read with the IAS Rules, and other relevant provisions of the Companies Act.
December 2020 Special Purpose Interim Condensed Consolidated Financial Statements	The unaudited special purpose interim condensed consolidated financial statements of our Company and its Subsidiaries as at and for the nine months period ended December 31, 2020 prepared in accordance with the Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act read with the IAS Rules, and other relevant provisions of the Companies Act.
Articles/ Articles of Association/ AoA	Articles of Association of our Company, as amended
Affle Global	Affle Global Pte. Ltd.
Affle Global Transaction	The acquisition of the business, intangible assets and all of the equity interest in the Indonesian Subsidiary from Affle Global with effect from July 1, 2018.
Affle Holdings	Affle Holdings Pte. Limited
Affle International	Affle International Pte. Ltd.
Affle MEA	Affle MEA FZ-LLC
Appnext Business	The "Appnext" branded app discovery and recommendations that enables mobile handset manufacturers, mobile network operators and apps developers to deliver personalised app recommendations to mobile users globally from the initial boot or reset of a device, the Out of Box Experience (OOBE), throughout the life cycle of the user's journey on that device.
Appnext BVI	Appnext Limited
Appnext Singapore	Appnext Pte. Ltd.
ATPL	Appstudioz Technologies Private Limited
Audit Committee	The audit committee of our Board of Directors
Audited Financial Statements	Collectively, the Fiscal 2020 Audited Consolidated Financial Statements, Fiscal 2019 Audited Consolidated Financial Statements and Fiscal 2018 Audited Standalone Financial Statements
Board of Directors/ Board	The board of Directors of our Company
Corporate Office	606-612, 6th Floor, Tower C, JMD Megapolis, Sohna Road, Sector 48, Gurgaon 122 018
Corporate Social Responsibility Committee	The corporate social responsibility committee constituted by the Board of Directors
DCF	Discounted cash flow
Directors	The directors on the Board of Directors of our Company
Enterprise Platform	End-to-end solutions for enterprises to enhance their engagement with mobile users, such as developing Apps, enabling offline to online commerce for offline businesses with e-commerce aspirations and providing enterprise grade data analytics for online

Term	Description
	and offline companies.
Equity Shares	Equity shares of our Company with a face value of ₹ 10 each
Executive Director	Executive director(s) of our Company, unless otherwise specified
Fiscal 2018 Audited Standalone Financial Statements	The audited standalone financial statements of our Company as at and for the financial year ended March 31, 2018, prepared in accordance with Ind AS, as notified by MCA pursuant to Section 133 of the Companies Act read with IAS Rules and other relevant provisions of the Companies Act
Fiscal 2019 Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and its subsidiaries as at and for the financial year ended March 31, 2019 prepared in accordance with Ind AS, as notified by MCA pursuant to Section 133 of the Companies Act read with the IAS Rules, and other relevant provisions of the Companies Act
Fiscal 2020 Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and its subsidiaries as at and for the financial year ended March 31, 2020 prepared in accordance with Ind AS, as notified by MCA pursuant to Section 133 of the Companies Act read with the IAS Rules, and other relevant provisions of the Companies Act
Frost & Sullivan	Frost & Sullivan India Private Limited
Frost & Sullivan Report	Report titled "*Industry Insights on the Advertising and Ad Tech Market*" dated March 2021 issued by Frost & Sullivan
Fund Raising Committee	The Committee of our Board of Directors formed with respect to this Issue, pursuant to a resolution passed by our Board dated February 27, 2021.
IBR	Incremental borrowing rate
Independent Director	A non-executive and Independent director of our Company as defined in Section 2(47) of the Companies Act
Indonesian Subsidiary	PT Affle Indonesia.
Key Managerial Personnel/ Key Management Personnel	The key managerial personnel of our Company as identified/ named under "*Board of Directors and Senior Management*" on page 178
Mediasmart	Mediasmart Mobile S.L.
Mediasmart Business	The "Mediasmart" branded programmatic and proximity marketing self-serve platform that provides advertisers and marketers capabilities such as incremental footfall tracking, audience management and real-time optimization of marketing spends across mobile devices and connected TVs.
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of our Company, as amended
mTraction CDP	mTraction Customer Data Platform, our Company's platform for app analytics and CRM.
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by the Board of Directors
Other Vizury Business Assets	The brand name "Vizury" and certain other intellectual property in connection with the Vizury Business in Dubai and Singapore.
PPA	Provisional purchase price allocation
Promoter Group	Promoter group of our Company as per the definition provided in Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	Promoters of our Company as per the definition provided in Regulation 2(1)(oo) of the SEBI ICDR Regulations and as reported to the Stock Exchanges, being, Anuj Khanna Sohum and Affle Holdings
Registered Office	102, Wellington Business Park-I, Off Andheri Kurla Road, Marol, Andheri (East), Mumbai 400059
RevX Business	The business of developing and operating a mobile marketing platform designed to drive performance and brand experience through programmatic, personalisation, data science in mobile marketing platforms, such as mobile-based applications.
RevX Business Undertaking	The RevX Business together with RevX Inc.'s intellectual property, records, movable assets, goodwill, transferred contracts, and assumed liabilities.
Risk Management Committee	The risk management committee constituted by the Board of Directors
RoC/ Registrar of Companies	Registrar of Companies, Maharashtra at Mumbai
Senior Management	The members of the senior management of our Company as identified/ named under "*Board of Directors and Senior Management*" on page 178
Shareholders	The holders of the Equity Shares from time to time
Shoffr	Shoffr Pte. Ltd.
Shoffr Business	Shoffr's consumer platform business and enterprise platform business to drive sales of its clients' products and services from online marketing to offline conversion, including customer relation management, catalogue management and order management, via enablement of programmatic, personalization and data science.
Shoffr Business Undertaking	The brand name 'Shoffr' and all of the intellectual property rights, business relationships, technical information, employees and assets of the Shoffr Business.

Term	Description
Special Purpose Interim Condensed Consolidated Financial Statements	Collectively, the December 2019 Special Purpose Interim Condensed Consolidated Financial Statements and the December 2020 Special Purpose Interim Condensed Consolidated Financial Statements.
Stakeholders Relationship Committee	The stakeholders relationship committee constituted by our Board
Statutory Auditors	S.R. Batliboi & Associates LLP
Subsidiaries	The direct and indirect subsidiaries of our Company, namely, Affle International Pte. Limited, PT Affle Indonesia, Affle MEA FZ LLC, Mediasmart Mobile S.L., Appnext Pte Limited and Appnext Technologies Limited
Vizury	Collectively: (i) Vizury Dubai, (ii) Vizury India, and (iii) Vizury Singapore.
Vizury Business	The retargeting media business for e-commerce companies and push notifications offerings business for e-commerce companies on an SaaS model.
Vizury Business – India	The retargeting media business for e-commerce companies and push notifications offerings business for e-commerce companies on an SaaS model of Vizury India, along with associated records, the brand name "Vizury", intellectual property rights and domain name credentials in India.
Vizury Dubai	Vizury Interactive Solutions FZ-LLC.
Vizury India	Vizury Interactive Solutions Private Limited.
Vizury Singapore	Vizury Interactive Solutions Pte. Ltd.
"We"/ "us"/ "our"	Collectively, Affle (India) Limited and its Subsidiaries

Issue Related Terms

Term	Description
Allocated/ Allocation	Allocation of Equity Shares, in consultation with the Book Running Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms and Application Amount submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly.
Bidder	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Book Running Lead Managers or BRLMs	Together, Axis Capital Limited, Nomura Financial Advisory and Securities (India) Private Limited and UBS Securities India Private Limited.
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●], 2021
Designated Date	The date of credit of Equity Shares to the Allotees' demat accounts pursuant to the Issue, as applicable to the relevant Allottees
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws. In addition, QIBs, outside the United States in "offshore transactions" in reliance on Regulation S under the Securities Act. Further, FVCIs are not permitted to participate in the Issue.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "Affle (India) Limited – QIP Escrow Account" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount payable by the Bidders in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited
Escrow Agreement	Agreement dated April 28, 2021, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the

Term	Description
	Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	Axis Bank Limited
Floor Price	Floor price of ₹ 5,422.94 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount on the Floor Price in accordance with the approval of the Shareholders on March 24, 2021, and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue	Offer and issuance of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], 2021, the date after which our Company (or Book Running Lead Managers on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Issue Opening Date	April 28, 2021, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ [●]
Issue Size	Aggregate size of the Issue, up to ₹ [●] million
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated April 28, 2021 by and among our Company and the Book Running Lead Managers
Placement Document	Placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	This preliminary placement document cum application form, dated April 28, 2021 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013
QIB/ Qualified Institutional Buyer	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The letter from the Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts, except where the number of Equity Shares Allocated to a Successful Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount paid by a Successful Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, in which events the Refund Amount will be set out in the CAN.
Regulation S	Regulation S under the Securities Act
Relevant Date	April 28, 2021 which is the date of the meeting in which the Fund Raising Committee decided to open the Issue
Stock Exchanges	Together, NSE and BSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Issue Shares
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/ Abbreviations

Term/ Abbreviation	Full Form
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Civil Procedure Code	Code of Civil Procedure, 1908
Companies Act/ Companies Act, 2013	The Companies Act, 2013, as amended, read with the rules, regulations, clarifications and modifications thereunder

Term/ Abbreviation	Full Form
Competition Act	Competition Act, 2002
CSR	Corporate Social Responsibility
DDT	Dividend Distribution Tax
Depositories Act	Depositories Act, 1996
Depository or Depositories	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018
DP/ Depository Participant	Depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign Direct Investment
FDI Policy	Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (Formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, GoI by circular DPIIT file number 5(2)/2020-FDI Policy, with effect from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999
FEMA Non-Debt Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year
Form PAS-4	Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI	Foreign Portfolio Investors as defined under the SEBI FPI Regulations and includes a person registered under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI
GoI/ Government	Government of India
GST	Goods and Service Tax
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under Companies (Indian Accounting Standard) Rules, 2015, as amended.
India	Republic of India
MCA	Ministry of Corporate Affairs, GoI
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NCLT	National Company Law Tribunal
NEAT	National Exchange for Automated Trading
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
Rs. or Rupees or ₹	The lawful currency of India
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure

Term/ Abbreviation	Full Form
	Requirements) Regulations, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
Securities Act	U.S. Securities Act of 1933, as amended
STT	Securities Transaction Tax
U.S./ United States	United States of America
U.S. GAAP	Generally accepted accounting principles followed in the U.S.
US$/ U.S. dollars or USD	U.S. dollars, the lawful currency of the United States

Industry related definitions

Term	Description
B2C	Business to consumer.
Canadian Privacy Statutes	The PIPEDA, the PIPA Alberta, the PIPA BC, and the Québec Privacy Act
Category EFGH	E-commerce, edtech and entertainment, fintech, FMCG and foodtech, gaming, government and groceries, and health-tech
CAGR	Compound annual growth rate
CNIL	The National Commission on Computer Science and Freedoms (Commission national de l'informatiqueet des libertés)
CoE	Council of European Convention 108
Copyright Act	The Copyright Act, 1957
CPA	Cost per action.
CPC	Cost per click.
CPCU	Cost per converted user.
CPM	Cost per thousand impressions.
CPV	Cost per view.
CRM	Customer resources management.
Data Protection Bill	Personal Data Protection Bill, 2019
DIFC	Dubai International Financial Centre
DMP	Data Management Platforms
DSP	Demand Side Platforms
FMCG	Fast moving consumer goods
GDPR	General Data Protection Regulation (EU) 2016/679.
IAMAI	Internet and Mobile Association of India.
ICT	Information and communication technology
IMDA	Infocomm Media Development Authority of Singapore.
ITP	Intelligent Tracking Prevention.
LGPD	Lei Geral de Proteção de Dados, or General Data Protection Law of 2018 of Brazil
MCIT	Ministry of Communication and Information Technology
MAAS	Mobile Advertising as a Service.
O2O	Online to offline
PII	Personally identifiable information.
PIPEDA	The Federal Personal Information Protection and Electronic Documents Act, S.C. 2000, ch. 5
PIPA Alberta	Alberta's Personal Information Protection Act, S.A. 2003, ch. P-6.5
PIPA BC	British Columbia's Personal Information Protection Act, S.B.C. 2003, ch. 63
Québec Privacy Act	Québec's An Act Respecting the Protection of Personal Information in the Private Sector, R.S.Q. ch. P-39.1
Registrar	Registrar of Trademarks
SaaS	Software as a service.
SDK	Software development kit.
SSP	Supply Side Platforms
S2S	Server to server.
The 2020 Law	DIFC Data Protection Law No. 5 of 2020
Trademarks Act	The Trademarks Act, 1999
UN	United Nations Organisations

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-up*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 46, 73, 206, 193 and 221, respectively.

Issuer	Affle (India) Limited
Face Value	₹ 10 per Equity Share of the Company
Issue Size	Aggregating up to ₹ [●] million,* comprising [●] Equity Shares of our Company, at a premium of ₹ [●] each A minimum of 10% of the Issue Size, i.e. at least [●] Equity Shares, shall be available for Allocation to Mutual Funds only, and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds In case of under-subscription in the portion available for Allocation only to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs [*] *Pursuant to the resolution passed on February 27, 2021, our Board of Directors has authorized the issuance of securities for an aggregate amount of ₹10,800 million, through qualified institutions placement and/or preferential allotment, in one or more tranches. Accordingly, our Company may undertake further issuance of Equity Shares or other eligible securities subsequent to the Issue, in accordance with applicable law and as authorized by the aforementioned resolution.*
Floor Price	₹ 5,422.94 per Equity Share In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of up to 5% on the Floor Price in accordance with the approval of the Shareholders on March 24, 2021, and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue Price	₹ [●] per equity share of the Company (including a premium of ₹ [●] per Equity Share)
Eligible Investors	Eligible QIBs, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or restricted from participating in the Issue under the SEBI ICDR Regulations. See "*Issue Procedure - Qualified Institutional Buyers*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 197, 208 and 217, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by the Book Running Lead Managers in consultation with our Company, at their sole discretion.
Date of Board Resolution approving the Issue	February 27, 2021
Date of Shareholders' Resolution approving the Issue	March 24, 2021
Dividend	Please see sections "*Description of the Equity Shares*", "*Dividends*" and "*Taxation*" on pages 221, 77 and 226, respectively.
Taxation	Please see "*Taxation*" on page 226.
Equity Shares issued and outstanding prior to the Issue	Issued capital before this Issue: 25,496,367 Equity Shares Subscribed and paid-up capital before this Issue: 25,496,367 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	Issued capital after this Issue: [●] Equity Shares Subscribed and paid-up capital after this Issue: [●] Equity Shares
Listing	Our Company has received in-principle approvals from the BSE and the NSE each dated April 28, 2021 under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares to be issued pursuant to the Issue.
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.
Lock-up	For details of the lock-up, see "*Placement and Lock-up*" on page 206

Transferability Restrictions	Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Also see "*Transfer Restrictions*" and "*Selling Restrictions*" on pages 217 and 208, respectively.
Use of Proceeds	The gross proceeds of the Issue will aggregate to approximately ₹ [●] million. The net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹ [●] million. See "*Use of Proceeds*" on page 73 for information regarding the use of Net Proceeds from the Issue.
Risk Factors	See "*Risk Factors*" on page 46 for a discussion of factors you should consider before deciding whether to subscribe to Equity Shares pursuant to this Issue
Closing Date	Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about [●], 2021
Status and Ranking	Equity Shares being issued pursuant to the Issue shall be subject to the provisions of our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends. Our Shareholders (who hold Equity Shares as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in Shareholders' meetings on the basis of one vote for every Equity Share held. See "*Dividends*" and "*Description of the Equity Shares*" on page 77 and page 221, respectively.
Security Codes for the Equity Shares	**ISIN:** INE00WC01019 **BSE Code:** 542752 **NSE Code:** AFFLE

Our corporate promoter Affle Holdings may, subject to market conditions and receipt of approvals required, undertake a secondary sale of Equity Shares held by it aggregating up to 1.07% of the share capital of our Company. See "*Placement and Lock Up – Promoter and Promoter Group Lock-Up*" on page 206.

SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information are derived from (a) the special purpose interim condensed consolidated financial statements as at and for the period ended December 31, 2020, (b) the special purpose interim condensed consolidated financial statements as at and for the period ended December 31, 2019, (c) the audited consolidated financial statements as at and for the years ended March 31, 2020 and March 31, 2019 and (d) the audited standalone financial statements as at and for the year ended March 31, 2018. All numbers in the below tables of selected financial information are in ₹ million, unless otherwise stated.

The Audited Financial Statements and the Special Purpose Interim Condensed Consolidated Financial Statements are included in "*Financial Information*" on page 243. The selected financial information presented below should be read in conjunction with the Audited Financial Statements and the Special Purpose Interim Condensed Consolidated Financial Statements, the notes thereto and detailed information contained in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 78 and 243, respectively.

[*Remainder of this page intentionally kept blank*]

Consolidated summary statement of assets and liabilities

	Particulars	As at December 31, 2020
ASSETS		
I. Non-current assets		
	(a) Property, plant and equipment	15.08
	(b) Right of use assets	23.66
	(c) Goodwill	2,791.80
	(d) Other intangible assets	462.23
	(e) Intangible assets under development	291.70
	(f) Financial assets	
	(i) Investments	407.00
	(ii) Loans	3.34
	(g) Income tax asset (net)	16.93
	(h) Deferred tax asset (net)	1.83
	Total non-current assets	**4,013.57**
II. Current assets		
	(a) Contract asset (net)	615.85
	(b) Financial assets	
	(i) Trade receivables	867.44
	(ii) Cash and cash equivalent	504.19
	(iii) Other bank balance other than (ii) above	120.81
	(iv) Loans	15.51
	(v) Other financial assets	192.81
	(c) Other current assets	84.88
	Total current assets	**2,401.49**
	Total assets (I + II)	**6,415.06**
EQUITY AND LIABILITIES		
III. EQUITY		
	(a) Equity share capital	254.96
	(b) Other equity	
	- Retained earning	1,868.21
	- Capital reserve	25.71
	- Securities premium	845.56
	- Other reserves	4.02
	- Equity attributable to equity holders of the parent	**2,743.50**
	- Non-controlling interests	3.35
	Total equity	**3,001.81**
LIABILITIES		
IV. Non-current liabilities		
	(a) Financial liabilities	
	(i) Borrowings	401.41
	(ii) Other non-current financial liabilities	674.36
	(iii) Lease liabilities	12.17
	(b) Long-term provisions	14.88
	(c) Deferred tax liabilities (net)	-
	Total non-current liabilities	**1,102.82**
V. Current liabilities		
	(a) Contract liabilities	17.38
	(b) Financial liabilities	
	(i) Borrowings	556.03
	(ii) Trade payables	
	- dues of micro enterprises and small enterprises	1.48
	- others	1,346.43
	(iii) Lease liabilities	9.72
	(iv) Other current financial liabilities	339.07
	(c) Short-term provisions	7.06

	Particulars	As at December 31, 2020
	(d) Liabilities for current tax (net)	20.49
	(e) Other current liabilities	12.77
	Total current liabilities	**2,310.43**
	Total equity and liabilities (III + IV + V)	**6,415.06**

Consolidated summary statement of profit and loss

	Particulars	For the nine months period ended December 31, 2020
I	**Revenue**	
	Revenue from contracts with customers	3,752.09
	Other income	55.15
	Total revenue (I)	**3,807.24**
II	**Expenses**	
	Inventory and data costs	2,164.54
	Employee benefits expenses	376.00
	Finance costs	23.52
	Depreciation and amortisation expense	144.64
	Other expenses	259.04
	Total expenses (II)	**2,967.74**
III	**Profit before tax (I-II)**	**839.50**
IV	**Tax expense:**	
	Current tax	77.19
	Deferred tax credit	(2.00)
	Total tax expense (IV)	**75.19**
V	**Profit for the period (III-IV)**	**764.31**
VI	**Other comprehensive income**	
	Items that will be reclassified to profit or loss in subsequent years	
	Exchange differences on translating the financial statements of a foreign operation	(55.15)
		(55.15)
	Items that will not be reclassified to profit or loss in subsequent years	
	Re-measurement losses on defined benefit plans	(1.23)
	Income tax effect	0.31
		(0.92)
	Other comprehensive (loss) / income net of tax	**(56.07)**
VII	**Total comprehensive income for the period**	**708.24**
VIII	**Profit for the period**	**764.31**
	Attributable to:	
	- Equity holders of the parent	762.94
	- Non-controlling interests	1.37
IX	**Total comprehensive income for the period attributable to:**	
	- Equity holders of the parent	706.87
	- Non-controlling interests	1.37
X	**Earnings per equity share:**	
	Equity shares of par value INR 10 each	
	(1) Basic	29.98
	(2) Diluted	29.98

Consolidated summary statement of cash flows

	Particulars	For the nine months period ended December 31, 2020
A	**Cash flow from operating activities**	
	Profit before tax	839.50
	Adjustments for:	
	Depreciation and amortisation expense	144.64
	Non-cash interest on lease	1.36
	Allowance for impairment of trade receivables and contract asset	11.67
	Liabilities written back	(2.79)
	Loss on Property, plant and equipment and intangible assets (net)	-
	Interest income	(20.50)
	Interest expense	15.91
	Unrealised foreign exchange (gain) / loss	(51.99)
	Operating profit before working capital changes	**937.80**
	Change in working capital:	
	(Increase)/decrease in contract asset	(417.10)
	(Increase)/decrease in trade receivables	(132.34)
	(Increase)/decrease in financial assets	(8.93)
	(Increase)/decrease in other current assets	(26.21)
	Increase/(decrease) in contract liabilities	9.35
	Increase/ (decrease) in trade payables	535.26
	Increase/ (decrease) in other financial liabilities	16.39
	(Decrease)/increase in other liabilities	(36.46)
	Increase/ (decrease) in provisions	1.33
	Net cash generated from operations	**879.09**
	Direct taxes paid (net of refunds)	(92.06)
	Net cash generated from operating activities (A)	**787.03**
B	**Cash flow from investing activities:**	
	Purchase of property, plant & equipment, intangible assets including assets under development	(373.70)
	Acquisition of a subsidiary, net of cash acquired	(875.95)
	Loan given	(149.80)
	Proceeds from sale of property, plant and equipment and intangible assets	-
	Investments in bank deposits (having original maturity of more than three months)	(467.88)
	Redemption in bank deposits (having original maturity of more than three months)	915.88
	Purchase of Investments	(406.74)
	Interest received on bank deposits	25.36
	Net cash used in investing activities (B)	**(1,332.83)**
C	**Cash flow from financing activities:**	
	Interest paid on borrowings	(15.91)
	Proceeds from borrowings	952.64
	Repayment of borrowings	(571.14)
	Interest paid on lease liability	(1.36)
	Payment of principal portion of lease liabilities	(10.50)
	Proceeds from initial public offer (net of issue expenses)	-
	Net cash generated from financing activities (C)	**353.73**
	Net change in cash and cash equivalent (A+B+C)	(192.07)

	Particulars	For the nine months period ended December 31, 2020
	Net foreign exchange difference	0.36
	Cash and cash equivalent as at the beginning of the period	695.90
	Cash and cash equivalent as at the end of the period	**504.19**

Consolidated summary statement of assets and liabilities

	Particulars	As at	
		March 31, 2020	March 31, 2019
ASSETS			
I. Non-current assets			
	(a) Property, plant and equipment	10.18	7.49
	(b) Right of use asset	36.54	-
	(c) Goodwill	1,106.73	325.29
	(d) Other intangible assets	474.25	240.20
	(e) Intangible assets under development	48.00	17.95
	(f) Financial Assets		
	(i) Investments	0.26	0.26
	(ii) Loans	3.34	0.80
	Total Non-current assets	**1,679.30**	**591.99**
II. Current assets			
	(a) Contract asset (net)	198.75	131.87
	(b) Financial Assets		
	(i) Trade receivables	744.35	478.83
	(ii) Cash and cash equivalent	695.90	206.08
	(iii) Other bank balance other than (ii) above	568.81	98.83
	(iv) Loans	44.05	10.77
	(v) Other financial assets	10.40	29.03
	(c) Current tax asset (net)	-	11.58
	(d) Other current assets	58.70	23.68
	Total Current assets	**2,320.96**	**990.67**
	Total Assets (I + II)	**4,000.26**	**1,582.66**
EQUITY AND LIABILITIES			
III. EQUITY			
	(a) Equity share capital	254.96	242.88
	(b) Other equity	2,036.63	481.17
		2,291.59	**724.05**
LIABILITIES			
IV. Non-current liabilities			
	(a) Financial Liabilities		
	(i) Borrowings	280.60	69.17
	(ii) Other non-current financial liabilities	117.58	-
	(iii) Lease liabilities	20.08	-
	(b) Long-term Provisions	12.79	15.37
	(c) Deferred tax liabilities (net)	1.80	2.68
	Total Non-current liabilities	**432.85**	**87.22**
V. Current liabilities			
	(a) Contract liabilities	8.03	6.79
	(b) Financial Liabilities		
	(i) Borrowings	357.24	20.75
	(ii) Trade payables		
	- dues of micro enterprises and small enterprises	6.85	-
	- others	743.33	517.11
	(iii) Lease liabilities	17.09	-
	(iv) Other current financial liabilities	70.34	198.75
	(c) Short-term Provisions	6.59	3.48
	(d) Liabilities for current tax (net)	17.12	-
	(e) Other current liabilities	49.23	24.51
	Total Current liabilities	**1,275.82**	**771.39**
	Total Equity and Liabilities (III + IV + V)	**4,000.26**	**1,582.66**

Consolidated summary statement of profit and loss

	Particulars	For the year ended	
		March 31, 2020	**March 31, 2019**
I	**Revenue**		
	Revenue from contracts with customers	3,337.83	2,493.97
	Other income	60.88	3.94
	Total revenue (I)	**3,398.71**	**2,497.91**
II	**Expenses**		
	Inventory and data costs	1,921.40	1,341.13
	Employee benefits expense	272.93	212.27
	Finance costs	14.22	8.11
	Depreciation and amortization expense	133.31	100.95
	Other expenses	264.60	237.45
	Total expenses (II)	**2,606.46**	**1,899.91**
III	**Profit before tax (I-II)**	**792.25**	**598.00**
IV	**Tax expense:**		
	Current tax [includes INR 1.48 million for earlier year (March 31, 2019: Nil)]	138.35	102.12
	Deferred tax (credit) / charge	(1.27)	7.67
	Total tax expense (IV)	**137.08**	**109.79**
V	**Profit for the year (III-IV)**	**655.17**	**488.21**
VI	**Other comprehensive income**		
	Items that will be reclassified to profit or loss in subsequent years		
	Exchange differences on translating the financial statements of a foreign operation	53.57	(3.11)
		53.57	**(3.11)**
	Items that will not be reclassified to profit or loss in subsequent years		
	Re-measurement gains/ (losses) on defined benefit plans	1.55	(0.25)
	Income tax (expense) / income	(0.39)	0.07
		1.16	**(0.18)**
	Other comprehensive income / (loss) net of tax	**54.73**	**(3.29)**
VII	**Total comprehensive income for the year attributable to the equity holders of the parent**	**709.90**	**484.92**
VIII	Earnings per equity share:		
	Equity shares of par value INR 10 each		
	(1) Basic	26.13	20.10
	(2) Diluted	26.13	20.10

Consolidated summary statement of cash flows

	Particulars	For the year ended	
		March 31, 2020	**March 31, 2019**
A	**Cash flow from operating activities**		
	Profit before tax	792.25	598.00
	Adjustments to reconcile profit before tax to net cash flow :		
	Depreciation and amortization expense	133.31	100.95
	Non-cash interest on lease	1.32	-
	Allowance for impairment of trade receivables and contract asset	21.52	10.56
	Liabilities written back	(9.37)	-
	Employee share based payment expense	-	(5.58)
	Loss on property, plant and equipment and intangible assets (net)	0.11	-
	Interest income	(35.57)	(3.75)
	Interest expense	8.88	6.12
	Net foreign exchange differences	60.58	(3.11)
	Advances given written off	2.32	0.08
	Operating profit before working capital changes	**975.35**	**703.27**
	Working capital adjustments:		
	(Increase)/decrease in contract asset (net)	(66.88)	(51.26)
	(Increase)/decrease in trade receivables	(290.03)	(323.28)
	(Increase)/decrease in financial assets	(12.44)	(31.49)
	(Increase)/decrease in other assets	(37.34)	(11.47)
	Increase/(decrease) in contract liabilities	1.24	3.37
	Increase/(decrease) in trade payables	238.42	245.89
	Increase/(decrease) in other financial liabilities	4.83	17.88
	Increase/(decrease) in other liabilities	24.72	6.43
	Increase/(decrease) in provisions	2.08	6.11
	Net cash generated from operations	**839.95**	**565.45**
	Direct tax paid (net of refunds)	(109.65)	(87.59)
	Net cash flow generated from operating activities (A)	**730.30**	**477.86**
B	**Cash flow from investing activities:**		
	Purchase of property, plant & equipment, intangible assets including capital work in progress	(310.59)	(151.10)
	Investment made for the acquisition of businesses	(877.71)	(238.11)
	Profit adjustment on account of business combination	-	(59.94)
	Proceeds from sale of property, plant and equipment and intangible assets	0.04	0.02
	Payment for right of use assets	(9.74)	-
	Investments in bank deposits (having original maturity of more than three months)	(568.81)	(55.59)
	Redemption in bank deposits (having original maturity of more than three months)	98.83	-
	Interest received on bank deposits	30.82	2.78
	Net cash flow used in investing activities (B)	**(1,637.16)**	**(501.94)**
C	**Cash flow from financing activities:**		
	Interest paid	(8.88)	(6.12)
	Proceeds from borrowings	909.77	89.92
	Repayment of borrowings	(361.85)	-
	Proceeds from Initial public offer (net of issue expenses)	857.64	-
	Net cash flow generated from financing activities (C)	**1,396.68**	**83.80**
	Net change in cash and cash equivalent (A+B+C)	489.82	59.72

	Particulars	For the year ended	
		March 31, 2020	March 31, 2019
	Cash and cash equivalent as at the beginning of year	206.08	146.36
	Cash and cash equivalent as at the end of year	**695.90**	**206.08**

Standalone summary statement of assets and liabilities

	Particulars	As at March 31, 2018
ASSETS		
I. Non-current assets		
	(a) Property, plant and equipment	3.67
	(b) Capital work-in-progress	-
	(c) Goodwill	59.24
	(d) Other intangible assets	88.18
	(e) Intangible assets under development	-
	(f) Financial Assets	
	(i) Investments	0.26
	(ii) Loans	5.83
	(g) Deferred tax asset (net)	4.94
	(h) Non current tax asset (net)	-
	(i) Other non-current assets	0.05
	Total Non-current assets	**162.17**
II. Current assets		
	(a) Financial Assets	
	(i) Trade receivables	158.23
	(ii) Cash and cash equivalents	136.71
	(iii) Other bank balance other than (ii) above	8.20
	(iv) Loans	1.62
	(v) Other financial assets	77.29
	(b) Current tax asset (net)	24.35
	(c) Other current assets	11.74
	Total Current assets	**418.14**
	Total Assets	**580.31**
EQUITY AND LIABILITIES		
EQUITY		
	(a) Equity share capital	242.88
	(b) Other equity	58.77
		301.65
LIABILITIES		
I. Non-current liabilities		
	(a) Financial Liabilities	
	(i) Borrowings	-
	(b) Provisions	11.42
	Total Non-current liabilities	**11.42**
II. Current liabilities		
	(a) Financial Liabilities	
	(i) Borrowings	-
	(ii) Trade payables	220.24
	(iii) Other financial liabilities	24.89
	(b) Provisions	1.07
	(c) Other current liabilities	21.04
	Total Current liabilities	**267.24**
	Total Equity and Liabilities	**580.31**

Standalone summary statement of profit and loss

	Particulars	For the year ended March 31, 2018
I	**REVENUE**	
	Revenue from operations	837.56
	Other income	11.22
	Total revenue (I)	**848.78**
II	**EXPENSES**	
	Inventory and data costs	424.27
	Employee benefits expense	159.52
	Finance costs	10.78
	Depreciation and amortization expense	32.13
	Other expenses	86.12
	Total expenses (II)	**712.82**
III	**Profit before tax (I-II)**	**135.96**
IV	**Tax expense:**	
(1)	Current tax	46.20
(2)	Deferred tax (credit)/ charge (includes adjustment of MAT credit entitlement amounting to INR Nil)	1.45
V	**Profit for the year (III-IV)**	**88.31**
VI	**Other Comprehensive Income**	
	Items that will not be reclassified to Statement of profit and loss	
	Re-measurement gains /(losses) on defined benefit plans	(0.12)
	Income tax effect	0.04
	Other Comprehensive Income net of tax	**(0.08)**
VII	**Total Comprehensive Income for the year (V + VI)**	**88.23**
III	Earnings per equity share:	
	(1) Basic	3.64
	(2) Diluted	3.64

Standalone summary statement of cash flows

	Particulars	For the year ended March 31, 2018
A	**Cash Flow from Operating Activities**	
	Profit Before Tax	135.96
	Adjustments for:	
	Depreciation and amortization	32.13
	Allowance for impairment of trade receivables and unbilled revenue	11.22
	Liabilities no longer required written back	-
	Employee stock option compensation cost	3.11
	Loss/ (Gain) on disposal of property, plant and equipment and intangible assets (net)	0.06
	Interest income	(2.10)
	Interest expense	10.24
	Unrealised foreign exchange (gain)/ loss	(0.30)
	Advances given written off	0.04
	Operating profit before working capital changes	**190.36**
	Change in working capital:	
	Decrease/ (increase) in trade receivables	(32.21)
	Decrease/ (increase) in financial assets	(40.84)
	Decrease in other assets	12.95
	Increase/ (decrease) in trade payables	60.47
	Increase in other financial liabilities	2.59
	Increase/ (decrease) in other liabilities	8.38
	Increase/ (decrease) in provisions	1.78
	Cash generated from operations	**203.48**
	Direct taxes paid (net of refunds)	(29.46)
	Net cash generated from operating activities (A)	**174.02**
B	**Cash Flow from Investing Activities:**	
	Purchase of property, plant & equipment, intangible assets including Capital work in progress	(37.25)
	Proceeds from sale of property, plant and equipment and intangible assets	0.04
	Purchase of non-current investments	(0.06)
	Investments in bank deposits (having original maturity of more than three months)	-
	Redemption in bank deposits (having original maturity of more than three months)	21.38
	Interest received	1.89
	Net cash used in investing activities (B)	**(14.00)**
C	**Cash flow from financing activities:**	
	Interest paid	(10.03)
	Proceeds from borrowings	-
	Repayment of borrowings	(71.17)
	Net cash used from financing activities (C)	**(81.20)**
	Net change in cash and cash equivalents (A+B+C)	78.82
	Cash and cash equivalents as at the beginning of year	57.89

	Particulars	For the year ended March 31, 2018
	Cash and cash equivalents as at the end of year	**136.71**

Consolidated summary statement of assets and liabilities

	Particulars	As at December 31, 2019
I. Non-current assets		
	(a) Property, plant and equipment	9.36
	(b) Right of use assets	31.42
	(c) Goodwill	594.81
	(d) Other intangible assets	434.92
	(e) Intangible assets under development	44.53
	(f) Financial assets	
	(i) Investments	0.26
	(ii) Loans	3.34
	(g) Income tax assets (net)	7.14
	Total non-current assets	**1,125.78**
II. Current assets		
	(a) Contract asset (net)	313.23
	(b) Financial assets	
	(i) Trade receivables	729.06
	(ii) Cash and cash equivalent	142.87
	(iii) Other bank balance other than (ii) above	848.08
	(iv) Loans	42.58
	(v) Other financial assets	22.98
	(c) Other current assets	37.49
	(d) Current tax assets	-
	Total current assets	**2,136.29**
	Total assets (I + II)	**3,262.07**
III. EQUITY		
	(a) Equity share capital	254.96
	(b) Other equity	
	- Retained earning	951.82
	- Capital reserve	25.71
	- Securities premium	845.56
	- Other reserves	13.22
	Total other equity	**1,836.31**
	Total equity	**2,091.27**
IV. Non-current liabilities		
	(a) Financial liabilities	
	(i) Borrowings	-
	(ii) Lease liabilities	23.70
	(b) Long-term provisions	16.41
	(c) Deferred tax liabilities (net)	0.60
	Total non-current liabilities	**40.71**
V. Current liabilities		
	(a) Contract liabilities	9.41
	(b) Financial liabilities	
	(i) Borrowings	263.71
	(ii) Trade payables	
	- dues of micro enterprises and small enterprises	-
	- others	720.91
	(iii) Lease liabilities	8.35
	(iv) Other current financial liabilities	63.06
	(c) Short-term provisions	5.11
	(d) Liabilities for current tax (net)	21.61
	(e) Other current liabilities	37.93
	Total current liabilities	**1,130.09**
	Total equity and liabilities (III + IV + V)	**3,262.07**

Consolidated summary statement of profit and loss

	Particulars	For the nine months period ended December 31, 2019
I	**Revenue**	
	Revenue from contracts with customers	2,537.60
	Other income	26.74
	Total revenue (I)	**2,564.34**
II	**Expenses**	
	Inventory and data costs	1,462.20
	Employee benefits expenses	208.50
	Finance costs	8.22
	Depreciation and amortisation expense	85.13
	Other expenses	189.55
	Total expenses (II)	**1,953.60**
III	**Profit before tax (I-II)**	**610.74**
IV	**Tax expense:**	
	Current tax	110.44
	Deferred tax credit	(1.98)
	Total tax expense (IV)	**108.46**
V	**Profit for the period (III-IV)**	**502.28**
VI	**Other comprehensive income**	
	Items that will be reclassified to profit or loss in subsequent years	
	Exchange differences on translating the financial statements of a foreign operation	7.62
		7.62
	Items that will not be reclassified to profit or loss in subsequent years	
	Re-measurement losses on defined benefit plans	(0.42)
	Income tax effect	0.10
		(0.32)
	Other comprehensive (loss) / income net of tax	**7.30**
VII	**Total comprehensive income for the period**	**509.58**
VIII	**Profit for the period**	**502.28**
	Attributable to:	
	- Equity holders of the parent	502.28
	- Non-controlling interests	-
IX	**Total comprehensive income for the period attributable to:**	
	- Equity holders of the parent	509.58
	- Non-controlling interests	-
X	**Earnings per equity share:**	
	Equity shares of par value INR 10 each	
	(1) Basic	20.15
	(2) Diluted	20.15

Consolidated summary statement of cash flows

	Particulars	For the nine months period ended December 31, 2019
A	**Cash flow from operating activities**	
	Profit before tax	610.74
	Adjustments for :	
	Depreciation and amortisation expense	85.13
	Non-cash interest on lease	0.59
	Allowance for impairment of trade receivables and contract asset	9.48
	Employee share based payment expense	-
	Liabilities written back	-
	Loss on Property, plant and equipment and intangible assets (net)	0.05
	Interest income	(22.99)
	Interest expense	5.98
	Unrealised foreign exchange (gain) / loss	1.85
	Advances given written off	-
	Operating profit before working capital changes	**690.83**
	Change in working capital:	
	(Increase)/decrease in contract asset (net)	(181.36)
	(Increase)/decrease in trade receivables	(236.63)
	(Increase)/decrease in financial assets	(25.94)
	(Increase)/decrease in other current assets	(14.20)
	Increase/(decrease) in contract liabilities	2.62
	Increase/ (decrease) in trade payables	182.83
	Increase/ (decrease) in other financial liabilities	9.07
	Increase/(decrease) in other liabilities	13.42
	Increase/(decrease) in provisions	2.25
	Net cash generated from operations	**442.89**
	Direct taxes paid (net of refunds)	(84.39)
	Net cash generated from operating activities (A)	**358.50**
B	**Cash flow from investing activities:**	
	Purchase of property, plant & equipment, intangible assets including assets under development	(303.98)
	Acquisition of a subsidiary, net of cash acquired	(414.27)
	Profit adjustment on account of business combination	-
	Proceeds from sale of property, plant and equipment and intangible assets	0.08
	Investments in bank deposits (having original maturity of more than three months)	(1,809.38)
	Redemption in bank deposits (having original maturity of more than three months)	1,060.13
	Interest received on bank deposits	20.63
	Net cash used in investing activities (B)	**(1,446.79)**
C	**Cash flow from financing activities:**	
	Interest paid on borrowings	(5.40)
	Proceeds from borrowings	173.79
	Interest paid on lease liability	(0.59)
	Payment of principal portion of lease liabilities	(3.41)
	Proceeds from initial public offer (net of issue expenses)	857.64
	Net cash generated from financing activities (C)	**1,022.03**
	Net change in cash and cash equivalent (A+B+C)	(66.26)
	Net foreign exchange difference	3.05
	Cash and cash equivalent as at the beginning of the period	206.08

	Particulars	For the nine months period ended December 31, 2019
	Cash and cash equivalent as at the end of the period	**142.87**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during Fiscals 2020, 2019 and 2018, and for the nine months periods ended December 31, 2020 and December 31, 2019 as per the requirements under Ind AS 24 'Related Party Disclosures', see "*Financial Information*" on page 243.

RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. This section should be read in conjunction with "Industry Overview", "Our Business", "Financial Information", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 127, 154, 243 and 78, respectively, before making an investment decision in relation to the Equity Shares.

The risks and uncertainties described in this section are not the only risks that are relevant to us or the Equity Shares. Additional risks and uncertainties not currently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, cash flows and financial condition. If any of the following risks or other risks that are not currently known or are now deemed immaterial actually occur, our business, results of operations, cash flows and financial condition could be adversely affected and the trading price of the Equity Shares could decline and investors may lose all or part of their investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors described below. However, there are certain risk factors where such implications are not quantifiable, and hence any quantification of the underlying risks has not been disclosed in such risk factors.

In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences they may encounter from investing in the Equity Shares.

The financial information as at and for the nine months periods ended December 31, 2020 and 2019 in this section is derived from the December 2020 Special Purpose Interim Condensed Consolidated Financial Statements and the December 2019 Special Purpose Interim Condensed Consolidated Financial Statements, respectively. The financial information for the nine months periods ended December 31, 2020 and 2019 are not comparable with our results for the full fiscal years and our financial information for the nine months period ended December 31, 2020 are not necessarily indicative of what our financial information for Fiscal 2021 will be. In addition, due to the acquisitions in the nine months period ended December 31, 2020 described in "Management's Discussion and Analysis of Financial Condition and Results of Operations- Significant Factors Affecting our Results of Operations and Financial Condition - Acquisitions of businesses / companies" on page 80, the financial information as at and for the nine months periods ended December 31, 2020 and 2019 on a consolidated basis are not directly comparable.

The financial information as at and for the year ended March 31, 2018 in this section is derived from the Fiscal 2018 Standalone Audited Financial Statements. Our Company did not have any subsidiaries or associates in Fiscal 2018 and, hence, did not prepare any consolidated financial statements for that fiscal year. The financial information as at and for the years ended March 31, 2020 and 2019 in this section is derived from the Fiscal 2020 Audited Consolidated Financial Statements and the Fiscal 2019 Audited Consolidated Financial Statements, respectively. Our financial information for Fiscal 2018 on a standalone basis are not comparable to our financial information for Fiscals 2020 and 2019 on a consolidated basis. In addition, due to the acquisitions in Fiscal 2020 described in "Management's Discussion and Analysis of Financial Condition and Results of Operations- Significant Factors Affecting our Results of Operations and Financial Condition - Acquisitions of businesses / companies" on page 80, our financial information for Fiscals 2020 and 2019 on a consolidated basis are not directly comparable.

In this section, references to "we", "our" and "us" with respect to dates and periods on or after April 1, 2018 refer to our Company and the Subsidiaries on a consolidated basis and, with respect to dates or periods on or prior to March 31, 2018, refer to our Company on a standalone basis.

This section contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. See "Forward-Looking Statements" on page 16 for factors that could cause or contribute to these differences.

RISKS RELATING TO OUR BUSINESS

1. ***If our ability to collect significant amounts of data from various sources is restricted by consumer choice, restrictions imposed by customers and publishers or other software developers, or changes in technology it could have a material, adverse effect on our business, results of operations, cash flows and financial condition.***

Our ability to optimise the delivery of mobile advertisements for our customers depends on our ability to successfully leverage user data, including data that we collect from our customers, data we receive from our publisher partners and third parties and data from our own operating history. Using cookies, device identifiers and similar tracking technologies, we collect information about the interactions of consumers with our customers' and publishers' digital properties (including, for example, information about the placement of advertisements and consumers' shopping or other interactions with our customers' websites or advertisements, information about apps used, clicks or other actions initiated, in-app actions and purchases by users). Our ability to successfully leverage such data depends on our continued ability to access and use such data, which could be restricted by a number of factors, including consumer choice, restrictions imposed by customers, publishers and web browser developers or other software developers, changes in technology, or new interpretations of laws, regulations and industry standards.

Consumer resistance to the collection and sharing of the data used to deliver targeted advertising, increased visibility of consent or "do not track" mechanisms as a result of industry regulatory and/ or legal developments, the adoption by consumers of browsers settings or "ad-blocking" software and the development and deployment of new technologies could have a material, adverse effect on our ability to collect data or reduce our ability to deliver relevant advertisements, which could have a material, adverse effect on our business, results of operations, cash flows and financial condition.

We and our customers are subject to the standard policies and terms of service of the operating system platforms on which we operate, as well as policies and terms of service of the various application stores that make applications and content available to end users. These policies and terms of service govern the promotion, distribution, content, technical requirements and the general operation of applications and content on such platforms and stores. Each of these platforms and stores has broad discretion to change and interpret its terms of service and policies with respect to us, our customers and other creators, and those changes may be unfavourable to us. An operating system platform or application store may also change its fee structure, add fees associated with access to and use of its platform, alter how customers are able to advertise on their platform, change how the personal or other information of its users is made available to application developers on their platform, limit the use of personal information for advertising purposes or restrict how end users can share information on their platform or across other platforms.

In particular, operating system platform providers or application stores, such as Apple or Google, may change their technical requirements or policies in a manner that adversely impacts the way in which we or our customers collect, use and share data from end-user devices. Restrictions on our ability to collect and use data as desired could negatively affect our business. Actions by operating system platform providers or application stores, such as Apple or Google, may affect the manner in which we or our customers collect, use and share data from end-user devices. In June 2020, Apple announced plans to require applications using its mobile operating system, iOS, to affirmatively (on an opt-in basis) obtain an end user's permission to "track them across apps or websites owned by other companies" or access their device's advertising identifier for advertising and advertising measurement purposes, as well as other restrictions. Apple implemented some of these changes beginning in 2020 and announced other changes to come (including an end-user permission change) in 2021. The timing and manner in which these plans will continue to be implemented and the effect on our revenue are not yet clear, but we expect these changes to adversely affect our revenue, and such impact could be material.

If we or our customers were to violate, or an operating system platform provider or application store believes that we or our customers have violated, its terms of service or policies, that operating system platform provider or application store could limit or discontinue our or our customers' access to its platform or store. In some cases, these requirements may not be clear and our interpretation of the requirements may not align with the interpretation of the operating system platform provider or application store, which could lead to inconsistent enforcement of these terms of service or policies against us or our customers, and could also result in the operating system platform provider or application store limiting or discontinuing access to its platform or store. Any limitation on or discontinuation of our or our customers' access to any third-party platform or application store could adversely affect our business, results of operations, cash flows and financial condition.

Further, third-party and user data are amenable to tampering, inflation or altering, and our use of such data could reduce the accuracy of our recommendation and predictive algorithm.

Any of the foregoing limitations on our ability to successfully collect, utilise and leverage data could also materially impair the optimal performance of our solutions and severely limit our ability to reach and engage consumers with our customers' advertisements, which could have a material, adverse effect on our business, results of operations, cash flows and financial condition.

2. Regulatory, legislative or self-regulatory developments regarding data protection could adversely affect our ability to conduct our business.

The legal, regulatory and judicial environment we face around data protection and other matters is constantly evolving and can be subject to significant change. Various governments have enacted, considered or are considering legislation or regulations that could significantly restrict our ability to collect, process, use, transfer and pool data collected from and about consumers and devices. Trade associations and industry self-regulatory groups have also promulgated best practices and other industry standards relating to targeted advertising. Various governments, self-regulatory bodies and public advocacy groups have called for new regulations specifically directed at the digital advertising industry and we expect to see an increase in legislation, regulation and self-regulation in this area. Additionally, public perception and standards related to the privacy of personal information can shift rapidly in ways that may affect our business or influence regulators to enact regulations and laws that may limit our ability to provide certain products and services. Any failure or perceived failure by us to comply with Indian or foreign laws and regulations, including laws and regulations regulating privacy, data security, or consumer protection – or other policies, public perception, standards, self-regulatory requirements or legal obligations – could result in lost or restricted business, proceedings, actions or fines brought against us or levied against us by governmental entities, which could adversely affect our business and our reputation.

With the proposed enactment of the Personal Data Protection Bill, 2019 ("**PDP Bill**"), and the ongoing regulatory discussions along proposed Indian regulation to govern non-personal data, the privacy and data protection laws are set to be closely administered in India, and we may become subject to additional potential liability. The PDP Bill proposes a legal framework governing the processing of personal data, where such data has been collected, disclosed, shared or otherwise processed within India, as well as any processing of personal data by the GoI, Indian companies, Indian citizens or any person or body of persons incorporated or created under Indian law. The PDP Bill defines personal data and sensitive personal data, prescribes rules for collecting, storing and processing of such data and creates rights and obligations of data-subjects and processors. The Indian Government has also been mooting a legislation governing non-personal data. In September 2019, the Ministry of Electronics and Information Technology formed a committee of experts ("**NPD Committee**") to recommend a regulatory regime to govern non-personal data ("**NPD**"). The NPD Committee has released two reports till date, which recommend, among other items, a framework to govern NPD (defined as any data other than personal data), access and sharing of NPD with government and corporations alike and a registration regime and for "data businesses", being business that collect, process or store data, both personal and non-personal.

As part of our operations, we are required to comply with the IT Act and the rules thereof, which provides for civil and criminal liability including compensation to persons affected, penalties and imprisonment for various cyber related offenses, including unauthorized disclosure of confidential information and failure to protect sensitive personal data. India has already implemented certain privacy laws, including the Information Technology (Reasonable Security Practices and Procedures and or Information) Rules, 2011, which impose limitations and restrictions on the collection, use, disclosure and transfer of personal information.

Legislative, judicial and regulatory developments in Europe, including the General Data Protection

Regulation ("**GDPR**"), 2018, the review of the E-Privacy Directive Amendment, 2009 and country-specific laws pursuant thereto, may reduce the amount of data we can collect or process from persons in the European Union and the United Kingdom, which in turn could materially impact the accuracy, effectiveness and value of our services in the European Union and the United Kingdom. The GDPR came into effect on May 25, 2018 and significantly increased the level of sanctions for non-compliance. Data protection authorities will have the power to impose administrative fines of up to a maximum of €20.00 million or 4.00% of the data controller's or data processor's total worldwide global turnover of the preceding financial year.

Data protection laws in the United States are a combination of legislation, regulation and self-regulation rather than just government enforcements. Laws such as The Health Insurance Privacy, Portability and Accountability Act are for specific sectors and there is no common regulatory body that acts as a common data protection authority. The United States also does not have a common legislation at the federal level regarding this but has ensured data privacy through the United States Privacy Act, the Safe Harbour Act and the Health Insurance Portability and Accountability Act. In some cases, legislations have been developed when self-regulation was challenging. *(Source: Frost & Sullivan Report)*

In addition, although the consumer information we retain relates primarily to purchase intent and does not permit us to personally identify individual consumers, the interpretation of "personally identifiable information" ("**PII**"), personal data (both directly and indirectly, identifying information) and sensitive data and our obligations relating thereto, may vary from one country to another. In some countries, operating a local data centre is compulsory for the processing of PII. Moreover, in certain countries, the legal requirements surrounding PII are so new that their impact on doing business is not yet clear.

If all types of PII (whether they allow direct identification of a person or whether they only permit the singling out of a person without identifying them) are treated the same way, thus requiring an opt-in for the processing of browsing data, our business could be materially impacted. Evolving definitions of PII may require us to change our business practices, diminish the quality of our data and the value of our platform or hamper our ability to expand our business to new geographic markets.

Clarifications of and changes to these existing and proposed laws, regulations, judicial interpretations and industry standards can be costly to comply with and we may be unable to pass along those costs to our customers, which may negatively affect our results of operations, cash flows and financial condition. Such changes can also delay or impede the development of new products, result in negative publicity and reputational harm, require significant incremental management time and attention, increase our risk of non-compliance and subject us to claims or other remedies, including fines or demands that we modify or cease existing business practices, such as our ability to charge per action or click. Additionally, any perception that our practices or products are an invasion of privacy, whether or not such practices or products are consistent with current or future regulations and industry practices, may subject us to public criticism, private class actions, reputational harm or actions by regulators, which could disrupt our business and expose us to increased liability.

Regulators globally are also imposing greater monetary fines for privacy violations and some regulators may pass legislation that would impose fines for privacy violations based on a percentage of global revenues. Responding to an investigation or enforcement action could divert our management's attention and resources, which would cause us to incur investigation, compliance and defence costs and other professional fees and adversely affect our business, operating results, financial condition and cash flows.

We strive to comply with all applicable laws, regulations and industry standards relating to privacy and data collection, processing, use and disclosure. However, these laws, regulations and industry standards are continually evolving and are often unclear and inconsistent across the jurisdictions in which we do business, and the measures we take to ensure our compliance with them may not be successful. For example, our ability to comply depends in part on our customers' adherence to privacy laws and regulations and their use of our services in ways consistent with mobile users' expectations. We rely on representations made to us by publishers and data platforms that they will comply with all applicable laws, including all relevant privacy and data protection regulations. We make reasonable efforts to enforce such representations and contractual requirements, but we do not audit our customers' compliance with our recommended disclosures or their adherence to privacy laws and regulations.

If our customers fail to adhere to our contracts in this regard, or a court or governmental agency determines that we have not adequately, accurately or completely described our own products, services and data collection, use and sharing practices in our own disclosures to consumers, then we and our customers may be subject to potentially adverse publicity, damages and related possible investigation or other regulatory activity in connection with our or our customers' privacy practices. If the customers, publishers or networks on whom we rely fail to obtain the legally required consent, we could potentially be liable under these guidelines and could suffer damages, fines, penalties and reputational harm.

3. If we fail to predict an engagement by consumers with mobile advertisements with a sufficient degree of accuracy, it could have a material, adverse effect on our business, results of operations, cash flows and financial condition.

Our Consumer Platform primarily provides the following services through relevant mobile advertising: (1) new consumer conversions (acquisitions, engagements and transactions); (2) retargeting existing consumers to complete transactions; and (3) an online to offline ("**O2O**") platform that converts online consumer engagement into in-store walk-ins. Our Enterprise Platform primarily provides end-to-end solutions for enterprises to enhance their engagement with mobile users. For more details, see "*Our Business*" on page 154.

For the nine months periods ended December 31, 2020 and 2019 and for Fiscals 2020 and 2019 on a consolidated basis, revenue from contracts with customers from our Consumer Platform contributed 98.3%, 97.1%, 97.2% and 97.0% of our revenue from contracts with customers, respectively.

We primarily earn revenue from our Consumer Platform on a cost per converted user ("**CPCU**") basis, which comprises user conversions based on consumer acquisition and transaction models. Our consumer acquisition model focuses on acquiring new consumers for businesses, which is usually in the form of a targeted user downloading and opening an App or engaging with an App after seeing an advertisement delivered by us. Our Consumer Platform's transaction model is usually in the form of a targeted user submitting a lead acquisition form or purchasing a product or service after seeing an advertisement delivered by us. Our Consumer Platform also earns revenue through awareness and engagement type advertising, which comprises cost per thousand impressions ("**CPM**"), cost per view ("**CPV**") and cost per click ("**CPC**") models.

We must pay for mobile advertisement inventory regardless of whether or not the consumer takes an action needed for us to earn revenue (e.g., download an App). As the amount of data and number of variables we process increases, the risk of our systems not working at the required level increases. Although the accuracy of our prediction and recommendation algorithms used by our Consumer Platform usually improves as we gather more data, the calculations that the algorithm must compute become increasingly complex as we gather more data and there is a chance that its accuracy will decrease. If we fail to predict engagement by consumers with mobile advertisements with a sufficient degree of accuracy, it may result in the delivery of advertisements that are less relevant or irrelevant to consumers, which would lower profitability per action, up to and including negative margins. This may have a material, adverse effect on our business, results of operations, cash flows and financial condition.

4. COVID-19 could have an adverse effect on our business, results of operations, cash flows and financial condition.

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. In an attempt to contain the spread and impact of COVID-19, authorities throughout India and the world have implemented measures such as travel bans and restrictions, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing and limitations on business activity. According to the 2020 IMF WEO Update, the global GDP is estimated to have deceased year on year by 4.4% in 2020, primarily due to the COVID-19 pandemic. In 2020, the GDP growth of India has been affected due to the COVID-19 pandemic with an expected dip of -10.3% as per IMF estimates

(Source: Frost & Sullivan Report).

Rising hopes of a turnaround in the pandemic in late 2021 following vaccine approvals and distribution are tempered by renewed waves and emerging new variants of the virus. A recovery in trade is expected by 2021, depending on the duration of the COVID-19 outbreak and the effectiveness of the policy responses undertaken to control and mitigate the economic damage to people, companies and countries. Banking on the resurgence of global majors and the continuing policy stimulus-driven growth in China, India and similar economies, the outlook for global GDP growth for 2021 is 5.2%. Among all large economies, India is likely to demonstrate a rapid and sustainable growth post COVID-19, in 2021, driven by strong manufacturing-led industrial expansion and consumption demands from the private sector. According to Frost & Sullivan's analysis based on data from 2020 IMF WEO Update, the country's GDP is well positioned to cross USD 3,000 billion (INR 200 trillion) in 2021; in the event of accelerated manufacturing and investment, this figure could even potentially balloon to around USD 4,000 billion (INR 250 trillion) by 2025 *(Source: Frost & Sullivan Report)***.**

The COVID-19 pandemic has brought a massive change among the global population within few months, which has affected the ecosystem at an overall level. It has increased the adoption of digital technology and increased the usage of smart devices to a great extent. As per IDC data, the pandemic has accelerated the digital growth in 2020, primarily due to employees adopting work from home options, increased bandwidth speed for fast downloads, cloud services for data storage, etc. Also, digital payments and digital currencies are likely to have a key role in the post-pandemic situation. Although India boasts the second largest internet user base in the world, the fact remains that a higher number of Indians remain digitally unconnected. The current digital economy in India is valued at INR 250 billion. The Ministry of Electronics and Information Technology recognises the potential to reach a fivefold increase to more than USD 1 trillion digital economy by 2025, from new digital ecosystems in diverse sectors, including financial services, agriculture, healthcare, logistics, jobs and skills market, e-governance and other areas *(Source: Frost & Sullivan Report)*.

While our business has shown to be resilient in the face of the pandemic, with revenue from contracts from customers increasing by 47.9% to ₹ 3,752.09 million for the nine months period ended December 31, 2020 from ₹ 2,537.60 million for the nine months period ended December 31, 2019 on a consolidated basis and our profit for the period increasing by 52.2% to ₹ 764.31 million for the nine months period ended December 31, 2020 from ₹ 502.28 million for the nine months period ended December 31, 2019 on a consolidated basis**,** we cannot predict whether such resiliency will continue. Changes to government restrictions in connection with COVID-19 or new strains of COVID-19 could adversely affect our business, results of operations, cash flows and financial condition.

We have also considered the possible effects that may result from COVID-19 on the carrying amount of our assets. In developing the assumptions relating to the possible future uncertainties in the global conditions because of COVID-19, we have used variable information, as available. Further, we have performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of our assets will be recovered.

For more information on the effects of COVID-19 on our business, results of operations, cash flows and financial condition as at and for the nine months period ended December 31, 2020 and the year ended March 31, 2020, see "*Our Business – Recent Developments – Effects of COVID-19*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition–Effects of COVID-19*" on pages 177 and 85, respectively.

5. Customers may delay or reduce their spending on marketing in periods of economic uncertainty, which could materially harm our business.

Historically, economic downturns have resulted in overall reductions in advertising spending and businesses may curtail spending both on advertising in general and on solutions such as ours. Therefore, any macroeconomic deterioration in the future could have a material effect on our business, results of operations, cash flows and financial condition. See "*COVID-19 could have an adverse effect on our business, results of operations, cash flows and financial condition*" on page 50.

6. The market in which we participate is intensely competitive and we may not be able to compete successfully with our current or future competitors.

The market for mobile advertising solutions is highly competitive and rapidly changing with multiple regional and global players. Although it is dominated by digital giants such as Google and Facebook, there are over 100 companies around the world who offer one or more components of this solution. However, only a few companies/ groups operate internationally. For more information on competition, see "*Industry Overview – Advertising Technology Market*" on page 142. Some of these companies could leverage their positions to make changes to, among other things, their web browsers, mobile operating systems, platforms, exchanges, networks or other products or services that could be significantly harmful to our business and results of operations, cash flows and financial condition. Some of these companies also have access to a significantly larger pool of data than we do, and this larger pool of data may allow them to foreclose opportunities that might otherwise be available to us.

Our current and potential competitors may have significantly more financial, technical, marketing and other resources than us, be able to devote greater resources to the development, promotion, sale and support of their products and services, have more extensive customer bases than us and have longer operating histories and greater name recognition than us. As a result, these competitors may be able to respond more quickly to new technologies, introduce new competitive services making our technology less advanced, add new functionality to their services, acquire competitive products and services, form strategic alliances with other companies, develop deeper customer relationships or offer services at lower prices. We may also face competition from companies we do not yet know about. If existing or new companies develop, market or resell competitive high-value marketing products or services, acquire one of our existing competitors or form a strategic alliance with one of our competitors, our ability to compete effectively could be significantly compromised and our results of operations, cash flows and financial condition could be harmed. Additionally, we may be required to incur additional marketing and branding expenses to retain our competitive position.

Any of these developments would make it more difficult for us to sell our solutions and could result in increased pricing pressure, reduced gross margins, increased sales and marketing expense and/ or the loss of market share, any of which may have a material, adverse effect on our business, results of operations, cash flows and financial condition.

7. If we are unable to protect our proprietary information or other intellectual property, our business, results of operations, cash flows and financial condition could be adversely affected.

We generally seek to protect our proprietary information through confidentiality, non-disclosure and assignment of invention agreements with our employees and confidentiality provisions in agreements with parties with whom we do business. Further, our standard form employment agreement contains non-compete clauses that prohibit employees from providing services similar to those of our Company, or utilising business information or knowledge acquired during employment with our Company in business that competes with our Company, or soliciting or recruiting employees of our Company for a stipulated period after expiry or termination of their employment with us. However, we may not execute these agreements with every party who has access to our confidential information or contributes to the development of our intellectual property. Further, non-compete provisions in agreements subject to Indian laws may not be enforceable to the same extent as they are in other jurisdictions. In addition, we may not be able to ensure that such non-compete, non-disclosure and confidentiality agreements are not breached, and we may not have adequate remedies or be able to effectively enforce these provisions in case of any such breach.

Breaches of the security of the cloud-based systems and infrastructure or other IT resources that we utilise could also expose us to a risk of loss of proprietary information.

We cannot be certain that the steps we have taken will prevent unauthorised use or reverse engineering of our technology or information. Moreover, our intellectual property may be disclosed to or otherwise become known or be independently developed by competitors. If, for any of the above reasons, our intellectual property is disclosed or misappropriated, our ability to protect our rights would be harmed and there may be an adverse effect on our business, results of operations, cash flows and financial condition.

Although we also rely on copyright laws to protect works of authorship created by us, including software, we do not register the copyrights in any of our copyrightable works. The (Indian) Copyright Act, 1957 recognises that software, both in source and object code, constitutes literary work and is amenable to copyright protection. The owner of such software becomes entitled to protect his or her works against unauthorised use and misappropriation of the copyrighted work or a substantial part thereof. Any such acts entitle the copyright owner to obtain relief from a court of law including injunction, damages and accounts of profits. Reproduction of a copyrighted software for sale or hire or commercial rental, offer for sale or commercial rental, issuing copies of the computer programme or making an adaptation of the work without consent of the copyright owner amounts, subject to certain fair use exceptions, to infringement of the copyright. Since we have not registered our copyrightable works, we may be unable to effectively enforce and contest any infringement of such works in a timely manner.

For details of the patents we hold or have applied for and are pending, see "*Our Business – Intellectual Property*". Effective trademark and patent protection are expensive to develop and maintain, both in terms of initial and ongoing registration requirements and the costs of defending our rights, and there may be certain areas of our business that we cannot protect through the use of trademarks or patents. Further, as intellectual property rights protection is limited by territory, successfully obtaining intellectual property rights protection in one jurisdiction may not necessarily provide protection in another jurisdiction and we may have to seek such protection in multiple jurisdictions where we and our customers operate. The process for obtaining intellectual property rights protection in certain jurisdictions can be lengthy and may entail substantial costs.

Any of our existing or future patents, trademarks or other intellectual property rights may not provide sufficient protection for our business or may be challenged by others or invalidated through administrative process or litigation. In addition, in the event that our trademarks are successfully challenged, we could be forced to rebrand our solutions, which could result in loss of brand recognition and could require us to devote resources to advertising and marketing our new brands. Further, we cannot assure you that competitors will not infringe our trademarks, or that we will have adequate resources to enforce our trademarks. In addition, patents in India have a term of 20 years from the date of the application. There can be no assurance that we will be able to protect our intellectual property rights in the future, including by successfully maintaining or renewing our intellectual property registrations.

Our existing patents and any patents issued in the future may be successfully challenged, invalidated or circumvented by third parties, may give rise to ownership claims or to claims for the payment of additional remuneration of fair price by the persons having participated in the creation of the inventions and may not be of sufficient scope or strength to provide us with any meaningful protection or competitive advantage. Further, as we continue to expand our business geographically, it may become desirable for us to protect our intellectual property in an increasing number of jurisdictions, which is expensive and may not be successful and which we may not pursue.

Once we file a patent application in one country, we have a limited period of time to file it in all other countries in which we want to have patent protection over a certain invention. If we fail to file in those other countries, we will be precluded from having patent protection for that invention in those countries. Without patent protection, others will be free to utilise that invention in those countries. Further, the laws of certain countries do not protect proprietary rights to the same extent as the laws of India and, therefore, we may be unable to protect our proprietary technology adequately against unauthorised third-party copying, infringement or use in certain jurisdictions, which could adversely affect our competitive position.

In addition, as we continue to develop new solutions and expand our platforms using new technologies, our exposure to threats of infringement may increase. Likewise, any of the services provided by us could also be subject to intellectual property infringement claims. To protect or enforce our intellectual property rights, we may initiate litigation against third parties. Any lawsuits that we initiate could be expensive, take significant time and divert management's attention from other business concerns. Additionally, we may unintentionally provoke third parties to assert claims against us. These claims could invalidate or narrow the scope of our own intellectual property. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially valuable. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property. The occurrence of any of these events may adversely affect our business, results of operations, cash flows and financial condition.

8. Our business may suffer if it is alleged or determined that our technology or another aspect of our business infringes the intellectual property rights of others.

The mobile advertising industry is characterised by the existence of large numbers of patents, copyrights, trademarks, trade secrets and other intellectual property and proprietary rights. Companies in our industry are often required to defend against litigation claims that are based on allegations of infringement or other violations of intellectual property rights. Our technologies may not be able to withstand any third-party claims or rights against their use.

Our success depends, in part, upon non-infringement of intellectual property rights owned by others and being able to resolve claims of intellectual property infringement or misappropriation without major financial expenditures or adverse consequences. From time to time, we may be the subject of claims that our products and underlying technology infringe or violate the intellectual property rights of others, particularly as we expand the scope and complexity of our business. To the extent that our employees, contractors or other third parties with whom we do business use intellectual property owned by others in their work for us, disputes may arise as to the rights to such intellectual property.

Regardless of whether claims that we are infringing patents or other intellectual property rights have any merit, these claims are time-consuming and costly to evaluate and defend and the outcome of any litigation is inherently uncertain. Some of our competitors have substantially greater resources than we do and may be able to sustain the costs of complex intellectual property litigation to a greater degree and for longer periods of time than we could. Claims that we are infringing on patents or other intellectual property rights could:

- subject us to significant liabilities for monetary damages;
- prohibit us from developing, commercialising or continuing to provide some or all of our offering unless we obtain licenses from, and pay royalties to, the holders of the patents or other intellectual property rights who may not be willing to offer them on terms that are acceptable to us, or at all;
- subject us to indemnification obligations or obligations to refund fees to, and adversely affect our relationships with, our current or future customers, advertising agencies, media networks and exchanges or publishers;
- cause delays or stoppages in providing our solutions;
- divert the attention and resources of management and technical personnel;
- harm our reputation and market standing; and
- require technology or branding changes to our solutions that would cause us to incur substantial cost and that we may be unable to execute effectively or at all.

In addition, we may be exposed to claims that the content contained in advertising campaigns violates the intellectual property or other rights of third parties. Such claims could be made directly against us or against the advertising agencies we work with, our customers, or media networks, exchanges and publishers from whom we purchase advertising inventory. Generally, under our agreements with advertising agencies, media networks, exchanges and publishers, we are required to indemnify the advertising agencies, media networks exchanges and publishers up to contractually specified limits against any such claim with respect to an advertisement we served. We generally require our customers to indemnify us for any damages from any such claims, but such indemnities are often capped and may not allow us to recover the full amounts of losses suffered by us on account of infringing advertising content. Further, there can be no assurance that our customers will have the ability to satisfy their indemnification obligations to us and pursuing any claims for indemnification may be costly or unsuccessful.

We maintain insurance policies (i.e., cyber and crime and employment dishonesty policies) that cover us for certain business-related risks. However, we may be required to satisfy our indemnification obligations to advertising agencies, media networks and exchanges and publishers or claims against us with our assets beyond the coverage of these policies, which could have a material, adverse effect on our business, results of operations, cash flows and financial condition.

9. ***The Finance Act, 2021 provided that goodwill of a business or profession will not be considered as a depreciable asset and no depreciation on goodwill should be allowed effective April 1, 2020.***

The Finance Act, 2021 provided that goodwill of a business or profession will not be considered as a depreciable asset and no depreciation on goodwill should be allowed effective April 1, 2020. Our Company will assess the effect of the Finance Act, 2021 on current tax for Fiscal 2021 and will record related impacts thereon. Further, our Company has considered amortisation of goodwill amounting to ₹ 10.56 million as an allowable deduction for computation of taxable income for the nine months period ended December 31, 2020. As at December 31, 2020, the amount of goodwill recognised on our special purpose interim condensed consolidated balance sheet was ₹ 2,791.80 million, of which ₹ 134.38 million was recognised on our Company's balance sheet on a standalone basis and ₹ 2,657.42 million of which was recognised on the balance sheets of our Subsidiaries. The goodwill on the balance sheets of our Subsidiaries was unable to be amortised for tax purposes prior to the passing of the Finance Act, 2021 as the tax laws applicable to those Subsidiaries did not allow any such amortisation. Our Company is in the process of assessing the effect of this amendment, including determining its future course of action, making representations and seeking clarification.

10. ***If we fail to innovate, adapt and respond effectively to rapidly changing technology, our solutions may become less competitive or obsolete.***

Our continued success will depend on our ability to continuously enhance and improve our solutions to meet customers' needs. If we are unable to enhance our solutions to meet market demand in a timely manner, we may not be able to maintain our existing customers or attract new customers, which would have a material, adverse effect on our business, results of operations, cash flows and financial condition.

11. ***The proper functioning of our solutions may be impaired by fraudulent or malicious activity, including non-human traffic.***

It is possible that fraudulent or malicious activity, including non-human traffic, could impair the proper functioning of our solutions. For example, the use of bots or other automated or manual mechanisms to generate fraudulent clicks or misattribute clicks on advertisements we deliver could overstate the performance of our advertising. Although we have developed and implemented an advertisement fraud detection and prevention platform called mFaaS, preventing and combating fraud requires constant vigilance and we may not always be successful in our efforts to do so. It may be difficult to detect fraudulent or malicious activity, particularly because the perpetrators of such activity may have significant resources at their disposal, may frequently change their tactics and may become more sophisticated, requiring us to update, upgrade and improve our processes for detecting and controlling such activity. Such fraudulent or malicious activity could result in negative publicity and reputational harm and require significant additional management time and attention. Further, if we fail to detect or prevent fraudulent or malicious activity in a timely manner, or at all, our customers may experience or perceive a reduced return on their investment or heightened risk associated with the use of our products, resulting in refusals to pay, demands for refunds, loss of confidence, withdrawal of future business and potential legal claims.

Similarly, if we show advertising that is fraudulent, we may lose the trust of our customers, which would likewise harm our brand and reputation. If potential customers perceive that our solution is vulnerable to bots or similar non-human traffic, fraudulent app downloads, clicks or other malicious activity, we may not be able to maintain our existing customers or attract new customers, which could have a material, adverse effect on our business, results of operations, cash flows and financial condition.

12. ***If we are unable to keep our customers' advertisements from being placed in unlawful or inappropriate content, our reputation and business may suffer.***

If we are unable to keep our customers' advertisements from being placed in unlawful or inappropriate content, our reputation and business may suffer. In particular, we could be treated as a spammer and blocked by internet service providers or face regulatory liability. In addition, if we place advertisements on websites containing content that is not permitted under the terms of the applicable agreements with a customer, we may be unable to charge the customer for actions or clicks generated on those sites, the customer may terminate their campaign, blacklist us and require us to indemnify them for any resulting third-party claims, or the customer may allege breach of contract. For example, the contracts we currently have with our customers typically prohibit the placement of advertising content on unsafe, obscene or illegal websites. Further, publishers rely on us not to place advertisements on websites that are unlawful or inappropriate. If we are unable to maintain the quality of our customer and publisher content as the number of customers and publishers we work with continues to grow, our reputation and business may suffer and we may not be able to retain or secure additional customers or publisher relationships.

13. ***We may not be able to effectively integrate the businesses we acquire, which may adversely affect our ability to achieve our growth and business objectives. In addition, acquisitions, including our recent acquisitions, involve numerous risks, any of which could harm our business, results of operations, cash flows and financial condition.***

One of our strategies is to seek to acquire additional businesses. For more details, see "*Our Business – Strategies – Continue to selectively pursue acquisitions*" on page 162. Our acquisition initiatives typically commence by the execution of a non-binding agreement with the target entity, which are followed by signing definitive agreements after completion of legal and financial due diligence and finalisation of commercial and other conditions. Accordingly, we may enter into non-binding agreements to commence such acquisitions from time to time.

There can be no assurance that we will be able to identify an appropriate acquisition candidate and we may not be successful in negotiating the terms and/ or financing of the acquisition.

Any acquisition or investment may require us to use significant amounts of cash, issue potentially dilutive Equity Shares or incur debt. In addition, acquisitions, including our recent acquisitions, involve numerous risks, any of which could harm our business, results of operations, cash flows and financial condition, including:

- risks arising from change of control provisions in contracts of any acquired company, local law factors and risks associated with restructuring operations;
- our inability to turnaround or grow a business, which may also result in our inability to meet acquisition finance costs;
- underestimated costs associated with the acquisition or over-valuation by us of acquired companies;
- incurring of debt or loan liabilities in order to finance an acquisition and execution of financing agreements with restrictive covenants under such financing arrangements;
- insufficient indemnification from the selling parties for legal liabilities incurred by the acquired company prior to the acquisition;
- failure to discover issues around an acquired company's intellectual property, customer relationships, accounting practices or regulatory compliance difficulties in integrating the operations, technologies, services and personnel of acquired businesses, especially if those businesses operate outside of our core competency;
- the need to integrate operations across different geographies, cultures and languages and to address the particular economic, currency, political and regulatory risks associated with

specific countries;

- cultural challenges associated with integrating employees from the acquired company into our organisation;
- the potential loss of key employees of acquired businesses;
- ineffectiveness or incompatibility of acquired technologies or services;
- inability to maintain key business relationships and the reputations of acquired businesses;
- failure to successfully further develop the acquired technology in order to recoup our investment;
- unfavourable reputation and perception of the acquired product or technology by the general public;
- diversion of management's attention from other business concerns;
- liability or litigation for activities of the acquired business, including claims from terminated employees, customers, former Shareholders or other third parties;
- foreign exchange controls and other changes in regulatory environment;
- implementation or remediation of controls, practices, procedures and policies at acquired businesses, including the costs necessary to establish and maintain effective internal controls; and
- increased fixed costs.

If we are unable to successfully overcome the potential difficulties associated with the integration process and achieve our objectives following an acquisition, the anticipated benefits and synergies from it may not be realised fully, or at all, or may take longer to realise than expected, and there could be a material, adverse effect on our business, results of operations, cash flows and financial condition.

14. We are exposed to foreign exchange risks.

Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities (when revenue or expense is denominated in a foreign currency). To the extent that our revenue or receipts and costs or payments are not perfectly matched in the same currency or there are time gaps between revenue recognition and actual receipts and between cost recognition and actual payments, we will be exposed to foreign exchange fluctuations. We do not use derivative financial instruments, such as forward exchange contracts or options to hedge the risk associated with foreign currency fluctuations or for trading or speculation purposes.

For the nine months periods ended December 31, 2020 and 2019 and Fiscals 2020 and 2019 on a consolidated basis, our revenue from contracts with customers outside India represented 51.9%, 49.9%, 52.8% and 56.4% of our total revenue from contracts with customers. Given that the reporting currency of our Company's financial statements is Indian Rupees, in order to prepare our consolidated financial statements, we need to translate the financial statements of our Subsidiaries from USD, Euro, Indonesian Rupiah and New Israeli Shekel to Indian Rupees, as the case may be, based on the average exchange rates prevailing over the relevant period of the profit and loss account and based on the closing exchange rates for the balance sheet. Therefore, depreciation of one or more of these foreign currencies against the Indian Rupee could adversely affect our business, results of operations, cash flows and financial condition.

15. Our international operations and expansion expose us to several risks.

As at February 28, 2021, we have a workforce in 20 foreign countries. For the nine months periods ended December 31, 2020 and 2019 and Fiscals 2020 and 2019 on a consolidated basis, our revenue from contracts with customers outside India was 51.9%, 49.9%, 52.8% and 56.4% of our total revenue from contracts with customers. For Fiscal 2018 on a standalone basis, our sales to customers outside India (comprising sales to external customers in Singapore and sales to external customers others) was ₹ 67.34 million, which was 8.0% of our revenue from operations (renamed as revenue from contracts with customers in Fiscal 2019). One of our strategies is to expand our international business through local business development efforts and through referrals from our existing customers as well as through acquiring businesses with international operations. Having international operations involves a variety of risks, including:

- localisation of the product interface and systems, including translation into foreign languages and adaptation for local practices;
- compliance with (and liability for failure to comply with) applicable local laws and regulations, including, among other things, laws and regulations with respect to data protection and consumer privacy, consumer protection, spam and content, labour and tax legislation, intellectual property laws, anti-competition regulations, import and foreign currency legislation, which laws and regulations may be inconsistent across jurisdictions;
- more stringent regulations relating to data security and the unauthorised use of, or access to, commercial and personal information;
- taxation in a variety of jurisdictions with increasingly complex tax laws, the application of which can be uncertain and subject to change;
- the intensity of local competition for mobile advertising budgets and inventory;
- unexpected changes in laws and regulatory requirements, trade laws, tariffs, export quotas, customs duties or other trade restrictions;
- changes in a specific country's or region's political or economic conditions;
- challenges inherent to hiring and efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits and compliance programmes;
- risks resulting from changes in currency exchange rates and the implementation of exchange controls;
- lower payment cycles and reduced ability to timely collect amounts owed to us by our customers in countries where our recourse may be more limited;
- limitations on our ability to reinvest earnings from operations derived from one country to fund the capital needs of our operations in other countries;
- restrictions on foreign ownership and investments;
- limited or unfavourable intellectual property protection;
- exposure to liabilities under anti-money laundering laws, domestic and international sanction requirements and anti-corruption laws, including the U.S. Foreign Corrupt Practices Act of 1977 and similar laws and regulations in other jurisdictions; and
- restrictions on repatriation of earnings.

In addition, we may not possess the same familiarity with the economy, customer preferences and commercial operations in some of the markets where we propose to expand our operations. Further, expanding our geographical footprint poses risks and potential costs, including the risk that we fail to attract a sufficient number of customers, or fail to anticipate competitive conditions that are different from those in our existing markets, as well as significant marketing and promotion costs. We may face the risk that our competitors and the established players in such geographies may enjoy better brand visibility, may be more experienced in such markets and may enjoy better relationships with customers and publishers, providing them with early access to information regarding attractive marketing opportunities, thereby making them better placed to launch services with other advantages of being a first mover.

Additionally, operating in international markets requires significant management attention and financial resources. We cannot be certain that the investment and additional resources required in establishing operations in other countries will produce desired levels of revenue or profitability.

Further, while we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities, we are yet to obtain a few approvals, licenses, registrations and permits and a few of these have expired. We cannot guarantee that we will apply for and receive these approvals and clearances in time or at all. There can be no assurance that the relevant authority will issue an approval within the applicable time period, or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could result in penalties, additional cost s and restrictions on our business, which could adversely affect our business and results of operations.

16. Our business depends substantially on the continuing efforts of Mr. Anuj Khanna Sohum, our individual Promoter, Chairman, Managing Director and CEO and our other Key Management Personnel, and our business operations may be disrupted if we lose their services.

Our success to-date is attributable to the contributions and expertise of Mr. Anuj Khanna Sohum, our individual Promoter, Chairman, Managing Director and CEO, as well as our other Key Management Personnel who have valuable and extensive experience and knowledge in our other businesses and industry. Our continued success and growth will depend, to a large extent, on our ability to retain the services of Mr. Anuj Khanna Sohum and our other Key Management Personnel. If Mr. Anuj Khanna Sohum or any of our other Key Management Personnel were to reduce or cease their involvement with us, it may take time for us to hire a suitably qualified replacement with the necessary experience and expertise and this may adversely affect our business, results of operations, cash flows and financial condition.

In the event that we need to increase employee compensation levels substantially to attract and/ or retain any Key Management Personnel, our costs may increase and our results of operations, cash flows and financial position may be materially and adversely affected. Our Company's CEO, Mr. Anuj Khanna Sohum, currently receives a nominal yearly salary of ₹ 253,200 from our Company (subject to review at the end of each financial year) and is entitled to variable salary of up to 5% of our Company's available net profits, subject to review at the end of each financial year (in accordance with the Companies Act, 2013). There can be no assurance that Mr. Anuj Khanna Sohum will remain the CEO of our Company. If we were obligated to pay our CEO (Mr. Anuj Khanna Sohum, or if he were to leave our Company, his replacement) fair market salary, this would be an additional expense and would adversely affect our results of operations, cash flows and financial condition.

17. Our business involves the use, transmission and storage of confidential information and the failure to properly safeguard such information could result in significant reputational harm and monetary damages.

Our business involves the storage and transmission of confidential consumer, customer and publisher information, including certain purchaser data, as well as financial, employee and operational information. Security breaches could expose us to unauthorised disclosure of this information, litigation and possible liability, as well as damage to our relationships with our customers and publishers. If our security measures are breached as a result of third-party action, employee or contractor error, malfeasance or otherwise and, as a result, someone obtains unauthorised access to our data or the data of consumers, our customers, publishers, employees or other third parties, our reputation could be damaged, our business may suffer and we could incur significant regulatory liability. For example, under the Information Technology Act, 2000 we are subject to civil liability for wrongful loss or gain arising from any negligence by us in implementing and maintaining reasonable security practices and procedures with respect to sensitive personal data or information on our computer systems, networks, databases and software. Our Company is also subject to the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or

Information) Rules, 2011, which imposes limitations and restrictions on the collection, use, disclosure and transfer of personal information.

Techniques used to obtain unauthorised access or to sabotage systems change frequently and generally are not recognised until they are launched against a target. As a result, we may be unable to anticipate some of these techniques or implement adequate preventative measures. In addition, the perpetrators of such activity often are very sophisticated and can hire other parties with the significant resources at their disposal. If an actual or perceived security breach occurs, the market perception of our security measures could be harmed, and we could lose both customers and revenue. Any significant violations of data protection or other security breaches could result in the loss of business, litigation and regulatory investigations and penalties that could damage our reputation and adversely impact our results of operations, cash flows and financial condition. Moreover, if a high-profile security breach occurs with respect to another provider of commerce marketing solutions, our customers and potential customers may lose trust in the security of providers of commerce marketing in general and advertising solutions in particular, which could adversely impact our ability to retain existing customers or attract new ones.

Additionally, third parties may attempt to fraudulently induce employees, consumers, our customers, our publishers or third-party providers into disclosing sensitive information such as consumer names, passwords or other information in order to gain access to our data, our customers' data or our publishers' data, which could result in significant legal and financial exposure and a loss of confidence in the security of our offering and, ultimately, harm to our future business prospects. A party who is able to compromise the security of our facilities, including our data centres or office facilities, or any device, such as a smartphone or laptop, connected to our systems could misappropriate our proprietary information or the proprietary information of consumers, our customers and/ or our publishers, or cause interruptions or malfunctions in our operations or those of our customers and/ or publishers. We may be required to expend significant resources to protect against such threats or to alleviate problems caused by breaches in security. Finally, computer viruses, malware, ransomware, worms, or trojans may harm our systems or cause the loss or alteration of data and the transmission of computer viruses or malware via our technology could expose us to litigation and a loss of confidence in the security of our technology. We maintain cyber and crime and employment dishonesty policies covering our Company and the Subsidiaries, which covers any actual or alleged acts, errors and omissions with respect to any employment or prospective employment of any past, present or prospective employee or insured person.

18. Failures in systems and infrastructure supporting our system and operations could significantly disrupt our operations and have a material, adverse effect on our business, results of operations, cash flows and financial condition.

In addition to the optimal performance of our services, our business relies on the continued and uninterrupted performance of our software and hardware infrastructures, including cloud services. We currently license and/ or utilise platforms from certain third parties and if we were to suffer any software glitches, malfunctioning, low performance, hacking, disruptions and or shut down of these services it could materially impact the functioning of certain and/ or all modules of our platforms, which could have a material, adverse effect on our business, results of operations, cash flows and financial condition. We currently lease space from cloud data providers for our computing requirements, some of which are global in nature and span different locations around the world. We also rely on bandwidth providers and internet service providers to deliver advertisements. Sustained or repeated system failures of our software or hardware infrastructures (such as massive and sustained data centre outages) or of the software or hardware infrastructures of our third-party providers, which interrupt our ability to deliver advertisements quickly and accurately, our ability to serve and track advertisements, our ability to process consumers' responses to those advertisements, or otherwise disrupt our internal operations, could significantly reduce the attractiveness of our solutions to customers, reduce our revenue or otherwise negatively impact our financial information, impair our reputation and subject us to significant liability. In addition, while we seek to maintain excess capacity to facilitate the rapid provision of new customer deployments and the expansion of existing customer deployments, we may need to increase data centre hosting capacity, bandwidth, storage, power or other elements of our system architecture and our infrastructure as our customer base and/ or our traffic continues to grow. Our existing systems may not be able to scale up in a manner satisfactory to our existing or prospective customers and may not be adequately designed with the necessary reliability and redundancy of certain critical portions of our infrastructure to avoid performance delays or outages that could be harmful to our business.

For a description of the systems and technology infrastructure we use in our business, see "*Our Business – Technology Infrastructure*" on page 172.

Our failure to continuously upgrade or increase the reliability and redundancy of our infrastructure to meet demands for our solutions could adversely affect the functioning and performance of our technology and could in turn affect our results of operations, cash flows and financial condition.

Any steps we take to increase the security, reliability and redundancy of our systems supporting our technology or operations may be expensive and may not be successful in preventing system failures. If we are unable to prevent system failures, the functioning and performance of our solution could suffer, which in turn could interrupt our business and harm our results of operations, cash flows and financial condition.

In addition, the occurrence of a natural disaster, an act of terrorism, vandalism or sabotage, a decision to close any data centre or the facilities of any other third-party provider without adequate notice, or other unanticipated problems at these facilities could result in lengthy interruptions in the availability of our technology or operations. The testing of our services during actual disasters or similar events has been limited. If any such event were to occur, our business, results of operations, cash flows and financial condition could be adversely affected.

19. Our business is concentrated around key customers which account for a significant amount of our revenue. If we fail to keep these customers or fail to diversify our customer base, our business, results of operations, cash flows and financial condition may be materially and adversely affected.

The table below shows our revenue from contracts with customers from our top 10 customers and as percentages of our revenue from contracts with customers for the nine months periods ended December 31, 2020 and 2019 and Fiscals 2020 and 2019 on a consolidated basis.

	Nine months period ended December 31, 2020		**Nine months period ended December 31, 2019**		**Fiscal 2020**		**Fiscal 2019**	
	Revenue from contracts with customers (in ₹ millions)	***% of revenue from contracts with customers***	**Revenue from contracts with customers (in ₹ millions)**	***% of revenue from contracts with customers***	**Revenue from contracts with customers (in ₹ millions)**	***% of revenue from contracts with customers***	**Revenue from contracts with customers (in ₹ millions)**	***% of revenue from contracts with customers***
Revenue from our top 10 customers	1,779.34	*47.4*	1,172.47	*46.2*	1,495.33	*44.8*	1,608.77	*64.5*

The table below shows our Company's revenue from operations from our top 10 customers for Fiscal 2018 and as a percentage of our Company's revenue from operations on a standalone basis.

	Fiscal 2018	
	Revenue from operations (in ₹ millions)	***% of revenue from operations***
Revenue from our top 10 customers	686.24	*81.9*

If we fail to retain these customers or fail to attract new customers, it could have a material, adverse effect on our business, results of operations, cash flows and financial condition.

20. ***A significant amount of our business is conducted through advertising agencies. If we cannot maintain our relationships with these advertising agencies, or if these relationships cease to be effective, there may be a material, adverse effect on our business, results of operations, cash flows and financial condition.***

For the nine months periods ended December 31, 2020 and 2019 and Fiscals 2020 and 2019 on a consolidated basis, four, four, three and four out of our top 10 customers were advertising agencies, respectively. Most of our agreements with these parties are typically for a period of one year or two years. There is no guarantee that these agreements will be extended, renewed or replaced.

If we have an unsuccessful engagement with an advertising agency on a particular advertising campaign, we risk losing the ability to work not only for the company for whom the campaign was run, but also for other companies represented by that agency. Further, our agreements with advertising agencies may rely on those agencies building good relationships with advertisers, over which we may have no control. If we fail to maintain, renew, or replace these agreements, or if these advertising agencies fail to connect us with enough advertisers, our business, results of operations, cash flows and financial condition may be adversely affected.

Additionally, our customers may move from one advertising agency to another and, accordingly, even if we have a positive relationship with an advertising agency, we may lose the underlying customer's business when the customer switches to a new agency. The presence of advertising agencies as intermediaries between us and our customers thus creates a challenge to building our own brand awareness and maintaining an affinity with our customers, who are the ultimate sources of our revenue. In the event we were to become more dependent on advertising agencies as intermediaries, our ability to independently attract and retain business may be adversely affected. In addition, an increased dependency on advertising agencies may harm our results of operations, cash flows and financial condition as a result of the increased agency fees we may be required to pay and/ or as a result of longer payment terms from agencies.

21. ***Our Statutory Auditors have included an emphasis of matter in their reports on the December 2020 Special Purpose Interim Condensed Consolidated Financial Statements, the December 2019 Special Purpose Interim Condensed Consolidated Financial Statements, the Fiscal 2020 Audited Consolidated Financial Statements, the Fiscal 2019 Audited Consolidated Financial Statements and the Fiscal 2018 Audited Standalone Financial Statements and certain modifications to the information required to be disclosed pursuant to the Companies (Auditor's Report) Order, 2016 on our Company's standalone financial statements as at and for the years ended March 31, 2019 and 2018.***

Our Statutory Auditors have included an emphasis of matter in their reports on the December 2020 Special Purpose Interim Condensed Consolidated Financial Statements, the December 2019 Special Purpose Interim Condensed Consolidated Financial Statements, the Fiscal 2020 Audited Consolidated Financial Statements, the Fiscal 2019 Audited Consolidated Financial Statements and the Fiscal 2018 Audited Standalone Financial Statements, drawing attention to a note in each of those financial statements, which indicates that our Company has accounted for a business combination under common control using the purchase method in accordance with previous generally accepted accounting principles resulting in the recognition of goodwill amounting to ₹ 59.24 million, as prescribed under a court scheme, instead of using the pooling interest method as prescribed under Ind AS 103 Business Combinations, since the approved court scheme prevails over applicable accounting standards (the emphasis of matter for Fiscal 2018 does not mention the amount of goodwill that was recognised).

Our Statutory Auditors have also included certain modifications in the annexures to their audit reports on the standalone financial statements of our Company as at and for the years ended March 31, 2019 and 2018, pursuant to the Companies (Auditor's Report) Order, 2016, as applicable, as follows: (a) undisputed statutory dues, including provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, goods and service tax, cess, professional tax and other statutory dues, have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases (for Fiscal 2019); and (b) undisputed statutory dues, including provident fund, income-tax, sales-tax, customs duty, excise duty, and cess, have been regularly deposited with the appropriate authorities though there have been significant delays in few cases of service tax and ESI (for Fiscal 2018). For details on the impact of these modifications on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each modification, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Reservations, qualifications, or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this Preliminary Placement Document*" on page 124. Potential investors should consider these matters in evaluating our financial condition, cash flows and results of operations.

22. If we are unable to use software licensed from third parties or if we make use of open source software under license terms that interfere with our proprietary rights, our business could be disrupted.

Our technology platform and internal systems incorporate software licensed from third parties, including open source software, which is software we use without charge. Although we monitor our use of open source software, the terms of many open source licenses to which we are subject have not been interpreted by the courts of many jurisdictions and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide our technology offering to our customers. In the future, we could be required to seek licenses from third parties in order to continue offering our solutions, and these licenses may not be available on terms that are acceptable to us, or at all. Alternatively, we may need to re-engineer our offering or discontinue using portions of the functionality provided by our technology. In addition, the terms of open source software licenses may require us to provide software that we develop using such software to others on unfavourable terms, such as by precluding us from charging license fees or by requiring us to disclose our source code. Any such restriction on the use of our own software, or our inability to use open source or third-party software, could result in disruptions to our business or operations, or delays in our development of future solutions or enhancements of our existing platform, which could impair our business.

23. The loss of certificates, keys and passwords may result in a loss of access to our servers and the services of third parties, which may result in a loss of data, which could have a material, adverse effect on our business, results of operations, cash flows and financial condition.

Due to security considerations, access to our servers and the services of third parties is controlled by multifactor authentication, which includes certificates, keys and passwords. These certificates, keys and passwords are typically stored on our employees' computers. The loss of these certificates, keys and passwords may result in loss of access to our servers or the services of third parties, which may result in a loss of data, which could have a material, adverse effect on our business, results of operations, cash flows and financial condition.

24. We do not own any of the properties from which we operate. If we are unable to renew our current leases or if we renew them on terms which are detrimental to us, we may suffer a disruption in our operations or increased relocating costs, or both, which could adversely affect our business, results of operations, cash flows and financial condition.

We lease/ license seven properties for our operations, comprising our corporate office in Gurugram (India) and commercial offices in each of Mumbai (India), Bengaluru (India), Dubai (UAE), Singapore, Jakarta (Indonesia) and Madrid (Spain). There is no guarantee that these leases/ licenses will be renewed or extended once their terms are complete. If we are unable to renew or extend our current leases/ licenses, or if we renew or extend them on terms which are detrimental to us, we may suffer a disruption in our operations or increased relocating costs, or both, which could adversely affect our business, results of operations, cash flows and financial condition.

25. We, our Directors and our Promoters may be involved in certain legal and other proceedings which, if determined against us or our Directors and our Promoters could have a material, adverse effect on our business, results of operations, cash flows and financial condition.

We are involved in various legal proceedings in the ordinary course of our business. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/ other judicial authorities. These matters generally arise because we seek to recover from borrowers or because customers seek counter claims against us. Although it is our policy to make provisions for probable loss for litigation matters, we do not make provisions or disclosures in our financial statements where our assessment is that the risk is improbable or insignificant. Our view on provisions could also change. Increased provisioning for such potential losses could have a material, adverse effect on our results of operations, cash flows and financial condition. If our provisioning is inadequate relative to actual losses on final judgment, such additional losses could have a material, adverse effect on our results of operations, cash flows and financial condition.

These legal proceedings may not be decided in our favour and we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If any new developments arise (e.g., rulings against us by the appellate courts or tribunals), we may face losses and have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse outcome of litigation or regulatory proceedings could have a material, adverse effect on our business, results of operations, cash flows and financial condition. We may also incur legal costs for a matter even if we have not made any legal provisions for the same. In addition, the cost of resolving a legal claim may be substantially higher than any amount reserved for that matter. For further details, please see "*Legal Proceedings*" on page 237.

26. We may be subject to increased taxes in India relating to past transactions with associated companies.

Under Indian law, we are required to appoint an independent consultant to issue a certificate on whether our transaction with associated enterprises, as defined per 92E of the Income Tax Act, 1961, were undertaken on an 'arm's length price'. For Fiscal 2018, Fiscal 2019 and Fiscal 2020, the required certificate has been filed with relevant authorities. For Fiscal 2021 we have yet to appoint an independent consultant to review the transactions with associated companies and associated enterprises and issue a certificate, after the end of Fiscal 2021, stating that such transactions were undertaken at an 'arm's length price' for that fiscal year. While we believe that all transactions with associated companies and associated enterprises were undertaken at a negotiated contracted price on usual commercial terms, if the independent consultant finds otherwise, our Company may be subject to more income tax than recorded in our statement of profit and loss for the nine months period ended December 31, 2020 and as will be recorded in our statement of profit and loss for Fiscal 2021. Adjustments arising from the transfer pricing study, if any, shall be accounted for as and when the study is completed.

27. Our Subsidiaries may not pay cash dividends. Consequently, our Company may not receive any return on investments in our Subsidiaries.

Our Subsidiaries are separate and distinct legal entities, having no obligation to pay dividends, and may be restricted from doing so by law or contract, including applicable laws, foreign exchange regulations, charter provisions and the terms of their financing arrangements. We cannot assure you that our Subsidiaries will generate sufficient profits and cash flows to be able to pay dividends, or that they will not be restricted from paying dividends. For example, under the terms of a facility agreement, Affle International may not pay dividends without the consent of the lender. Our Company did not have any subsidiaries until April 1, 2018. Our Company has not received any dividends from Affle International, its only direct Subsidiary, in the past. Although our Company does not currently intend to pay cash dividends, if in the future our Company changes this policy, our Company's ability to pay cash dividends may be adversely affected if it does not receive dividends from Affle International.

Further, any dividends received from Affle International are liable to be taxed in India. If the dividend-paying company is a resident of a country with which India has signed an agreement for avoidance of double taxation, the taxability of dividend income will be determined by the provisions of such an agreement. Our Company is entitled to certain benefits pursuant to a double taxation avoidance agreement entered into between India and Singapore. For instance, Singapore does not impose any withholding tax on dividends paid by a Singapore company to a non-resident company. Should the above-mentioned tax treaty be suspended, revoked or adversely modified, the amount of money our Company receives from any dividends paid by Affle International would be adversely affected.

28. We are exposed to credit risks from conducting business with our customers.

We may extend credit terms to our customers ranging from 30 to 75 days on a case-by-case basis depending on, amongst others, the customer's creditworthiness and the length of the customer relationship. The impairment allowance of trade receivables and contract asset for the nine months periods ended December 31, 2020 and 2019 on a consolidated basis was ₹ 11.67 million and ₹ 9.48 million, respectively. The impairment allowance of trade receivables and contract asset for Fiscals 2020 and 2019 on a consolidated basis was ₹ 21.52 million and ₹ 10.56 million, respectively. The impairment allowance of trade receivables and unbilled revenue for Fiscal 2018 on a standalone basis was ₹ 11.22 million.

Our customers may be unable to meet their contractual payment obligations to us in a timely manner, or at all. The reasons for payment delays, cancellations or default by our customers may include insolvency, bankruptcy, insufficient financing or working capital due to late payments by their respective end-customers. We may not be able to enforce our contractual rights to receive payment through legal proceedings. In the event that we are not able to collect payments from our customers, our business, results of operations, cash flows and financial condition may be adversely affected.

29. Our insurance policies do not cover all business-related risks. If we were to incur a material liability or loss, it could have a material, adverse effect on our results of operations, cash flows and financial condition.

For details of our insurance policies, see "*Our Business-Insurance*" on page 176. However, these policies do not cover all of our business-related risks. If we were to incur a material liability or loss beyond the coverage of these policies, there could be a material, adverse effect on our business, results of operations, cash flows and financial condition.

30. Our Promoters and Promoter Group will continue to have the ability to control or influence the outcome of matters submitted to Shareholders for approval, and our Promoters' and Promoter Group's interests may differ from those of other Shareholders.

Our Promoters and Promoter Group own 63.8% of the outstanding Equity Shares as of December 31, 2020. Immediately upon the closing of the Issue, our Promoters and Promoter Group will hold [●]% of the outstanding Equity Shares (assuming all of the Equity Shares offered in the Issue are allotted). As long as our Promoters and Promoter Group continue to hold a significant ownership stake in our Company, they will have the ability to control or influence the outcome of any matter submitted to our Shareholders for approval, including matters relating to the sale of all or part of our business, mergers, acquisitions or disposal of assets; the distribution of dividends; appointment or removal of our Directors or officers; and our capital structure or financing. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company, even if such action is in the best interests of other Shareholders. Our Promoters and Promoter Group may have interests that are adverse to the interests of our other Shareholders and may take positions with which our other Shareholders do not agree.

31. Certain of our Subsidiaries are subject to certain restrictive covenants in their financing agreements that restrict, among other things, their ability to declare dividends and pledge assets as collateral. Default or non-compliance with our financing agreements may adversely affect our business, results of operations, cash flows and financial condition.

We avail credit facilities and term loans in the ordinary course of our business. We are required to comply with certain conditions and covenants under these financing agreements, including submitting periodic financial information and stock statements and opening credit accounts and facilities with such lenders. Some of these financing agreements that certain of our Subsidiaries are a party to contain restrictive covenants, such as (i) restricting those Subsidiaries from paying dividends without the consent of the lender, (ii) prohibiting any changes in ownership of those Subsidiaries, (iii) restricting those Subsidiaries at any time from making loans or transferring any assets or granting any credit to any related corporation without the lender's prior written consent and (iv) making any change in the general nature of those Subsidiaries' business or undertaking any expansion or investing in any other entity; provided the same does not have a material adverse effect on the business of our Subsidiaries. In addition, certain of these financing agreements contain financial covenants requiring us to comply with certain minimum ratios, such as debt service coverage ratio, total outside liability to total net worth, interest coverage ratio: EBITDA / net interest expense, and asset coverage ratio. For details of the financial covenants, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources - Covenants*" on page 118. Further, our lenders may cancel any undrawn portion of a facility on demand at any time.

Failure to observe the covenants and conditions under a financing agreement could lead to the termination of the agreement, acceleration of all amounts due under agreement and the enforcement of any security provided, which could adversely affect our business, financial condition, results of operations and cash flows.

32. The amount of goodwill as at December 31, 2020 could be adjusted in our financial statements for the year ended March 31, 2021.

Our goodwill as at December 31, 2020 was ₹ 2,791.80 million on a consolidated basis, which includes an amount of ₹ 1,706.70 million pertaining to the acquisition of 66.67% equity ownership and 95% control in Appnext based on provisional purchase price allocation available with our Company, for which detailed purchase price allocation analysis is under process. While such provisional accounting for acquisition of equity ownership of Appnext is permitted under Ind AS 103, any adjustment resulting from such final purchase price allocation shall accordingly be incorporated in our financial statements for Fiscal 2021. Consequently, the values of assets acquired (including identified intangibles) and the resultant goodwill could be materially different once the purchase price allocation valuation is completed, and this could potentially reduce our reported profit for Fiscal 2021 due to the amortisation of identified intangibles.

33. There have been instances in the past where we have not made certain regulatory filings with the RoC and failed to comply with some of our reporting obligations in respect of inward remittances and our issuance of Equity Shares.

We were delayed in reporting certain details in connection with the scheme of amalgamation between AD2C Holdings Private Limited, AD2C (India) Private Limited, Appstudioz Technologies Private Limited with our Company and their respective shareholders and creditors effective from February 07, 2017 (the "**2017 Scheme**"), in Form CAA.8 in terms of Section 232(7) of the Companies Act, 2013. We filed the Form CAA.8 with the RoC on August 23, 2018, which was taken on record by the RoC**.** We cannot assure you that such delays will not reoccur or that we will not be subject to any penalties for delays in future.

Further, our Company filed an application dated March 29, 2017 before the RBI for compounding of contraventions of the provisions of FEMA and the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 for (i) delay in reporting receipt of foreign inward remittances towards subscription to equity; (ii) delay in submission of Form FC-GPR to the RBI after issue of shares to a person resident outside India; and (iii) delay in issuance of equity instruments to the foreign investor beyond the prescribed time period of 180 days from the receipt of inward remittance. The RBI passed an order dated August 2, 2017 compounding the violations and levying a penalty of ₹ 0.46 million and the compounding application was accordingly disposed of. Our Company has paid this penalty to the RBI. There can be no assurance that we will not be subject to regulatory actions including imposition of fines and other penalties in respect of such non-compliances in future.

EXTERNAL RISKS

34. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, cash flows and financial condition.

India is our key market. For the nine months periods ended December 31, 2020 and December 31, 2019 and Fiscals 2020 and 2019 on a consolidated basis, our revenue from contracts with customers in India represented 48.1%, 50.1%, 47.2% and 43.6% of our total revenue from contracts with customers. For Fiscal 2018 on a standalone basis, 92.0% of our Company's revenue from operations (renamed as revenue from contracts with customers in Fiscal 2019) was from India. Therefore, any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, cash flows and financial condition. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby adversely affect our business, results of operations, cash flows and financial condition.

Also see *"COVID-19 could have an adverse effect on our business, results of operations, cash flows and financial condition*" on page 50.

35. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, in the jurisdictions in which we operate may adversely affect our business and results of operations.

Our business is subject to various laws and regulations, which are evolving and subject to change. We are also subject to corporate, taxation and other laws in effect in India, Singapore, Indonesia, Spain, the UAE and Israel, which requires continued monitoring and compliance. These laws and regulations and the way in which they are implemented and enforced may change. There can be no assurance that future legislative or regulatory changes will not have any adverse effect on our business, results of operations, cash flows and financial condition.

RISKS RELATING TO THE EQUITY SHARES AND THE ISSUE

36. Any future issuance of Equity Shares by our Company or sales of the Equity Shares by any of our Company's significant Shareholders could adversely affect the trading price of the Equity Shares, and, in the case of issuance of Equity Shares, could dilute investors' holdings.

Our Company may be required to finance our future growth through additional equity offerings. Any future issuance of Equity Shares by our Company could dilute investors' holdings and could adversely affect the market price of the Equity Shares. In addition, any sales by any significant Shareholder, or a perception in the market that such sale may occur, could adversely affect the trading price of the Equity Shares. For instance, our corporate promoter Affle Holdings may, subject to market conditions and receipt of approvals required, undertake a secondary sale of Equity Shares held by it aggregating up to 1.07% of the share capital of our Company. See "*Placement and Lock Up – Promoter and Promoter Group Lock-Up*" on page 206. Such securities may also be issued at a price below the current trading price of the Equity Shares. Our Company cannot assure you that it will not issue further Equity Shares or that the current Shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

In case of any further issuance of Equity Shares, our Company may also be unable to utilise the proceeds of such issuance in a timely manner. For instance, our Company may have been unable to utilize the proceeds of its initial public offering in 2019 within its scheduled deployment period. In case of any shortfall, our shareholders will be required to approve an extension to the deployment period. There can be no assurance that such approval will be granted.

37. The ability of investors to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Preliminary Placement Document. Investors will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares.

No actions have been taken to permit an offering of the Equity Shares offered in the Issue in any jurisdiction, except for India. As such, the ability of investors to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in this Preliminary Placement Document. For further information, see "*Selling Restrictions*" on page 208. Further, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. For further information, see "*Transfer Restrictions*" on page 217. Investors are required to inform themselves on, and observe, these restrictions. Our Company and its representatives and agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

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

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time without our Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurances regarding the ability of Shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares—which may be adversely affected at a particular point in time.

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

The trading price of the Equity Shares may fluctuate after this Issue due to a variety of factors, including:

- our business, results of operations, cash flows and financial condition;
- the history of and prospects for our business;
- an assessment of our management, our past and present operations and the prospects for, as well as timing of, our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- additions or departures of Key Managerial Personnel;
- changes in the interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our financial performance or prospects.

40. We do not currently intend to pay dividends on the Equity Shares and, consequently, investors' ability to achieve a return on their investment will depend on appreciation in the price of the Equity Shares.

We have never declared or paid any cash dividends on the Equity Shares and do not currently intend to do so for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth, both organic and inorganic. Because investors are unlikely to receive any dividends on their Equity Shares for the foreseeable future, the return of an investment in the Equity Shares will depend upon any future appreciation in their value. Consequently, investors may need to sell all or part of their Equity Shares after price appreciation, which may never occur, as the only way to realise any future gains on their investments.

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of our Shareholders and will depend on factors that our Board and Shareholders deem relevant. Our Company may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares.

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

Under the Companies Act, 2013 a company incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the 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 who have voted on such a resolution. If our Company offers to the Shareholders rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making the rights available to our Shareholders or in disposing of the rights for the benefit of our Company's Shareholders and making the net proceeds available to the Shareholders. Our Company may choose not to offer the rights to Shareholders having an address outside India. Consequently, our Company cannot assure Shareholders that they will be able to maintain their proportional interests in the Equity Shares. Shareholders will be unable to exercise their pre-emptive rights if the law of the jurisdiction in which they are located prohibits the sale of the Equity Shares without first filing an offering document or registration statement, unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to Shareholders by Indian law. To the extent that Shareholders are unable to exercise the pre-emptive rights granted to them in respect to the Equity Shares, they may suffer future dilution of their ownership position and their proportional interests in us would be reduced.

42. Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our operating results.

The Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Indian Rupees may affect the value of the Equity Shares. Specifically, if there is a change in relative value of the Indian Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Indian Rupee trading price of the Equity Shares in India;
- the foreign currency equivalent of the proceeds that investors would receive upon the sale of any of the Equity Shares in India; and
- the foreign currency equivalent of cash dividends, if any, on the Equity Shares, which will be paid only in Rupees.

In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rates between the Indian Rupee and other currencies (including the U.S. dollar, the Euro, the pound sterling, the Hong Kong dollar and the Singapore dollar) have changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our operating results. You may be unable to convert Indian Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, the price of the Equity Shares could decrease due to a devaluation of the Indian Rupee if investors in jurisdictions outside India analyse the value of the Equity Shares based on the relevant foreign currency equivalent of our business, results of operations, cash flows and financial condition.

43. Statistical and industry data in this Preliminary Placement Document are derived from the Frost & Sullivan Report. The Frost & Sullivan Report is not exhaustive and is based on certain assumptions and parameters/ conditions. The Frost & Sullivan Report states that a blanket, generic use of the derived results in the report or the methodology used in the report is not encouraged. Actual results and future events could differ materially from the forecasts, predictions or other forward-looking statements in the Frost & Sullivan Report.

This Preliminary Placement Document includes information that is derived from the Frost & Sullivan Report, which was prepared by Frost & Sullivan pursuant to an engagement with our Company. Frost & Sullivan is not in any manner related to our Company, our Directors or our Promoters. Our Company has not independently verified data obtained from industry publications and other sources referred to in this Preliminary Placement Document.

The Frost & Sullivan Report states that Frost & Sullivan has prepared the report in an independent and objective manner and has taken adequate care to ensure its accuracy and completeness. Frost & Sullivan believes that its report presents an idea view of the global and Indian advertising and advertisement tech markets, within the limitations of secondary statistics research, but it does not purport to be exhaustive. The results that can be or are derived from the findings in the Frost & Sullivan Report are based on certain assumptions and parameters/ conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that Frost & Sullivan's assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Preliminary Placement Document.

The Frost & Sullivan Report also highlights that forecasts, predictions, and other forward-looking statements contained in the report are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain and are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, predictions or such statements.

Further, potential investors should conduct their own investigation and analysis of all facts and information contained in the Frost & Sullivan Report and should not construe any of the contents of the Frost & Sullivan Report as advice relating to business, financial, legal, taxation or investment matters and are advised by Frost & Sullivan to consult their own business, financial, legal, taxation, and other advisors concerning the Issue.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our issued share capital is ₹ 254,963,670 divided into 25,496,367 Equity Shares of ₹ 10 each, and our subscribed and paid-up equity share capital is ₹ 254,963,670 divided into 25,496,367 Equity Shares of ₹ 10 each. The face value of our Equity Shares is ₹ 10 per Equity Share. The Equity Shares were listed on the Stock Exchanges on August 8, 2019 and are currently listed and traded on the Stock Exchanges.

On April 27, 2021, the closing price of the Equity Shares on the BSE and NSE was ₹ 5,662.35 and ₹ 5,661.40, respectively. The tables below set out, for the periods indicated, the high, low and average closing prices and the trading turnover on the NSE and the BSE for our Equity Shares.

A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on the NSE and the BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for the Fiscal 2021 and Fiscal 2020.

NSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)
Fiscal 2021	6,004.05	March 4, 2021	137,382	816.93	955.55	April 3, 2020	281,26	26.86	2,893.04
Fiscal 2020	2,268.45	Feb 19, 2020	570,157	1,248.94	777.50	Aug 23, 2019	37,357	29.08	1,383.75

(Source: www.nseindia.com)

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

BSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)
Fiscal 2021	6,044.15	March 4, 2021	145,63	86.71	971.65	April 1, 2020	3,283	3.24	2,894.50
Fiscal 2020	2,266.65	Feb 19, 2020	59,375	130.30	775.55	Aug 23, 2019	2,093	1.62	1,384.40

(Source: www.bseindia.com)

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

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

NSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in million)
March 2021	6,004.05	Mar 04, 2021	137,382	816.93	5,145.15	Mar 25, 2021	101,034	521.86	5,606.61	1,951,167	10,977.83
February 2021	5,430.15	Feb 22, 2021	201,993	11,08.38	3,787.20	Feb 03, 2021	44,885	170.92	4,785.20	3,549,279	17,197.09
January 2021	4,005.90	Jan 05, 2021	91,426	365.53	3,563.8	Jan 18, 2021	62,157	222.70	3,796.91	1,130,365	4,315.82
December 2020	4,025.80	Dec 16, 2020	323,059	1,307.58	3,589.4	Dec 01, 2020	91,844	328.83	3,788.07	3,787,189	14,414.33
November 2020	3,418.50	Nov 27, 2020	218,008	741.83	2,641.95	Nov 03, 2020	21,093	56.08	2,973.02	1,886,896	5,805.50
October 2020	2,860.10	Oct 01, 2020	17,243	49.74	2,583.95	Oct 28, 2020	48,564	127.13	2,715.13	814,543	2,224.88

(Source: www.nseindia.com)

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

BSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in million)
March 2021	6,044.15	Mar 02, 2021	14,563	86.71	5,136.40	Mar 25, 2021	15,062	77.89	5,609.78	141,257	797.81
February 2021	5,439.95	Feb 22, 2021	21,824	119.93	3,787.25	Feb 03, 2021	1,535	5.83	4,787.40	584,917	2,971.90
January 2021	4,003.60	Jan 05, 2021	10,623	42.43	3,662.80	Jan 18, 2021	3,348	12.01	3,796.68	137,822	529.15
December 2020	4,007.40	Dec 16, 2020	32,391	130.95	3,591.25	Dec 01, 2020	12,221	43.74	3,786.24	266,410	1,017.32
November 2020	3,420.25	Nov 27, 2020	24,894	84.65	2,643.30	Nov 03, 2020	3,220	8.56	2,973.80	217,238	663.08
October 2020	2,864.40	Oct 01, 2020	4,303	12.41	2,582.95	Oct 28, 2020	3,313	8.65	2,715.55	99,997	273.92

(Source: www.bseindia.com)

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

C. The following table sets forth the market price of our Equity Shares on NSE and BSE on March 1, 2021, the first working day following the approval of the Board of Directors for the Issue.

NSE						BSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in million)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in million)
5330	5,459	5,225	5,350.5	78,483	421.18	5,354.9	5,400	5,230	53,47.15	9,304	49.90

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

USE OF PROCEEDS

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

Purpose of the Issue

Our Company proposes to utilize the Net Proceeds for augmenting long term cash resources, funding organic and inorganic growth opportunities in respect of our Company's operations and adjacencies, investments in companies, including in subsidiaries or otherwise (either through debt or equity or any convertible securities), growing existing businesses or entering into new businesses in line with our strategies, pre-payment and/ or repayment of outstanding borrowings and any other general purposes as may be permissible under applicable laws and approved by the Board of Directors of our Company or a duly constituted committee of the Board.

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

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

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

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

CAPITALIZATION STATEMENT

The following table sets forth our capitalization on a consolidated basis as at December 31, 2020 which is derived from the December 2020 Special Purpose Interim Condensed Consolidated Financial Statements and adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with "*Selected Financial Information*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and other financial information contained in "*Financial Information*" on pages 28, 46, 78 and 243, respectively.

(in ₹ million)

Particulars	**Pre-Issue (as at December 31, 2020) (on a consolidated basis)**	**Amount after considering the Issue (i.e. post-Issue)*# (on a consolidated basis)**
Non-current borrowings	401.41	[●]
Current borrowings	556.03	[●]
Total borrowings (a)	**957.44**	[●]
Equity		
Equity share capital	254.96	[●]
Other equity	2,746.85	[●]
Equity attributable to equity holders of the parent	2,743.50	[●]
Non-controlling interest	3.35	[●]
Total equity (b)	**3,001.81**	[●]
Total capitalization (a+b)	**3,959.25**	[●]
Total borrowings/ Total equity (a/b)	0.32	[●]

** Will be finalized upon determination of the Issue Price.*
 # Without consideration of share issue expenses and for any other transactions or movements in such financial statement line items post December 31, 2020.

CAPITAL STRUCTURE

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

(In ₹, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORIZED SHARE CAPITAL**	
	30,000,000 equity shares of face value of ₹ 10 each	300,000,000
B	**ISSUED SHARE CAPITAL BEFORE THE ISSUE**	
	25,496,367 equity shares of face value of ₹ 10 each	254,963,670
C	**SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	25,496,367 equity shares of face value of ₹ 10 each	254,963,670
D	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating up to ₹ [●][(1)(2)]	[●]
E	**PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares[(2)]	[●]
F	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue*	845,560,000
	After the Issue[(2)(3)]	[●]

**As of December 31, 2020.*
(1) The Issue has been authorized by the Board of Directors on February 27, 2021 and the Shareholders pursuant to their resolution passed at the EGM dated March 24, 2021 conducted through video conferencing.
(2) To be determined upon finalization of the Issue Price.
(3) The securities premium account after the Issue is calculated on the basis of Net Proceeds.

Equity Share Capital History of our Company

The history of the equity share capital of our Company is provided in the following table:

Date of allotment	No. of equity shares allotted	Face value of the equity shares	Issue price per equity share (₹)	Nature of Consideration
July 15, 1994	400	10	10	Cash
September 27, 1997	200	10	10	Cash
September 26, 2003	9,400	10	10	Cash
March 19, 2008	966,020	10	10	Cash
March 19, 2012	7,356,790	10	10	Cash
August 14, 2012	416,326	10	10	Cash
January 8, 2013	1,221,350	10	10	Cash
May 15, 2013	554,813	10	10	Cash
March 30, 2015	5,298,685	10	10	Cash
February 13, 2017	8,464,330	10	10[(1)]	Other than cash[(1)]
August 6, 2019	1,208,053	10	745	Cash

(1) Allotment of Equity Shares pursuant to the scheme of amalgamation dated February 7, 2017 between AD2C Holdings Private Limited, AD2C (India) Private Limited, Appstudioz Technologies Private Limited with our Company.

Allotments of Equity Share in the last one year

Our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of filing of this Preliminary Placement Document.

Employee Stock Option Schemes

As on the date of this Preliminary Placement Document, our Company does not have any employee stock option scheme.

Proposed Allottees in the Issue

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

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Details of Proposed Allottees*" on page 246.

Pre-Issue and post-Issue shareholding pattern

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

Sr. No.	Category	Pre-Issue (As of April 23, 2021#)		Post-Issue (for institutional investors)* (As of [●], 2021 for all other categories)	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of share holding
A.	**Promoters' holding****				
1.	Indian				
	Individual	Nil	Nil	[●]	[●]
	Bodies corporate	Nil	Nil	[●]	[●]
	Sub-total	**Nil**	**Nil**	[●]	[●]
2.	Foreign promoters	15,961,036	62.60	[●]	[●]
	Sub-total (A)	**15,961,036**	**62.60**	[●]	[●]
B.	**Non – Promoters' holding**				
1.	Institutional Investors				
	Equity Shares	6,180,439	24.24	[●]	[●]
2.	Non-Institutional Investors				
	Private Corporate Bodies	1,325,158	5.20	[●]	[●]
	Directors and relatives (other than promoters)	2,001	0.01	[●]	[●]
	Indian public	1,724,784	6.76	[●]	[●]
	Others (including Non-resident Indians (NRIs))	302,949	1.19	[●]	[●]
	Sub-total (B)	9,535,331	37.40	[●]	[●]
	Grand Total (A+B)	**25,496,367**	**100.00**	[●]	[●]

* *Note: The post-Issue shareholding pattern will be filled-in before filing of the Placement Document with the Stock Exchanges.*
** *This includes shareholding of the members of the Promoter Group.*
\# *As per the latest available BENPOS.*

DIVIDENDS

The declaration and payment of dividends, if any, by our Company is governed by applicable provisions of the Companies Act and our Articles of Association. Our Board may also, from time to time, declare interim dividends. For further information, see "*Description of the Equity Shares*" on page 221.

Our Board has approved and adopted a formal dividend distribution policy on May 30, 2020, in terms of Regulation 43A of the SEBI Listing Regulations. In terms of this policy, the declaration of dividend is expected to depend on a number of internal and external factors, including, but not limited to, expected cash requirements of our Company towards working capital, capital expenditure, technology and infrastructure; investments required for execution of our strategies; and funds required for acquisitions.

Our Company has not paid any dividends on the Equity Shares in Fiscals 2018, 2019 and 2020 and from April 1, 2021 till the date of this Preliminary Placement Document.

There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

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

See also "*Risk Factors –We do not currently intend to pay dividends on the Equity Shares and, consequently, investors' ability to achieve a return on their investment will depend on appreciation in the price of the Equity Shares.*" on page 68.

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

The financial information as at and for the nine months periods ended December 31, 2020 and 2019 in this section is derived from the December 2020 Special Purpose Interim Condensed Consolidated Financial Statements and the December 2019 Special Purpose Interim Condensed Consolidated Financial Statements, respectively. The financial information for the nine months periods ended December 31, 2020 and 2019 are not comparable with our results for the full fiscal years and our financial information for the nine months period ended December 31, 2020 are not necessarily indicative of what our financial information for Fiscal 2021 will be. In addition, due to the acquisitions in the nine months period ended December 31, 2020 described in "Management's Discussion and Analysis of Financial Condition and Results of Operations- Significant Factors Affecting our Results of Operations and Financial Condition - Acquisitions of businesses / companies" on page 80, the financial information as at and for the nine months periods ended December 31, 2020 and 2019 on a consolidated basis are not directly comparable.

The financial information as at and for the year ended March 31, 2018 in this section is derived from the Fiscal 2018 Standalone Audited Financial Statements. Our Company did not have any subsidiaries or associates in Fiscal 2018 and, hence, did not prepare any consolidated financial statements for that fiscal year. The financial information as at and for the years ended March 31, 2020 and 2019 in this section is derived from the Fiscal 2020 Audited Consolidated Financial Statements and the Fiscal 2019 Audited Consolidated Financial Statements, respectively. Our financial information for Fiscal 2018 on a standalone basis are not comparable to our financial information for Fiscals 2020 and 2019 on a consolidated basis. In addition, due to the acquisitions in Fiscal 2020 described in "Management's Discussion and Analysis of Financial Condition and Results of Operations- Significant Factors Affecting our Results of Operations and Financial Condition - Acquisitions of businesses / companies" on page 80, our financial information for Fiscals 2020 and 2019 on a consolidated basis are not directly comparable.

In this section, references to "we", "our" and "us" with respect to dates and periods on or after April 1, 2018 refer to our Company and the Subsidiaries on a consolidated basis and, with respect to dates or periods on or prior to March 31, 2018, refer to our Company on a standalone basis.

The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. See "Forward-Looking Statements" and "Risk Factors" on pages 16 and 46, respectively, for factors that could cause or contribute to these differences.

OVERVIEW

We are a consumer intelligence driven global technology company. Our Consumer Platform primarily provides the following services through relevant mobile advertising: (1) new consumer conversions (acquisitions, engagements and transactions); (2) *retargeting* existing consumers to complete transactions; and (3) an online to offline ("**O2O**") platform that converts online consumer engagement into in-store walk-ins. We aim to enhance returns on marketing spend through delivering contextual mobile ads and reducing digital ad fraud, while proactively addressing consumer privacy expectations.

Our Consumer Platform *primarily* drives Cost per Converted User ("**CPCU**") based user conversions for advertisers. Our CPCU model comprises user conversions based on consumer acquisition and transaction models. Our consumer acquisition model focuses on acquiring new consumers for businesses, which is usually in the form of a targeted user downloading and opening an App or engaging with an App after seeing an advertisement delivered by us. Our transaction model is usually in the form of a targeted user submitting a lead acquisition form or purchasing a product or service after seeing an advertisement delivered by us. We also earn revenue from our Consumer Platform through awareness and engagement type advertising, which comprises cost per thousand impressions ("**CPM**"), cost per view ("**CPV**") and cost per click ("**CPC**") models. These models are relevant for brand advertisers who want to build awareness and recall and engage users online to transact with them offline/ online. We understand our customers' business drivers and work with them to choose audience engagement models that are the most relevant for them, thereby delivering measurable business outcomes for them.

We utilise user-intent indicators derived from behavioural signals, marketing attribution and appographic and intent data, which are received in real time and accumulated over time, which increases our ability to predict a user's likely interests. The accuracy of the prediction and recommendation algorithms for our Consumer Platform improve with every advertisement we deliver, as the systems incorporate new data, while continuing to learn from previous data. In addition, our Consumer Platform enhances our customers' ad content with rich media experiences, including interactive videos, games and augmented reality. This paired with data-centric scientific targeting and retargeting enables a higher likelihood of consumer engagement, such as downloading an App or completing a transaction.

During the 12 months ended December 31, 2020, our Consumer Platform had approximately 2.2 billion connected devices reached, of which approximately 0.6 billion were in India and 1.6 billion were outside India. During the quarter ended December 31, 2020, our Consumer Platform processed over 900 billion data points, which power the prediction and recommendation algorithm for our Consumer Platform.

For the nine months periods ended December 31, 2020 and December 31, 2019 on a consolidated basis, our Consumer Platform converted 75.7 million users and 56.0 million users, respectively. For Fiscals 2020 and 2019 on a consolidated basis, our Consumer Platform converted 72.3 million users and 55.0 million users, respectively. For Fiscal 2018 on a standalone basis, our Consumer Platform converted 29.8 million users.

Our Consumer Platform benefits from broad access to mobile ad inventory through our relationships with publishers and data platforms. Our proprietary optimization algorithms enable us to buy media efficiently and at high scale, giving us the ability to drive high volumes of CPCU-led campaigns at efficient prices.

Our Consumer Platform is used by business to consumer ("**B2C**") companies, both directly and indirectly through their advertising agencies, across industry verticals, including businesses involved in the following industries: (1) e-commerce, edtech and entertainment; (2) fintech, FMCG and foodtech; (3) gaming, government and groceries; and (4) health-tech (collectively, the "**Category EFGH**" industries).

We also provide end-to-end solutions for enterprises to enhance their engagement with mobile users, such as developing Apps, enabling offline to online commerce for offline businesses with e-commerce aspirations and providing enterprise grade data analytics for online and offline companies (collectively, the "**Enterprise Platform**").

We have a robust intellectual property portfolio, with patents granted in the areas of digital advertising, and pending patents in the areas of vernacular, voice-based intelligence, data privacy and the detection and prevention of ad fraud.

Our solutions are sold through our sales and marketing team, which as at February 28, 2021 comprised 93 persons across 17 countries and through referrals from existing customers.

We have received numerous awards in the advertising technology space. Most recently, we were awarded Gold for 'Best Omni-Channel Campaign Management & Marketing Automation Games' at India Digital Awards 2021 and won Gold for 'Best Use of Technology' for Bobbi Brown in 2020, 'Best Use of Programmatic' for Meesho and one award for Meesho at ET BrandEquity India DigiPlus Awards 2020.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations and financial condition have been affected by a number of factors. The following factors were of particular importance.

Number of converted users

For the nine months periods ended December 31, 2020 and 2019 on a consolidated basis, we earned 98.3% and 97.1% of our revenue from contracts with customers from our Consumer Platform, respectively. For Fiscals 2020 and 2019 on a consolidated basis, we earned 97.2% and 97.0% of our revenue from contracts with customers from our Consumer Platform, respectively. For Fiscal 2018 on a standalone basis, we earned 91.9% of our revenue from operations from our Company's Consumer Platform. We primarily earn revenue from our Consumer Platform on a CPCU basis, which comprises user conversions based on consumer acquisition and transaction models. Therefore, the number of converted users we deliver in a period has a material effect on our revenue for that period. We also earn revenues from our Consumer Platform from awareness and engagement type advertising, which comprises CPM, CPV and CPC models.

The table below sets forth the number of our converted users, our revenue on a CPCU basis and such revenue as a percentage of revenue from contracts with customers for the nine months periods ended December 31, 2020 and 2019 on a consolidated basis.

Particulars	Converted users delivered for the nine months period ended December 31, 2020 (in millions)	Revenue on a CPCU basis for the nine months period ended December 31, 2020		Converted users delivered for the nine months period ended December 31, 2019 (in millions)	Revenue on a CPCU basis for the nine months period ended December 31, 2019	
		Amount (in ₹ millions)	***Percentage of revenue from contracts with customers (%)***		**Amount (in ₹ millions)**	***Percentage of revenue from contracts with customers (%)***
Our Consumer Platform	75.7	3,083.50	*82.2*	56.0	2,311.30	*91.1*

The table below sets forth the number of our converted users, our revenue on a CPCU basis and such revenue as a percentage of revenue from contracts with customers for Fiscals 2020 and 2019 on a consolidated basis.

Particulars	Converted users delivered for Fiscal 2020 (in millions)	Revenue on a CPCU basis for Fiscal 2020		Converted users delivered for Fiscal 2019 (in millions)	Revenue on a CPCU basis for Fiscal 2019	
		Amount (in ₹ millions)	***Percentage of revenue from contracts with customers (%)***		**Amount (in ₹ millions)**	***Percentage of revenue from contracts with customers (%)***
Our Consumer Platform	72.3	2,965.21	*88.8*	55.0	2,219.6	*89.0*

The table below sets forth the number of our Company's converted users, our Company's revenue on a CPCU basis and such revenue as a percentage of revenue from operations for Fiscal 2018 on a standalone basis.

Particulars	Converted users delivered for Fiscal 2018 (in millions)	Revenue on a CPCU basis for Fiscal 2018	
		Amount (in ₹ millions)	***% of revenue from operations***
Our Company's Consumer Platform	29.8	723.15	*86.3*

The number of converted users our Consumer Platform delivers in the future will continue to have a material effect on our future results of operations.

Acquisitions of businesses / companies

Acquisition of Affle Global's business, intangible assets and all of the equity interests in the Indonesian Subsidiary

As part of a corporate restructuring exercise, our Company incorporated Affle International on April 1, 2018 and it acquired Affle Global's business, intangible assets and all of the equity interests in the Indonesian Subsidiary effective July 1, 2018 for USD 1.91 million (accounted for as ₹ 131.90 million in our accounting records). We paid USD 1.44 million of the purchase consideration in Fiscal 2019 (accounted for as ₹ 98.33 million in our accounting records), and USD 0.47 million of the purchase consideration in Fiscal 2020 (accounted for as ₹ 33.57 million in our accounting records). Affle Global was engaged in the same business, as our Company, outside India. The Indonesian Subsidiary is engaged in the same business, as our Company, in Indonesia. Affle Holdings, our corporate Promoter, owns 100.00% of the issued shares in Affle Global.

As our Company and Affle Global were under the common control of Affle Holdings, our corporate Promoter, as per the principles of Appendix C to Ind AS 103, our consolidated financial statements incorporate the financial information of the acquired business and assets from the beginning of the earliest financial period presented, i.e., April 1, 2018. As Affle International had not acquired any assets, except intangible assets and the 100.00% equity interest in the Indonesian Subsidiary as at July 1, 2018, the profit attributable to shareholders of Affle Global for the three months period ended June 30, 2018 of ₹ 59.94 million was deducted from our consolidated profit for Fiscal 2019 under retained earnings in the consolidated statement of changes in equity in the Fiscal 2019 Audited Consolidated Financial Statements.

Acquisition of the Vizury Business

With effect from September 1, 2018, (a) our Company acquired the retargeting media business for e-commerce companies and push notifications offerings business for e-commerce companies on an SaaS model (the "**Vizury Business**") of Vizury Interactive Solutions Private Limited ("**Vizury India**") in India, associated records, the brand name "Vizury", and other intellectual property rights and domain name credentials in India, by way of a slump sale on an "as-is-where-is" basis (the "**Vizury Business – India**") from Vizury India and (b) Affle International acquired the brand name "Vizury" and certain other intellectual property in connection with the Vizury Business in Dubai and Singapore (the "**Other Vizury Business Assets**" and together with the Vizury Business – India, the "**Vizury Business**") from Vizury Dubai and Vizury Singapore, both of which are affiliates of Vizury India. The consideration paid by our Company to acquire the Vizury Business – India was ₹ 85.07 million, comprising ₹ 106.44 million (equivalent to USD 1.50 million at the exchange rate of USD 1 = ₹ 70.96) minus profit after tax of the Vizury Business – India for the period May 15, 2018 to August 31, 2018 of ₹ 21.37 million (equivalent to USD 0.30 million at the exchange rate of USD 1 = ₹ 70.96). ₹ 53.22 million was paid during Fiscal 2019 and ₹ 31.85 million was paid in Fiscal 2020. The consideration paid by Affle International to acquire the Other Vizury Business Assets was USD 3.00 million (equivalent to ₹ 207.51 million at the exchange rate of USD 1 = ₹ 70.96), of which USD 1.75 million (equivalent to ₹ 121.04 million at the exchange rate of USD 1 = ₹ 70.96) was paid during Fiscal 2019 and USD 1.25 million (equivalent to ₹ 86.47 million at the exchange rate of USD 1 = ₹ 70.96) was paid in Fiscal 2020.

Acquisition of the Shoffr Business Undertaking

Abhishek Dadoo and Nagendra Hassan Dhanakeerthi (together, the "**Founders**"), Affle International and Shoffr Pte. Ltd. ("**Shoffr**") entered into a business transfer and non-compete agreement dated February 20, 2019 (the "**Shoffr BTA**"), as amended through the agreement dated May 18, 2019, pursuant to which, among other things, Affle International acquired the Shoffr Business (as defined below) as a going concern, including the brand name 'Shoffr' and all of the intellectual property rights, technical information, employees and assets of the Shoffr Business (collectively, the "**Shoffr Business Undertaking**"). As per the amendment to the Shoffr BTA, the closing date of the acquisition of the Shoffr Business Undertaking was May 18, 2019 (the "**Closing Date**"), but the effective date of the acquisition was February 19, 2019 (the "**Effective Date**"). As per the amendment to the Shoffr BTA, the parties acknowledged that none of Shoffr's business relationships, including, but not limited to, customers and suppliers, had been transferred to Affle International at the Closing Date and all parties agreed to put their best efforts to get new agreements with Shoffr's then existing business relationships signed between Affle International and such entities. In the interim period from the Effective Date until the date of execution of new agreements for business relationships, all contracts will be billed by Shoffr to the benefit of Affle International, on a back-to-back basis. As per the Shoffr BTA, Shoffr has a consumer platform business and enterprise platform business to drive sales of its clients' products and services from online marketing to offline conversion, including customer relation management, catalogue management and order management, via enablement of programmatic, personalization and data science (the "**Shoffr Business**"). In addition, the Shoffr BTA sets forth certain non-compete agreements by Shoffr and the Founders. The total consideration payable by Affle International for the transaction is US$550,000. Affle International paid US$450,000 (recorded in our books as ₹ 33.96 million) to Shoffr in Fiscal 2020 and the remaining US$100,000 was due on February 19, 2022. However, the remaining US$100,000 (recorded in our books as a shareholder liability of ₹ 7.50 million) was waived off by the shareholders through a mutual settlement with Affle International owing to negotiations and exit of one of the shareholders. As the deferred consideration was not contingent upon any future event and that there was no conditions existing on the date of acquisition which substantiates that this consideration will not be payable as on the respective due date or as at the year ended March 31, 2020, it was recorded as other income in the financial statements for Fiscal 2020. As we acquired the Shoffr Business Undertaking on May 18, 2019, effective February 19, 2019, the financial information of the Shoffr Business Undertaking for the period from February 19, 2019 to March 31, 2019 were not required to be reflected and were not reflected in the Fiscal 2019 Audited Consolidated Financial Statements. We have renamed the Shoffr Business as "Vizury In-Store".

Acquisition of the RevX Business Undertaking

With effect from April 1, 2019, Affle International acquired from RevX Inc., a Delaware corporation, its business of developing and operating a mobile marketing platform designed to drive performance and brand experience through programmatic, personalisation, data science in mobile marketing platforms, such as mobile-based applications (the "**RevX Business**"), including its intellectual property, records, movable assets, goodwill, transferred contracts, and assumed liabilities (collectively, the "**RevX Business Undertaking**"), by way of a slump sale on an "as-is-where-is" basis, for total consideration of USD 4.50 million (equivalent to ₹ 339.24 million).

Acquisition of Mediasmart Mobile S.L.

With effect from January 22, 2020, Affle International acquired 100.00% control of Mediasmart Mobile S.L. ("**Mediasmart**"), for consideration of ₹ 373.94 million. Affle International completed the necessary closing conditions for the acquisition of 94.78% of the shares in Mediasmart on March 5, 2020 and completed the necessary closing conditions for the acquisition of the remaining 5.22% of the shares in Mediasmart on March 18, 2021. Also, Affle MEA FZ-LLC, Dubai ("**Affle MEA**"), a step-down subsidiary of our Company, entered into an asset purchase agreement dated February 27, 2020 to acquire all the technology IP assets of Mediasmart for ₹ 27.11 million. Therefore, the total purchase consideration to acquire 100.00% control of Mediasmart was ₹ 401.05 million. Affle International had obtained control by virtue of a legally enforceable memorandum of understanding entered between Affle International and the shareholders of Mediasmart dated January 22, 2020. However, as per Ind AS 110, the consolidation has been effective since January 1, 2020, being the start of the month and quarter, as the date of the acquisition. We acquired Mediasmart so as to continue the expansion of our Consumer Platform and omni-channel platform.

Acquisition of control of 95.00% of the equity interests in Appnext Pte. Ltd. and 100.00% of the technology IP assets of Appnext Limited

On June 8, 2020, Affle International entered into a share purchase agreement to acquire all of the voting shares in Appnext Pte. Ltd. ("**Appnext Singapore**"), which represented 66.67% of the equity interests in Appnext Singapore, and an option to acquire another 28.33% of the equity interests in Appnext Singapore, which equity interests are non-voting shares, within three years from the closing date of the share purchase agreement (i.e., June 30, 2020). Also, effective June 8, 2020, Affle MEA entered into an intellectual property purchase agreement to acquire 100.00% of the technology IP assets of Appnext Limited ("**Appnext BVI**"). On June 30, 2020, Affle International completed the necessary closing conditions for the acquisition of 66.67% of the equity interests in Appnext Singapore and Affle MEA completed the necessary closing conditions for the acquisition of 100.00% of the technology assets of Appnext BVI. The total consideration for the purchase of 66.67% of the equity interests in Appnext Singapore and the purchase of 100.00% of Appnext BVI's technology IP assets is USD 17.25 million, payable over a period of one year from the closing date of the share purchase agreement (i.e., June 30, 2020). As at December 30, 2020, we had paid USD 13.75 million of the total consideration (reflected in our accounting records as ₹ 1,004.49 million). The total consideration payable to purchase another 28.33% of the equity interests in Appnext Singapore pursuant the option is USD 8.25 million. For the purposes of preparation of the consolidation financial statements, as we have the right to acquire an additional 28.33% of the equity interests in Appnext Singapore, we are deemed to control 95.00% of Appnext Singapore and 5.00% is considered a non-controlling interest.

Acquisition post December 31, 2020

With effect from January 1, 2021, Affle MEA acquired the business assets of Discover Tech Limited. The total consideration is USD 4.52 million, including a maximum success fee (incremental contingent consideration) of USD 3.37 million to be paid over a maximum period of four years. On February 17, 2021, Affle MEA completed the necessary closing conditions for acquisition of the business assets of Discover Tech Limited.

One of our strategies is to continue to selectively pursue strategic acquisitions. For details, see "*Our Business - Strategies - Continue to selectively pursue acquisitions*" on page 162.

Expansion of our international business

The acquisitions described above and our organic expansion into new international markets has enabled us to increase our revenue from contracts with customers outside India. Our primary international markets are South East Asia, Middle East & Africa and Latin America. Our other key international markets are North America, Europe, Japan, Korea and Australia. For the 12 months ended December 31, 2020, we had approximately 2.2 billion connected devices reached, of which 1.6 billion connected devices reached were outside India.

For the nine months periods ended December 31, 2020 and 2019 on a consolidated basis, our revenue from contracts with customers outside India was ₹ 1,948.65 million and ₹ 1,266.19 million, respectively, which was 51.9% and 49.9%, respectively, of our revenue from contracts with customers. For Fiscals 2020 and 2019 on a consolidated basis, our revenue from contracts with customers outside India was ₹ 1,761,60 million and ₹ 1,405.42 million, respectively, which was 52.8% and 56.4%, respectively, of our revenue from contracts with customers. For Fiscal 2018 on a standalone basis, our sales to customers outside India (comprising sales to external customers in Singapore and sales to external customers others) was ₹ 67.34 million, which was 8.0% of our revenue from operations (renamed as "revenue from contracts with customers" in Fiscal 2019).

Inventory and data costs

We pay for inventory (and the associated data) regardless of whether or not the user performs the necessary action or actions for us to earn revenue (e.g., downloading an application or purchasing a good or service). We utilise user-intent indicators derived from behavioural signals, marketing attribution and transactional data, which are cumulative and received in real time, which improves our ability to predict and tailor our recommendations and other services to users' interests. The accuracy of the prediction and recommendation algorithm used by our Consumer Platform improves with every advertisement we deliver as the algorithm processes increasingly more comprehensive, informative sets of data.

For the nine months periods ended December 31, 2020 and 2019, on a consolidated basis, our inventory and data costs represented 58.7% and 59.4% of the revenue from contracts with customers from our Consumer Platform, respectively. For Fiscals 2020 and 2019 on a consolidated basis, our inventory and data costs represented 59.2% and 55.4% of the revenue from contracts with customers from our Consumer Platform, respectively. For Fiscal 2018 on a standalone basis, our Company's inventory and data costs represented 55.1% of the revenue from operations (renamed as "revenue from contracts with customers" in Fiscal 2019) from our Consumer Platform, respectively.

Asset-light and scalable business

Our business is asset-light and scalable, as shown by the fact that the total of our Company's employee benefits expense, depreciation and amortisation expense and other expenses as percentages of our Company's revenue from operations was 33.2% for Fiscal 2018 on a standalone basis, whereas the total of our employee benefits expense, depreciation and amortisation expense and other expenses as percentages of our revenue from contracts with customers for the nine months periods ended December 31, 2020 and December 31, 2019 on a consolidated basis was 20.8% and 19.0%, respectively, and for Fiscals 2020 and 2019 on a consolidated basis 20.1% and 22.1%, respectively.

The table below shows our employee benefits expense, depreciation and amortisation expense and other expenses for the nine months periods ended December 31, 2020 and 2019 as percentages of our revenue from contracts with customers on a consolidated basis.

Particulars	**For the nine months period ended December 31, 2020**		**For the nine months period ended December 31, 2019**	
	Amount (in ₹ millions)	***Percentage of revenue from contracts with customers (%)***	**Amount (in ₹ millions)**	***Percentage of revenue from contracts with customers***
Employee benefits expense	376.00	*10.0*	208.50	*8.2*
Depreciation and amortisation expense	144.64	*3.9*	85.13	*3.4*
Other expenses	259.04	*6.9*	189.55	*7.5*
Total	**779.68**	***20.8***	**483.18**	***19.0***

The table below shows our employee benefits expense, depreciation and amortisation expense and other expenses for Fiscals 2020 and 2019 and as percentages of our revenue from contracts with customers on a consolidated basis.

Particulars	**Fiscal 2020**		**Fiscal 2019**	
	Amount (in ₹ millions)	***Percentage of revenue from contracts with customers (%)***	**Amount (in ₹ millions)**	***Percentage of revenue from contracts with customers (%)***
Employee benefits expense	272.93	*8.2*	212.27	*8.5*
Depreciation and amortisation expense	133.31	*4.0*	100.95	*4.0*
Other expenses	264.60	*7.9*	237.45	*9.5*
Total	**670.84**	***20.1***	**550.67**	***22.1***

The table below shows our Company's employee benefits expense, depreciation and amortisation expense and other expenses for Fiscal 2018 and as percentages of our Company's revenue from operations on a standalone basis.

Particulars	**Fiscal 2018**	
	Amount (in ₹ millions)	***Percentage of revenue from operations[(1)] (%)***
Employee benefits expense	159.52	*19.0*
Depreciation and amortisation expense	32.13	*3.8*
Other expenses	86.12	*10.3*
Total	**277.77**	***33.2***

Note:

1. *Renamed as "revenue from contracts with customers" in Fiscal 2019.*

Growth of the digital advertising market in India

India is our key market. For the nine months periods ended December 31, 2020 and 2019 and Fiscals 2020 and 2019 on a consolidated basis, 48.1%, 50.1%, 47.2% and 43.6% of our revenue from contracts with customers, respectively, was from India. For Fiscal 2018 on a standalone basis, 92.0% of our Company's revenue from operations (renamed as "revenue from contracts with customers" in Fiscal 2019), was from India.

According to Frost & Sullivan, we are a leading advertisement technology solution provider in India. We provide services across the value chain in digital advertising, spanning the areas of DMP, DSP/SSP, fraud detection and advertisement network. We are one of the very few companies that have products spanning the entire value chain. While some companies are more focused on buy-side platforms, some others are focused on the publisher side. (*Source: Frost & Sullivan Report*) The digital advertisement market in India is fast growing, with a market size of USD 2.16 billion in 2020 and will likely grow at a CAGR of 30.74% to USD 8.25 billion by 2025 (*Source: Frost & Sullivan Report*).

Expenditure on technology development

The table below shows the amount we spent on additions to and acquisition of software application development for the nine months periods ended December 31, 2020 and 2019 on a consolidated basis.

Particulars	**For the nine months period ended December 31, 2020**		**For the nine months period ended December 31, 2019**	
	Amount (in ₹ millions)	***Percentage of revenue from contracts with customers (%)***	**Amount (in ₹ millions)**	***Percentage of revenue from contracts with customers (%)***
Additions to software application development	66.37	*1.8*	216.92	8.5
Acquisition of software application development	58.44	*1.6*	51.01	2.0

The table below shows the amount we spent on additions to and acquisition of software application development for Fiscals 2020 and 2019 on a consolidated basis.

Particulars	**Fiscal 2020**		**Fiscal 2019**	
	Amount (in ₹ millions)	***Percentage of revenue from contracts with customers (%)***	**Amount (in ₹ millions)**	***Percentage of revenue from contracts with customers (%)***
Additions to software application development	226.80	*6.8*	90.49	*3.6*
Acquisition of software application development	78.11	*2.3*	26.53	*1.1*

The table below shows the amount our Company spent on additions to mobile application (renamed as "software application" in Fiscal 2019) for Fiscal 2018 on a standalone basis.

Particulars	Fiscal 2018	
	Amount (in ₹ millions)	***Percentage of revenue from operations(1) (%)***
Additions to mobile application	37.92	*4.5*

Note:
1. *Renamed as "revenue from contracts with customers" in Fiscal 2019.*

We intend to continue devoting substantial resources on our development efforts. As at February 28, 2021, we had a workforce of 383 with 153 of them working on development. We plan to continue to invest more on development of: artificial intelligence, machine learning and deep learning in identifying and classifying our connected devices reach; a combination of data science and artificial intelligence, machine learning and deep learning in identifying fraud; moving to cloud agnostic platforms to enable multi-cloud deployments; and using database pools that utilise multiple best of breed database technologies to distribute the data load, reduce costs and in some cases increase the speed of processing.

We earn more revenue in the third quarter of each fiscal year due to the festive season

Our business earns relatively more revenue in the third quarter of each fiscal year, as compared to the other quarters, as Diwali, Christmas and Black Friday occur in this period and e-commerce companies increase their digital advertisement spending in that period.

Effects of COVID-19

The outbreak of COVID-19, which emerged in late 2019, was declared a global pandemic on March 11, 2020 by the World Health Organization. The COVID-19 pandemic has impacted, and will likely continue to impact most countries, including India, and has resulted in substantial volatility in global financial markets, increased unemployment and operational challenge, such as the temporary closures of businesses, sheltering-in-place directives and increased remote work protocol, which have significantly slowed down economic activity. The Government of India initiated a nationwide lockdown from March 25, 2020 for three weeks on all services except for essential services, which was extended to May 31, 2020. Although the nationwide lockdown was lifted on June 1, 2020, restrictions on non-essential activities and travel were imposed until August 31, 2020 in multiple states across specific districts that were witnessing increases in COVID-19 cases. On September 1, 2020, the Government notified all states to allow economic activities to function normally, while continuing with restrictions only in containment zones. Due to lockdown restrictions on e-commerce and online delivery in India, our business in India was adversely affected for two months (April and May 2020).

Our business outside India continued to thrive, as the lockdowns in most other countries were not as strict as in India and our customers (both outside India and in India) are in COVID-19 resilient industries/ categories. For more details on these COVID-19 resilient industries, see "*Our Business - Strategies - Continue to pursue strategy of vernacular, verticalisation, voice and video*" on page 160. As a result, our total revenue from contracts with customers on a consolidated basis increased by 47.9% to ₹ 3,752.09 million for the nine months period ended December 31, 2020 from ₹ 2,537.60 million for the nine months period ended December 31, 2019 and our profit for the period increased by 52.2% to ₹ 764.31 million for the nine months period ended December 31, 2020 from ₹ 502.28 million for the nine months period ended December 31, 2019.

We have also considered the possible effects that may result from COVID-19 on the carrying amount of our assets. In developing the assumptions relating to the possible future uncertainties in the global conditions because of COVID-19, we have used variable information, as available. Further, we have performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of our assets will be recovered.

For more information on the effects of COVID-19 on our business, see "*Our Business – Recent Developments – Effects of COVID-19*" on page 177.

While our business has shown to be resilient in the face of the pandemic, we cannot predict whether such resiliency will continue. Changes to government restrictions in connection with COVID-19 or new strains of COVID-19 could adversely affect our business, results of operations, cash flows and financial condition.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Set forth below is a summary of our significant accounting policies for the December 2020 Special Purpose Interim Condensed Consolidated Financial Statements and the Fiscal 2020 Audited Consolidated Financial Statements. The same significant accounting policies were used for the December 2019 Special Purpose Interim Condensed Consolidated Financial Statements, the Fiscal 2019 Audited Consolidated Financial Statements and the 2018 Audited Standalone Financial Statements, except as noted below in "*-Changes in Significant Accounting Policies*" on page 103. In addition, as the 2018 Audited Standalone Financial Statements are on a standalone basis, the summary significant accounting policies with respect to consolidation is inapplicable to the 2018 Audited Standalone Financial Statements.

i) Basis of preparation of financial statements

The consolidated financial statements of the Group have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value as required under relevant Ind AS.

The consolidated financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest millions up to two decimals, except when otherwise stated. Amounts less than INR 1 million has been shown as "0".

The consolidated financial statements provide comparative information in respect of the previous year.

ii) Basis of consolidation

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 Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

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 Company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(i) 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.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(iii) 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 Company'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) 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

iii) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

a) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

b) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

c) Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

d) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets

Held for Sale and Discontinued Operations are measured in accordance with that standard.

e) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss.

Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

iv) Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party both before and after the business combination, and that control is not transitory.

The Group accounts for its business combination under common control using pooling of interest method of accounting as per Appendix C of Ind AS 103. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the definition for recognition are recognized at their carrying amount at the acquisition date. Transferor's reserves are preserved and are appeared in the financial statements of the transferee in the same form in which they appear in the financial statements of the transferor. Acquisition date is the beginning of the preceding period in case the common control is established prior to such date. However, if business combination had occurred after such date, the acquisition date is considered only from that date.

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the year in which it is incurred.

v) Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- 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 current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

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

vi) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and other directly attributable cost incurred in bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent costs are capitalized on the carrying amount or recognized as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss on the date of disposal or retirement.

vii) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a pro-rata basis from the date on which the asset is ready to use, using written down value method ("**WDV**") over the useful lives of the assets estimated by the management, which are in line with the useful lives prescribed under Schedule II to the Companies Act, 2013.

The Group has used the following rates to provide depreciation on its property, plant and equipment:

Asset Category	Useful lives estimated by management
Computers	3 years
Office equipments	5 years
Furniture and fixtures	10 years
Motor vehicles	8 years

The residual value of these assets has been considered at 5% of original cost to the Group.

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.

viii) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization. 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.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. 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 is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset

- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight-line basis over the period of expected future benefit from the related project. Amortization is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

A summary of amortization periods applied to the Group's intangible assets is as below:

Asset Category	**Useful lives estimated by management**
Computer software	5 years
Software application development	4 years
Non-Compete fee	4 years
Trademark	5 years

ix) Borrowing costs

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 asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

x) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. 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 consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the period of the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in clause (xi) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The effective interest rate for the lease liabilities of the Group ranges from

2% to 11% per annum. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in financial liabilities.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of rent on property and on rent of computer equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also recognizes leases with original lease term of more than 12 months from the commencement date and do not contain any non-cancellable period/lock-in period. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

xi) 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. 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 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 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. 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 Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, 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.

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.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

xii) 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

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income , and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("**SPPI**")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized 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 amortized cost

A 'debt instrument' is measured at the amortized 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.

This category is most applicable to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ("**EIR**") method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument 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 & reversals and foreign exchange gain or loss in the statement of profit and loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss (P&L).

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 considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Equity Instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value. All changes in fair value including dividend are recognized in the statement of profit and loss.

Derecognition

A financial asset is de-recognized only when

- The rights to receive cash flows from the asset have expired, or

- 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 recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes 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.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant accounting judgements, estimates and assumptions.
- Trade receivables and contract assets.

In accordance with Ind AS 109, the Group applies the 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 amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and contract asset. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes 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 expected credit loss (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 recognizing 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.

- 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

The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. For the financial assets measured as at amortized cost, 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.

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 or payables, as appropriate.

All financial liabilities are recognized 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 borrowings, trade and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (borrowings):

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 are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities at amortized cost (Borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

De-recognition

A financial liability is de-recognized 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 recognized in the statement of profit and 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

xiii) Fair value measurement

The Group measures financial instruments 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:

- In the principal market for the asset or liability, or
- 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 economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements 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.

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

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value hierarchy
- Investment in unquoted equity investments
- Statement of fair values containing financial instruments (including those carried at amortized cost)

xiv) Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. 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 the government.

The specific recognition criteria discussed below must also be met before revenue is recognized:

Consumer platform

Revenue from rendering of advertisement services is recognized on accrual basis as and when services are rendered based on the terms of the contract. The Group collects taxes on behalf of governments and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue. In respect of consumer platform, the revenue is recognised as and when the advertisements are delivered by the Group.

Enterprise platform

Revenue from software development comprises income from time & material and fixed price contracts. Revenue with respect to time & material contracts is recognized when the related services are performed. Revenue from fixed price contracts is recognized in accordance with the proportionate completion method which is determined by reference to the milestone achieved as per the terms of the contract. The Group collects taxes on behalf of governments and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue. In respect of enterprise platform, the revenue is recognised over the period of time based on the projects completed by the Group.

Other Operating Revenue

Other operating revenue is derived from the allocation of salary and operational cost charged to the associated entity for the work performed. The transaction is at arm's length which is on usual commercial terms. The amount charged includes cost plus margin based on the transfer pricing study carried at the year end. The revenue is recognized on accrual basis.

Contract balances

- **Contract assets -** A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in clause (xii) Financial instruments – initial recognition and subsequent measurement.

- **Trade receivables -** A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in clause xii) Financial instruments – initial recognition and subsequent measurement.

- **Contract liabilities-** A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Interest

For all debt instruments 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 gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, 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.

xv) Foreign currencies

The Group's consolidated financial statements are presented in Indian Rupees (INR) which is also the Parent's functional currency. Each entity of the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses a quarterly average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

xvi) 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 an expenditure in the statement of profit and loss, when an employee renders the related service.

The Group operates an unfunded defined benefit gratuity plan for its employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end, using the projected unit credit method and charged to statement of profit and loss. Remeasurements, comprising of actuarial gains and losses, are recognized 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.

Past service costs are recognised in the statement of profit and 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 recognizes 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

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.

xvii) Taxes

Income tax expense comprises current income tax and deferred tax.

Current income tax

Current income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities in accordance. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

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

Deferred tax

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

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

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

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

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

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

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are 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 utilized. The unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

The Group offsets deferred tax assets and deferred tax 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 taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Minimum Alternate Tax

Minimum Alternate Tax ("MAT") credit is recognized as deferred asset only when it is probable that taxable profit will be available against which the credit can be utilized. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss account. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is no longer probable that the Group will pay normal income tax during the specified period.

xviii) 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, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

- For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

xix) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortization recognised in accordance with the requirements for revenue recognition.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

xx) 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

xxi) Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

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

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service 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.

No expense is recognized for awards that do not ultimately vest because service conditions have not been met.

xxii) Earnings per share

Basic earnings per share ("**EPS**") are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity holders of the Group (after adjusting the corresponding income/charge for dilutive potential equity shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

xxiii) Segment reporting

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("**CODM**"). Only those business activities are identified as operating segment for which the operating results are regularly reviewed by the CODM to make decisions about resource allocation and performance measurement.

Inter-segment transfers

The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general income and expense items which are not allocated to any business segment.

Segment accounting 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.

Changes in Significant Accounting Policies

Ind AS 115 Revenue from Contracts with Customers effective on or after April 1, 2018

Our Company applied Ind AS 115 Revenue from Contracts with Customers for the first time in the Audited Consolidated Financial Statements for Fiscal 2019. The standard replaced the previous revenue recognition guidance. Prior to the adoption of Ind AS 115, the following accounting policy was followed by our Company for revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefit 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 the government. The specific recognition criteria discussed below must also be met before revenue is recognised:

Advertisement: Revenue from rendering of advertisement services is recognized on accrual basis as and when services are rendered based on the terms of contracts. The Company collects taxes on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Software development: Revenue from software development comprises income from time & material and fixed price contracts. Revenue with respect to time & material contracts is recognized when the related services are performed. Revenue from fixed price contracts is recognized in accordance with the proportionate completion method which is determined by reference to the milestone achieved as per the terms of the contract. The Company collects taxes on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Interest: For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate. The effective interest rate 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 gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, 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 finance income in the statement of profit and loss.

Ind AS 116 Leases amendment rules effective on or after April 1, 2019

Our Company applied Ind AS 116 Leases for the first time in the Audited Consolidated Financial Statements for Fiscal 2020. Ind AS superseded Ind AS 17 Leases, including its Appendix A: Operating Leases - Incentives, Appendix B: Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C: Determining whether an Arrangement Contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Our Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application being April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Our Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019. Instead, our Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Upon the adoption of Ind AS 116, our Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by our Company.

Our Company also applied the available practical expedients wherein it: (i) used a single discount rate to a portfolio of leases with reasonably similar characteristics; (ii) relied on its assessment of whether leases are onerous immediately before the date of initial application; applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application; (iii) excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and (iv) used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at April 1, 2019, for all lease contracts existing on April 1, 2019, there is no impact to be adjusted with retained earnings. The adoption of the standard resulted in recognition of right-of-use asset of ₹ 36.54 million and lease liabilities of ₹ 37.17 million as at March 31, 2020 in the consolidated balance sheet. The resulting impact in the statement of profit and loss was an increase of ₹ 8.98 million for the year ended March 31, 2020 in depreciation for the right-of-use assets, ₹ 1.32 million for the year ended March 31, 2020 in finance costs on lease liabilities and a decrease in lease rent cost of ₹ 9.74 million for the year ended March 31, 2020.

Prior to adoption of Ind AS 116, the following accounting policy was followed by our Company for leases: the determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. 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 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Where the Company is the lessee: 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 and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

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.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised 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.

RESULTS OF OPERATIONS

The following table sets forth a summary of our special purpose interim condensed consolidated statement of profit and loss for the nine months periods ended December 31, 2020 and 2019, derived from the December 2020 Special Purpose Interim Condensed Consolidated Financial Statements and the December 2019 Special Purpose Interim Condensed Consolidated Financial Statements, respectively, expressed in absolute terms and as a percentage of our total revenue.

Particulars	**For the nine months period ended December 31, 2020**		**For the nine months period ended December 31, 2019**	
	Amount (in ₹ millions)	***Percentage of total revenue (%)***	**Amount (in ₹ millions)**	***Percentage of total revenue (%)***
Revenue:				
Revenue from contracts with customers	3,752.09	*98.6*	2,537.60	*99.0*
Other income	55.15	*1.4*	26.74	*1.0*
Total revenue	**3,807.24**	***100.0***	**2,564.34**	***100.0***
Expenses:				

Particulars	For the nine months period ended December 31, 2020		For the nine months period ended December 31, 2019	
	Amount (in ₹ millions)	***Percentage of total revenue (%)***	**Amount (in ₹ millions)**	***Percentage of total revenue (%)***
Inventory and data costs	2,164.54	*56.9*	1,462.20	*57.0*
Employee benefits expenses	376.00	*9.9*	208.50	*8.1*
Finance costs	23.52	*0.6*	8.22	*0.3*
Depreciation and amortisation expense	144.64	*3.8*	85.13	*3.3*
Other expenses	259.04	*6.8*	189.55	*7.4*
Total expenses	**2,967.74**	***77.9***	**1,953.60**	***76.2***
Profit before tax	**839.50**	***22.1***	**610.74**	***23.8***
Tax expense:				
Current tax	77.19	*2.0*	110.44	*4.3*
Deferred tax credit	(2.00)	*(0.1)*	(1.98)	*(0.1)*
Total tax expense	**75.19**	***2.0***	**108.46**	***4.2***
Profit for the period	**764.31**	***20.1***	**502.28**	***19.6***
Other comprehensive income:				
Items that will be reclassified to profit or loss in subsequent years:				
Exchange differences on translating the financial statements of a foreign operation	(55.15)	*(1.4)*	7.62	*0.3*
	(55.15)	***(1.4)***	**7.62**	***0.3***
Items that will not be reclassified to profit or loss in subsequent years:				
Re-measurement losses on defined benefit plans	(1.23)	*(0.0)*	(0.42)	*(0.0)*
Income tax effect	0.31	*0.0*	0.10	*0.0*
	(0.92)	***(0.0)***	**(0.32)**	***(0.0)***
Other comprehensive (loss) / income net of tax	**(56.07)**	***(1.5)***	**7.30**	***0.3***
Total comprehensive income for the period	**708.24**	***18.6***	**509.58**	***19.9***
Profit for the period				
Attributable to:				
Equity holders of the parent	762.94	*20.0*	502.28	*19.6*
Non-controlling interests	1.37	*0.0*	-	-
Total comprehensive income for the period attributable to:				
- Equity holders of the parent	706.87	*18.6*	509.58	*19.9*
- Non-controlling interests	1.37	*0.0*	-	-

The following table sets forth a summary of our audited consolidated statement of profit and loss for Fiscals 2020 and 2019, derived from the Fiscal 2020 Audited Consolidated Financial Statements and the Fiscal 2019 Audited Consolidated Financial Statements, respectively. expressed in absolute terms and as a percentage of our total revenue.

Particulars	Fiscal 2020		Fiscal 2019	
	Amount (in ₹ millions)	***Percentage of total revenue (%)***	**Amount (in ₹ millions)**	***Percentage of total revenue (%)***
Revenue:				
Revenue from contracts with customers	3,337.83	*98.2*	2,493.96	*99.8*
Other income	60.88	*1.8*	3.95	*0.2*
Total revenue	**3,398.71**	***100.0***	**2,497.91**	***100.0***
Expenses:				
Inventory and data costs	1,921.40	*56.5*	1,341.13	*53.7*
Employee benefits expense	272.93	*8.0*	212.27	*8.5*
Finance costs	14.22	*0.4*	8.11	*0.3*
Depreciation and amortisation expense	133.31	*3.9*	100.95	*4.0*
Other expenses	264.60	*7.8*	237.45	*9.5*
Total expenses	**2,606.46**	***76.7***	**1,899.91**	***76.1***
Profit before tax	**792.25**	***23.3***	**598.00**	***23.9***
Tax expense:				
Current tax	138.35(1)	*4.1*	102.12	*4.1*
Deferred tax (credit) / charge	(1.27)	*(0.0)*	7.67	*0.3*
Total tax expense	**137.08**	***4.0***	**109.79**	***4.4***
Profit for the year	**655.17**	***19.3***	**488.21**	***19.5***
Other comprehensive income:				
Items that will be reclassified to profit or loss in subsequent years:				
Exchange differences on translating the financial statements of foreign operation	53.57	*1.6*	(3.11)	*(0.1)*
	53.57	***1.6***	**(3.11)**	***(0.1)***
Items that will not be reclassified to profit or loss in subsequent years:				
Re-measurement gains / (losses) on defined benefit plans	1.55	*0.0*	(0.25)	*(0.0)*
Income tax (expense) / income	(0.39)	*(0.0)*	0.07	*0.0*
	1.16	*0.0*	**(0.18)**	*(0.0)*
Other comprehensive income / (loss) net of tax	**54.73**	***1.6***	**(3.29)**	***(0.1)***
Total comprehensive income for the year attributable to the equity holders of the parent	**709.90**	***20.9***	**484.92**	***19.4***

Note:
(1) Includes ₹ 1.48 million for an earlier year.

The following table sets forth a summary of our Company's audited statement of profit and loss for Fiscal 2018 on a standalone basis, derived from the Fiscal 2018 Audited Standalone Financial Statements expressed in absolute terms and as a percentage of our total revenue.

Particulars	Fiscal 2018	
	Amount (in ₹ millions)	***Percentage of total revenue (%)***
Revenue:		
Revenue from operations	837.56	*98.7*
Other income	11.22	*1.3*
Total revenue	**848.78**	***100.0***
Expenses:		
Inventory and data costs	424.27	*50.0*
Employee benefits expense	159.52	*18.8*
Finance costs	10.78	*1.3*
Depreciation and amortisation expense	32.13	*3.8*
Other expenses	86.12	*10.1*
Total expenses	**712.82**	***84.0***
Profit before tax	**135.96**	***16.0***
Tax expense:		
Current tax	46.20	*5.4*
Deferred tax charge	1.45	*0.2*
Profit for the year	**88.31**	***10.4***
Other Comprehensive Income:		
Items that will not be reclassified to Statement of profit and loss:		
Re-measurement gains / (losses) on defined benefit plans	(0.12)	*(0.0)*
Income tax effect	0.04	*0.0*
Other Comprehensive Income net of tax	**(0.08)**	***(0.0)***
Total comprehensive income for the year	**88.23**	***10.4***

Principal Components of the Statement of Profit and Loss

Our total revenue consists of revenue from contracts with customers and other income.

Revenue

<u>Revenue from Contracts with Customers</u>

Our revenue from contracts with customers comprises of revenue from our Consumer Platform and revenue from our Enterprise Platform. We primarily earn revenue from our Consumer Platform on a CPCU basis, which comprises user conversions based on consumer acquisition and transaction models. We also earn revenue from our Consumer Platform from awareness and engagement type advertising, which comprises CPM, CPV and CPC models. We primarily earn revenue in our Enterprise Platform by developing Apps for third parties.

Other Income

Our other income primarily comprises: (a) interest income on financial assets; (b) interest income from income tax refund; (c) income from bad debts recovered; (d) liabilities written back; and (e) miscellaneous income.

Expenses

Our total expenses comprises: (a) inventory and data costs; (b) employee benefits expense; (c) finance costs; (d) depreciation and amortisation expense; and (e) other expenses.

Inventory and Data Costs

Inventory and data costs are our costs of inventory and the associated data.

Employee Benefits Expenses

Employee benefits expenses comprise: (a) salaries, wages and bonus; (b) contribution to provident and other funds; (c) gratuity expense; (d) employee share-based payment expense; and (e) staff welfare expenses, less cost capitalised as intangible assets or intangible assets under development.

Finance Costs

Finance costs comprise: (a) interest on borrowings; (b) interest on lease liabilities; (c) interest on income tax; (d) bank charges; and (e) others.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses comprise: (a) depreciation of property, plant and equipment; (b) amortisation of intangible assets; and (c) depreciation on right-of-use-assets.

Other Expenses

Other expenses primarily comprise: (a) business promotion; (b) rent; (c) legal and professional fees; (d) impairment allowance of trade receivables and contract asset; (e) travelling and conveyance; (f) exchange differences (net), and (g) rates and taxes.

Nine Months Period Ended December 31, 2020 Compared with the Nine Months Period Ended December 31, 2019 (on a Consolidated Basis)

The financial tables and analysis as presented below are derived from the Special Purpose Interim Condensed Consolidated Financial Statements.

Significant Events

In June 2020, we acquired 95.00% control (66.67% of the equity interests) of Appnext Singapore and 100.00% of the technology IP assets of Appnext BVI. For more details, see "-*Significant Factors Affecting our Results of Operations and Financial Condition - Acquisitions of businesses / companies*" on page 80.

Total Revenue

Our total revenue increased by 48.5% to ₹ 3,807.24 million for the nine months period ended December 31, 2020 from ₹ 2,564.34 million for the nine months period ended December 31, 2019. The primary components of our total revenue for the nine months periods ended December 31, 2020 and 2019 are discussed below.

Revenue from Contracts with Customers

The table below sets forth our revenue from contracts with customers by type of service for the nine months periods ended December 31, 2020 and 2019 on a consolidated basis.

(in ₹ millions, except percentages)

Type of Service	For the nine months period ended December 31, 2020	For the nine months period ended December 31, 2019	Percentage increase/ (decrease) (%)
Consumer Platform	3,688.04	2,463.64	*49.7*
Enterprise Platform	64.05	73.96	*(13.4)*
Total revenue from contracts with customers	**3,752.09**	**2,537.60**	***47.9***

Our total revenue from contracts with customers increased by 47.9% to ₹ 3,752.09 million for the nine months period ended December 31, 2020 from ₹ 2,537.60 million for the nine months period ended December 31, 2019. The primary reason for this increase was the increase in our revenue from contracts with customers from our Consumer Platform, which is discussed below.

Consumer Platform

Our revenue from contracts with customers from our Consumer Platform increased by 49.7% to ₹ 3,688.04 million for the nine months period ended December 31, 2020 from ₹ 2,463.64 million for the nine months period ended December 31, 2019. The primary reasons for this increase are discussed below.

- our revenue from contracts with customers from our Consumer Platform on a CPCU basis increased by 33.4% to ₹ 3,083.50 million for the nine months period ended December 31, 2020 from ₹ 2,311.30 million for the nine months period ended December 31, 2019, which was due to a 35.1% increase in the number of converted users to 75.7 million for the nine months period ended December 31, 2020 from 56.0 million for the nine months period ended December 31, 2019 and our cost per converted user decreasing marginally to ₹ 40.7 for the nine months period ended December 31, 2020 from ₹ 41.2 for the nine months period ended December 31, 2019. The increase in CPCU revenue was primarily due to consistent growth in advertiser spends across key industry verticals across India and other emerging markets.

- our revenue from contracts with customers from our Consumer Platform on a non-CPCU basis increased 195.4% to ₹ 668.59 million for the nine months period ended December 31, 2020 from ₹ 226.30 million for the nine months period ended December 31, 2019, which was primarily driven by our Mediasmart business and growth in brand advertising.

Total Expenses

Our total expenses increased by 51.9% to ₹ 2,967.74 million for the nine months period ended December 31, 2020 from ₹ 1,953.60 million for the nine months period ended December 31, 2019. The primary components of our total expenses are discussed below.

Inventory and Data Costs

Our inventory and data costs increased by 48.0% to ₹ 2,164.54 million for the nine months period ended December 31, 2020 from ₹ 1,462.20 million for the nine months period ended December 31, 2019. Our inventory and data costs as a percentage of our revenue from contracts with customers from our Consumer Platform was 58.7% in nine months period ended December 31, 2020 and 59.4% in the nine months period ended December 31, 2019. One of our strategies is to strategically invest in inventory and data cost to reach the next billion shoppers on connected devices reached. For more details, see "*Our Business-Strategies-Enhance revenue from existing and new customers and strategically invest in inventory and data cost to reach the next billion shoppers on connected devices reached*" on page 161.

Employee Benefits Expense

Our employee benefits expense increased by 80.3% to ₹ 376.00 million for the nine months period ended December 31, 2020 from ₹ 208.50 million for the nine months period ended December 31, 2019. As a percentage of our revenue from contracts with customers, our employee benefits expense was 10.0% for the nine months period ended December 31, 2020 and 8.2% for the nine months period ended December 31, 2019. The primary reason for this increase was a 33.9% increase in the number of our workforce to 371 as at December 31, 2020 from 277 as at December 31, 2019, which was primarily due to acquisitions of our Appnext Business and our Mediasmart Business.

Depreciation and Amortisation Expense

The table below sets forth our depreciation and amortisation expense for the nine months periods ended December 31, 2020 and 2019 on a consolidated basis.

(in ₹ millions, except percentages)

Particulars	For the nine months period ended December 31, 2020	For the nine months period ended December 31, 2019	Percentage increase/ (decrease) (%)
Depreciation of property, plant and equipment	4.45	3.98	*11.8*
Amortisation of intangible assets	127.23	77.11	*65.0*
Depreciation on right of use assets	12.96	4.04	*220.8*
Total	**144.64**	**85.13**	***69.9***

Our depreciation and amortisation expense increased by 69.9% to ₹ 144.64 million for the nine months period ended December 31, 2020 from ₹ 85.13 million for the nine months period ended December 31, 2019, which was primarily due to the increase in amortisation of software application development, both developed by us and acquired as part of acquisitions done during the period.

Other Expenses

The table below sets forth certain details of our other expenses.

(in ₹ millions, except percentages)

Particulars	For the nine months period ended December 31, 2020	For the nine months period ended December 31, 2019	Percentage increase / (decrease) (%)
Other expenses	**259.04**	**189.55**	**36.7**
Of which:			
Business promotion	*67.92*	*45.23*	*50.2*
Legal and professional fees (including payment to statutory auditor)	*67.90*	*58.46*	*16.1*
Rates and taxes	*20.85*	*2.04*	*922.1*
Project development expenses	*14.54*	*6.03*	*141.1*
Rent	*4.55*	*16.28*	*(72.1)*
Travelling and conveyance	*0.77*	*16.82*	*(95.4)*

Our other expenses increased by 36.7% to ₹ 259.04 million for the nine months period ended December 31, 2020 from ₹ 189.55 million for the nine months period ended December 31, 2019. However, as a percentage of our revenue from contracts with customers, our other expenses decreased to 6.9% for the nine months period ended December 31, 2020 from 7.5% for the nine months period ended December 31, 2019. The overall increase in our other expenses was primarily due to a ₹ 22.69 million, or 50.2%. increase in business promotion expenses, which was in line with the percentage increase in our revenue from contracts with customers, and a ₹ 18.81 million increase in rates and taxes, which was primarily due to taxes borne by us on payments made to vendors outside India, which was partially offset by, among other things, and ₹ 11.73 million, or 72.1%, decrease in rent, which was primarily due to discounts/ concessions in respect of rent of our leased premises during COVID-19 pandemic, and a ₹ 16.05 million, or 95.4%, decrease in travelling and conveyance, which was due to the travel restrictions imposed as a result of the COVID-19 pandemic.

Tax Expense

Our total tax expense was ₹ 75.19 million for the nine months period ended December 31, 2020, which as a percentage of our profit before tax for the same period was 9.0%. This is in comparison to our total tax expense of ₹ 108.46 million for the nine months period ended December 31, 2019, which as a percentage of our profit before tax for the same period was 17.8%.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 52.2% to ₹ 764.31 million for the nine months period ended December 31, 2020 from ₹ 502.28 million for the nine months period ended December 31, 2019.

Other Comprehensive (Loss)/ Income Net of Tax

Our other comprehensive (loss)/income net of tax was ₹ (56.07) million for the nine months period ended December 31, 2020, which was primarily due to a loss of ₹ 55.15 million from the exchange differences on translating the financial statements of our foreign operations. In comparison, our other comprehensive income net of tax was ₹ 7.30 million for the nine months period ended December 31, 2019.

Total Comprehensive Income for the period attributable to the Equity Holders of the Parent (our Company)

As a result of the foregoing, our total comprehensive income for the period attributable to the equity holders of the parent (our Company) increased by 38.7% to ₹ 706.87 million for the nine months period ended December 31, 2020 from ₹ 509.58 million for the nine months period ended December 31, 2019.

Fiscal 2020 compared with Fiscal 2019 (on a consolidated basis)

The financial tables and analysis as presented below are derived from the Audited Consolidated Financial Statements.

Significant Events

We acquired the RevX Business with effect from April 1, 2019. We acquired 100.00% control of Mediasmart with effect from January 22, 2020. For more details, see "*-Significant Factors Affecting our Results of Operations and Financial Condition- Acquisitions of businesses / companies*" on page 80.

Total Revenue

Our total revenue increased by 36.1% to ₹ 3,398.71 million for Fiscal 2020 from ₹ 2,497.91 million for Fiscal 2019. The primary components of our total revenue for Fiscal 2020 and 2019 are discussed below.

Revenue from Contracts with Customers

The table below sets forth our revenue from contracts with customers by type of service for Fiscals 2020 and 2019 on a consolidated basis.

(in ₹ millions, except percentages)

Type of Service	Fiscal 2020	Fiscal 2019	Percentage increase / (decrease) (%)
Consumer Platform	3,245.57	2,419.43	34.1
Enterprise Platform	92.26	74.53	23.8
Total revenue from contracts with customers	**3,337.83**	**2,493.96**	**33.8**

Consumer Platform

Our revenue from contracts with customers from our Consumer Platform increased by 34.1% to ₹ 3,245.57 million for Fiscal 2020 from ₹ 2,419.43 million for Fiscal 2019. The primary reasons for this increase are discussed below:

- our revenue from contracts with customers from our Consumer Platform on a CPCU basis increased 33.6% to ₹ 2,965.21 million for Fiscal 2020 from ₹ 2,219.59 million for Fiscal 2019, which was due to an 31.5% increase in the number of converted users to 72.3 million for Fiscal 2020 from 55.0 million for Fiscal 2019 and our cost per converted user increased to ₹ 41.0 for Fiscal 2020 from ₹ 40.3 for Fiscal 2019. The increase in the number of converted users was primarily due to deeper penetration in emerging markets.

- our revenue from contracts with customers from our Consumer Platform on a non-CPCU basis increased 35.8% to ₹ 372.62 million for Fiscal 2020 from ₹ 274.37 million for Fiscal 2019, which increase was primarily due to driven by our Mediasmart business and growth in brand advertising.

Total Expenses

Fiscals 2020 and 2019 (on a consolidated basis)

Our total expenses increased by 37.2% to ₹ 2,606.46 million for Fiscal 2020 from ₹ 1,899.91 million for Fiscals 2019. As a percentage of our total revenue from contracts with customers, our total expenses increased to 78.1% for Fiscal 2020 from 76.2% for Fiscal 2019. The primary components of our total expenses are discussed below.

Inventory and Data Costs

Our inventory and data costs increased by 43.3% to ₹ 1,921.40 million for Fiscal 2020 from ₹ 1,341.13 million for Fiscal 2019. As a percentage of our revenue from contracts with customers from our Consumer Platform, our inventory and data costs increased to 59.2% for Fiscal 2020 from 55.4% for Fiscal 2019. One of our strategies is to strategically invest in inventory and data cost to reach the next billion shoppers on connected devices reached. For more details, see "*Our Business-Strategies-Enhance revenue from existing and new customers and strategically invest in inventory and data cost to reach the next billion shoppers on connected devices reached*" on page 161.

Employee Benefits Expense

Our employee benefits expense increased by 28.6% to ₹ 272.93 million for Fiscal 2020 from ₹ 212.27 million for Fiscal 2019. However, as a percentage of our revenue from contracts with customers, our employee benefits expense decreased to 8.2% for Fiscal 2020 from 8.5% for Fiscal 2019. The primary reason for the overall increase in the amount of our employee benefits expense was the increase in the number of employees by 27.2% to 295 as at March 31, 2020 from 232 as at March 31, 2019.

Cost capitalised as intangible assets or intangible assets under development increased to ₹ 204.34 million for Fiscal 2020 from ₹ 50.06 million for Fiscal 2019. We intend to continue devoting substantial resources on our development efforts. For more details, see "*Our Business-Strategies-Continue to invest in and develop our technological capabilities*" on page 161.

Depreciation and Amortisation Expense

The table below sets forth our depreciation and amortisation expense for Fiscals 2020 and 2019.

(in ₹ millions, except percentages)

Particulars	Fiscal 2020	Fiscal 2019	Percentage increase / (decrease) (%)
Depreciation of property, plant and equipment	6.39	4.39	45.6
Amortisation of intangible assets	117.94	96.56	22.1
Depreciation on right-of-use assets	8.98	-	N.C.
Total	**133.31**	**100.95**	**32.1**

Note: N.C. means not comparable.

Our depreciation and amortisation expense increased by 32.1% to ₹ 133.31 million for Fiscal 2020 from ₹ 100.95 million for Fiscal 2019. This increase was primarily due to the increase in the amortisation of software application development capitalised, both developed in-house and acquired as part of acquisitions undertaken during Fiscal 2020.

Other Expenses

The table below sets forth certain details of our other expenses for Fiscals 2020 and 2019.

(in ₹ millions, except percentages)

Particulars	Fiscal 2020	Fiscal 2019	Percentage increase / (decrease) (%)
Total Other Expenses	**264.60**	**237.45**	**11.4**
Of which:			
Rent	*20.34*	*22.59*	*(10.0)*
Rates and taxes	*12.04*	*0.55*	*2,089.1*
Legal and professional fees (including payment to statutory auditor)	*88.37*	*29.19*	*202.7*
Travelling and conveyance	*20.77*	*18.82*	*10.4*
Business promotion	*39.34*	*110.77*	*(64.5)*
Impairment allowance of trade receivables and contract asset	*21.52*	*10.56*	*103.8*

Our other expenses increased by 11.4% to ₹ 264.60 million for Fiscal 2020 from ₹ 237.45 million for Fiscal 2019. However, as a percentage of our revenue from contracts with customers, our other expenses decreased to 7.9% for Fiscal 2020 from 9.5% for Fiscal 2019. The primary reason for the overall increase in our other expenses was a ₹ 59.18 million, or 202.7%, increase in legal and professional fees (including payment to statutory auditor), which was primarily due to expenses incurred on acquisition of new businesses and subsidiaries, and a ₹ 11.49 million increase in rates and taxes, which was primarily due to taxes borne by us on payments made to vendors outside India, which was partially offset by, among others, a ₹ 71.43 million, or 64.5%, decrease in business promotion expenses, which was primarily due to the cancellation of trade shows and conventions that we usually attend each year, which were cancelled due to COVID-19. We expect our business promotion expenses to increase when we are able to attend trade shows and conventions in person again.

Tax Expense

Our total tax expense was ₹ 137.08 million for Fiscal 2020, which as a percentage of our profit before tax for the same year was 17.30%. This is in comparison to our total tax expense of ₹ 109.79 million for Fiscal 2019, which as a percentage of our profit before tax for the same year was 18.4%.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 34.2% to ₹ 655.17 million for Fiscal 2020 from ₹ 488.21 million for Fiscal 2019.

Other Comprehensive Income/ (Loss) Net of Tax

Our other comprehensive income net of tax was ₹ 54.73 million for Fiscal 2020, which was primarily due to a gain of ₹ 53.57 million from the exchange differences on translating the financial statements of foreign operations. In comparison, there was a other comprehensive loss net of tax of ₹ 3.29 million for Fiscal 2019.

Total Comprehensive Income for the year attributable to the Equity Holders of the Parent (our Company)

As a result of the foregoing, our total comprehensive income for the year attributable to the equity holders of the parent (our Company) increased by 46.4% to ₹ 709.90 million for Fiscal 2020 from ₹ 484.92 million for Fiscal 2019.

Fiscal 2018 (on a standalone basis)

The financial tables and analysis as presented below are derived from the Audited Standalone Financial Statements.

Total Revenue

Our total revenue was ₹ 848.78 million for Fiscal 2018. The primary components of our total revenue for Fiscal 2018 are discussed below.

Revenue from Operations

The table below sets forth our Company's revenue from operations by type of service for Fiscal 2018.

Type of Service	Fiscal 2018 (in ₹ millions)
Consumer Platform	769.40
Enterprise Platform	68.16
Total	**837.56**

Our Company's revenue from operations from our Consumer Platform was ₹ 769.40 million for Fiscal 2018, which represented 91.9% of our Company's revenue from operations for the fiscal year. Our Consumer Platform delivered over 29.8 million converted users in Fiscal 2018 in India.

Our Company's revenue from operations from our Enterprise Platform was ₹ 68.16 million for Fiscal 2018, which represented 8.1% of our company's revenue from operations for the fiscal year.

Total Expenses

Our Company's total expenses were ₹ 712.82 million for Fiscal 2018. The primary components of our Company's total expenses for Fiscal 2018 are discussed below.

Inventory and Data Costs

Our Company's inventory and data costs were ₹ 424.27 million for Fiscal 2018, which represented 55.1% of our Company's revenue from operations from our Consumer Platform.

Employee Benefits Expense

Our Company's employee benefit expense for Fiscal 2018 was ₹ 159.52 million. As a percentage of our Company's revenue from operations, our Company's employment benefit expense was 19.0% for Fiscal 2018.

Depreciation and Amortisation Expense

Our Company's depreciation and amortisation expense was ₹ 32.13 million for Fiscal 2018. The table below sets forth our Company's depreciation and amortisation expenses for Fiscal 2018.

Particulars	Fiscal 2018 (in ₹ millions)
Depreciation of property, plant and equipment	1.83
Amortisation of intangible assets	30.30
Total	**32.13**

Other Expenses

Our Company's other expenses for Fiscal 2018 were ₹ 86.12 million, which represented 10.3% of our Company's revenue from operations for Fiscal 2018. The table below sets forth certain details of our Company's other expenses for Fiscal 2018.

Particulars	Fiscal 2018 (in ₹ millions)
Total Other Expenses	**86.12**
Of which:	
Business promotion	*32.15*
Rent	*13.34*
Impairment allowance of trade receivables and unbilled	*11.22*
Travelling and conveyance	*9.33*
Software licence fee	*1.25*
Legal and professional fees including payment to statutory auditor)	*7.12*
Repair and maintenance – Others	*4.58*
Less: Cost capitalised as intangible assets or intangible assets under development	*(10.33)*

Business promotion expense contributed the largest share of our Company's other expenses as we continued to focus on marketing and business development initiatives during Fiscal 2018.

Tax Expense

Our Company's total tax expense which comprises current tax and deferred tax (credit)/ charge was ₹ 47.65 million for Fiscal 2018, which as a percentage of our Company's profit before tax for the same year was 35.0%.

Profit for the Year

As a result of the foregoing, our Company's profit for the year was ₹ 88.31 million for Fiscal 2018.

Other Comprehensive Income/ (Loss) Net of Tax

Our Company's other comprehensive loss net of tax was ₹ 0.08 million for Fiscal 2018.

Total Comprehensive Income

As a result of the foregoing, our Company's total comprehensive income for the year was ₹ 88.23 million for Fiscal

2018.

FINANCIAL CONDITION

Total Assets

The table below sets forth the principal components of our total assets as at December 31, 2020, March 31, 2020 and March 31, 2019 on a consolidated basis.

Particulars	As at December 31, 2020 (in ₹ millions)	As at March 31, 2020 (in ₹ millions)	As at March 31, 2019 (in ₹ millions)
Non-current assets:			
Property, plant and equipment	15.08	10.18	7.49
Right of use assets	23.66	36.54	-
Goodwill	2,791.80	1,106.73	325.29
Other intangible assets	462.23	474.25	240.20
Intangible assets under development	291.70	48.00	17.95
Financial assets:			
Investments	407.00	0.26	0.26
Loans	3.34	3.34	0.80
Income tax assets (net)	16.93	-	-
Deferred tax asset (net)	1.83	-	-
Total non-current assets	***4,013.57***	***1,679.30***	***591.99***
Current assets:			
Contract asset (net)	615.85	198.75	131.87
Financial Assets:			
Trade receivables	867.44	744.35	478.83
Cash and cash equivalent	504.19	695.90	206.08
Other bank balance other than cash and cash equivalent above	120.81	568.81	98.83
Loans	15.51	44.05	10.77
Other financial assets	192.81	10.40	29.03
Current tax asset (net)	-	-	11.58
Other current assets	84.88	58.70	23.68
Total Current assets	***2,401.49***	***2,320.96***	***990.67***
Total assets	**6,415.06**	**4,000.26**	**1,582.66**

Our goodwill increased from ₹ 325.29 million as at March 31, 2019 to ₹ 1,106.73 million as at March 31, 2020 primarily due to ₹ 764.28 million in goodwill added during the year on account of the acquisition of the RevX Business and the Shoffr Business, and purchase of 100.0% of the equity ownership in Mediasmart and further increased to ₹ 2,791.80 million as at December 31, 2020, primarily from our purchase of a 66.67% equity ownership interest in Appnext Singapore and 100% of the technology IP assets of Appnext BVI. The goodwill in case of the acquisition of equity ownership in Appnext Singapore is based on provisional purchase price allocation ("**PPA**") available with us. Our Company's management will use the services of an external expert to carry out a detailed PPA of the purchase consideration paid / payable to the shareholders of Appnext Singapore. Adjustment resulting from such PPA shall be carried out in our financial statements. Consequently, the values of assets and liabilities acquired, and the resultant goodwill could be materially different once the PPA valuation is completed. The forgoing is in line with the provisions of Ind AS 103 Business Combinations, which allows the initial accounting for a business combination to be completed within one year from the acquisition date.

Our other intangible assets, which primarily comprises software application development, increased from ₹ 240.20 million as at March 31, 2019 to ₹ 474.25 million as at March 31, 2020 primarily due to ₹ 226.80 million as continuous investment in software application development and ₹ 78.11 million on account of purchase of 100% of Mediasmart's technology IP assets and our RevX Business assets, which was partially offset by ₹ 117.94 million amortisation of other intangible assets during Fiscal 2020 and decreased slightly to ₹ 462.23 million as at December 31, 2020, primarily due to ₹ 127.23 million amortisation of other intangible assets, which was partially offset by the purchase of 100% of Appnext BVI's technology IP assets for ₹ 58.44 million and ₹ 66.37 million as continuous investment in software application development.

Our intangible assets under development, which comprise of software application development, increased from ₹ 17.95 million as at March 31, 2019 to ₹ 48.00 million as at March 31, 2020 and increased to ₹ 291.70 million as at December 31, 2020 primarily due to new modules still under development phase and not yet being deployed.

Our investments were ₹ 0.26 million as at March 31, 2019 and ₹ 0.26 million as at March 31, 2020 and increased to ₹ 407.00 million as at December 31, 2020 due to our acquisitions of an 8% equity interest in the form of Compulsory Convertible Preference Shares in each in OSlabs Pte. Ltd. and Talent Unlimited Online Services Private Limited ("**Bobble**").

Trade receivables increased from ₹ 478.83 million as at March 31, 2019 to ₹ 744.35 million as at March 31, 2020 and further increased to ₹ 867.44 million as at December 31, 2020, which was primarily due to the growth in our revenues from contracts with customers.

A contract asset is the right to consideration that is conditional upon factors other than the passage of time. Contract assets are recognised where there is excess of revenue over billings. Revenue recognised but not billed to our customer is classified as unbilled revenue (renamed "contract assets" in Fiscal 2019). Our contract asset (net) as a percentage of our revenue from contracts with customers was 16.4%, 6.0% and 5.3% for the nine months period ended December 31, 2020 and Fiscals 2020 and 2019, respectively.

The table below sets forth the principal components of our Company's total assets as at March 31, 2018 on a standalone basis.

Particulars	**As at March 31, 2018 (in ₹ millions)**
Non-current assets:	
Property, plant and equipment[(1)]	3.67
Goodwill	59.24
Other intangible assets	88.18
Financial assets:	
Investments	0.26
Loans	5.83
Deferred tax asset (net)	4.94
Other non-current assets	0.05
Total non-current assets	***162.17***
Current assets:	
Financial assets:	
Trade receivables	158.23
Cash and cash equivalent	136.71
Other bank balance other than cash and cash equivalent	8.20
Loans	1.62
Other financial assets	77.29
Current tax asset (net)	24.35
Other current assets	11.74
Total current assets	***418.14***
Total assets	**580.31**

Note:

1. *Our Company has elected to measure all of its property, plant and equipment at their previous generally accepted accounting principles carrying value per Ind AS 101 exemptions.*

Total Equity and Liabilities

The table below sets forth the principal components of our total equity and liabilities as at December 31, 2020, March 31, 2020 and March 31, 2019 on a consolidated basis.

Particulars	As at December 31, 2020 (in ₹ millions)	As at March 31, 2020 (in ₹ millions)	As at March 31, 2019 (in ₹ millions)
Equity			
Equity share capital	254.96	254.96	242.88
Other equity		2,036.63	481.17
Retained earning	1,868.21	-	-
Capital reserve	25.71	-	-
Securities premium	845.56	-	-
Other reserves	4.02	-	-
Equity attributable to equity holders of the parent	2,743.50	-	-
Non-controlling interests	3.35	-	-
Total equity	***3,001.81***	***2,291.59***	***724.05***
Liabilities			
Non-current liabilities:			
Financial liabilities:			
Borrowings	401.41	280.60	69.17
Other non-current financial liabilities	674.36	117.58	-
Lease liabilities	12.17	20.08	-
Long-term provisions	14.88	12.79	15.37
Deferred tax liabilities (net)	-	1.80	2.68
Total non-current liabilities	***1,102.82***	***432.85***	***87.22***
Current liabilities:			
Contract liabilities	17.38	8.03	6.79
Financial liabilities:			
Borrowings	556.03	357.24	20.75
Trade payables:			
- dues of micro enterprises and small enterprises	1.48	6.85	-
- others	1,346.43	743.33	517.11
Lease liabilities	9.72	17.09	-
Other current financial liabilities	339.07	70.34	198.75
Short-term provisions	7.06	6.59	3.48
Liabilities for current tax (net)	20.49	17.12	-
Other current liabilities	12.77	49.23	24.51
Total current liabilities	***2,310.43***	***1,275.82***	***771.39***
Total equity and liabilities	**6,415.06**	**4,000.26**	**1,582.66**

Our other equity increased from ₹ 481.17 million as at March 31, 2019 to ₹ 2,036.63 million as at March 31, 2020 primarily due to ₹ 655.17 million of profit for Fiscal 2020, gain of ₹ 53.57 million on exchange differences on translating the financial statements of a foreign operation and ₹ 845.56 million of securities premium recognised on the issue of new Equity Shares in an initial public offering in Fiscal 2020 and further our equity attributable to equity holders of the parent increased to ₹ 2,743.50 million as at December 31, 2020 primarily due to ₹ 764.31 million of profit for the nine months period ended December 31, 2020, which is partially offset by a loss of ₹ 55.15 million on exchange differences on translating the financial statements of a foreign operation for the nine months period ended December 31, 2020.

Our non-current borrowings increased from ₹ 69.17 million as at March 31, 2019 to ₹ 280.60 million as at March 31, 2020 primarily due to a ₹ 165.85 million loan (net) taken from Affle Holdings to partly fund the acquisition of the RevX Business Undertaking and 100% of the equity interests in Mediasmart and a ₹ 39.37 million loan acquired by us as part of the acquisition of 100.0% of the equity ownership in Mediasmart and further increased to ₹ 401.41 million as at December 31, 2020 primarily due to a ₹ 340.04 million loan (net) taken from banks to partly fund the acquisition of 66.67% of the equity interests in Appnext Singapore, which was partially offset by a ₹ 9.16 million loan of Affle Holdings classified from our non-current borrowings to our current borrowings.

Our other non-current financial liabilities, which primarily comprises salary payable and amount due to others against business acquisition, increased from nil as at March 31, 2019 to ₹ 117.58 million as at March 31, 2020 due to ₹ 117.58 million payable to the then shareholders of Mediasmart for our acquisition of 100% equity interests in Mediasmart and further increased to ₹ 674.36 million as at December 31, 2020 primarily due to ₹ 561.06 million payable to Appnext BVI for the acquisition of the option to acquire 28.33% of the equity interests in Appnext Singapore.

Our trade payables, primarily comprise vendor liabilities for services received by us, increased from ₹ 517.11 million as at March 31, 2019 to ₹ 750.18 million as at March 31, 2020 and further increased to ₹ 1,347.91 million as at December 31, 2020 primarily due to increases in our operations.

Our current borrowings increased from ₹ 20.75 million as at March 31, 2019 to ₹ 357.24 million as at March 31, 2020 primarily due to ₹ 256.31 million loan (net) taken by us from Affle Holdings and Affle Global to fund the acquisition of RevX Business Undertaking and 100% of the equity interests in Mediasmart and a ₹ 78.31 million loan acquired by us as part of acquisition of 100% of the equity interests in Mediasmart and marginally increased to ₹ 556.03 million as at December 31, 2020 primarily due to a ₹ 146.11 million loan (net) taken from banks to partly fund the acquisition of 66.67% of the equity interests in Appnext Singapore, which was partially offset by a ₹ 153.41 million loan repaid by our Company to Affle Holdings and Affle Global.

Fiscal 2018 (on a standalone basis)

The table below sets forth the principal components of our Company's equity and liabilities as at March 31, 2018 on a standalone basis.

Particulars	As at March 31, 2018 (in ₹ millions)
Equity	
Equity share capital	242.88
Other equity	58.77
	301.65
Liabilities	
Non-current liabilities:	
Provisions	11.42
Total non-current liabilities	***11.42***
Current liabilities:	
Financial liabilities:	
Borrowings	-
Trade payables	220.24
Other financial liabilities	24.89
Provisions	1.07
Other current liabilities	21.04
Total current liabilities	***267.24***
Total equity and liabilities	**580.31**

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity requirements arise principally from our operating activities, working capital needs and investment activities (acquisition of businesses).

For the nine months period ended December 31, 2020 and Fiscal 2020 on a consolidated basis, our principal sources of funding were net cash flow generated from operating activities and net cash flow from financing activities. In the last three fiscal years, our principal source of funding was net cash flow generated from operating activities.

As at December 31, 2020, our cash and cash equivalent was ₹ 504.19 million on a consolidated basis.

As at December 31, 2020, we had cash credit facilities of ₹ 139.49 million on a consolidated basis available for drawn down. In addition, as at December 31, 2020, we were also liable to draw down US$1 million each as of March 31, 2021 and June 30, 2021, respectively, under a term loan sanctioned to partly fund our acquisition of equity interests in Appnext Singapore.

Total Borrowings

As at December 31, 2020 on a consolidated basis, we had total borrowings of ₹ 957.44 million, of which current borrowings were ₹ 556.03 million and non-current borrowings were ₹ 401.41 million.

Covenants

We are required to comply with certain conditions and covenants under our financing agreements, including submitting periodic financial information and stock statements and opening credit accounts and facilities with such lenders. Certain of our Subsidiaries are subject to certain restrictive covenants in their financing agreements. For details, see "*Risk Factors - Certain of our Subsidiaries are subject to certain restrictive covenants in their financing agreements that restrict, among other things, their ability to declare dividends and pledge assets as collateral. Default or non-compliance with our financing agreements may adversely affect our business, results of operations, cash flows and financial condition*" on page 65. In addition, some of these financing agreements contain financial covenants requiring us to comply with certain minimum ratios, details of which are given below.

The below financial covenants shall be tested on a half yearly basis based on the standalone results of our Company:

Ratios	**Parameter**
Debt service coverage ratio ("**DSCR"**)(1)	Not below 1.5 times
Total outside liability to total net worth(2)	Not to exceed 1.75 times
Interest Coverage Ratio: EBITDA / Net Interest Expense	Not below 3 times
Asset coverage ratio (3)	Not below 1.25 times

Notes:

1. *DSCR is defined as net operating income divided by total debt service.*
2. *Total outside liability is the sum of all the liabilities of our Company and total net worth is the sum of share capital and surplus reserves of the Company.*
3. *((Assets – intangible assets) – (current liabilities – short-term debt)) / total debt.*

The below financial covenants shall be tested on a half yearly basis based on the consolidated results of our Company:

Ratio	**Parameter**
Debt/EBIDTA	Not to exceed 2.0 times

The below financial covenants shall be tested on an annual basis based on the standalone results of our Company's subsidiary Affle International.

Ratios	**Parameter**
DSCR (1)	Not below 1.5 times
Interest Coverage Ratio: EBITDA / Net Interest Expense	Not below 3 times

Note:

1. *DSCR is defined as net operating income divided by total debt service.*

Summary of Cash Flows

The table below sets forth selected information from our statements of cash flows for the nine months periods ended December 31, 2020 and 2019 as well as for Fiscals 2020 and 2019 on a consolidated basis.

Particulars	**Nine Months period ended December 31, 2020 (in ₹ millions)**	**Nine Months period ended December 31, 2019 (in ₹ millions)**	**Fiscal 2020 (in ₹ millions)**	**Fiscal 2019 (in ₹ millions)**
Net cash flow generated from operating activities	787.03	358.50	730.30	477.86
Net cash flow used in investing activities	(1,332.83)	(1,446.79)	(1,637.16)	(501.94)
Net cash flow generated from financing activities	353.73	1,022.03	1,396.68	83.80
Net change in cash and cash equivalent	**(192.07)**	**(66.26)**	**489.82**	**59.72**
Net foreign exchange difference	0.36	3.05	-	-

Particulars	Nine Months period ended December 31, 2020 (in ₹ millions)	Nine Months period ended December 31, 2019 (in ₹ millions)	Fiscal 2020 (in ₹ millions)	Fiscal 2019 (in ₹ millions)
Cash and cash equivalent as at the beginning of the periods / years	695.90	206.08	206.08	146.36
Cash and cash equivalent as at the end of the periods / years	**504.19**	**142.87**	**695.90**	**206.08**

Net cash flow generated from operating activities:

Our net cash flow generated from operating activities for the nine months period ended December 31, 2020 on a consolidated basis was ₹ 787.03 million, which was primarily due to operating profit before working capital changes of ₹ 937.80 million and an increase in our trade payables of ₹ 535.26 million, which was partially offset by, among others, an increase in our trade receivables of ₹ 132.34 million, ₹ 92.06 million used for direct taxes paid (net of refunds), an increase in our contract assets (net) of ₹ 417.10 million and an increase in our financial assets of ₹ 8.93 million.

Our net cash flow generated from operating activities for the nine months period ended December 31, 2019 on a consolidated basis was ₹ 358.50 million, which was primarily due to operating profit before working capital changes of ₹ 690.83 million and an increase in our trade payables of ₹ 182.83 million, which was partially offset by, among others, an increase in our trade receivables of ₹ 236.63 million, ₹ 84.39 million used for direct taxes paid (net of refunds), an increase in our contract assets (net) of ₹ 181.36 million and an increase in our financial assets of ₹ 25.94 million.

Our net cash flow generated from operating activities for Fiscal 2020 on a consolidated basis was ₹ 730.30 million, which was primarily due to operating profit before working capital changes of ₹ 975.35 million and an increase in our trade payables of ₹ 238.42 million, which was partially offset by, among others, an increase in our trade receivables of ₹ 290.03 million, ₹ 109.65 million used for direct taxes paid (net of refunds), an increase in our contract assets (net) of ₹ 66.88 million and an increase in our financial assets of ₹ 12.44 million.

Our net cash flow generated from operating activities for Fiscal 2019 on a consolidated basis was ₹ 477.86 million, which was primarily due to operating profit before working capital changes of ₹ 703.27 million and an increase in our trade payables of ₹ 245.89 million, which was partially offset by, among others, an increase in our trade receivables of ₹ 323.28 million, ₹ 87.59 million used for direct taxes paid (net of refunds), an increase in our contract assets (net) of ₹ 51.26 million and an increase in our financial assets of ₹ 31.49 million.

Net cash flow used in investing activities:

Our net cash flow used in investing activities for the nine months period ended December 31, 2020 on a consolidated basis was ₹ 1,332.83 million, primarily owing to ₹ 875.95 million used in investments made for the acquisition of subsidiary, net of cash acquired ₹ 406.74 million used in purchase of investments, ₹ 915.88 million generated from redemption in bank deposits having original maturities of more than three months and ₹ 373.70 million used in the purchase of property, plant and equipment and intangible assets, including assets under development.

Our net cash flow used in investing activities for the nine months period ended December 31, 2019 on a consolidated basis was ₹ 1,446.79 million, primarily owing to ₹ 1,809.38 million used in investments in bank deposits having original maturities of more than three months, ₹ 414.27 million used in investments made for the acquisition of a subsidiary, net of cash acquired and ₹ 303.98 million used in the purchase of property, plant and equipment, intangible assets, including assets under development, which was partially offset by ₹ 1,060.13 million generated from redemption in bank deposits having original maturities of more than three months.

Our net cash flow used in investing activities for Fiscal 2020 on a consolidated basis was ₹ 1,637.16 million, primarily owing to ₹ 877.71 million used in investments made for the acquisition of businesses, ₹ 568.81 million used in investments in bank deposits having original maturities of more than three months and ₹ 310.59 million used in the purchase of property, plant and equipment and intangible assets, including capital work in progress, and.

Our net cash flow used in investing activities for Fiscal 2019 on a consolidated basis was ₹ 501.94 million, primarily owing to ₹ 238.11 million used in investments made for the acquisition of businesses, ₹ 151.10 million used in the purchase of property, plant and equipment, intangible assets, including capital work in progress, and ₹ 59.94 million used for the profit adjustment on account of business combination, which represented the profit attributable to the Affle Global Transaction for the three month period ended June 30, 2018.

Net cash flow generated from financing activities:

Our net cash flow generated from financing activities for the nine months period ended December 31, 2020 on a consolidated basis was ₹ 353.73 million, primarily owing to ₹ 952.64 million in proceeds from our borrowings, which was partially offset by ₹ 15.91 million used for interest paid on our borrowings and ₹ 571.14 million used for repayment of our borrowings.

Our net cash flow generated from financing activities for the nine months period ended December 31, 2019 on a consolidated basis was ₹ 1,022.03 million, primarily owing to ₹ 857.64 million in proceeds from the initial public offering of the Equity Shares (net of issue expenses) and ₹ 173.79 million in proceeds from our borrowings.

Our net cash flow generated from financing activities for Fiscal 2020 on a consolidated basis was ₹ 1,396.68 million, owing to ₹ 909.77 million in proceeds from our borrowings and ₹ 857.64 million in proceeds from the initial public offering of the Equity Shares (net of issue expenses), which was partially offset by, among others, ₹ 361.85 million used for the repayment of our borrowings.

Our net cash flow generated from financing activities for Fiscal 2019 on a consolidated basis was ₹ 83.80 million, owing primarily to ₹ 89.92 million in proceeds from our borrowings.

The table below sets forth selected information from our Company's cash flow statement for Fiscal 2018 on a standalone basis.

Particulars	Fiscal 2018 (in ₹ millions)
Net cash generated from operating activities	174.02
Net cash used in investing activities	(14.00)
Net cash used in financing activities	(81.20)
Net change in cash and cash equivalents	**78.82**
Cash and cash equivalent as at the beginning of the year	57.89
Cash and cash equivalent as at the end of the year	**136.71**

Our Company's net cash generated from operating activities for Fiscal 2018 on a standalone basis was ₹ 174.02 million, which was primarily due to operating profit before working capital changes of ₹ 190.36 million and an increase in our Company's trade payables of ₹ 60.47 million, which was partially offset by an increase in our Company's financial assets of ₹ 40.84 million and an increase in our Company's trade receivables of ₹ 32.21 million.

Our Company's net cash used in investing activities for Fiscal 2018 on a standalone basis was ₹ 14.00 million, primarily owing to ₹ 37.25 million used in the purchase of property, plant and equipment, intangible assets, including capital work in progress, which was partially offset by ₹ 21.38 million generated from redemption in bank deposits having original maturities of more than three months.

Our Company's net cash used in financing activities for Fiscal 2018 on a standalone basis was ₹ 81.20 million, which was due to ₹ 71.17 million used for the repayment of our Company's borrowings and ₹ 10.03 million used for interest paid on our Company's borrowings.

Capital Expenditures

Our capital expenditures primarily relate to additions to & acquisitions of property, plant and equipment and other intangible assets. For further details, see "*Significant factors affecting our results of operations and financial condition - Expenditure on technology development*" on page 84.

The table below provides details of our capital expenditures for the nine months period ended December 31, 2020 and 2019 as well as for Fiscal 2020 and Fiscal 2019 on a consolidated basis.

Particulars	Nine Months period ended December 31, 2020 (in ₹ millions)	Nine Months period ended December 31, 2019 (in ₹ millions)	Fiscal 2020 (in ₹ millions)	Fiscal 2019 (in ₹ millions)
Property, plant and equipment	9.31	6.01	10.56	6.99
Other intangible assets	124.81	267.95	324.66	117.38
Total	**134.12**	**273.96**	**335.22**	**124.37**

The table below provides details of our Company's capital expenditures for Fiscal 2018 on a standalone basis.

Particulars	Fiscal 2018 (in ₹ millions)
Property, plant and equipment	1.97
Other intangible assets	38.34
Total	**40.31**

OFF–BALANCE SHEET ARRANGEMENTS AND FINANCIAL INSTRUMENTS

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships established or contemplated for the purpose of facilitating off-balance sheet transactions.

CONTRACTUAL COMMITMENTS

The following table sets forth information relating to future payments due under known contractual commitments as at March 31, 2020 on a consolidated basis aggregated by type of contractual obligation:

Particulars	Within one year (in ₹ millions)	After one year but not more than five years (in ₹ millions)	Total (in ₹ millions)
Operating leases	17.09	20.08	**37.17**

As at March 31, 2020 on a consolidated basis, our commitments on capital account not provided for (net of advances) was ₹ 15.35 million.

CONTINGENT LIABILITIES

Claims against us not acknowledged as debts includes the following:

- Income tax demand from income tax authorities for assessment year 2017-18 of ₹ 64.88 million on account of disallowance of bad debts written off, advances written off, amortisation of goodwill and certain expenses under various heads as claimed by our Company in the income tax return. The matter is pending before the Commissioner of Income Tax (Appeals), Mumbai.

- Income tax demand from the income tax authorities for assessment year 2015-16 of ₹ 2.95 million on account of disallowance of availment of cenvat credit and the write off of certain advances by our Company in the income tax return. The matter is pending before ITAT.

We are contesting the demands and our Company's management, including its tax advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the demand raised. Our Company's management believes that the ultimate outcome of this proceedings will not have a material adverse effect on our Company's financial condition and results of operations. The likelihood of the above cases going in favour of our Company is probable and, accordingly, we have not considered any provision against the demands in the financial statements.

RELATED PARTY TRANSACTIONS

For details in relation to related party transactions, see "*Related Party Transactions*" on page 45.

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 because we believe they are indicative measures of our operating performance and are used by investors and analysts to evaluate companies in the same industry. EBITDA and EBITDA margin 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 our EBITDA and EBITDA margin are appropriate because it is a more indicative measure of our baseline performance as it excludes certain charges that our Company's management considers to be outside our 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 financial statements included in this Preliminary Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Information*" on page 243.

Reconciliation of Total Comprehensive Income to EBITDA and EBITDA margin

The following table sets forth reconciliation of our total comprehensive income for the period/year attributable to the equity holders of the parent (our Company), to EBITDA and EBITDA margin, for the nine months period ended December 31, 2020 and 2019 as well as for Fiscal 2020 and Fiscal 2019 on a consolidated basis.

(in ₹ millions, except for percentages)

Particulars	**Nine months period ended December 31, 2020**	**Nine months period ended December 31, 2019**	**Fiscal 2020**	**Fiscal 2019**
Total comprehensive income for the period/year attributable to the equity holders of the parent (our Company)	708.24	509.58	709.90	484.92
Adjustments:				
Add:				
Total tax expense	75.19	108.46	137.08	109.79
Depreciation and amortisation expense	144.64	85.13	133.31	100.95
Finance costs	23.52	8.22	14.22	8.11
Less:				
Other comprehensive income / (loss) net of tax	(56.07)	7.30	54.73	(3.29)
Other income	55.15	26.74	51.51[(1)]	3.95
EBITDA (A)	**952.51**	**677.35**	**888.27**	**703.11**
Revenue from contracts with customers **(B)**	3,752.09	2,537.60	3,337.83	2,493.96
EBITDA Margin % (A/B)	**25.4%**	**26.7%**	**26.6%**	**28.2%**

Note:

1. *Adjusted for liabilities written back in Fiscal 2020 amounting to ₹ 9.37 million.*

The following table sets forth our Company's reconciliation of total comprehensive income for the year to EBITDA and EBITDA margin for Fiscal 2018 on a standalone basis.

Particulars	**Fiscal 2018 (in ₹ millions, except for percentages)**
Total comprehensive income for the year	88.23
Adjustments:	
Add:	
Total tax expense	47.65
Depreciation and amortisation expense	32.13

Particulars	Fiscal 2018 (in ₹ millions, except for percentages)
Finance costs	10.78
Less:	
Other comprehensive loss net of tax	(0.08)
Other income	11.22
EBITDA (A)	**167.65**
Revenue from contracts with customers **(B)**	837.56
EBITDA Margin % (A/B)	**20.0%**

QUALITATIVE DISCLOSURE ON MARKET RISK

Market risk is the potential loss arising from changes in market rates and market prices. Our primary market risk is foreign currency risk.

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. Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities (when revenue or expense is denominated in a foreign currency). To the extent that our revenue or receipts and costs or payments are not perfectly matched in the same currency or there are time gaps between revenue recognition and actual receipts and between cost recognition and actual payments, we will be exposed to foreign exchange fluctuations. We do not use derivative financial instruments such as forward exchange contracts or options to hedge our risk associated with foreign currency fluctuations or for trading or speculation purposes.

Given that the reporting currency of our Company's financial statements is Indian Rupees, in order to prepare our consolidated financial statements, we need to translate the financial statements of our subsidiaries from United States Dollars (USD), Euro, Singapore Dollar (SGD), Dirham (AED), Indonesian Rupiah, New Israeli Shekel (NIS) to Indian Rupees, as the case may be, based on the average exchange rates prevailing over the relevant period of the statement of profit and loss and based on the closing exchange rates for the balance sheet. Therefore, depreciation of the USD, Euro, SGD, Dirham, Rupiah, or NIS against the Indian Rupee may adversely affect our results of operations, cash flows and financial condition.

RESERVATIONS, QUALIFICATIONS, OR ADVERSE REMARKS OF OUR AUDITORS IN THE LAST FIVE FISCALS IMMEDIATELY PRECEDING THE YEAR OF THIS PRELIMINARY PLACEMENT DOCUMENT

There are no reservations, qualifications or adverse remarks of our statutory auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Preliminary Placement Document, except as follows:

Our Statutory Auditors have included certain modifications in the annexures to their audit reports on the standalone financial statements of our Company as at and for the years ended March 31, 2019, 2018, 2017 and 2016 pursuant to the Companies (Auditor's Report) Order, 2016, as applicable, The table below sets forth the modifications and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said modifications.

Modification	Impact on the financial statements and financial position of our Company	Corrective steps taken and proposed to be taken by our Company
Undisputed statutory dues, including provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, goods and service tax, cess, professional tax and other statutory	No impact on the financial statements of our Company	Over the period, our Company has strengthened its processes and systems to prevent such instances from recurring.

Modification	Impact on the financial statements and financial position of our Company	Corrective steps taken and proposed to be taken by our Company
dues, have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases (for Fiscal 2019).		
Undisputed statutory dues, including provident fund, income-tax, sales-tax, customs duty, excise duty, and cess, have been regularly deposited with the appropriate authorities though there have been significant delays in few cases of service tax and ESI (for Fiscal 2018).	No impact on the financial statements of our Company	Over the period, our Company has strengthened its processes and systems to prevent such instances from recurring.
Undisputed statutory dues, including provident fund, income-tax, service-tax, cess and other statutory dues, have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases (for Fiscal 2017).	No impact on the financial statements of our Company	Over the period, our Company has strengthened its processes and systems to prevent such instances from recurring.
Undisputed statutory dues, including provident fund, income-tax, service tax, cess and other material statutory dues, have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases (during Fiscal 2016).	No impact on the financial statements of our Company	Over the period, our Company has strengthened its processes and systems to prevent such instances from recurring.

In addition, our Statutory Auditors have included an emphasis of matter in their reports on the December 2020 Special Purpose Interim Condensed Consolidated Financial Statements, the December 2019 Special Purpose Interim Condensed Consolidated Financial Statements, the Fiscal 2020 Audited Consolidated Financial Statements, the Fiscal 2019 Audited Consolidated Financial Statements and the Fiscal 2018 Audited Standalone Financial Statements, drawing attention to a note in each of those financial statements, which indicates that our Company has accounted for a business combination under common control using the purchase method in accordance with previous generally accepted accounting principles resulting in the recognition of goodwill amounting to ₹ 59.24 million, as prescribed under a court scheme, instead of using the pooling interest method as prescribed under Ind AS 103 Business Combinations, since the approved court scheme prevails over applicable accounting standards (the emphasis of matter for Fiscal 2018 does not mention the amount of goodwill that was recognised). These matters of emphasis are not of a qualification in nature and the effect of these matters of emphasis is undeterminable.

SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2020 THAT MAY AFFECT OUR FUTURE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Acquisition of Discover Tech Limited’s Business Assets effective January 1, 2021

On January 27, 2021 (with effect from effective January 1, 2021) Affle MEA FZ-LLC acquired the business assets of Discover Tech Limited. The total value of the consideration is USD 4.52 million, including a maximum success fee (incremental contingent consideration) of USD 3.37 million to be paid over a maximum period of four years.

Sale of Minority Investment in OSlabs Pte. Ltd.

On January 25, 2021 Affle International entered into an agreement to sell its minority investment of 8.00% in OSlabs

Pte. Ltd. to Affle Global for a total consideration of USD 2.86 million, while also securing an option to purchase the minority investment back from Affle Global at a premium of 5.00% after one year or 10.00% after two years, subject to any approvals that may be required.

The Finance Act, 2021

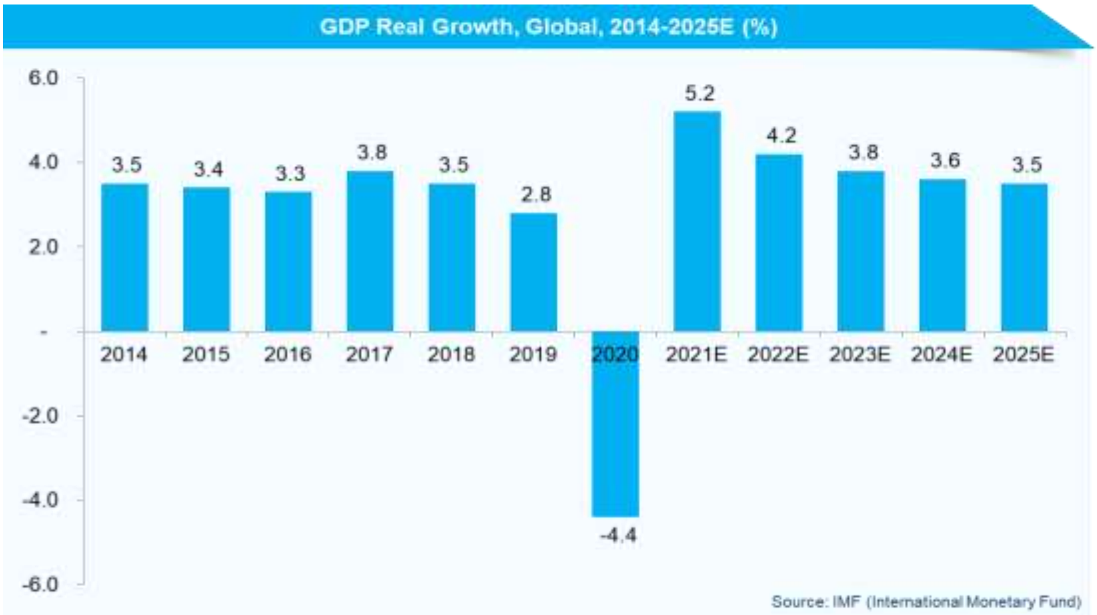
The Finance Act, 2021 provided that goodwill of a business or profession will not be considered as a depreciable asset and no depreciation on goodwill should be allowed effective April 1, 2020. Our Company will assess the effect of the Finance Act, 2021 on current tax for Fiscal 2021 and will record related impacts thereon. Further, our Company has considered amortisation of goodwill amounting to ₹ 10.56 million as an allowable deduction for computation of taxable income for the nine months period ended December 31, 2020. As at December 31, 2020, the amount of goodwill recognised on our special purpose interim condensed consolidated balance sheet was ₹ 2,791.80 million, of which ₹ 134.38 million was recognised on our Company's balance sheet on a standalone basis and ₹ 2,657.42 million of which was recognised on the balance sheets of our Subsidiaries. The goodwill on the balance sheets of our Subsidiaries was unable to be amortised for tax purposes prior to the passing of the Finance Act, 2021 as the tax laws applicable to those Subsidiaries did not allow any such amortisation. Our Company is in the process of assessing the effect of this amendment, including determining its future course of action, making representations and seeking clarification.

The information in this section is derived from the Frost & Sullivan Report. The information in the Frost & Sullivan Report has not been independently verified by our Company, the BRLMs, or any of our Company's or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. The data may have been re-classified by us for the purposes of presentation. Our Company commissioned the Frost & Sullivan Report. The Frost & Sullivan Report is subject to the disclaimer set forth in "Industry and Market Data" on page 14.

MACROECONOMIC OVERVIEW

Global Economic Outlook

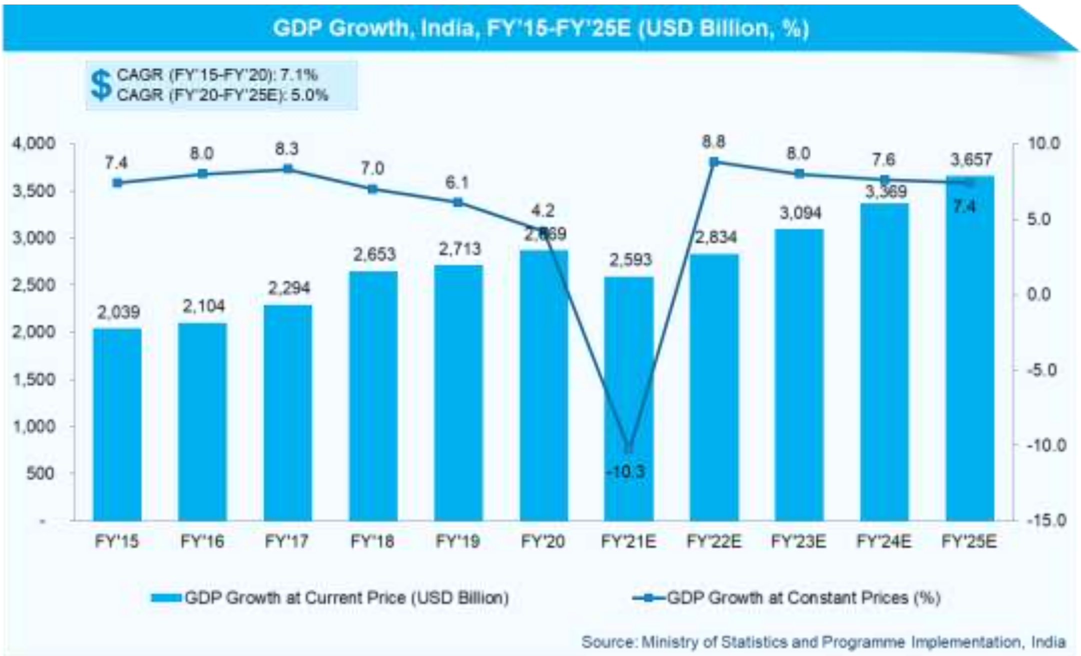
Banking on the resurgence of global majors and the continuing policy stimulus-driven growth in China, India and similar economies, the outlook for global gross domestic product ("**GDP**") growth for 2021 is 5.2%. While the United States of America is expected to see a modest growth pick-up due to stronger business and consumer confidence, both Europe and Japan are forecast to have stronger and sustained momentum with diminished political uncertainty and growing private consumption respectively.



Digitization, improvement in the labour force and stronger productivity can help sustain the growth momentum and provide a favourable environment for businesses to thrive. Companies, however, need to stay focused on strengthening their growth through an apt combination of technology, innovation and skills.

Economic Outlook- India

Among all large economies, India is likely to demonstrate a rapid and sustainable growth post COVID-19, in 2021, driven by strong manufacturing-led industrial expansion and consumption demands from the private sector. According to Frost & Sullivan's analysis based on data from 2020 IMF WEO Update, the country's GDP is well positioned to cross USD 3,000 billion (INR 200 trillion) in 2021; and in the event of accelerated manufacturing and investment, this figure could even potentially balloon to around USD 4,000 billion (INR 250 trillion) by 2025.

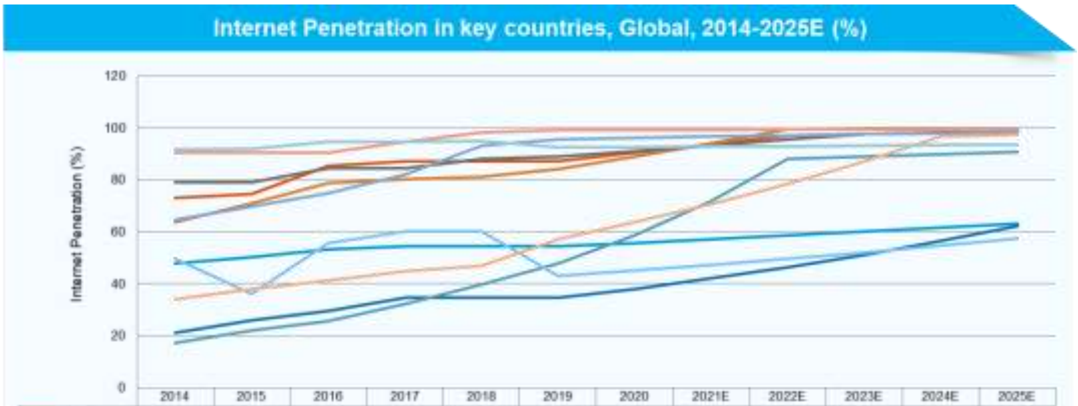


Growing Online Population

In 2020, Internet users represented more than 50% of the global population, with mobile phones being the primary mode of access, especially in emerging markets. With upgrades to the cellular infrastructure, proliferation of smartphones and the availability of several content options, there has been a steady growth in consumers using the Internet.

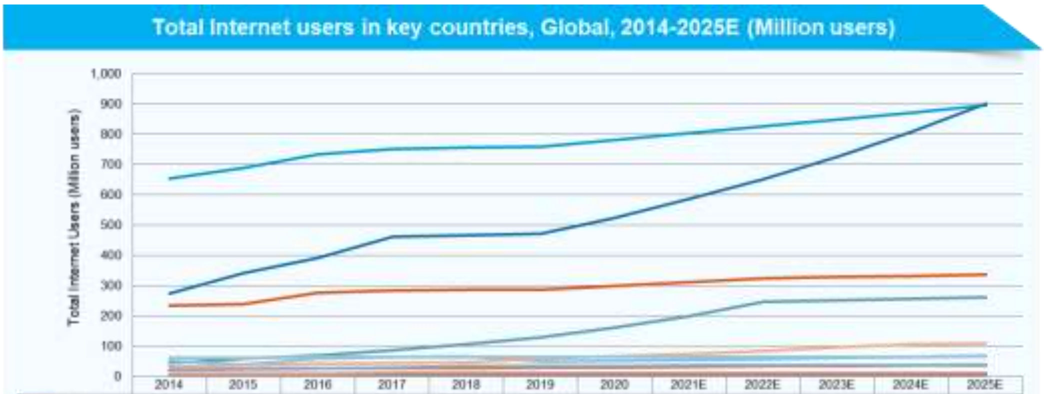
While China and India rank lower in Internet penetration than many other countries in the world, they have the largest Internet user base followed by the U.S. China led the world with a user base of over 800 million in 2020, followed by India at over 520 million and the U.S. at over 310 million.

South East Asia is another fast-growing Internet market with over 415 million users, and over 55% penetration in 2020; the user base in the region is set to expand to 550 million by 2025. The Internet economy in the region will likely grow to more than USD 200 billion by 2025 *(Source: Reuters)*.



	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E	2024E	2025E
China	47.9	50.3	53.2	54.3	54.3	54.3	55.7	57.1	58.5	60.0	61.6	63.1
India	21.0	26.0	29.5	34.5	34.5	34.5	38.0	42.0	46.4	51.2	56.5	62.4
USA	73.0	74.6	85.5	87.3	87.3	87.3	90.4	93.7	97.1	97.6	98.1	98.6
Malaysia	63.7	71.1	78.8	80.1	81.2	84.2	89.1	94.2	99.6	99.7	99.8	99.9
Indonesia	17.1	22.0	25.4	32.3	39.8	47.7	58.5	71.8	88.1	89.0	89.9	90.8
Singapore	79.0	79.0	84.5	84.4	88.2	88.9	91.1	93.3	95.5	97.8	98.3	98.8
Philippines	49.6	36.0	55.5	60.1	60.1	43.0	45.1	47.3	49.7	52.1	54.6	57.3
Saudi Arabia	64.7	69.6	74.9	82.1	93.3	95.7	96.2	96.7	97.2	97.7	98.1	98.6
UAE	90.4	90.5	90.6	94.8	98.5	99.2	99.2	99.3	99.4	99.5	99.6	99.7
Egypt	33.9	37.8	41.2	45.0	46.9	57.3	63.6	70.7	78.5	87.2	96.8	97.3
UK	91.6	92.0	94.8	94.6	94.9	92.5	92.7	92.9	93.1	93.2	93.4	93.6

Source: ITU Facts and Figures 2020 & Frost & Sullivan analysis



	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E	2024E	2025E
China	653.5	689.7	733.4	752.8	756.3	759.0	781.0	803.4	826.1	849.1	872.4	896.1
India	272.1	340.6	390.7	461.2	466.0	470.7	524.9	585.1	652.2	726.7	809.5	901.6
USA	232.4	239.0	276.3	283.6	285.1	286.4	298.6	311.2	324.3	327.7	331.2	334.6
Malaysia	19.0	21.5	24.2	24.9	25.6	26.9	28.8	30.9	33.0	33.5	33.9	34.3
Indonesia	43.7	56.8	66.6	85.5	106.5	129.1	160.1	198.5	246.0	250.9	255.7	260.7
Singapore	4.3	4.4	4.7	4.7	5.0	5.1	5.2	5.4	5.6	5.8	5.8	5.9
Philippines	49.9	36.8	57.5	63.2	64.0	46.5	49.5	52.6	55.9	59.4	63.1	67.0
Saudi Arabia	20.0	22.1	24.3	27.2	31.4	32.8	33.5	34.2	34.8	35.5	36.1	36.7
UAE	8.3	8.4	8.5	9.0	9.5	9.7	9.8	9.9	10.0	10.1	10.2	10.3
Egypt	30.6	35.0	39.0	43.4	46.2	57.5	65.1	73.7	83.3	94.2	106.4	108.7
UK	59.2	59.9	62.2	62.5	63.1	61.8	62.3	62.6	63.0	63.4	63.7	64.1

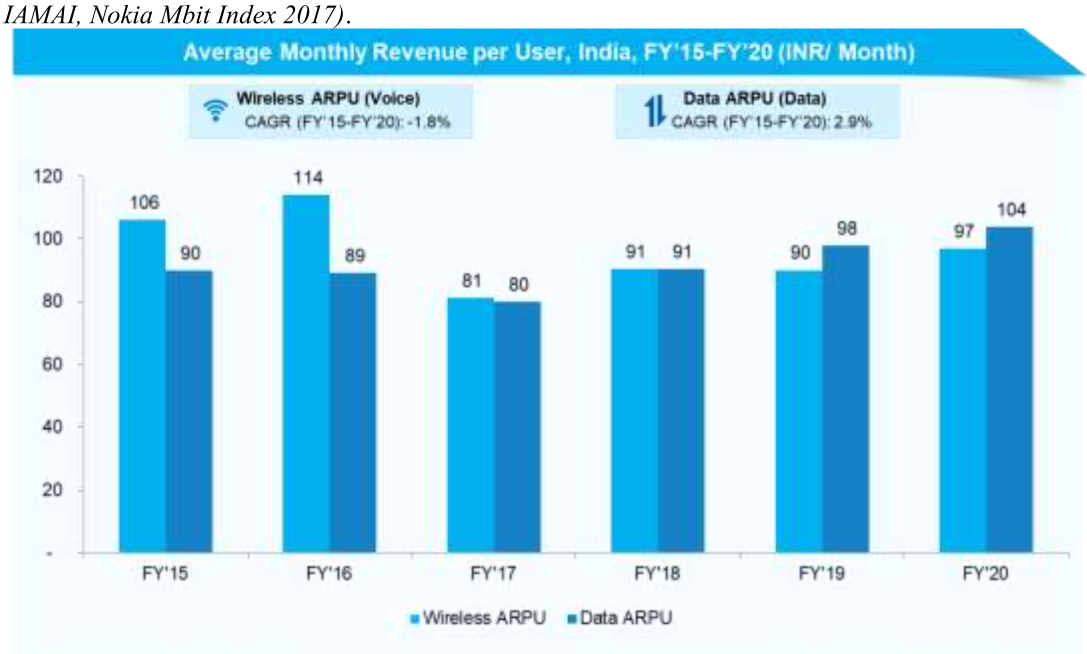
Source: ITU Facts and Figures 2020 & Frost & Sullivan analysis

Improved Connectivity & Increasing Smartphone Penetration

Lower data prices and the availability of almost unlimited content for entertainment, multimedia, information and business applications has led to an impulsive usage of the Internet, leading to significant growth in mobile data traffic, especially from these economies.

According to the 2020 Ericsson Mobility Report, worldwide mobile data traffic per month was 51 exabytes in 2020 and is expected to grow at a CAGR of 28% to 226 exabytes in 2026, while the data traffic per smartphone is estimated to grow at a CAGR of 22% from 13.5 gigabytes in 2020 to 37 gigabytes in 2026.

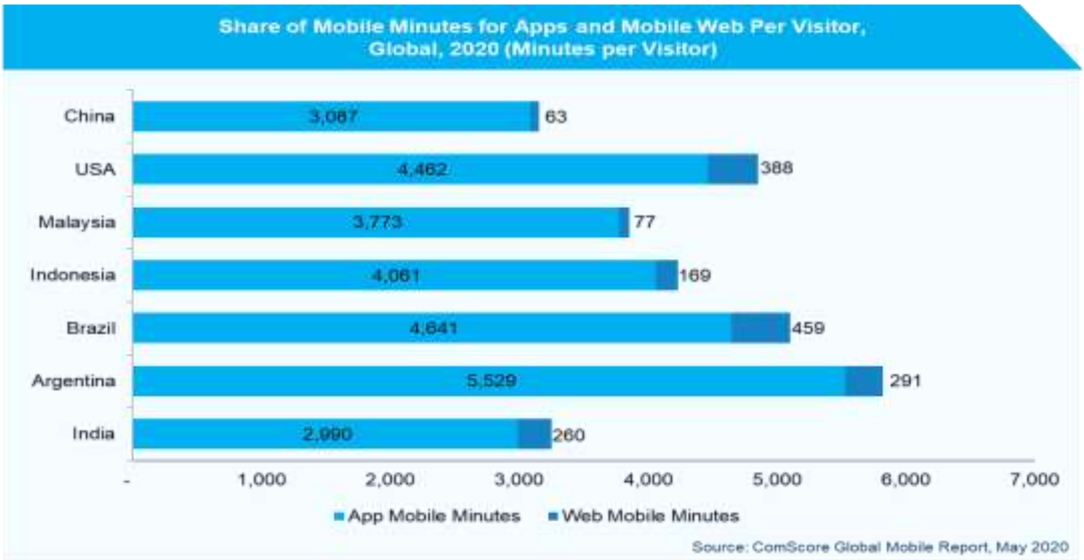
India has been mirroring similar trends with an increasing share of data revenue vis-à-vis traditional voice services. Continued up gradation to 4G, low data prices, affordable smartphones and increased video viewership have driven higher data consumption. 4G constituted 96% of total data traffic consumed across the country *(Source: IAMAI, Nokia Mbit Index 2017)*.



*ARPU - Avergae Revenue Per User

Source: TRAI (The Indian Telecom Services Performance Indicators)

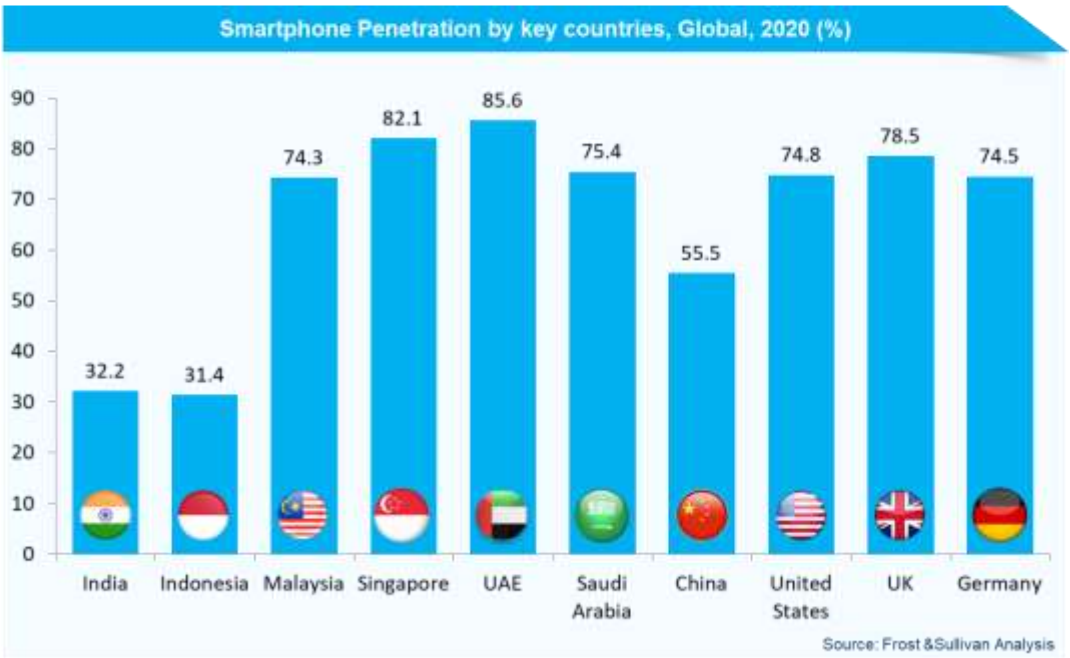
According to a study conducted by smartphone maker Vivo in 2020 a mobile phone user in India spends an average of 5.5 hours, which has increased from 4.9 hours in 2019 on the device every month *(Source: The News Minute)*. This is primarily due to the lockdown and restrictions during COVID-19 pandemic. Online retailing has become a new normal in India and Dependency on sites / apps in Kids' category has increased in schools due to shut down. India led the total number of app downloads from Google Play Store, followed by U.S. in 2020.



India's Internet growth, however, will largely be driven by the anticipated increase in users and usage in rural areas. Currently, the rural wireless tele-density (i.e., the number of subscriptions per 100 people) is at 58.61, compared to 136.22 for the urban population *(Source: TRAI Performance Index Report July 2020)*. India is expected to have more than 900 million Internet users by FY2025 with a 62% penetration; 75% of the new user growth is set to come from rural areas *(Source: Frost & Sullivan Analysis)*.

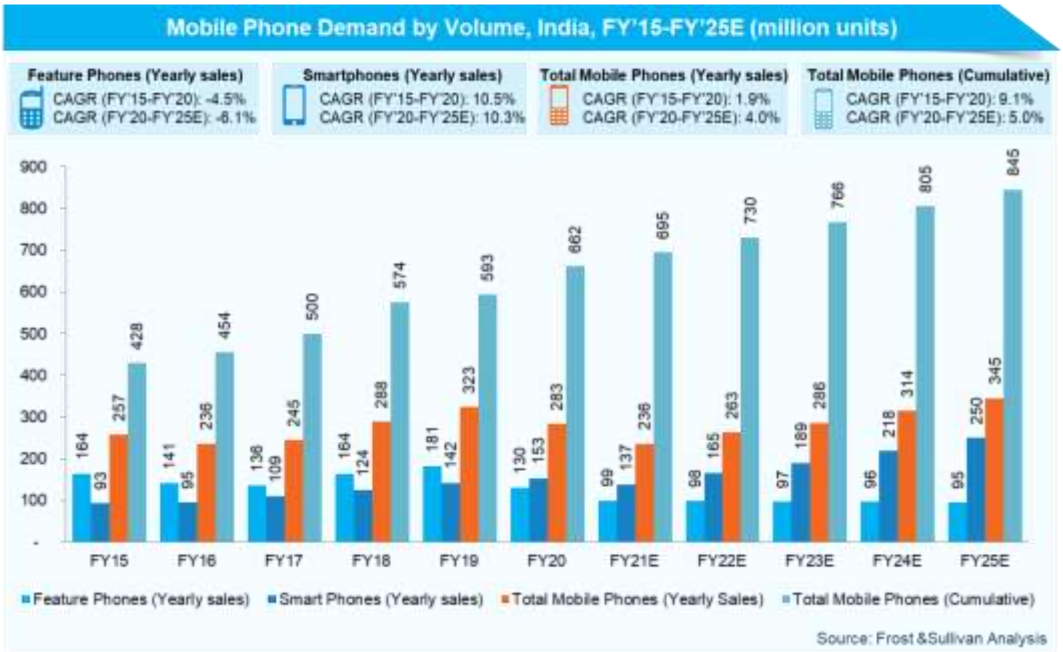
Regardless of the location, the mobile phone will be the key driver for the growing Internet access in India. According to TRAI, almost 79% of urban and 94% of rural users consider the mobile phone as the primary device for accessing the Internet, largely because of the large-scale availability and affordability of smartphones.

The subscriber growth in India is forecast to outperform the regional and global averages over the coming years as the country cements its position as the world's second-largest mobile subscription market after China. Frost & Sullivan expects this to increase the demand for mobile handsets and also create a replacement demand in the long term.



Increasing smartphone adoption is one of the primary drivers that have boosted Internet consumption in India. According to Frost & Sullivan, although the country has overtaken the U.S. as the world's second biggest smartphone market in terms of volume, it had only 32% smartphone penetration in 2020, which is low compared to the global average.

Feature phones had a volume share of 46%, and smartphones, 54%, of the total Indian mobile phone market in 2020. Significant rural and semi-urban markets are the key contributors to the uptake of economically priced feature phones. However, the decline in prices of smartphones has blurred price points between feature phones and low-end smartphones, encouraging higher adoption of the latter. The smartphone segment is expected to grow by a CAGR of 10.3% by volume until the end of 2025. This growth will ensure smartphones will overtake feature phones in volumes by 2025.



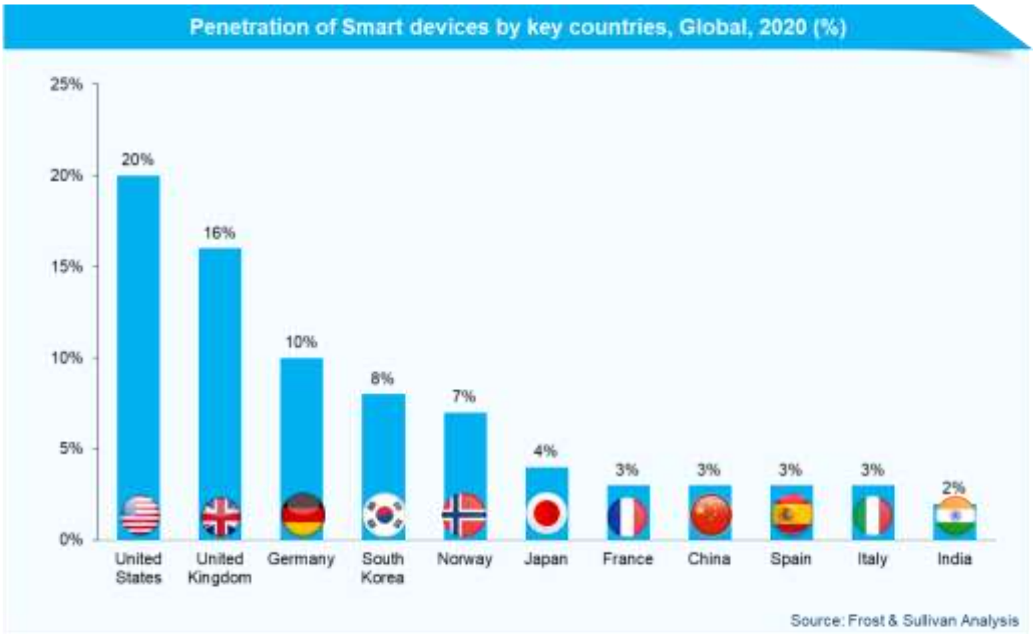
IMPACT OF COVID-19 ON DIGITAL ADOPTION GLOBALLY

Digital Adoption in the Global Market

The COVID-19 pandemic has increased the adoption of digital technology and increased the usage of smart devices to a great extent. Due to digital adoption, the world is undergoing a massive business transformation with various online business solutions such as social media (Facebook and Twitter), entertainment (Netflix and Amazon Prime) and e-commerce (Amazon and Flipkart), etc.

Due to expansion of internet with increase in mobile connectivity, online retail market is on a growth trajectory. As per a recent study conducted by Digital e-commerce, the total global e-commerce sales has reached nearly USD 3.4 trillion in 2019; purchase of electronic goods through online seems to be a clear winner with a share of around 25%. Consumers are slowly gaining confidence on the security features provided by the e-tailers.

Mobile phones have emerged as a key commodity in the modern world. The segment has undergone constant innovation and upgrades commanding a market of over USD 400 billion in 2020. As smart technologies pervade industries, services and products, the world is becoming increasingly interconnected and intelligent. The concept of connected device has fast gained momentum. The implementation of connected devices providing various benefits is an early entrant. Hence the devices are more costly. It should be made available to everyone in order to gain a wider usage. This right mix of usage across smartphone users will enable the growth of connected devices.

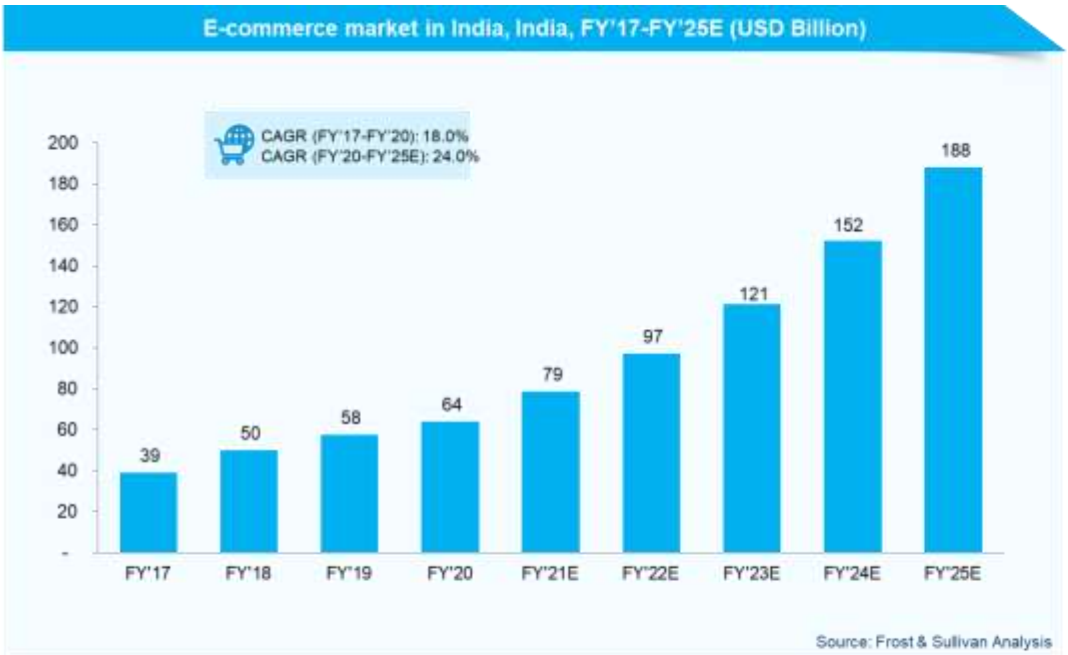


DIGITAL ECONOMY LEAPING ACROSS EMERGING MARKETS

The internet population in SEA has grown from 260 million in 2015 to 480 million in 2020. The overall digital economy in SEA is expected to reach around USD 250 billion by 2025 from USD 120 billion in 2020.

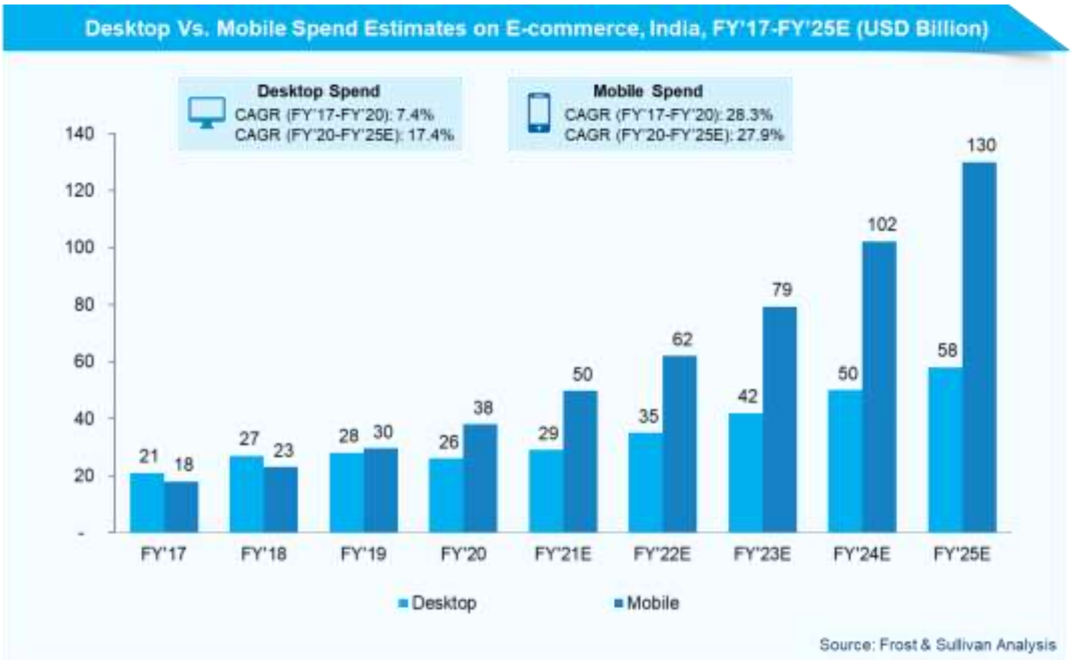
Key Online Shopping Trends & Targeting the Online Shoppers in India

Globally, the E-commerce market comprised 21% of the total global retail sales at around USD 3.5 trillion, with about a fifth of this contribution coming from the U.S. The e-commerce market in India, on the other hand is at a growing stage. With the proliferation of high-speed internet and the ubiquity of affordable smartphones, the market has grown significantly over the past three years. Although it started as an urban trend restricted only to the tech-savvy and the young population demographic, e-commerce has caused an all-encompassing revolution in the retail industry. In 2020, one-third of all Internet users have already shopped online and this number is likely to grow at a rapid pace with the increase in the number of e-commerce companies supporting all product and service categories.



The Indian e-commerce market had revenues of USD 64 billion in 2020 and is likely to grow at a CAGR of 24% to USD 188 billion by 2025. However, with further increase in avenues for digital payments, accelerated broadband penetration, and an increasing number of product options across the breadth of the country, the market has the potential to grow to USD 150 billion over the same time period.

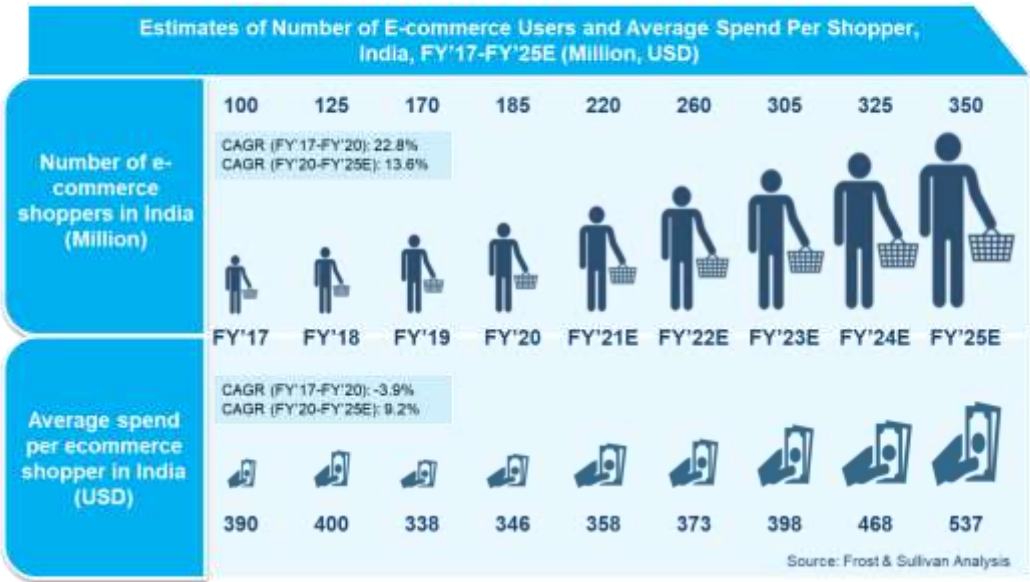
M-commerce (goods and services purchased via mobile) contributed about 60% of the total Indian e-commerce market in 2020. With increasing data speeds, along with falling data access prices, this is likely to grow to over 75% of the e-commerce market by 2025.



Shopping Trends in India

While e-commerce in India has an established market now, primary vendors find it challenging to increase active usage, drive frequency in purchase, and boost average spending. E-commerce rivals both Flipkart (100 million users) and Amazon reported a registered user base of over 400 million (160 million) in 2020, but only 10% of their registered users are active, and about one in six make a purchase when online.

Frost & Sullivan believes that while the growing popularity for online shopping in India is undeniable, it is not going to completely replace the brick and mortar stores in the near term. Retailers and brands are therefore trying to diversify their presence and widen their distribution with integrated online-offline models to gain access to customers beyond those in Tier 1 and Tier 2 cities. Either with their own online platform or through aggregator sites such as Amazon and Flipkart, they are offering their catalogues across all product categories.



Not surprisingly, therefore, the majority of the investments in this space over the past year have been towards building and optimizing marketplaces, while the rest has been in building mobile wallets and e-commerce platforms. A significant percentage of this investment is targeted towards initiatives such as driving higher consumer adoption among non-users, reducing churn, increasing active usage among existing customers, boosting consumer spend across all categories (necessary and discretionary), driving frequency and conversion of the intent to purchase.

Investments in the E-commerce Market, India, FY'20

Company Name	Sub-vertical	Investors Name	Amount (USD Mn)
PayTM	Mobile Wallet & E-commerce Marketplace	Softbank	200.0
		Ant Financial	400.0
		T Rowe Price	1,000.0
		Berkshire Hathaway	300.0
Flipkart	E-commerce Marketplace	Walmart	1,200.0
Amazon	E-commerce Marketplace	Amazon	2,000.0
Aditya Birla Group	Aditya Birla Fashion and Retail	Flipkart	203.8
Reliance Industries Ltd	Reliance Retail Ventures Ltd	Facebook Inc.'s	5,700.0
Urban Ladder Home Decor Solutions Pvt.	Home Décor & Furnishing	Reliance Retail Ventures Ltd.	24.7

Source: Frost & Sullivan Analysis

Frost & Sullivan believes that the primary challenge for brands and retailers (both offline and online) is how to seek and target the right customer through digital avenues. India has 185 million e-commerce shoppers in 2020, but the demographic is highly fragmented. Frost & Sullivan believes that digital attention as well as preferences across apps and websites is extremely divided and therefore, a one-size-fits-all marketing strategy as applied in television or newsprint doesn't work.

Hence, there is growing adoption of advanced digital advertising technology, which can help crawl the widely spread user base across applications to push e-commerce adoption. Digital avenues provide a transparent way of estimating the return on investment on every single customer acquisition and therefore marketers are under intense pressure to ensure performance-based marketing. Further, digital selling allows a brand or a retailer to closely track purchasing trends in real time based on actual consumer actions such as impressions, clicks, downloads or payments, which, while being an advantage, also make every advertiser highly accountable for their marketing spends.

Frost & Sullivan believes that e-commerce in India will be driven by both necessity and aspiration. On one hand, the adoption in metros will continue to grow, and existing users will increase their average spend across brands and categories; on the other, the increasing smartphone and data access penetration will bolster adoption rates among semi-urban and rural consumers.

Vernacular Users to Drive Accelerated Growth in Online Transactions

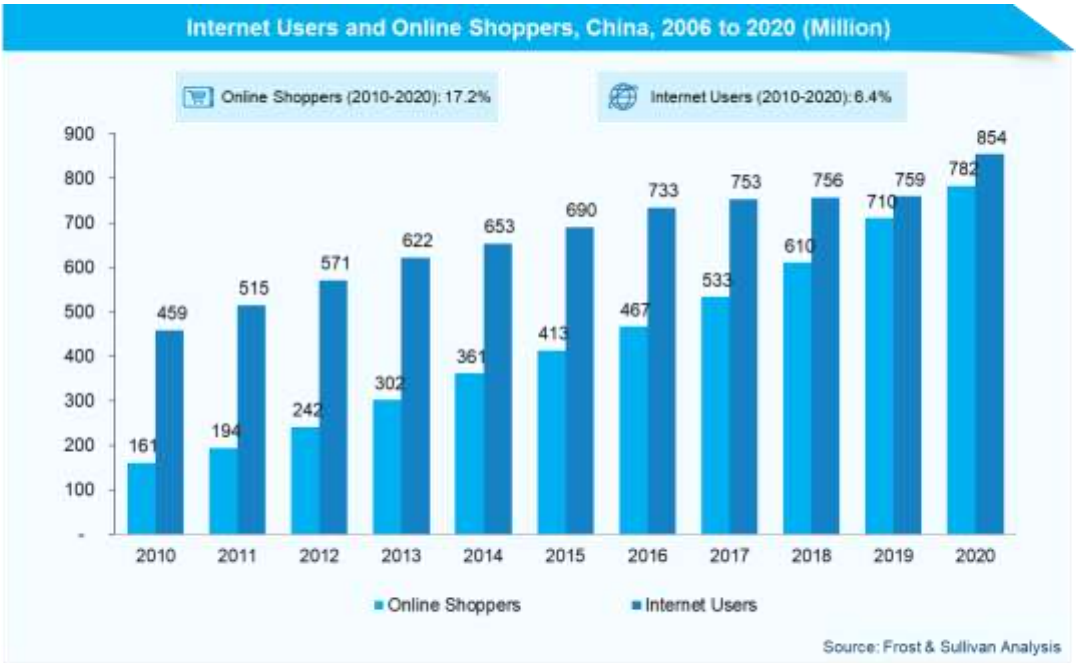
A majority of 55% of all online sales in India in 2020 were contributed by the key metro and Tier I cities, while the remaining sales were generated from the Tier 2 and Tier 3 cities (including rural hubs - which are nodal points supporting businesses in rural areas). However, transactions from Tier 2 cities and beyond are growing 3 times faster than metropolitan cities, unleashing an untapped market for the next growth phase. Tier 2 and Tier 3 cities are the future of online retail market in India. Initiatives by the government including the Jan Dhan Yojana-Aadhaar-Mobile scheme and Unified Payments Interface have led to the adoption of digital payments and it is driving critical mass in adoption, which is becoming essential in boosting large-scale uptake among rural users.

Strong growths in India's digital user base with 90% of new users are expected to have vernacular affinity. It is clearly visible from the varied profile of internet and mobile users in India. Currently, more than 60% of the online users are in the below 25 age category. As there is more adoption among the mass population, the trend will slowly shift to the above 25 age category. The upcoming growth phase of India's online population is expected to give rise to a user base that will be different from the current Internet user group, with high vernacular inclusions.

As per various research reports, only around 45% of the current users are adopting Indian-language or vernacular content, which is expected to rise to more than 70% by 2025. As the day-to-day demand is increasing with middle income households, acceptance of the vernacular driven economy is becoming more prominent. E-commerce service providers such as Flipkart and Amazon started initiating vernacular content in 2018.

China's Growth Trends: Holding up a Mirror to India

India, with its 1.3 billion people, represents a significant market potential for any business, but for sceptics, its prospects are marred by its challenges, such as inadequate infrastructure, poor access to broadband and technology, and regulatory and taxation roadblocks. China faced similar scepticism in the late nineties and early 2000s, but grew to become a formidable world economy over the past two decades riding on the back of investment in public infrastructure, manufacturing, its rural economy and technology. Such stimulus boosted GDP per capita 4 times from 2000 to 2010 and increased FDI inflows. Once on this trajectory, China's growth only spiralled leading to transformation across sectors, including information, communication and technology. China's Internet penetration grew by leaps and bounds from 2006 onwards, also reflecting a similar trend in e-commerce adoption.



Government Initiatives Supporting the Digital Economy

- Since 2014, the Government of India has announced various initiatives, namely Digital India, Make in India, Start-up India, Skill India and Innovation Fund. By an effective implementation of these programs, it has supported the growth of Digital economy in the country.

- In the Union Budget 2021-22, the government seeks to give a boost to the digital transactions by allotting INR 1,500 crores for a proposed scheme that will provide financial incentives to promote digital modes of payment.

- Also, the government has allocated INR 37.7 billion in the year 2021-2022 to employ technological solutions for the upcoming census, which is the first digital census in India.

- The Start Up India campaign has encouraged local entrepreneurship in the e-commerce space, with several sops and tax breaks for new ideas to come into fruition. This has also been backed by a think tank to encourage domestic e-commerce companies.

- India's FDI policy of 100% investment in marketplace e-commerce companies has further encouraged foreign investment to make inroads into this lucrative industry.

- The introduction of GST has increased transparency for the sellers, reduced documentation, enabled inter-state commerce and increased reach by unifying different state taxes. The free flow of goods across states, due to the streamlining of state taxes under GST, has brought about logistical efficiencies and reduced costs of warehousing as e-commerce companies are no longer subject to various checks between borders and the different tax rates in every state.

- The government is also formulating a national policy on e-commerce to include a guiding framework for taxes, regulations, data management/security, technology transfers and other matters concerning e-commerce companies.

THE ADVERTISING AND THE AD TECH INDUSTRY

Overview

The advertising industry globally has been undergoing a transformation. The number of avenues to market to a consumer has expanded widely beyond print display, television and radio to digital media. Digital, while absorbing a significant percent of advertisement spend today, has evolved to become more complex and includes several forms, such as search, video and rich media, social media, and classifieds. For advertisers, the complexity of advertising has compounded as a result of increasing avenues to target consumers in a multi-channel world through various modes of marketing and selling.

Growth Outlook of the Advertising Industry

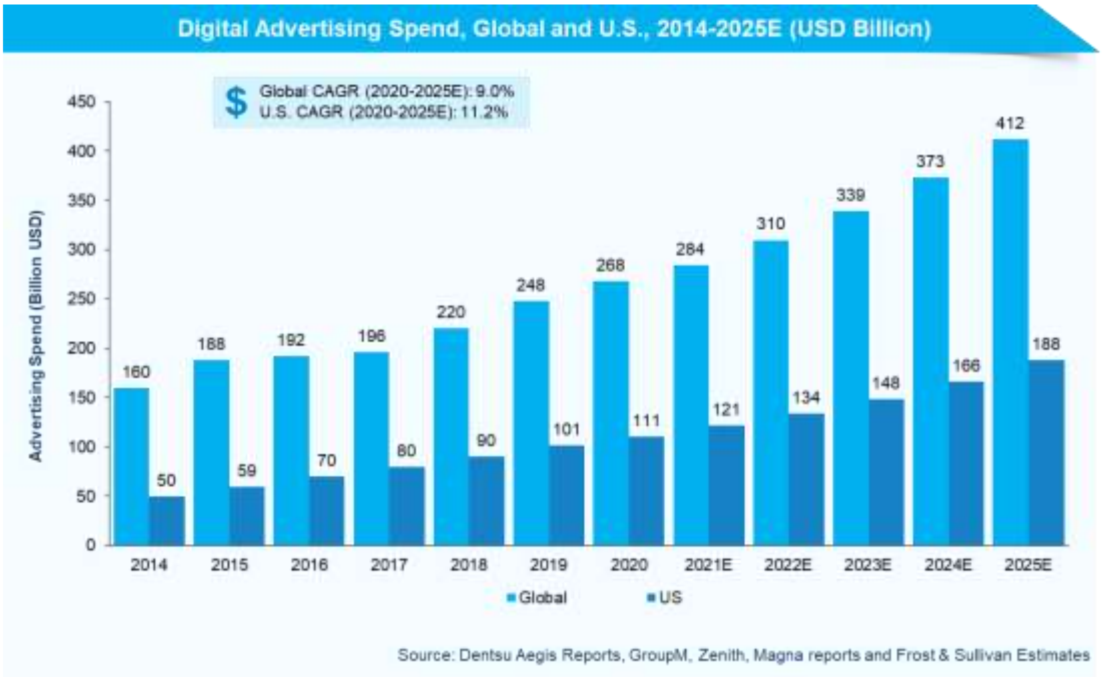
Backed by a stimulating economic growth, technology advancements, and increasing digital users via the Internet, Frost & Sullivan believes that the outlook for the advertising industry is highly positive although it has seen a dip of 4.3% from the market value of 2019 due to the impact of COVID-19 pandemic. Global advertising spends in 2020 were about USD 567.14 billion, out of which the U.S. had the largest share, accounting for 39.40%.

The total advertising industry is forecast to grow at a CAGR of 6.34% from 2020 to 2025 to reach USD 771.14 billion, backed by sustained spending from the U.S., India, Japan and China, among other countries.

Growth in the year 2021 is anticipated to lay foundation for a return to the pre-pandemic spending level and it is expected that the expenditure will reach USD 610 billion exceeding the value of USD 592 billion which was recorded in the year 2019.

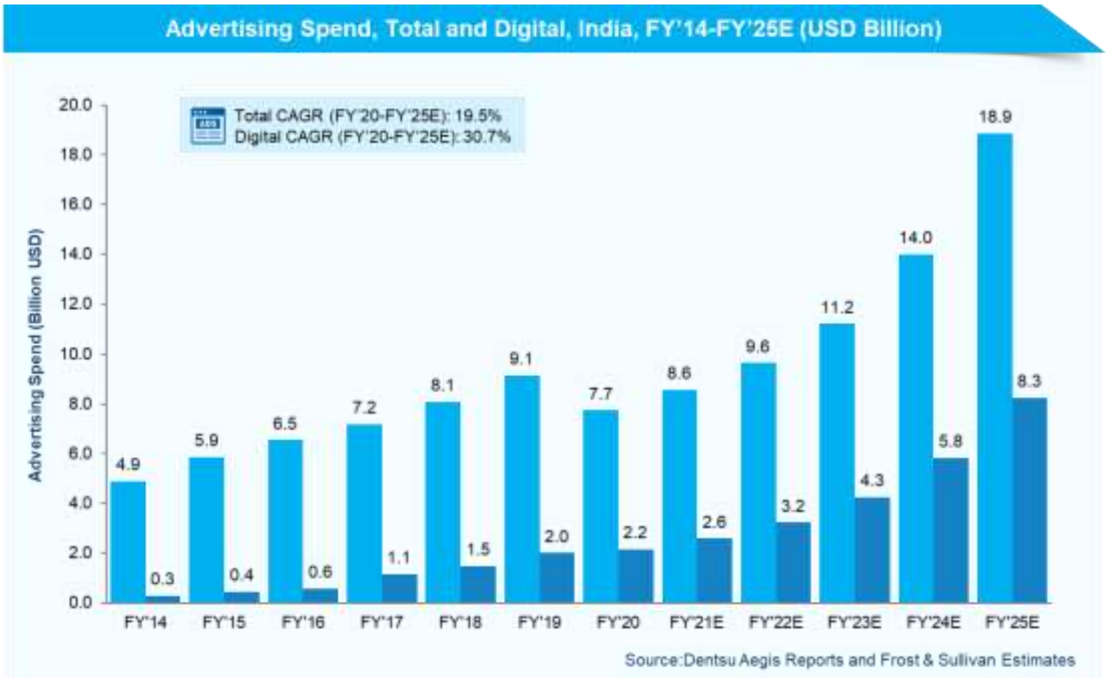
Digital advertising comprised 47.2% of total advertising spend globally, and 49.5% of the U.S. market in 2020. By 2025, digital spend will comprise over 53% of total advertising spend globally.

All the forecasts in this report are reliant on the evolution of global pandemic, government restriction, development and the implementation of the vaccine. Market has been analysed and explained depending upon the change in advertising demand across the globe because of the COVID-19 pandemic.



Overview of the Indian Advertising Industry

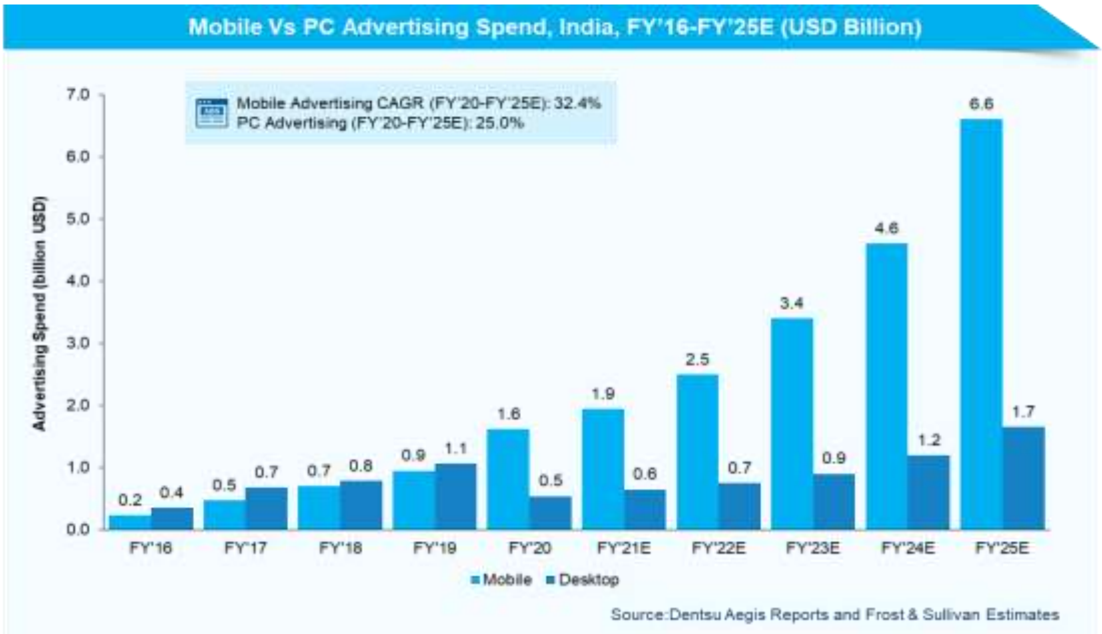
India is one of the very few markets in the world where advertising spends are likely to grow in double digits. COVID-19 undoubtedly provided the much essential boost for the digital adoption in Indian market. Digital translations clocked 100 million every day, and as per the RBI estimates, it is expected to touch a whopping 1.5 billion every day, totalling INR 1.5 trillion by the year 2025. Reliable data, lesser fraud, better measurement and more Return on Investment will be the key market theme in India in the forecast period. Indian total advertisement spending market is expected to grow at CAGR of 19.5% during FY2020 to FY2025 to reach USD 18.86 billion by 2025.



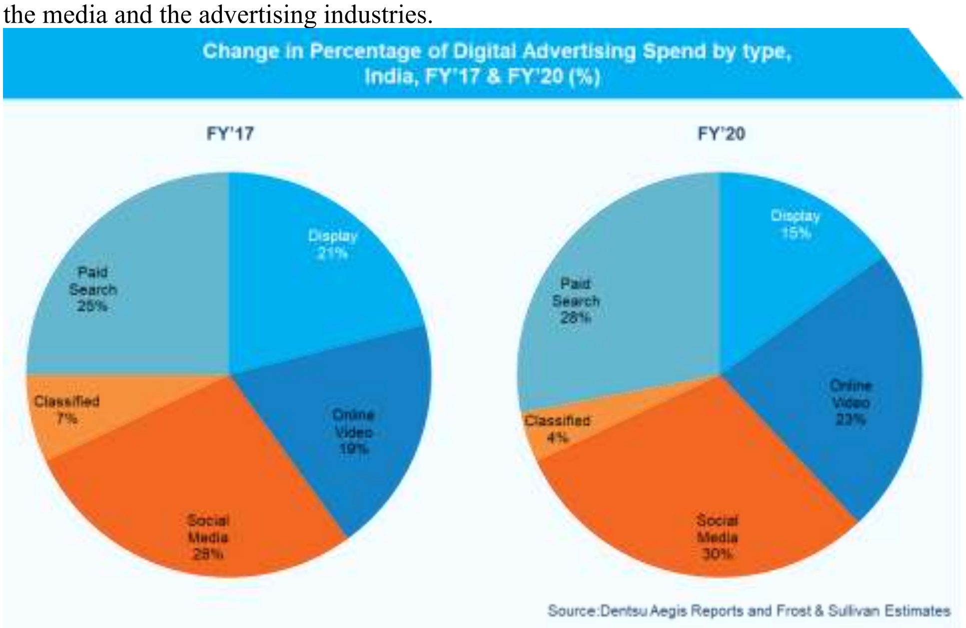
Year 2020 offered a mammoth challenge to the individuals, business and the society. COVID-19 impacted the digital media the least, while print, television, outdoor and the cinema were the categories which were being hit badly because of the pandemic. Every aspect of the advertising had to take bearing as industry slipped by a massive 15.3% over 2019 due to pandemic. Categories like events, seminar and the sports – areas which are mainly reliant on the physical human interaction – plunged the most. 2021 is expected to witness an immense rise in the digital advertising. With gradual easing of lockdown backed by the seasonal spend and the big-ticket events like Indian Premier League, 2021 is expected to provide positive momentum to the market. Digital advertising spend in India has maintained an impressive growth over the past three years. It gained USD 2.16 billion in revenue in 2020 and will likely grow at a CAGR of 30.74% from FY2020 to FY2025 to reach USD 8.25 billion by 2025.

A segment that is fuelling growth for digital segment is mobile advertising. It is driven by factors such as 4G penetration, cost-effective data packages, proliferation of the mobile apps and social media and rapid growth in smartphone penetration giving boost to M-commerce. Rapid increase in the mobile usage and the net penetration has led to 75% of the digital media spends on the mobile devices in the year 2020. The pandemic has fuelled faster adoption rate of the digital advertisement in India, coupled with high consumption of the digital video and growth of the regional content.

Mobile advertisement spend is expected to grow at a CAGR of 32.4% from FY2020 to FY2025 to reach USD 6.6 billion from USD 1.6 billion.



It is estimated that by the end of the year 2022, approximately 77% of all the digital media spends will be done through mobile devices. Stakeholders are assuming digital advertising environment to ramp up user experience, increase consumer reach and engagement with help of the mobile advertising. Growing technology use, applications of artificial intelligence/virtual reality and voice applications on the mobile device has revolutionized the media and the advertising industries.

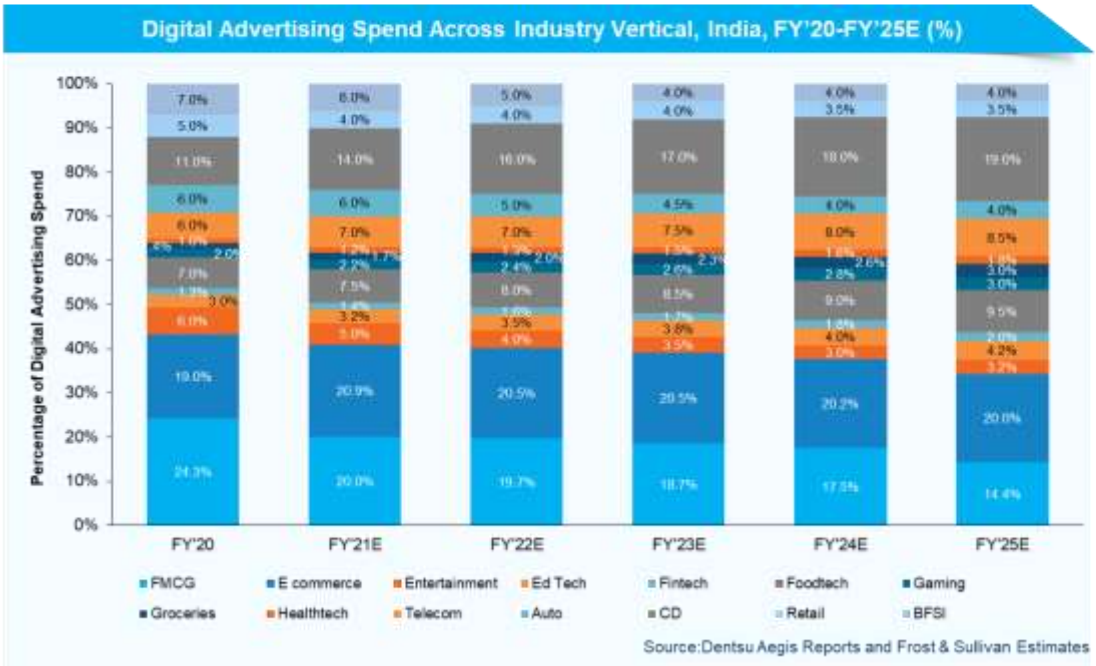


Among types of advertising, there is a gradual shift from display and paid search advertisements to other forms - especially online video, and social media. The availability of smartphones and access to free data has increased the viewership for video-on-demand content (such as Hotstar, Amazon Prime and Netflix) and enabled easy access to social media.

The advancement in increased consumer content consumption is acting as a catalyst for mobile advertisement spending and driving the growth of the online platforms. The preference for the local language content is at a constant upsurge and majority of consumers are spending more time consuming the content in local language.

Online video contributes the highest percentage to digital media advertisement spend on mobile device (29%) in comparison to desktop (23%). Spends on desktop is being led by the social media (30%), followed by the search (28%) and the online videos.

Digital Advertising Spend



In terms of contribution towards digital advertising spend by sector; FMCG was the largest in India in FY2020, accounting for 24.3% of all digital spend. The telecom sector spent is about 35% of its total digital advertising budgets on the social media advertisements, which is followed by 26% spend on the online video advertising in 2020. Consumer Durables sector spends around 30% of its entire digital media budget on paid search followed by the 27% on the social media.

Digital advertising by e-commerce is forecast to maintain fast growth to reach 20% of the total digital advertisement spend in 2025. In the near term, Frost & Sullivan anticipates that advertisers from E commerce sector will make higher investments to cultivate and nourish consumer habits on digital platforms.

The Attractiveness of the Digital Medium- Comparing Cost of Acquisition

Ad inventories are typically priced based on a cost per thousand impressions ("**CPM**") basis across media. However, doing a comparison across media is always a challenge due to the differences in targeting capability and also benchmarking on an appropriate creative length/size. For example, if print CPMs are computed on the basis of the cost of a full page Ad, the CPMs can be very high vis-a-vis a similar CPM being done for a smaller ad size.

CPM is an advertising metric that measures how much money an advertiser must spend to reach an audience base of 1,000. Traditionally, televisions and newspapers / magazines (grouped under print) were the only sources of advertisements and thus had a higher reach, justifying a higher price. While these avenues continue to hold significance even today, the cost per impression for TV and print is much lower than that for digital sources such as mobile app, website or mobile site.

However, the number of consumer-targeting options available for advertising on digital sources compensates for the higher CPM as the 'spill over' (that is the number of uninterested or unlikely customers) is minimized. Given that individual level targeting is not available on TV & Print, an advertiser needs to buy a lot more impressions to reach the relevant audience (given the spill over), versus buying only the optimum targeted impressions in case of digital media.

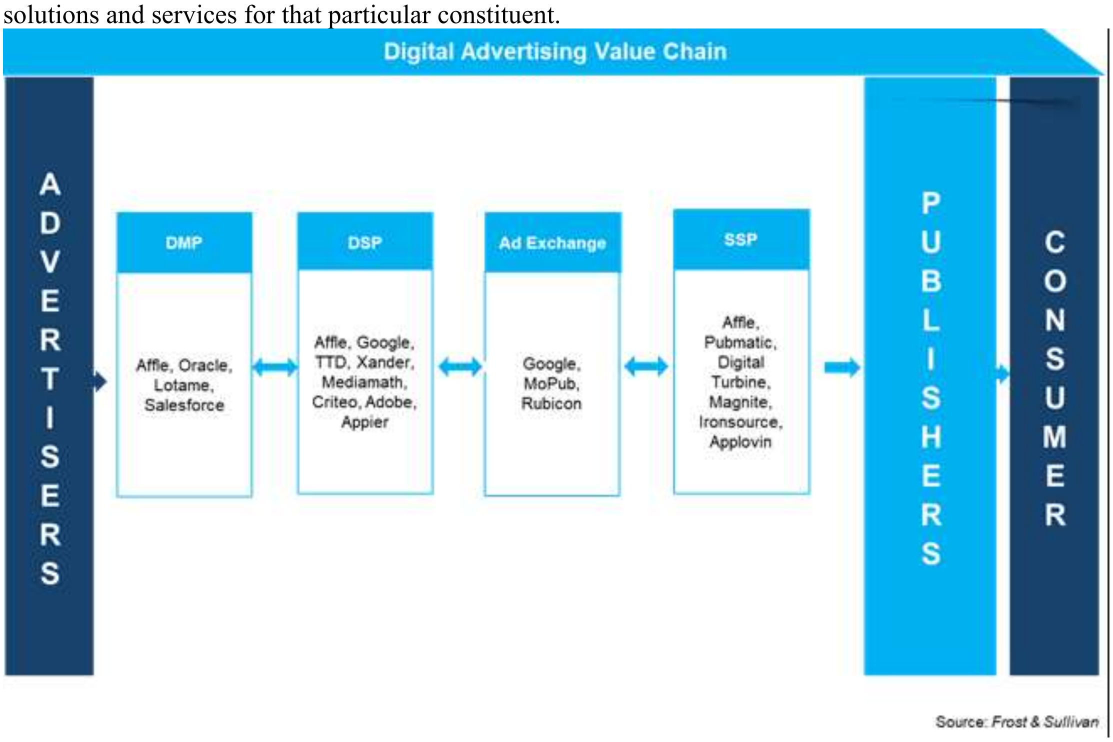
How Does Digital Advertising Work?

Digital advertising has evolved rapidly over the last decade. The sophistication in tracking and measuring every single metric of a digital advertisement in real time makes brands highly accountable for their digital ad spends. Therefore, there is increased emphasis on performance marketing, which requires leveraging large datasets of consumer information to drive targeted campaigns as well as real-time analysis.

Value Chain of Digital Advertising

The digital advertising value chain comprises publishers at one end and advertisers at the other; and multiple advertising technology ("**Ad tech"**) companies who act as facilitators for interactions between the two.

The illustration below identifies key constituents of the value chain with some examples of companies that offer solutions and services for that particular constituent.



How Does the Value Chain Function?

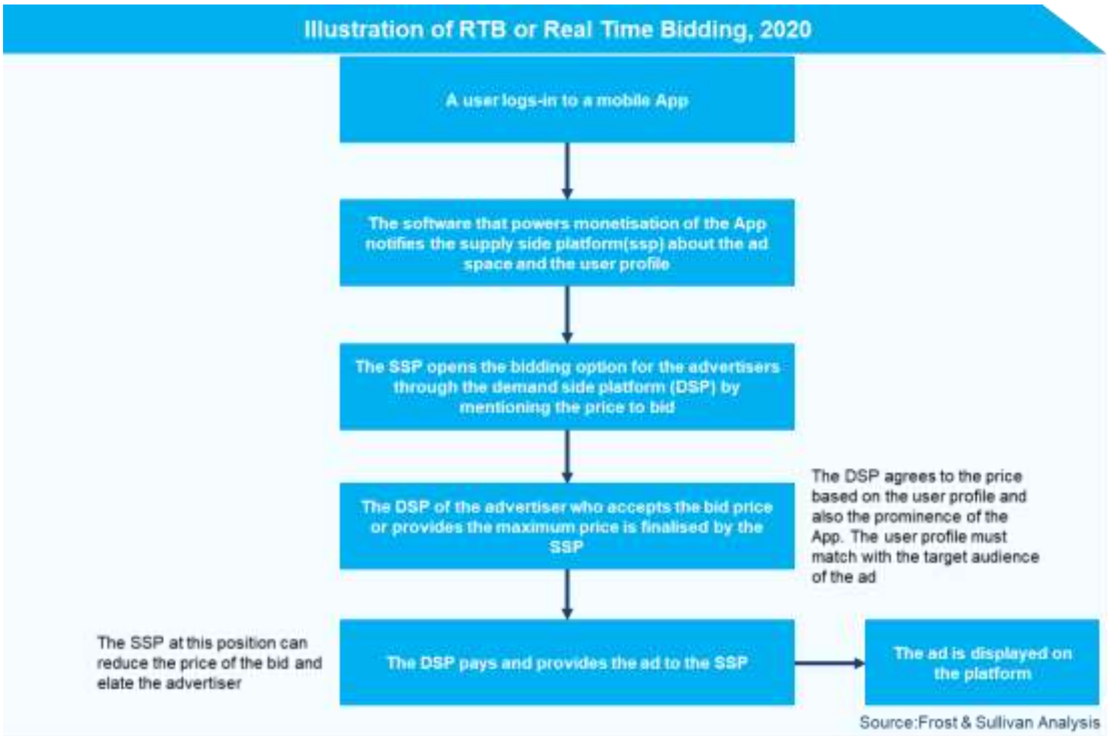
Advertising traditionally is driven by transactions between an advertiser/ brand and an advertising agency or a publisher across media. An advertiser makes decisions based on two primary factors: one, the price of the space (whether print, television, radio spot, signage or others), and two, the reach of the publisher – that is the number of consumers it exposes its visibility to.

Online or digital ads function on the same principles, but because of the numerous avenues of publisher platforms, the diversity of user devices and applications like gaming, social media, video, etc., the complexity of advertising online is compounded. Ad tech companies have simplified advertising in the digital world with the help of data analytics, artificial intelligence and machine learning.

The core objective of the advertising value chain still remains the same. Advertisers want to publish their message across platforms for two reasons: to drive sales and/or enable awareness of the product or service. They seek to publish the ad on the right platform at a nominal price to reach the target audience. Publishers are ready to monetise ad spaces without impacting the user experience. Some major publishers have their own ad platforms whereas others depend on third-party platforms like supply side platform ("**SSP**").

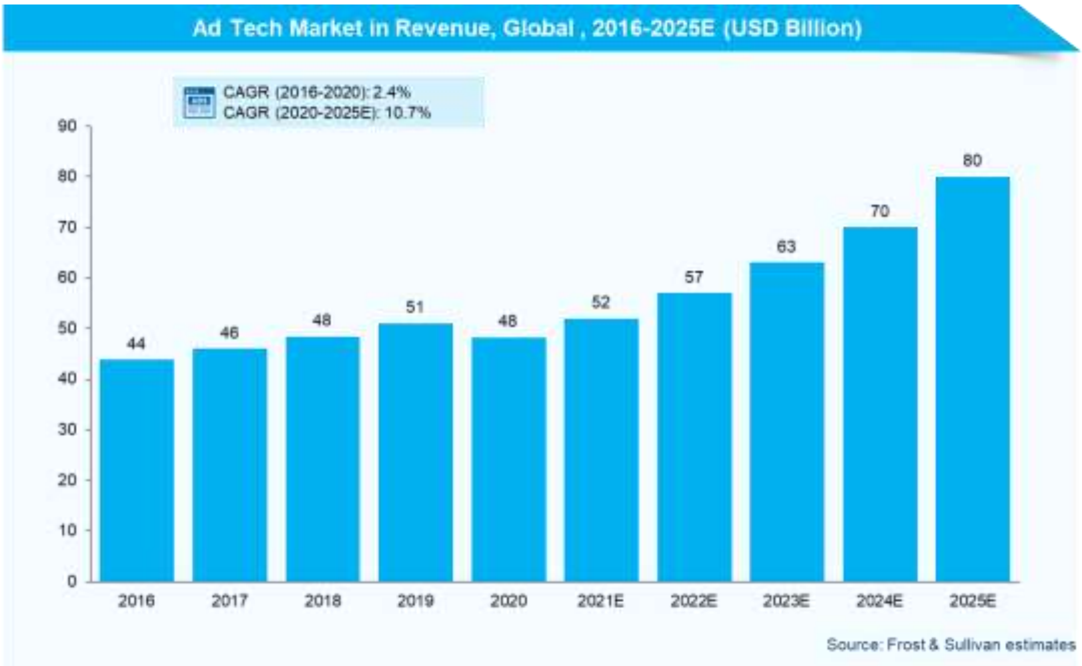
Ad tech companies have enabled automation of the various activities involved in the advertising process. Automation can happen at both ends – at the advertiser's end, it enables the process of obtaining proper ad space across multiple platforms; at the publisher's end, it enables the tracking of the impressions delivered.

Digital advertising is tendered either through direct advertising or through programmatic advertising. Direct advertising involves significant human intervention to auction ad spaces and fix pricing, whereas programmatic advertising is completely based on automation. Programmatic advertising is defined as the purchase and sale of advertising in real time using software and algorithms without human intervention. Based on the requirement of the buyer, a bidding algorithm notifies when an inventory is available. At the publisher's end, the algorithm enables the selection of the highest bidder in real time. This is called real-time bidding ("**RTB**"). The revenue flows automatically from the advertiser to the publisher. A part of the revenue is obtained by each constituent of the value chain.



ADVERTISING TECHNOLOGY MARKET

The Ad tech market today has evolved beyond the advertiser-publisher to include a number of intermediaries controlling one or more than one part of the value chain. The solutions offered by these companies range from demand side platforms ("**DSP**"), SSP and data management platforms ("**DMP**") to ad networks, ad exchanges and so on.



Frost & Sullivan estimates that the global Ad tech market earned revenue of USD 48 billion in 2020 and is likely to grow at a CAGR of 10.66% over the next five years.

The global advertising technology market is highly competitive, with multiple regional and global players. Although it is dominated by digital giants such as Google and Facebook, there are over a hundred companies who offer one or more components of this solution. However, only a few –such as Affle, InMobi, Ironsource, The Trade Desk, FreakOut, Mobvista and YouAppi – operate internationally.

India has become an attractive destination for many of these companies. As digital advertising and in turn programmatic ad spend will grow at a rapid rate, it will help drive growth of the Ad tech market. Retail, digital payments, gaming, travel, hospitality and e-commerce are the prime verticals contributing to the market growth currently.

Business Models in Ad Tech

The Ad tech ecosystem, with its wide array of solutions and a large number of players, follows different business models.

Business Models in Ad Tech Industry, 2020

S. No.	Business model	Metrics	Typical Pricing Range
1	Media-based Pricing Model	Cost per media (for example, number of banners, videos)	USD 0.15 - USD 10 per thousand impressions
2	Performance-based pricing Model	Cost per click, Cost per sale, Cost per view, Cost per Action (such as app downloads)	USD 0.3 - USD 1.5 per click
3	Flat Fee Model	A flat rate for each media / channel	Varies
4	Software as a Service	Monthly fee based on technology stack, number of users targeted and so on	USD 15,000 - USD 35,000 per month

Source: Frost & Sullivan analysis

Percentage of media or CPM has historically been the predominant pricing model for Ad tech companies and continues to be followed by some companies even today. This is the easiest and safest business model for marketers as it takes into account just the cost of the media unit and the audience reach for a particular channel. For instance, if the cost of a display ad on a site is USD 5,000 and the ad is expected to reach close to 10,000 users, the advertiser has to pay (USD 5,000/10,000 users) * 1,000, or USD 500 to advertise to 1,000 people. However, with growth in traffic as well as ad fraud meant this model lost its preference among brands and agencies.

Today, brands prefer performance-based models, where they are charged based on harder metrics such as number of clicks or converted users. This way, Ad tech companies have more incentives to ensure targeted reach for the brand. In fact, with bots faking clicks as well, some companies such as Affle and Criteo have embraced action or performance driven sales, where customers don't pay for clicks, but for actions, such as app installs and purchases. This assures transparency for brands and increased revenues for vendors. In some cases, companies use a revenue sharing model where a percentage of the sale value from the client's product goes to the vendor.

Alternatively, in order to make the cost of technology visible to clients, some companies such as TradeDesk are embracing a Software-as-a-Service model. It works well for advertisers who like to fix monthly advertising budgets instead of on a campaign-by-campaign basis.

Business Models in Ad Tech Industry in Comparison with Companies, 2020

Company	Media based	Performance based	Flat Fee	SaaS
Affle	✓	✓	✓	
InMobi	✓	✓	✓	
Pubmatic	✓	✓	✓	✓
The Trade Desk	✓	✓	✓	✓
Digital Turbine	✓	✓	✓	✓
Mobvista	✓	✓	✓	
Liftoff	✓	✓		
Ironsource	✓	✓		
Criteo		✓		
Freakout	✓	✓		

Source: Frost & Sullivan analysis

Challenges in the Ad Tech Market

The potential of growth for Ad tech over the next five years is firmly established; however, Frost & Sullivan believes the market faces the risk of constant disruption through the following factors:

Dominance by large incumbent tech companies such as Google and Facebook

Google and Facebook contribute about 75% of Ad tech revenue. With their respective native platforms that have access to billions of user profiles worldwide, they will continue to dominate the landscape not just in market share, but also user practices, pricing policies and general terms and conditions. The recent backlash from states across the world insisting on greater consumer privacy has reset the paradigm of digital advertising. Any significant change by either of these companies with their platforms can have an impact on the rest of the market.

Fake Apps and fraud users

Despite the size of the growth opportunity, digital advertising today is highly challenged by ad frauds, such as botnets, ad stacking, ghost sites, fake installs, click injection, click-spam, compliance fraud, pixel stuffing and domain spoofing. Ad frauds are caused when a fraudster makes the advertiser pay for fake ads traffic, fake leads and uneventful ad placements. New ad formats and channels (video ads and ads on mobile) are slowly becoming breeding grounds for ad fraud. According to the Media Rating Council standard of viewability, an ad impression is considered viewed if 50% of the ad space is seen by a 'human' for 1 second for a static ad, and 2 seconds for a video ad. So, when an ad impression is created by fraudulent means at unwarranted times and places, it implies a wasted investment.

Consumer data acquisition and analytics

Programmatic Ad tech business, in particular, thrives on user data. The more user profiles a company has, better their chances of promising higher reach for their customers and thus more revenues. Traffic acquisition cost is a significant part of any Ad tech firm's expenditure, as well as key to its profitability metrics. It depends on how much access a vendor has to user data. A fraction of Ad tech vendors today have the ability to directly acquire data of customer profiles. Others need to spend to acquire data from data aggregators or third party vendors; but the quality cannot be validated as this aggregated data is typically anonymized.

The quality and the size of the database determine relevant and customized marketing across all platforms. Frost & Sullivan finds among the core Ad tech vendors in the market, very few, such as Affle who have their own datasets of over a billion customer profiles. Affle, for instance, had approximately 2.1 billion connected devices and 550 billion plus data points processed as of FY20.

Demand for transparency and cross border complexity

Transparency in the advertisement technology industry plays a very crucial role in the overall ecosystem. Publishers and the advertisers are doing business, so their activities are totally focused toward making money. Although, such fragmented economy makes the media buyers pay much higher price than it is really worth. Cross border complexity involves attracting and retaining the global customers, which essentially requires multi-currency billing option.

M&A to widen product portfolios

The past few years have seen a few acquisitions in the Ad tech market by key players. Affle's acquisitions include Vizury, RevX, Shoffr, Mediasmart, Appnext and DiscoverTech. Frost & Sullivan believes that such consolidation trends will continue as Ad tech vendors strengthen their product portfolio to cater to the growing needs of their customers. While currently the market is intensely competitive with hundreds of players focusing on specific niches in the value chain, Frost & Sullivan believes that eventually customers will want to engage only with vendors who have an end to end value chain of services that can streamline their needs and drive advertising with efficacy.

Ad tech continues to evolve requiring scale in capabilities as well as capacity. For example, the growing spend on online video advertising has triggered a need for more interactive rich media advertising. Another example is that the diversifying operations across hundreds of countries require brands to engage with customers across geographies. Acquisition will be the fastest route for companies to achieve these goals.

Capturing India

India with its rapidly growing Internet user base has become an attractive destination for international Ad tech vendors, including Ironsource, Digital Turbine and Mobvista – who have set up recently, alongside existing companies such as Affle, InMobi, among others. However, India presents its unique set of challenges such as a disjointed demographic which is just getting habituated to digital applications (such as use of e-commerce, digital payments, etc.). India currently has 687.6 million digital populations with an active e commerce penetration of 74% in 2020. Frost & Sullivan believes that this makes it a more challenging landscape for marketing tech to be able to discern the users who have the highest propensity to transact online.

It can be a hard market to sustain, even for market participants who are globally successful. With an average CPC at USD 0.1 to 0.3, the price points are quite low compared to the global market. Frost & Sullivan believes that achieving profitability in such a price-sensitive market is possible only for companies that are familiar with the dynamics of consumer profiles and have a track-record of working alongside brands locally for years.

Ad tech, while being extremely attractive, hinges on the success of data acquisition and several vendors globally have demonstrated low profitability or losses even in high CPC markets. Frost & Sullivan believes that India, with its constraints of low CPC, inadequate availability of data and technology will pose significant challenges for scalability and growth, even for established international companies.

Affle is one of the leading players in Indian Adtech space, which is a high growth market but with substantial barriers to entry. Adtech costs in India are much lower in comparison to those in the foreign markets. Foreign players are accustomed to global Ad tech cost structures. Also owing to its diversity, Indian Ad tech market has high vernacular requirements. These factors put domestic companies like Affle in an advantageous position Vis-a- Vis its global counterparts.

Affle is rightly placed in the highly-populated but moderately-penetrated Indian market with the early mover advantage in the Digital Ad space. It is believed that Affle offers a distinctive interplay of Digital, Mobility and Analytics theme which can offer multi-year-high growth prospect.

Brands in the categories like e-pharma, ed-tech, over-the-top (OTT) video streaming and the online video gaming have continued to spend on the digital advertising during the lockdown and as the economy is seeing a rise from its sharp dip in 2020, Affle has high potential to lead the path in Indian market.

Growing control on browser user tracking

The browser market is dominated by large payers like Apple & Google. Apple launched its intelligent tracking prevention feature in its Safari browser in September 2017, which blocks some or all third-party cookies by default on mobile and desktop and therefore makes it more difficult for third-party providers, to access data on Safari consumers. Further, Apple has announced measures to address concerns regarding privacy and data collection by social media companies. In June 2018, Apple further announced that it would make it more difficult for websites to track users, build profiles of them and provide ads to them around the internet.

With large companies like Apple & Google having the power to impose restrictions and regulations related to browser tracking, Frost & Sullivan believes that companies who are mobile app focused and target ads inside mobile apps have a more de-risked business model and would enjoy a greater chance of success.

Impact of changes done in Apple iOS 14

Apple has announced changes in iOS 14 which will affect how individuals receive and process conversion events from tools such as the Facebook pixel. Businesses which advertise mobile apps, as well as those which optimise, target and report on the web conversion events from any of the business tools will be affected.

Affle has an emerging market focus and as such, it will not face any major hurdles since in emerging markets, the market share of Android is much higher vis-à-vis Apple iOS.

Comparative Analysis

Excluding Google, there are scores of companies who offer Ad tech solutions. Among them, there are just a few international companies that work closely with advertisers and brands facilitating targeted advertising. Companies such as Pubmatic, Affle and InMobi have been working for major global brands including Airtel, Amazon, Coca-Cola, Rakuten, JC Penney, ESPRIT, Zalora, Namshi, Flipkart and many others.

This section provides a comparative analysis of the key financial metrics, business models, segments served and so on by leading sell-side (including a DSP and DMP) Ad tech solution providers in India and globally. Since the market has more than 100 participants covering various aspects of the value chain, Frost & Sullivan has considered only the following companies for the purpose of this analysis: Affle, InMobi, Mobvista, Pubmatic, TradeDesk, Digital Turbine, FreakOut and Criteo; companies whose value proposition is stronger in the DMP-DSP side of the value chain.

Comparison of Leading Competitor Profiles

The following table shows a comparison of leading competitors in terms of their value chain coverage, USP, verticals focussed and geographical presence.

Very few companies such as Affle and the Trade Desk have products that span the entire value chain. While some companies are more focussed on buy-side platforms, some others are focused on the publisher side. While competitors are dispersed geographically, China, South East Asia and India prove to be regions with high potential in the near future.

Company Profiles, Ad Tech, 2020

Company	Value chain Coverage	Vertical Focus	Geographical Presence
Affle	In-house DMP, In-house DSP/SSP, Fraud Detection , Mobile in-app advertisements and on-device app recommendations	Ecommerce, Entertainment, Edtech, Fintech, Foodtech, FMCG, Gaming, Groceries, Government and Healthtech	India, SEA, MEA, LATAM, US & Europe. Primarily focused on Global Emerging Markets
InMobi	DMP, DSP, SSP, Fraud Detection	Retail, finance, gaming, e-commerce, food and beverages, hospitality,	India, China, USA, Dubai, London, France, Malaysia, South Korea, Australia, Indonesia, Japan
Pubmatic	DSP,DMP, Fraud detection, SSP	News, E-Commerce, Gaming, Media, Weather, Fashion, Technology, and more	United States, EMEA, APAC, ROW
The Trade Desk	DSP,DMP,API	Media, manufacturing, retail, finance, telecom	America, Europe, APAC
Digital Turbine	Mobile content, Mobile applications, Mobile games, Mobile value added services, Application management solution,	Telecom, media, gaming, entertainment	United States and Canada, Europe, Middle East, and Africa, Asia Pacific and China, Mexico, Central America, and South America
Mobvista	In-house DMP, In-house DSP, Fraud Detection	Mobile games, banks, news	China, SEA, India, U.S., U.K.
Liftoff	Ad Network, Ad Retargeting , Advertising Platform, Mobile Advertisinf	Technology, software, gaming,media & marketing, retail	New York, London, Paris, Singapore, Seoul, Tokyo, and Sao Paulo
Ironsource	App Discovery, App Marketing, Mobile Advertising	Media, gaming ,software	San Francisco , New York , London, Tel Aviv , Bengaluru, Beijing, Seoul , Tokyo
Appier	AI, SaaS, Analytics, ML	Automotive, banking, e commerce, retail, confectionery, food, etc	Thailand,Vietnam,Hongkong,Philipines,Malaysia,Indonesia,Korea,Japan,Australia,India,Taiwan
Criteo	Customer acquisition, dynamic retargeting, audience match, predictive bidding, product recommendation	Retail, travel, hospitality, e-commerce	95 countries
Freakout	DSP	Media, Auto, Retail	APAC

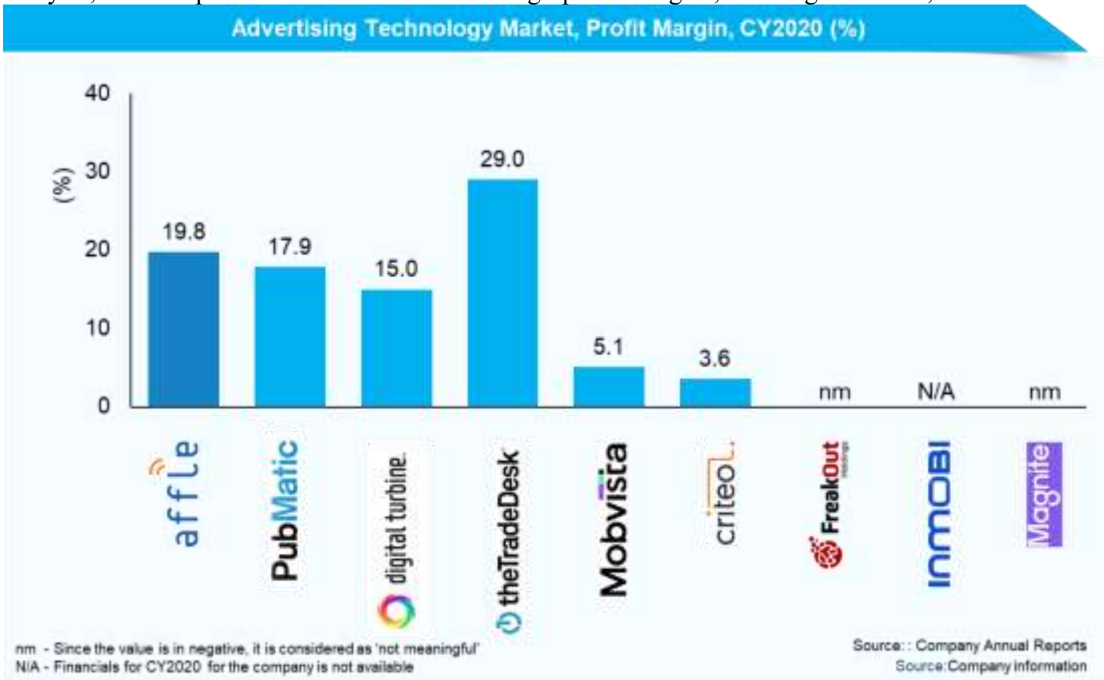
Source: *Frost & Sullivan*

The Ad tech market has been extremely dynamic in terms of requirements, spiking the need for constant innovation. But very few companies in the Ad tech market hold patents, especially in the mobile Ad tech solution space. Among the competitors considered for the analysis only Affle and InMobi have patents that relate to the mobile advertising segment.

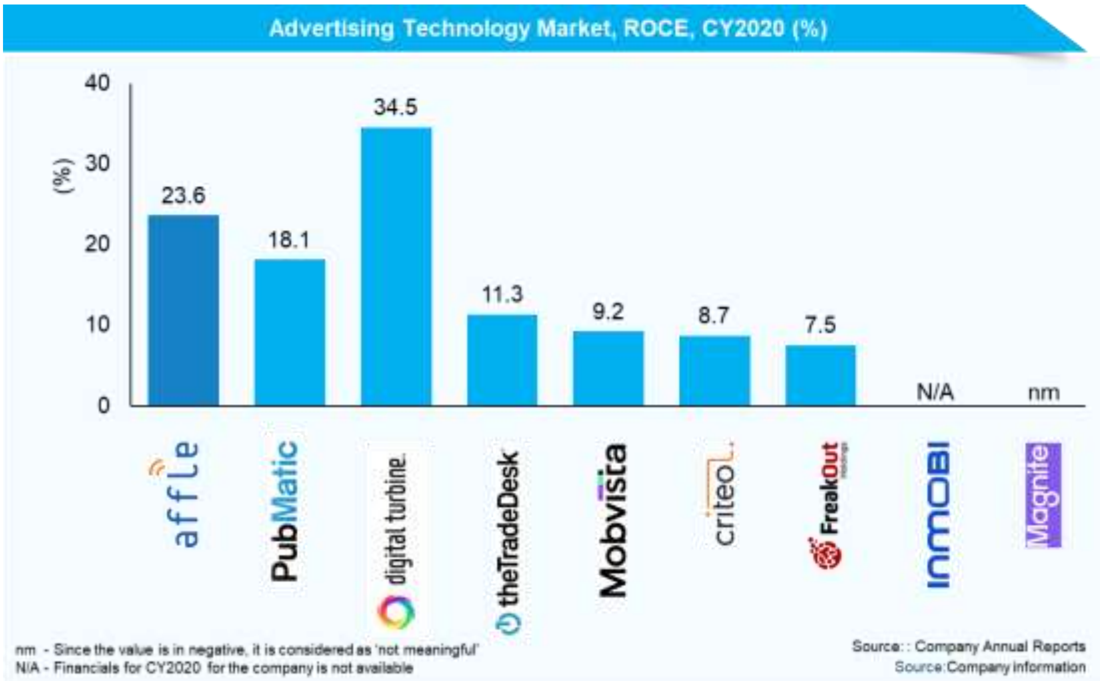
Financial Metrics Comparison

Analysis for this section has been done on the basis of CY2020 annual reports as filed by or shared by the respective companies for their international group holdings and not just revenue from India. It should be noted that individual companies have different fiscal year endings.

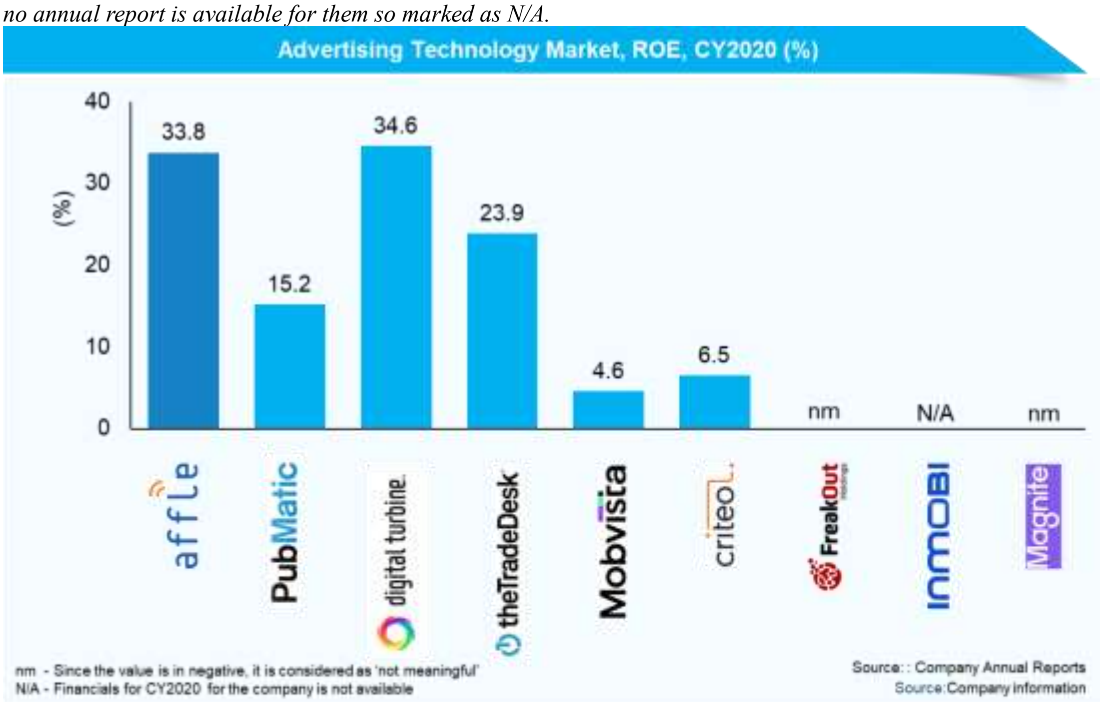
Ad tech is a large volume business with intense competition. Despite the rapid growth in digital advertising, several market participants globally have struggled to achieve profitability, according to Frost & Sullivan's analysis; few companies have reflected double digit profit margins, annual growth rate, ROCE and ROE, EBIT.



*Note: (1) Mobvista profit margin calculated for 6 months (January – June) 2020; (2) For all other companies profit margin is calculated for CY2020; (3) Freakout and Magnite has PAT losses, hence margin mentioned as not meaningful ("**nm**"); and (4) Inmobi is a private company so no annual report is available for them so marked as N/A.*

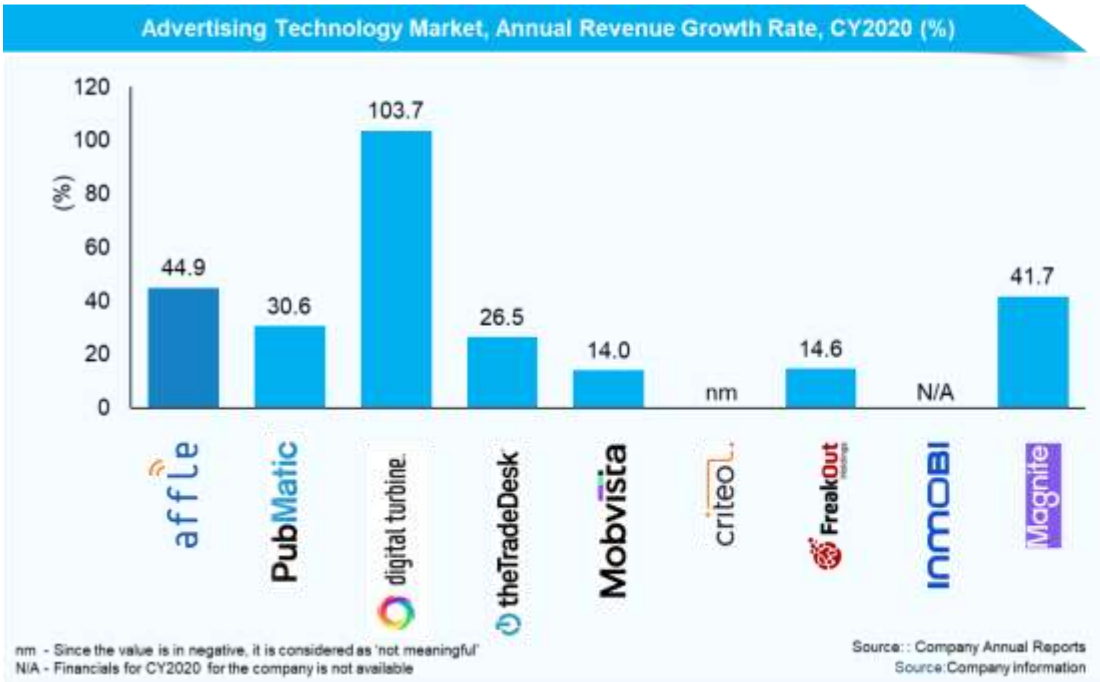


Note: (1) Mobvista profit margin calculated for 6 months (January – June) 2020; (2) For all other companies ROCE is calculated for CY2020; (3) For Affle - Total Assets and Liabilities considered for six months ended September 2020; (4) Total Assets & Liabilities considered for nine months ended for Freakout September 2020; and (5) Inmobi is a private company so no annual report is available for them so marked as N/A.

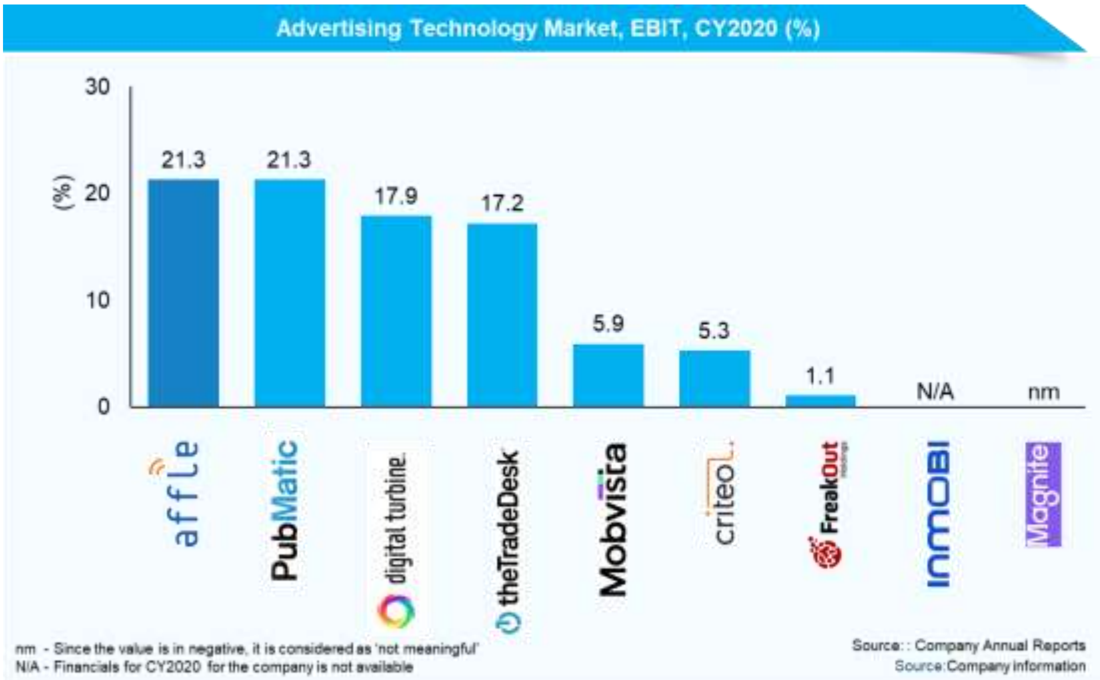


Note: (1) Mobvista profit margin calculated for 6 months (January – June) 2020; (2) For all other ROE is calculated for CY2020; (3) Freakout has PAT losses, hence margin mentioned as nm; (4) For Affle - Total Shareholders' Equity considered for six months ended September 2020; and (5) Inmobi is a private company so no annual report is available for them so marked as N/A.

The market shows inconsistent growth rates across vendors, reflecting the heightened level of competition. Companies such as Affle, Digital Turbine and Pubmatic reported high growth rates of 44.9%, 103.7% and 30.6% respectively.



Note: (1) Mobvista profit margin calculated for 6 months (January – June)2020; (2) For all other companies growth rate is calculated for CY2020; (3) Freakout fiscal year ending September 30; (4) Criteo has negative y-o-y growth; and (5) Inmobi is a private company so no annual report is available for them so marked as N/A.



Note: (1) EBIT = Operating profit / Operating Revenue; and (2) EBIT margin is provided as of LTM ending December 2020 for all the companies (based on quarterly reports).
EXCEPTIONS: (a) Mobvista: Operating revenue for Q1-Q2 CY2020 is not separately mentioned and Annual reports for Q3, Q4 for CY2020 are not available. Hence calculation for EBIT is for Q1-Q2 FY2020 and is based on Total Revenue; (b) Freakout: Operating Revenue is not separately mentioned for all the 4 quarters of CY2020. Hence, EBIT ratio is based on Total Revenue; (c) Magnite have EBIT losses, hence margin mentioned as nm; and (d) Inmobi is a private company so no annual report is available for them so marked as N/A.

TYPES OF AD FRAUDS

- Botnets: Botnets are a distributed network of computers/ dedicated servers on rented data centres that are controlled by a botmaster to defraud advertisers. The computers are generally infected by malware without the knowledge of the owner. Total cost of the advertisement fraud is a debatable issue: TrafficGuard/Juniper set it at USD 34 billion in the year 2020, predicting it is going to increase to reach USD 87 billion by the year 2022; most of them will be in the Asia Pacific region, with the current USD 19 billion set to reach USD 56 billion.

- Ad Stacking: Ad stacking is a scenario where multiple ads are stacked one above the other. Only the ad on the top of the stack will be visible but all other ads of the stacks will be counted for ad impressions.
- Ghost Sites: These are fake websites that are built in by fraudsters based on information from other available websites. These websites enter the RTB process through ad networks or ad exchanges and thus make deals with advertisers. When ads appear on these sites, bots perform click fraud and the advertiser pays based on cost per click.
- Fake Installs: A fake install is accomplished by fraudsters who use device emulation software in virtualised environments (on server hardware) to do fake installs. The aim is to claim advertising revenue. Fake installs defraud everyone along the advertising chain – taking money away from advertisers, publishers and networks.
- Click Injection: Fraudsters publish a low-effort Android app which uses something called "install broadcasts" which can detect when other apps are downloaded on a device and trigger clicks right before the install completes. The fraudster will receive the credit for (typically organic) installs as a consequence.
- Click Fraud /Spam: Click spam happens when the fraudster executes clicks for another person in his device without his/her knowledge. In this case, the ad would not have been displayed or clicked on.
- Domain Spoofing: Domain spoofing happens in two ways.
    a. When a user unknowingly clicks the download button by mistake and downloads an application that is infected by malware. The malware thus takes control of the web browser and starts injecting ads that are unwarranted for.
    b. Fraudsters gain access to the ad code of a publisher, delete the code and replace it with another domain identifier. Advertisers might think they are buying top-tier inventory but will have their ads published on unwarranted websites.
- Compliance Fraud: The identity fraud happens when the ads are served in the wrong environment or format or against the agreement with the advertiser. Since the ads are not served to the targeted audience, they do not generate any revenue.
- Pixel Stuffing: Pixel stuffing is the process of serving any ad on a 1 by 1 pixel frame. This makes the served ads invisible to the human eye.

INFORMATION PRIVACY

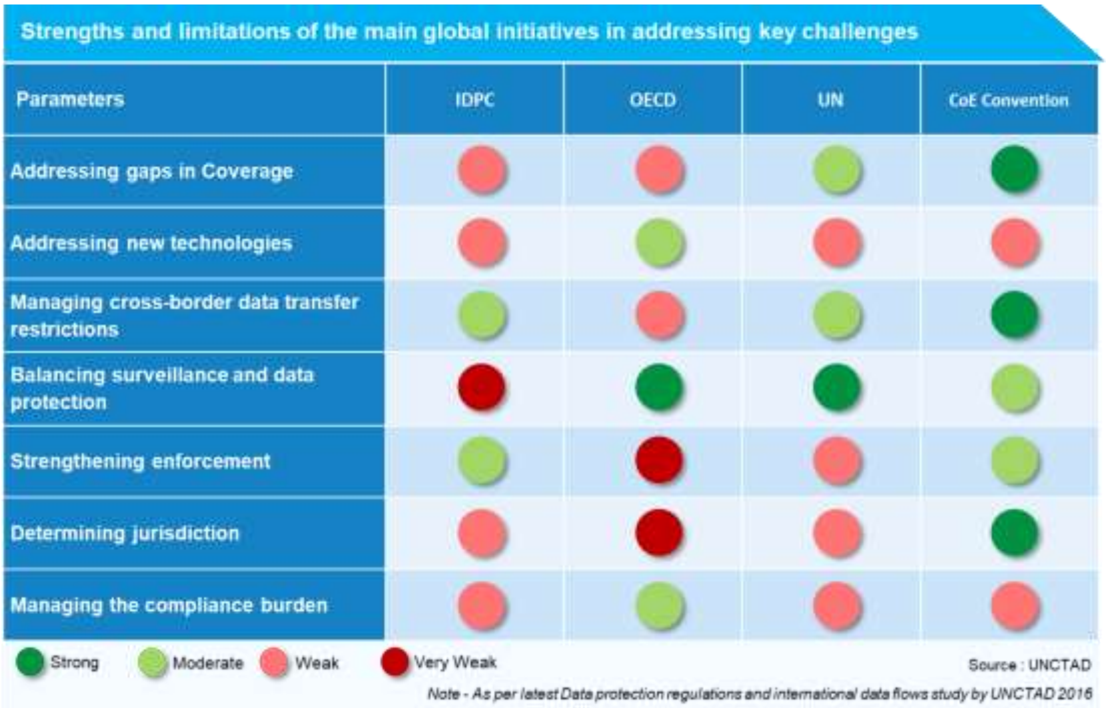
Information and communication technologies are revolutionising the way people, businesses and governments interact with one another across the globe. With all major transactions routed through or planned to be routed through the Internet, information privacy and data protection have become imperative.

As we are slowly but steadily moving towards a connected economy, rules and legislations have to be framed to suit the dynamism of the information and communication technology environment. While a number of these rules already exist, most of them are incompatible with one another and are not suited to the dynamic information and communication technology climate. Questions pertaining to jurisdiction, data management and commercial use of data are still unanswered to a large extent.

International bodies, such as the United Nations Organisations, the Council of European Convention 108 and the Organisation for Economic Co-operation and Development, have modified/or are in the process of modifying legacy data protection regulations to suit the digital world. A global body called the International Data Protection Authority is involved in governing national data protection laws and addressing international disputes centred on data privacy. Except the the Council of European Convention 108, all other initiatives have failed to create a major impact globally.

A number of regional initiatives by the European Union ("**EU**") (EU Directive and EU General Data Protection Regulation ("**GDPR**")), Asia Pacific Economic Cooperation, African Union, West African Economic and Monetary Union and The Commonwealth have focussed on region-specific rules and regulations. Trade agreements have emerged as a new source of both data protection law and guidance on managing the potential conflict between data protection law and cross-border data flows. One example of a relevant agreement that has now been made public is the Trans-Pacific Partnership.

The United Nations Conference on Trade and Development has published a report titled Data Protection Regulations and International Data Flows that mentions key challenges in the development and implementation of data protection laws and has analysed how the challenges have been addressed by various global and national organisations. The following table illustrates the same.



By country, Australia and Canada have some of the advanced data protection laws in the world to suit the new-age online consumer. In countries like the U.S. and India, the laws are sectorial and a combination of statutes, rules, guidelines and self-regulation.

Australia

Australia has amended and expanded data privacy legislations over the years to suit the latest developments. Though the law excludes some small businesses and completely excludes employee records, they are on par with international data protection models.

Data Privacy: The Privacy Act 1988 (Cth) requires private-sector organisations to comply with the Australian Privacy Principles in their collection, use, disclosure and handling of an individual's personal information. The legislation was significantly amended in 2012 (came into effect in 2014), resulting in increased penalties and a wider range of powers for the regulator. Newly legislated part of Competition and Consumer Act sets out the regime that provides Consumer Data Right. Implementation of the Consumer Data Right is expected to occur progressively across different sectors after commencing in banking in July, 2020.

Storage and Transfer of Data: There are no registration requirements for private sector organisations under the Australian privacy law. The international transfer of personal data is restricted unless organisations can meet certain requirements. These include consent, storage standards and the legal protection of the data in the recipient country.

France

France has implemented data protection policies successfully under the EU regime. The National Commission on Computer Science and Freedoms (Commission national de l'informatiqueet des libertés) ("**CNIL**") is an independent administrative authority protecting privacy and personal data. The CNIL is probably one of the most visible and active privacy regulators in the world.

Data Privacy: Chapter IV of the Data Processing Act sets out the required formalities for data processing. Depending on the type of data processing involved, the data controller must comply with one of four different sets of formalities, ranging from simple notification to authorisation. These rules are complex. Authorisation is generally restricted to activities that are "deemed potentially harmful to privacy and liberties". The EU directive on Security of Network and Information systems, which was implemented in France on 6 February 2019 also impacts the data protection. The EU directive on Security of Network and Information systems directive provides the legal measures to boost overall security level.

Storage and Transfer of Data: Article 23 of the Data Processing Act 1978 sets out complex rules for the notification and authorisation of cross-border transfers: transfers within the EU do not require notification or authorisation; transfers to countries formally declared as ‘adequate’ by the EU requires notification only; and transfers to all other countries require authorisation.

Canada

Canada has stringent data protection laws compared to other countries or regions. Data Privacy : There are four private sector privacy statutes that govern the collection, use, disclosure and management of personal information in Canada: (i) the Federal Personal Information Protection and Electronic Documents Act, S.C. 2000, ch. 5; (ii) Alberta’s Personal Information Protection Act, S.A. 2003, ch. P-6.5; (iii) British Columbia’s Personal Information Protection Act, S.B.C. 2003, ch. 63; and (iv) Québec’s An Act Respecting the Protection of Personal Information in the Private Sector, R.S.Q. ch. P-39.1 (collectively, “**Canadian Privacy Statutes**”). Apart from this, there are laws that govern specific sectors like healthcare. According to the laws, an individual must be informed about the existence, use and disclosure of his or her personal information, and must be given access to that information. Also, the organisation should correct the information in case of any inaccuracies and an individual has the right to withdraw consent to processing and marketing his or her personal information anytime.

Storage and Transfer of Data: In general, the Canadian Privacy Statutes permit the transfer of personal information without consent for data management / processing purposes if the transferring organisation remains in control of the personal information in the custody of the third-party service provider.

The U.S.

Data protection laws in the U.S. are a combination of legislation, regulation and self-regulation rather than just government enforcements. Laws, such as The Health Insurance Privacy, Portability and Accountability Act, are for specific sectors and there is no common regulatory body that acts as a common data protection authority. The country also does not have a common legislation at the federal level regarding this but has ensured data privacy through the United States Privacy Act, the Safe Harbour Act and the Health Insurance Portability and Accountability Act. In some cases, legislations have been developed when self-regulation was challenging.

India

Like the U.S., India also does not have country level regulations and authorities to control data transfer and management. The most prominent provisions are contained in the Information Technology Act, 2000, that was amended by the Information Technology Amendment Act, 2008. In particular, Section 43A, which addresses ‘reasonable security practices and procedures’ is complemented by the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011. In regards to data transfer, data can be transferred only to a country where it is clear that the sensitive data will be adequately protected. However, the scope of this provision only applies to sensitive information, restricted to corporate entities undertaking automatic processing of data and the power of consumers to take enforcement action is restricted. A comprehensive law called Right to Privacy Law 2014 that will address the gaps in the existing provisions is being framed by the government. Inspired by GDPR, the Personal Data Protection Bill was proposed in the year 2019 for the purpose of bringing about a very comprehensive overhaul to the India's current data protection rule, which is being currently governed by Information Technology Act, 2000.

Brazil

In LATAM region, Brazil is the leader in terms of data privacy regulation. In the year 2018, lawmakers passed what is known as General Data Protection Law, which very closely mirrors the EU’s law. It came into effect in the month of August 2020. The General Data Protection Law applies to all the organization that processes Brazilians’ confidential personal data or which provides goods or services in Brazil.

Argentina

Since 2000, Argentina's Personal Data Protection Law No. 25.326 has guided how the data is being processed and being protected. For the last few years, lawmakers have largely debated a replacement bill which would more closely be aligned with the GDPR.

Mexico

Since 2010, Mexico enacted laws furthering country's strict position on the data privacy, which includes Federal Law for the Personal Data Protection possessed by the Private Persons and companion guideline, which have been enforced since 2013.

Middle East

The Dubai International Financial Centre ("**DIFC**") announced, on 1 June 2020, that His Highness Sheikh Mohammed bin Rashid Al Maktoum had enacted, on 21 May 2020, DIFC Data Protection Law No. 5 of 2020 and that the Board of Directors of the DIFC Authority had also issued new Data Protection Regulations.

EU GDPR

The GDPR is a legal framework that sets guidelines for the collection and processing of personal information of individuals within the EU. The GDPR sets out the principles for data management and the rights of the individual, while also imposing fines that can be revenue-based. The GDPR covers all companies that deal with the data of EU citizens, and so is a critical regulation for corporate compliance officers at banks, insurers and other financial companies. The GDPR became effective across the EU on May 25, 2018.

Various regions and countries are becoming protectionist by implementing laws that address data security and privacy challenges. If a number of strong rules and regulations come into force in various countries and are implemented successfully, other countries will either follow these model laws or will frame laws and regulations according to their political, economic, social and administrative structure. Implementation of the GDPR and strong laws in countries like Canada and Australia will pave way for more such effective initiatives across the globe.

OUR BUSINESS

To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information" on pages 46, 127, 78 and 243, respectively.

The financial information as at and for the nine months periods ended December 31, 2020 and 2019 in this section is derived from the December 2020 Special Purpose Interim Condensed Consolidated Financial Statements and the December 2019 Special Purpose Interim Condensed Consolidated Financial Statements, respectively. The financial information for the nine months periods ended December 31, 2020 and 2019 are not comparable with our results for the full fiscal years and our financial information for the nine months period ended December 31, 2020 are not necessarily indicative of what our financial information for Fiscal 2021 will be. In addition, due to the acquisitions in the nine months period ended December 31, 2020 described in "Management's Discussion and Analysis of Financial Condition and Results of Operations- Significant Factors Affecting our Results of Operations and Financial Condition - Acquisitions of businesses / companies" on page 80, the financial information as at and for the nine months periods ended December 31, 2020 and 2019 on a consolidated basis are not directly comparable.

The financial information as at and for the year ended March 31, 2018 in this section is derived from the Fiscal 2018 Standalone Audited Financial Statements. Our Company did not have any subsidiaries or associates in Fiscal 2018 and, hence, did not prepare any consolidated financial statements for that fiscal year. The financial information as at and for the years ended March 31, 2020 and 2019 in this section is derived from the Fiscal 2020 Audited Consolidated Financial Statements and the Fiscal 2019 Audited Consolidated Financial Statements, respectively. Our financial information for Fiscal 2018 on a standalone basis are not comparable to our financial information for Fiscals 2020 and 2019 on a consolidated basis. In addition, due to the acquisitions in Fiscal 2020 described in "Management's Discussion and Analysis of Financial Condition and Results of Operations- Significant Factors Affecting our Results of Operations and Financial Condition - Acquisitions of businesses / companies" on page 80, our financial information for Fiscals 2020 and 2019 on a consolidated basis are not directly comparable.

In this section, references to "we", "our" and "us" with respect to dates and periods on or after April 1, 2018 refer to our Company and the Subsidiaries on a consolidated basis and with respect to dates or periods on or prior to March 31, 2018 refer to our Company on a standalone basis.

The number of connected devices reached and data points processed have been added or refreshed during the 12 months ended December 31, 2020.

This section contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. See "Forward-Looking Statements" and "Risk Factors" on pages 16 and 46, respectively, for factors that could cause or contribute to these differences.

OVERVIEW

We are a consumer intelligence driven global technology company. Our Consumer Platform primarily provides the following services through relevant mobile advertising: (1) new consumer conversions (acquisitions, engagements and transactions); (2) retargeting existing consumers to complete transactions; and (3) an online to offline ("**O2O**") platform that converts online consumer engagement into in-store walk-ins. We aim to enhance returns on marketing spend through delivering contextual mobile ads and reducing digital ad fraud, while proactively addressing consumer privacy expectations.

Our Consumer Platform primarily drives Cost per Converted User ("**CPCU**") based user conversions for advertisers. Our CPCU model comprises user conversions based on consumer acquisition and transaction models. Our consumer acquisition model focuses on acquiring new consumers for businesses, which is usually in the form of a targeted user downloading and opening an App or engaging with an App after seeing an advertisement delivered by us. Our transaction model is usually in the form of a targeted user submitting a lead acquisition form or purchasing a product or service after seeing an advertisement delivered by us. We also earn revenue from our Consumer Platform through awareness and engagement type advertising, which comprises cost per thousand impressions ("**CPM**"), cost per view ("**CPV**") and cost per click ("**CPC**") models. These models are relevant for brand advertisers who want to build awareness and recall and engage users online to transact with them offline/ online. We understand our customers' business drivers and work with them to choose audience engagement models that are the most relevant for them, thereby delivering measurable business outcomes for them.

We utilise user-intent indicators derived from behavioural signals, marketing attribution and appographic and intent data, which are received in real time and accumulated over time, which increases our ability to predict a user's likely interests. The accuracy of the prediction and recommendation algorithms for our Consumer Platform improve with every advertisement we deliver, as the systems incorporate new data, while continuing to learn from previous data. In addition, our Consumer Platform enhances our customers' ad content with rich media experiences, including interactive videos, games and augmented reality. This paired with data-centric scientific targeting and retargeting enables a higher likelihood of consumer engagement, such as downloading an App or completing a transaction.

During the 12 months ended December 31, 2020, our Consumer Platform had approximately 2.2 billion connected devices reached, of which approximately 0.6 billion were in India and 1.6 billion were outside India. During the quarter ended December 31, 2020, our Consumer Platform processed over 900 billion data points, which power the prediction and recommendation algorithm for our Consumer Platform.

For the nine months periods ended December 31, 2020 and December 31, 2019 on a consolidated basis, our Consumer Platform converted 75.7 million users and 56.0 million users, respectively. For Fiscals 2020 and 2019 on a consolidated basis, our Consumer Platform converted 72.3 million users and 55.0 million users, respectively. For Fiscal 2018 on a standalone basis, our Consumer Platform converted 29.8 million users.

Our Consumer Platform benefits from broad access to mobile ad inventory through our relationships with publishers and data platforms. Our proprietary optimization algorithms enable us to buy media efficiently and at high scale, giving us the ability to drive high volumes of CPCU-led campaigns at efficient prices.

Our Consumer Platform is used by business to consumer ("**B2C**") companies, both directly and indirectly through their advertising agencies, across industry verticals, including businesses involved in the following industries: (1) e-commerce, edtech and entertainment; (2) fintech, FMCG and foodtech; (3) gaming, government and groceries; and (4) health-tech (collectively, the "**Category EFGH**" industries).

We also provide end-to-end solutions for enterprises to enhance their engagement with mobile users, such as developing Apps, enabling offline to online commerce for offline businesses with e-commerce aspirations and providing enterprise grade data analytics for online and offline companies (collectively, the "**Enterprise Platform**").

We have a robust intellectual property portfolio, with patents granted in the areas of digital advertising, and pending patents in the areas of vernacular, voice-based intelligence, data privacy and the detection and prevention of ad fraud.

Our solutions are sold through our sales and marketing team, which as at February 28, 2021 comprised 93 persons across 17 countries and through referrals from existing customers.

We have received numerous awards in the advertising technology space. Most recently, we were awarded Gold for 'Best Omni-Channel Campaign Management & Marketing Automation Games' at India Digital Awards 2021 and won Gold for 'Best Use of Technology' for Bobbi Brown in 2020, 'Best Use of Programmatic' for Meesho and one award for Meesho at ET BrandEquity India DigiPlus Awards 2020.

STRENGTHS

Performance driven end-to-end mobile tech platform powered by technology and innovation

We provide services across the value chain in digital advertising. Our Consumer Platform is the result of over 15 years of focused research and development and investment. Our Consumer Platform enables innovative, digitally empowered ways for the advertisers to connect with consumers through both mobile in-app and on-device engagements across the consumer's journey on the connected devices.

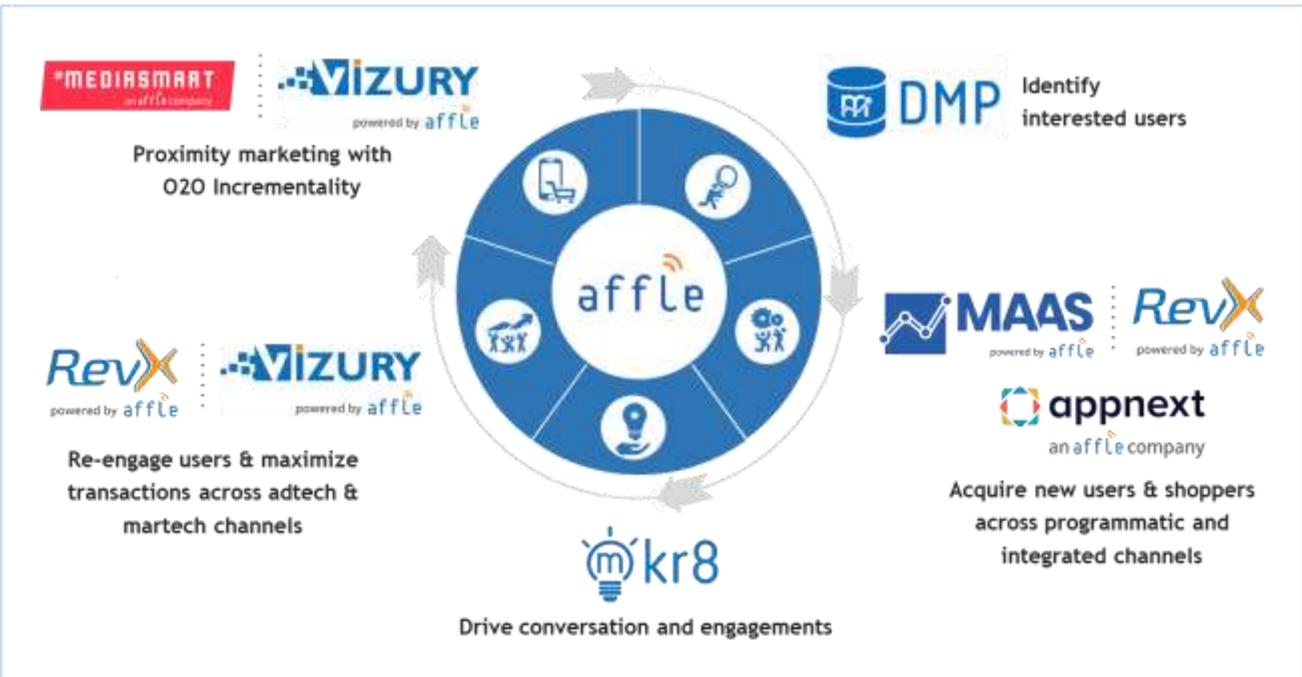
Our Consumer Platform consists of our proprietary machine learning and deep learning algorithm for prediction and recommendation that operates in real time and at significant scale which generate actionable outcomes for our customers and draws in more businesses to use the Consumer Platform. Our Consumer Platform is supported by a flexible and scalable infrastructure, built in-house using cloud computing infrastructure.

Over time, as we have attracted more marketing budgets and delivered advertisements, our data assets have grown. As a result, the accuracy of our prediction and recommendation algorithm for our Consumer Platform has improved, enabling us to deliver even more precisely targeted and personalised advertisements. As our ability to generate actions improves with increased user intelligence and targeting, we believe more businesses will use our Consumer Platform and increase their marketing spend with us. We expect this network effect will continue to fuel our growth.

Our business is asset-light and scalable, as shown by the fact that the total of our Company's employee benefits expense, depreciation and amortisation expense and other expenses as percentages of our Company's revenue from operations was 33.2% for Fiscal 2018 on a standalone basis, whereas the total of our employee benefits expense, depreciation and amortisation expense and other expenses as percentages of our revenue from contracts with customers for the nine months periods ended December 31, 2020 and December 31, 2019 on a consolidated basis was 20.8% and 19.0%, respectively, and for Fiscals 2020 and 2019 on a consolidated basis 20.1% and 22.1%, respectively.

Our Consumer Platform offers an integrated proposition to drive user engagements across the omni-channel connected platform ecosystem

Our Consumer Platform unifies and simplifies the fragmented advertising and marketing technology ecosystem by providing an end-to-end integrated mobile marketing platform. Using mDMP, businesses can identify interested users; using MAAS2.0, our RevX Business and our Appnext Business, businesses can acquire new users and shoppers; mKr8 drives conversations and engagements; our RevX Business and our Vizury Business help to re-engage users and maximize transactions; and our Mediasmart Business and our Vizury Business provide proximity marketing with O2O. Our integrated connected platforms business is shown in the graphic below.



Data and quality focused, consumer intelligence driven platform

During the 12 months ended December 31, 2020, our Consumer Platform had approximately 2.2 billion connected devices reached, of which approximately 0.6 billion were in India and 1.6 billion were outside India. During the quarter ended December 31, 2020, our Consumer Platform processed over 900 billion data points, which power prediction and recommendation algorithm for our Consumer Platform. We continually accumulate connected devices reached and data points processed.

Connected devices reached and data points processed are the primary building block that support our Consumer Platform. Our Consumer Platform uses predictive algorithms to recommend mobile users who are most likely to engage with a particular advertisement and on that basis, we choose to display targeted and personalised mobile display advertisements to particular users. By dynamically matching what we believe to be users' intent or interest with relevant and precise advertisements, we are able to deliver more relevant and engaging experiences to consumers, which are therefore more likely to lead to the desired action, such as the downloading of an App or the purchase of a product or service, on the basis of which we earn revenue. Therefore, having significant number of connected devices reached and data points processed enables us to expand into markets and deliver results to our customers from our Consumer Platform more accurately and at lower costs.

For the nine months periods ended December 31, 2020 and 2019 on a consolidated basis, our revenue from our CPCU business was ₹ 3,083.50 million and ₹ 2,311.30 million, respectively, which represented 82.2% and 91.1% of our revenue from contracts with customers, respectively. For Fiscals 2020 and 2019 on a consolidated basis, our revenue from our CPCU business was ₹ 2,965.21 million and ₹ 2,219.59 million, respectively, which represented 88.8% and 89.0% of our revenue from contracts with customers, respectively. For Fiscal 2018 on a standalone basis, our Company's revenue from our Company's CPCU business was ₹ 723.15 million, which represented 86.3% of our Company's revenue from operations.

Accredited tech platform with a robust intellectual property portfolio, including patents for addressing data privacy issues and ad fraud

mTraction (v4.0) CDP and mFaaS (v4.3.5) are accredited under the Accreditation@SG Digital (SG:D) programme by the Infocomm Media Development Authority ("**IMDA**"), a Singapore government statutory board under the Ministry of Communications and Information. Factors considered for technical evaluation include the functional, reliability, performance, portability, compatibility, security, usability and maintainability of the product. Other areas of assessment include, among others, business sustainability, business scalability, leadership and management. *(Source: https://www.imda.gov.sg/-/media/Imda/Files/Programme/AccreditationSGD/Accreditation-SGD-Guidelines.pdf?la=en accessed on April 9, 2021)*. Our accreditation by IMDA strengthens our belief that we follow the highest standards in product development, business practices, data security and scalability.

We have a robust intellectual property portfolio related to digital advertising, conversational marketing, vernacular, voice-based intelligence and addressing data privacy issues and ad fraud that are prevalent in the industry.

Our mFaaS platform helps to detect fraud on a real time basis, thus minimising wastage of marketing spend. It processes large volumes of click and conversion data using multiple algorithms to detect patterns of indicative or definitive fraud. We believe mFaaS sets us apart from our competitors as its offers a real time solution for addressing fraud, which is a major issue for online advertising. mFaaS also helps advertising agencies, advertising networks and publishers to optimise the spend on marketing for their customers by helping weed out significant amounts of fraudulent traffic. mFaaS has been recognised and awarded as the industry-wide Best Big Data Technology Platform of the Year at the IAMAI India Digital Awards in 2017 and was awarded Gold for the Best Technology Platform at the DIGIXX Awards 2019. We have filed 10 patent applications in India and the United States in relation to mFaaS, all of which are pending.

Leading position in India; operating in a high growth market with substantial barriers to entry

According to Frost & Sullivan, we are a leading ad tech solution provider in India. For the 12 months ended December 31, 2020, our Consumer Platform had approximately 0.6 billion connected devices reached in India. Our Company provides services across the value chain in digital advertising, spanning the areas of DMP, DSP/SSP, fraud detection and ad network. We are one of the very few companies that have products spanning the entire value chain. While some companies are more focused on buy-side platforms, others are focused on the publisher side. *(Source: Frost & Sullivan Report)*.

The digital ad market in India is fast growing, with a market size of US$2.16 billion in revenue in 2020 and will likely grow at a CAGR of 30.74% to US$8.25 billion by 2025 *(Source: Frost & Sullivan Report)*.

India currently has a digital population of 687.6 million, with an active e-commerce penetration of 74% in 2020. We believe that the Indian market presents high barriers to entry given its unique challenges, such as a disjointed demographic, which is just getting habituated to digital applications (such as the use of e-commerce, digital payments, etc.) and low CPCU. Frost & Sullivan believes that this makes it a more challenging landscape for marketing tech to be able to discern the users who have the highest propensity to transact online. India can be a hard market to sustain, even for market participants who are globally successful. The average CPCU in India is USD 0.1 to 0.3, which is quite low compared to the global market. Frost & Sullivan believes that achieving profitability in such a price-sensitive market is possible only for companies that are familiar with the dynamics of consumer profiles and have a track record of working alongside brands locally for years. (*Source: Frost & Sullivan Report*). Therefore, we believe our extensive consumer profile data, proprietary technology and local knowledge makes us better placed compared to global peers to deliver profitability in India and allows for precise consumer targeting that we believe other companies cannot provide. We have been consistently recognized as an industry thought leader and won many awards in India.

For the nine months periods ended December 31, 2020 and 2019 on a consolidated basis, our revenue from contracts with customers in India was ₹ 1,803.44 million and ₹ 1,271.41 million, which was 48.1% and 50.1% of our total revenue from contracts with customers. For Fiscals 2020 and 2019 on a consolidated basis, our revenue from contracts with customers in India was ₹ 1,576.23 million and ₹ 1,088.55 million, which was 47.2% and 43.6% of our total revenue from contracts with customers. For Fiscal 2018 on a standalone basis, 92.0% of our Company's revenue from operations (renamed as revenue from contracts with customers in Fiscal 2019) was from India.

Global footprint with a well-defined growth plan for emerging markets

The ad tech market today has evolved beyond the advertiser-publisher to include a number of intermediaries controlling one or more than one part of the value chain. Frost & Sullivan estimates that the global ad tech market earned revenue of USD 48 billion in 2020 and is likely to grow at a CAGR of 10.66% over the next five years. The ad-tech market excluding Facebook and Google, was approximately USD 10 billion in Fiscal 2020 (*Source: Frost & Sullivan Report*).

We have a well-defined plan to strengthen and grow, both organically and inorganically, our business with a key focus on emerging markets along with other international markets.

For the 12 months ended December 31, 2020, we had approximately 1.6 billion connected devices reached outside India. Our growth plans are focused on global emerging markets including India, South East Asia, Middle East & Africa and Latin America. Our other key international markets are North America, Europe, Japan, Korea and Australia.

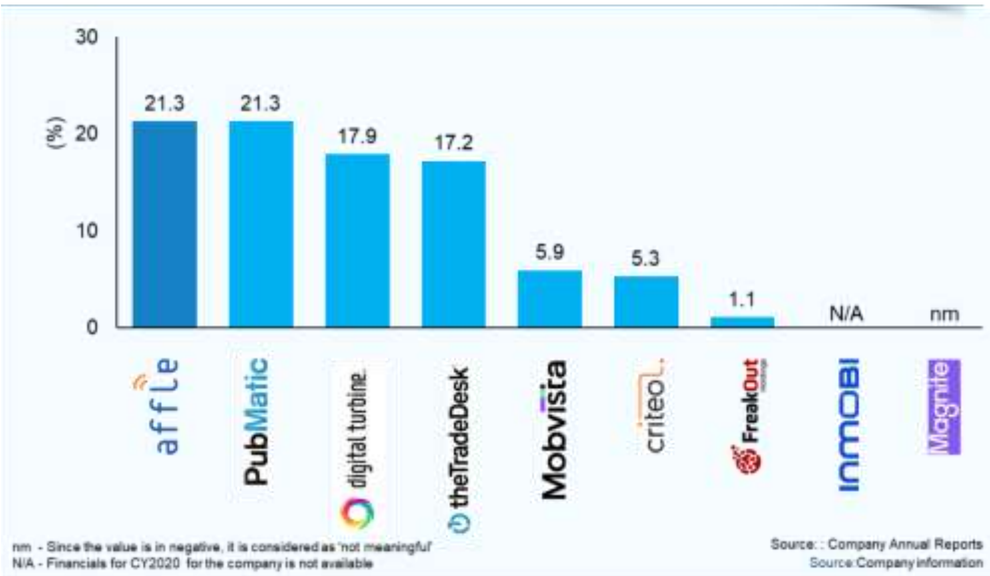
Our sales force is present in 17 countries. As at February 28, 2021, we had 52 sales staff focused on international markets.

Our growth strategies, both organic and inorganic, have led to an increase in our international business. For details of the businesses and companies we have acquired, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations Significant Factors Affecting our Results of Operations and Financial Condition - Acquisitions of businesses / companies*" on page 80.

For the nine months periods ended December 31, 2020 and 2019 on a consolidated basis, our revenue from contracts with customers outside India was ₹ 1,948.65 million and ₹ 1,266.19 million, which was 51.9% and 49.9% of our total revenue from contracts with customers. For Fiscals 2020 and 2019 on a consolidated basis, our revenue from contracts with customers outside India was ₹ 1,761.60 million and ₹ 1,405.42 million, which was 52.8% and 56.4% of our total revenue from contracts with customers. For Fiscal 2018 on a standalone basis, our sales to customers outside India (comprising sales to external customers in Singapore and sales to external customers others) was ₹ 67.34 million, which was 8.0% of our revenue from operations (renamed as revenue from contracts with customers in Fiscal 2019).

Strong cash flows and a track record of growth and profitability

We have strong cash flows and a track record of growth and profitability. As shown in the chart below, we have one of the top EBIT margins amongst our global peers.



Notes:

(1) EBIT = Operating profit / operating revenue;

(2) EBIT margin is provided as of the last 12 months ended December 2020 for all the companies (based on quarterly reports), Exceptions: (a) Mobvista: Operating revenue for Q1-Q2 CY2020 is not separately mentioned and annual reports for Q3, Q4 for CY2020 are not available. Hence calculation for EBIT is for Q1-Q2 FY2020 and is based on total revenue; (b) Freakout: Operating Revenue is not separately mentioned for all the 4 quarters of CY2020. Hence, EBIT ratio is based on Total Revenue; (c) Magnite has EBIT losses, hence margin mentioned as not meaningful ("nm"); and (d) Inmobi is a private company so no annual report is available for it, so it is given as not available (N/A).

(Source: Frost & Sullivan Report)

For the nine months periods ended December 31, 2020 and 2019 on a consolidated basis, our converted users were 75.7 million and 56.0 million, respectively, an increase of 35.1%, our revenue from contracts with customers was ₹ 3,752.09 million and ₹ 2,537.60 million, respectively, an increase of 47.9%, our EBITDA was ₹ 952.51 million and ₹ 677.35 million, respectively, an increase of 40.6%, our EBITDA margin was 25.4% and 26.7%, respectively, and our profit for the period was ₹ 764.31 million and ₹ 502.28 million, respectively, an increase of 52.2%, and our net cash flow generated from operating activities was ₹ 787.03 million and ₹ 358.50 million, respectively, an increase of 119.5%.

For Fiscals 2020 and 2019 on a consolidated basis, our converted users were 72.3 million and 55.0 million, respectively, an increase of 31.5%, our revenue from contracts with customers was ₹ 3,337.83 million and ₹ 2,493.96 million, respectively, an increase of 33.8%, our EBITDA was ₹ 888.27 million and ₹ 703.11 million, respectively, an increase of 26.3%, our EBITDA margin was 26.6% and 28.2%, respectively, and our profit for the year was ₹ 655.17 million and ₹ 488.21 million, respectively, an increase of 34.2%, and our net cash flow generated from operating activities was ₹ 730.30 million and ₹ 477.86 million, respectively, an increase of 52.8%.

For Fiscal 2018 on a standalone basis, our converted users were 29.8 million, our revenue from operations was ₹ 837.56 million, our EBITDA was ₹ 167.65 million, our EBITDA margin was 20.0%, our profit for the year was ₹ 88.31 million and our net cash generated from operating activities was ₹ 174.02 million.

The EBITDA and EBITDA margins presented above should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Financial Measures*" on page 122.

Entrepreneurial and committed leadership team executing the Company's strategic vision

We have an entrepreneurial and committed leadership team executing the Company's strategic vision. Our Key Management Personnel's understanding of the industry trends, demands and market changes, have enabled us to adapt and diversify our operating capabilities and take advantage of market opportunities.

Anuj Khanna Sohum, who is our founder, Chairman and Chief Executive Officer, as well as our individual Promoter, has over 19 years' experience in leading technology products/ platform-based businesses. Anuj

Kumar, our co-founder and Chief Revenue and Operating Officer and a Director, has over 18 years' experience in the field of advertising and technology platforms-based business. Charles Yong Jien Foong, our Chief Architect and Technology Officer and a Director, has over 20 years' experience in building product management and solution consulting/ architecture. Vipul Kedia, our Chief Data and Platforms Officer, has over 14 years' professional experience in consulting and ad tech. All of the above-mentioned persons have been associated with our business for over a decade. Our Board is also advised by Richard Alan Humphreys, director of Affle Holdings, and Jay Snyder, independent observer on Affle Holdings' board of directors. Richard Humphreys has previously served as President of Saatchi & Saatchi Advertising Worldwide, and he later set up the Adcom Investors in the United States and has significant experience in advising media and advertising companies around the world. Jay Snyder, currently principal at HBJ Investments LLC (which provides private-equity and seed-capital funding), has served as a Public Delegate, United States representative at the 55th UN General Assembly, a member of the U.S. Advisory Commission on Public Diplomacy and as Commissioner of the New York State Commission for Public Authority Reform. He has also worked with Biocraft Laboratories in various positions, retiring as its Vice-President of Research and Product Development and member of the steering committee of the board of directors.

STRATEGIES

Continue to pursue strategy of vernacular, verticalisation, voice and video

The foundation for our Affle2.0 growth strategy for the decade ahead was laid in 2020. Our Affle2.0 growth strategy is anchored primarily on vernacular, verticalisation, voice and video (the 4Vs).

Our vernacular focus enables hyper-personalised advertisement recommendations, looking at vernacular affinity of the consumers, which will further strengthen our competitive moat. Our Consumer Platform drives an integrated vernacular on-device consumer experience, augmenting our CPCU model and our ecosystem connect with advertisers, OEMs and publishers across India and other emerging markets. As per Frost & Sullivan, 55% of all online sales in India in 2020 were contributed by the key metro and Tier I cities, while the remaining sales were generated from the Tier 2 and Tier 3 cities (including rural hubs - which are nodal points supporting businesses in rural areas). However, transactions from Tier 2 cities and beyond are growing three times faster than metropolitan cities, unleashing an untapped market for the next growth phase. 90% of new digital users in India are expected to have vernacular affinity. As per various research reports, around 45% of the current users are adopting Indian-language or vernacular content, which is expected to rise to more than 70% by 2025. (*Source: Frost & Sullivan Report).*

Our verticalisation focus enables deeper insights across industry verticals leading to greater ROI impact for our advertisers. We are also focused on increasing our revenue from contracts with customers in high growth industry verticals, in particular, companies in the Category EFGH industries amongst which most of them are COVID-19 resilient industries. The Category EFGH industries have prospered since the start of the COVID-19 pandemic. As per a recent survey by IDC, people are spending an average 10-30% more online. It is estimated that by the end of the year 2022, approximately 77% of all the digital media spends will be done through mobile devices. Mobile advertisement spend is expected to grow at a CAGR of 32.4% from Fiscal 2020 to financial year 2025 to reach USD 6.6 billion from USD 1.6 billion. India has become an attractive destination for many of these companies. As digital advertising and in turn programmatic ad spend will grow at a rapid rate, it will help drive growth of the ad tech market. Retail, digital payments, gaming, travel, hospitality and e-commerce are the prime verticals contributing to the market growth currently *(Source: Frost & Sullivan Report).* These Category EFGH industries have become increasingly important to our business and our revenue from contracts with customers in the Category EFGH industries for the nine months period ended December 31, 2020 was 92.0% on a consolidated basis. As a result of increasing revenues from customers in the Category EFGH industries, we have become less reliant on our top 10 customers and our revenue from contracts with customers from our top 10 customers for the nine months period ended December 31, 2020 and Fiscals 2020 and 2019 was 47.4%, 44.8% and 64.5%, respectively, on a consolidated basis.

We are focused towards creating technology around voice-based interactions of the consumers. We have patents pending in the areas of voice related marketing technologies. We are also expanding our use of video advertisements in our Consumer Platform to enhance consumer engagement and drive more conversions.

Translate our success in the Indian market into other emerging markets

We believe we can translate our success in the Indian market into other emerging markets. We currently have customers in South East Asia, Middle East and Africa and Latin America. We are planning to increase our revenue from these emerging markets by leveraging our data and machine learning capabilities to penetrate further in these markets and by increasing our on the ground presence in these markets. As of February 28, 2021, we had 52 persons focused on international sales operating from 17 countries. We recently hired someone to lead the Mediasmart Business in Latin America and we are planning to add new hires to lead our other businesses in Latin America and other emerging markets. In addition to organic growth, we plan to make strategic acquisitions in other emerging markets.

Enhance revenue from existing and new customers and strategically invest in inventory and data cost to reach the next billion shoppers on connected devices

We intend to continue to grow our Consumer Platform business in India by increasing our revenue from our existing customers by deepening our relationships with them. For example, we have conducted mobile ad campaigns in India for a number of well-known e-commerce and mobile App companies. The Indian e-commerce market was US$64 billion in 2020 and is likely to grow at a CAGR of 24% to US$188 billion by 2025. However, with further increase in avenues for digital payments, accelerated broadband penetration, and an increasing number of product options across the breadth of the country, the market has the potential to grow to US$150 billion over the same time period. In 2020, one-third of all internet users have already shopped online and this number is likely to grow at a rapid pace with the increase in the number of e-commerce companies supporting all product and service categories. India had 185 million e-commerce shoppers in 2020, but the demographic is highly fragmented. Frost & Sullivan believes that digital attention as well as preferences across apps and websites is extremely divided and therefore, a one-size-fits-all marketing strategy as applied in television or newsprint does not work. Frost & Sullivan believes that while the growing popularity for online shopping in India is undeniable, it is not going to completely replace the brick and mortar stores in the near term. Retailers and brands are therefore trying to diversify their presence and widening their distribution with integrated online-offline models to gain access to customers beyond those in Tier 1 and Tier 2 cities (*Source: Frost & Sullivan Report*). We also intend to continue to grow our Consumer Platform's revenue by gaining new customers in the fast-growing e-commerce market, through our existing sales team in India and through referrals from existing customers. Historically, we have primarily focused on gaining connected devices reached in Tier 1 cities. In addition to focusing on consumers in Tier 1 cities, we intend to increase the number of connected devices reached in Tier 2 cities, Tier 3 cities and rural markets, which are areas that our customers have not placed much emphasis on to date and to increase our data points processed in vernacular languages. In addition, we will encourage our Consumer Platform's customers to put more emphasis on ad campaigns in vernacular languages that focus on consumers in Tier 2 cities, Tier 3 cities and rural markets, which will increase the number of connected devices in those areas.

Expand the scope of products from just mobile to reaching other connected devices, thereby enabling advertisers to engage across the entirety of a consumer's daily connected device journey

Around 6 billion new connected devices are expected to be added by 2025 globally, with strong growth in smart home devices, consumer electronics, smart vehicles and wearables (*Source: Frost & Sullivan Report*). We believe this is a significant growth opportunity where our Consumer Platform can enable the advertisers to engage across the entirety of a consumer's daily connected device journey. We plan to continue to invest in enhancing our capabilities to go beyond mobile to reaching other connected devices, including connected households, connected TVs, voice innovations and video innovations.

Continue to invest in and develop our technological capabilities

We intend to continue devoting substantial resources on our research and development efforts. We expect to expand our research and development efforts by recruiting more employees. We plan to continue to invest more in research and development into: artificial intelligence, machine learning and deep learning in identifying and classifying our connected devices reached; a combination of data science and artificial intelligence, machine learning and deep learning in identifying fraud; moving to cloud agnostic platforms to enable multi-cloud deployments; and using database lakes that utilise multiple best of breed database technologies to distribute the data load and reduce costs and in some cases increase the speed of processing.

The table below shows the amount we spent on additions to and acquisitions of software application development for the nine months periods ended December 31, 2020 and 2019 and Fiscals 2020 and 2019 and on a consolidated basis.

	Nine months period ended December 31, 2020 (consolidated)		Nine months period ended December 31, 2019 (consolidated)		Fiscal 2020 (consolidated)		Fiscal 2019 (consolidated)	
	Amount (in ₹ millions)	***% of revenue from contracts with customers***	**Amount (in ₹ millions)**	***% of revenue from contracts with customers***	**Amount (in ₹ millions)**	***% of revenue from contracts with customers***	**Amount (in ₹ millions)**	***% of revenue from contracts with customers***
Additions to software application development	66.37	*1.8*	216.92	*8.5*	226.80	*6.8*	*90.49*	*3.6*
Acquisition of software application development	58.44	*1.6*	51.01	*2.0*	78.11	*2.3*	*26.53*	*1.1*

Continue to develop our award-winning fraudulent data detection and prevention platform

We believe mFaaS sets us apart from our competitors as it offers a real time solution for addressing fraud, which is a major issue for mobile advertising. Our fraud detection technology needs to continually evolve to counter and stay ahead of persons engaged in ad fraud. We will continue to build more fraud checks to detect and prevent mobile advertisement fraud, hence ensuring actual returns to our customers.

Continue to selectively pursue acquisitions

We have successfully acquired and integrated businesses, including the Vizury Business, the Shoffr Business, the RevX Business, the Mediasmart Business and the Appnext Business. Effective January 1, 2021, we acquired the business assets of Discover Tech Limited.

There are over 100 companies around the world that offer one or more components of the digital advertising technology. Only a few companies/groups operate internationally, such as us, InMobi, Ironsource, The Trade Desk, FreakOut, Mobvista and YouAppi among others, thereby providing us with opportunities for consolidation (*Source: Frost & Sullivan Report*).

We plan to continue acquiring businesses, assets, and technologies that complement our existing capabilities, revenue streams and marketing presence and which we believe will result in sustainable financial growth. Our pre-deal assessment examines the key attributes of the potential target, with a focus on the target's knowledge, customers and expected future financial results. We look for targets that (a) have complementing teams, technology and data that strengthen our strategic focus and facilitate an efficient expansion into other emerging markets, (b) have complementing customer relationships such that an acquisition and the integrated technology and data that accompanies it would foreseeably result in enhanced growth and an increase in recurrence and retention of customers and (c) will enhance value for our shareholders, through increasing the profitability of the target and an increased price-to-earnings multiple of the target post-acquisition.

We are evaluating certain acquisition opportunities, including business assets and/or companies having similar or complimentary business to ours. We have signed a non-binding memorandum of understanding in relation to one acquisition opportunity. This acquisition is contingent on completion of due diligence and execution of a binding definitive agreement.

OUR PRODUCTS AND SERVICES

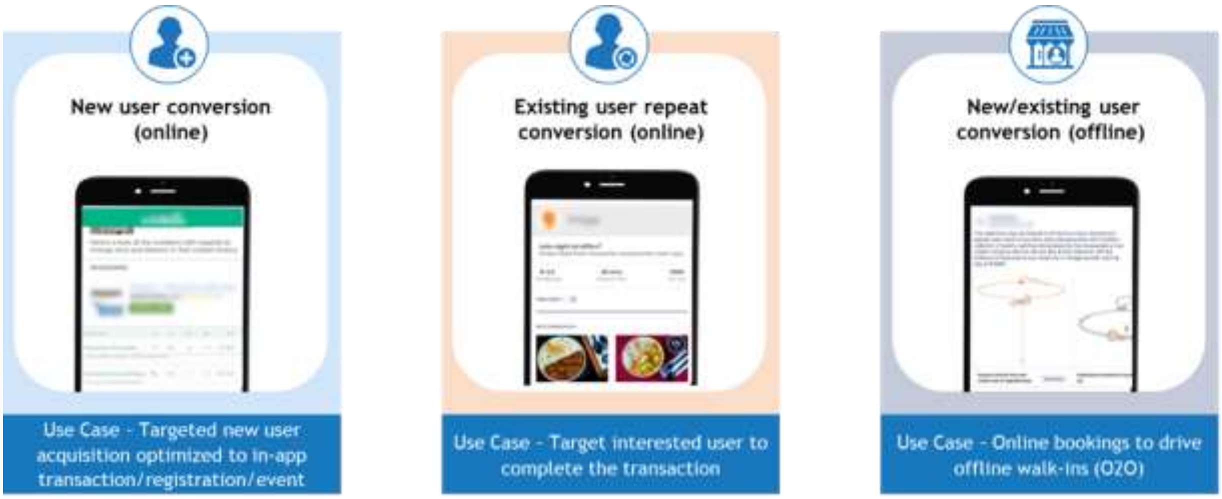
CONSUMER PLATFORM

Our Consumer Platform provides the following services through relevant mobile advertising: (1) new consumer conversions (acquisitions, engagements and transactions); (2) retargeting existing consumers to complete transactions; and (3) an online to offline ("**O2O**") platform that converts online consumer engagement into in-store walk-ins.

Our Consumer Platform primarily drives Cost per Converted User ("**CPCU**") based user conversions for the advertisers across markets and across industry verticals. CPCU conversions are post-click and post-app install events done by the consumers on their connected devices. We are able to deliver in-app advertisements and on-device recommendations to connected devices leading to consumer conversions and high ROI for our advertisers.

Our CPCU model comprises user conversions based on consumer acquisition and transaction models. Our consumer acquisition model focuses on acquiring new consumers for businesses, which is usually in the form of a targeted user downloading and opening an App or engaging with an App after seeing an advertisement delivered by us. Our transaction model is usually in the form of a targeted user submitting a lead acquisition form or purchasing a product or service after seeing an advertisement delivered by us. We also earn revenue from our Consumer Platform through awareness and engagement type advertising, which comprises cost per thousand impressions ("**CPM**"), cost per view ("**CPV**") and cost per click ("**CPC**") models. These models are relevant for brand advertisers who want to build awareness and recall and engage users online to transact with them offline/online. We understand our customers' business drivers and work with them to choose audience engagement models that are the most relevant for them, thereby delivering measurable business outcomes for them.

Below is a diagrammatic representation of the various use cases of our Consumer Platform:



Our Consumer Platform aims to enhance returns on marketing spend through delivering contextual mobile ads and reducing digital ad fraud, while proactively addressing consumer privacy expectations.

Our Consumer Platform utilises user-intent indicators derived from behavioural signals, marketing attribution and appographic & intent data, which are received in real time and accumulated over time, which increases our ability to predict a user's likely interests. The accuracy of the prediction and recommendation algorithms for our Consumer Platform improve with every advertisement we deliver, as the systems incorporate new data, while continuing to learn from previous data. In addition, our Consumer Platform enhances our customers' ad content with rich media experiences, including interactive videos, games and augmented reality. This paired with data-centric scientific targeting and retargeting enables a higher likelihood of consumer engagement, such as downloading an App or completing a transaction.

During the 12 months ended December 31, 2020, our Consumer Platform had approximately 2.2 billion connected devices reached, of which approximately 0.6 billion were in India and 1.6 billion were outside India. During the quarter ended December 31, 2020, our Consumer Platform processed over 900 billion data points, which power prediction and recommendation algorithm for our Consumer Platform.

The following table shows the number of converted users for the periods or years indicated:

(*in millions*)

	For the nine months period ended December 31, 2020 (Consolidated)	For the nine months period ended December 31, 2019 (Consolidated)	Fiscal 2020 (Consolidated)	Fiscal 2019 (Consolidated)	Fiscal 2018 (Standalone)
Converted users	75.7	56.0	72.3	55.0	29.8

Our Consumer Platform benefits from broad access to mobile ad inventory through our relationships with OEMs, premium publishers and data platforms. We encourage publishers to provide us with access to their mobile ad inventory by offering a platform through which they can tap into our advertisers' marketing budgets and manage their inventory yields. We also have access to mobile display advertising inventory through real-time-bidding advertising exchanges. For each campaign, the connected devices that we bid for, we believe consumers have a higher likelihood to transact on the basis of our data intelligence. Our proprietary optimisation algorithms enable us to buy media efficiently and at high scale, giving us the ability to drive high volumes of CPCU-led campaigns at efficient prices.

The key focus areas for our Consumer Platform are on audience, data, quality and experience. Our Consumer Platform, powered by mDMP and mFaaS at the core, comprises the following businesses:

- "MAAS2.0" branded consumer intelligence platform that delivers consumer acquisitions, engagements and transactions through all forms of contextual mobile advertising across consumer touch points (the "**MAAS Business**").

- "Vizury" branded omnichannel marketing business on a software as a service model (the "**Vizury Business**"**)**. This also includes the Vizury In-Store (previously called "Shoffr") branded online to offline platform that converts online consumer engagement into in-store walk-ins and transactions.

- "RevX" branded mobile app centric managed / self-serve programmatic full-funnel platform that delivers consumer acquisitions, re-engagements and transactions through contextual programmatic mobile in-app advertising (the "**RevX Business**").

- "Mediasmart" branded programmatic and proximity marketing self-serve platform that provides advertisers and marketers capabilities such as incremental footfall tracking, audience management and real-time optimisation of marketing spends across mobile devices and connected TVs (the "**Mediasmart Business**").

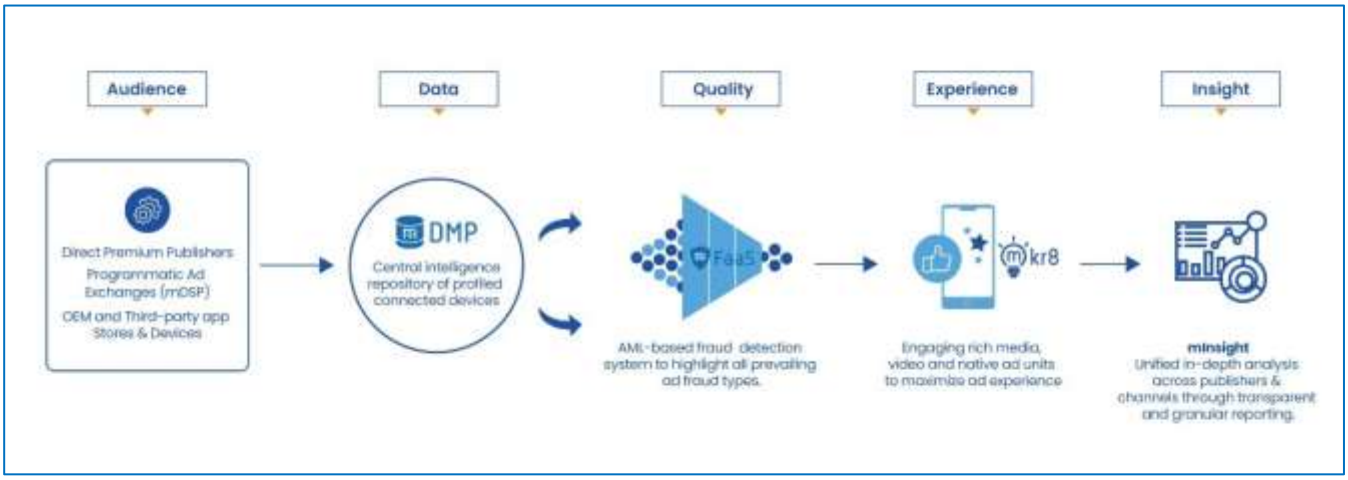
- "Appnext" branded app discovery and recommendations enables mobile handset manufacturers, mobile network operators and apps developers to deliver personalised app recommendations to mobile users globally from the initial boot or reset of a device (referred to as the Out of Box Experience (OOBE)) and throughout the life cycle of the user's journey on that device (the "**Appnext Business**").

MAAS Business

MAAS is our mobile audience as a service platform. It is an integrated mobile advertising platform, which leverages audience data and helps optimise mobile advertising spends for our customers. When our customers execute their campaigns on the MAAS platform, they also get access to modules from other platforms, which blend and integrate with MAAS.

The key component of MAAS is its optimiser module, which helps us to optimise RoI (Return on Investment) for our customers by leveraging multiple data points from our mDMP and mFaaS platforms combined with insights received from our customers. Our MAAS platform has several components and offers different interfaces for customers and operations teams for insights and data-based optimisations.

Set forth below is a diagrammatic representation of our MAAS Business:



Audience / Supply

MAAS has access to a varied set of supply channels to maximize its audience reach. These include connections with premium publishers, integration with OEM and third-party app stores and leading global ad exchanges through the mDSP. It connects demand from multiple advertisers to various supply channels in order to deliver conversions at scale and quality. The various supply channels are integrated via application program interfaces ("**APIs**") or through Real-Time Bidding ("**RTB**") based connections. It caters to various ad formats, including banner advertisements, video advertisements, rich media advertisements and native advertisements, which are a form of paid media where the advertisement experience follows the natural form and function of the user experience in which it is placed.

mDMP

mDMP is a data monetisation platform that enables insight-driven audience marketing using Appographic data (Apps used by a user), intent data (click or other action initiated by user), behavioural data (in-App actions) and transaction data (purchases by users). It helps process, visualise and synchronise data across marketing and inventory channels. mDMP allows marketers to reach out to the right audience by choosing from a wide range of segments. Below is a diagrammatic representation of how mDMP works.

mFaaS

Our mFaaS platform processes large amounts of data to detect patterns of indicative or definitive fraud at an individual conversion level or at an aggregate level basis rich pattern analysis and machine learning algorithms. It detects and flags potentially fraudulent conversions and transactions on 15+ reason codes, which include click spamming, conversion hijacking, App version frauds, BOT/ simulator activity and many internet protocol ("**IP**") related fraud types. mFaaS utilises two primary interventions as part of its core detection technology: (a) device-based detections, including use of the gyroscope and other sensors for human versus bot behavioural patterns; and (b) server-side detections, including IP pools and device attributes for detection of any behavioural anomalies. mFaaS helps to detect fraud on a real-time basis, thus minimising wastage of marketing spend. mFaaS is designed such that it can be used by advertisers, advertising agencies, advertising networks and publishers to optimise return on marketing spend by helping weed out fraudulent traffic. We use mFaaS in our mobile advertising campaigns for customers and also license it for a fee to customers.

mKr8

mKr8 is our mobile ad authoring platform that allows the creation of engaging rich media and video advertisement units that can be used across multiple media channels. Using mKr8, we can build dynamic advertisements on the basis of phone sensors (such as camera, location, and accelerometer) and global sensors (such as weather conditions, stock markets and air quality) to enhance the relevance and context of creatives and get increased engagement from consumers.

mInsight

mInsight is the analytics dashboard of MAAS that gives rich campaign data and visualisation to advertisers to enable enhanced optimisation of spends. Advertisers can see data by various parameters, including by creatives, publishers, ad placements and location, to analyse what parts of the campaign are working best for them and accordingly tailor their spends. It also provides insights into lower funnel metrics beyond app installs (such as user registrations and transactions) to allow optimisation on basis of the Key Performance Indicators ("**KPIs**"), which advertisers are interested in.

RevX Business

RevX offers services and solutions that enable marketers to engage, re-engage, acquire and retain consumers through personalised static/ dynamic/ video ads. RevX is an intelligent cloud platform for mobile advertising and analytics that combines audience intelligence, App store intelligence and artificial intelligence to drive marketing outcomes in a brand-safe, programmatic ecosystem.

RevX leverages real-time bidding-based ad request signals together with App store intelligence driven App usage signals to predict new users who are most likely to convert and transact with a new App. These predictive algorithms help to segment and then advertise to users who have high likelihood of conversion. Also, once the campaign starts, based on the profiles of converting users, similar segments of 'look-alike' users are targeted based on their App and content usage to further enhance ROI.

RevX also drives app retargeting & re-engagement. App retargeting & re-engagement is the targeting of advertisements to mobile users who have dropped off an advertiser's App without making a desired action, with the objective of driving them back to the advertiser's App to complete that action. It is done by first segmenting the audience into different consumer types such as recent installers, casual browsers, shopping cart abandoners and purchasers. Predictive models process these dynamic real-time data signals on a continuous basis and help segment users who are most likely to convert. These users are then shown personalised ads based on their purchase/ interest habits.

Vizury Business

An omnichannel customer engagement SaaS (Software-as-a-Service) platform to help marketers unify their communication across connected channels. Vizury empowers brands to deliver high-value conversions and customer retention using CRM channels, social messaging apps & paid ads. Brands use Vizury to bring customers back to and grow revenue across their websites, mobile apps and physical retail stores. With timely communications like e-commerce triggers for cart abandonment alerts, time-sensitive discounts, price drop alerts, restock alerts etc., marketers can drive measurable incremental revenues with Vizury.

<u>Vizury Engage360</u>

Vizury Engage360 aims to simplify the lives of digital marketers by enabling them to craft unique consumer journeys across connected channels and drive conversions powered by artificial intelligence and machine learning algorithms.

<u>Vizury In-Store</u>

Vizury In-Store helps omnichannel brands engage consumers on digital channels and enable omnichannel journeys across their brick-and-mortar stores.

The platform's features are as listed below:

<u>Vizury Microstores - A Digital Storefront for Physical Stores</u>

Vizury In-Store helps brands easily surface hyperlocal in-store products on digital channels—a brand's ecommerce website, app, chat channels or ads.

<u>Online-to-Offline (O2O) Commerce</u>

Brands use Vizury In-Store to drive store footfall and transactions through digital engagement by scheduling store walk-ins, reserve-at-store flows, buy-now-pickup-at-store, curbside pickups, deliver-from-store and contactless payment flows.

<u>StoreBoard App</u>

The StoreBoard App is a client focussed, order management and consumer intelligence app. It enables employees at a store to engage and interact with customers, provide shopping assistance and product recommendations through video or text chat, confirm the availability of a product's stock, fulfil orders, review customer history, track customer footfalls and attribute sales.

<u>Vizury Feedbus</u>

Vizury Feedbus enables brands to unify online and offline inventory across different customer touch points.

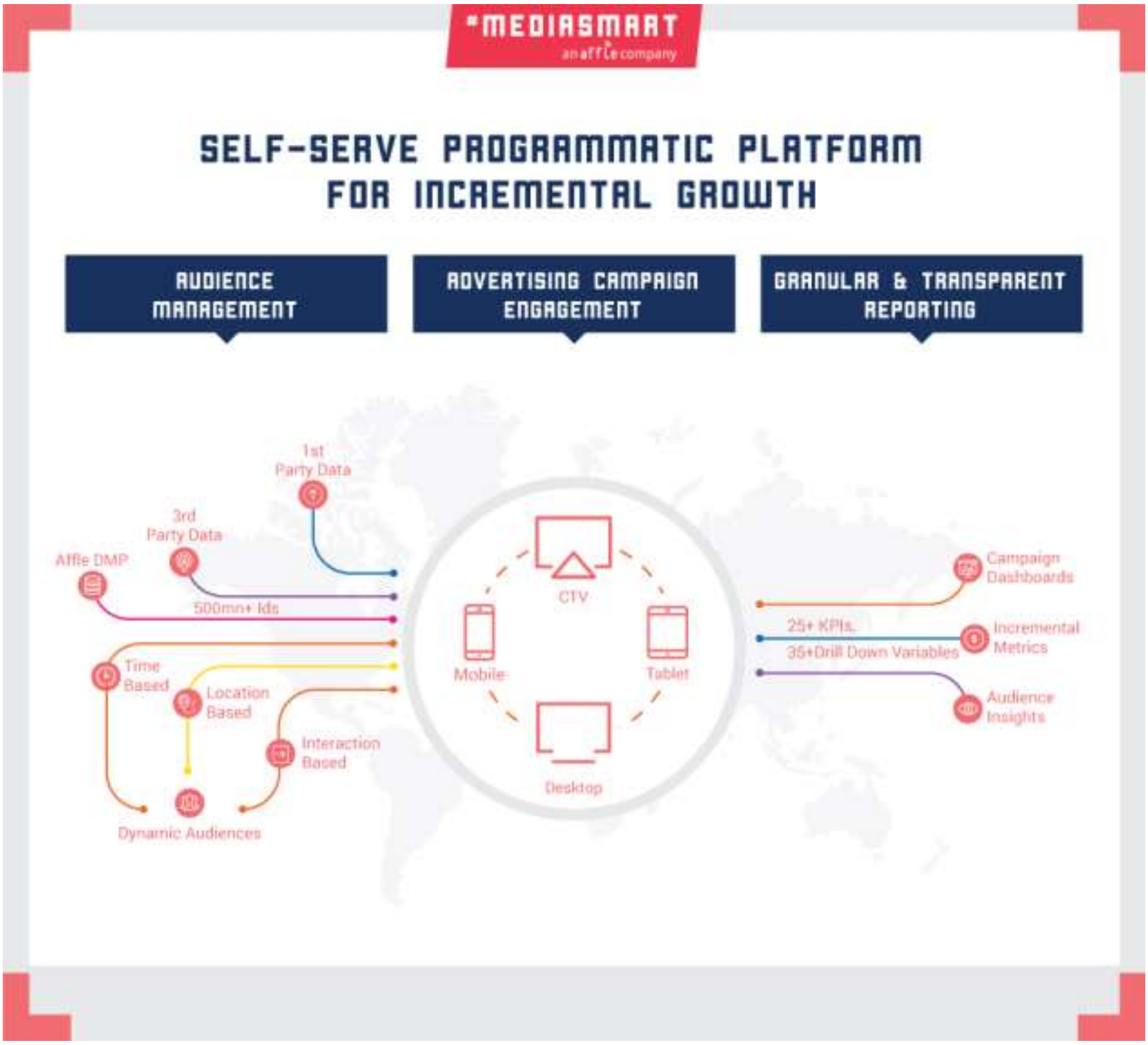
<u>Vizury Conversational Hub</u>

Vizury Conversational Hub enables brands to drive product discovery, engagement, customer support and loyalty flows on popular chat apps and conversational channels.

Mediasmart Business

Mediasmart is a self-serve programmatic and proximity marketing platform. It provides advertisers, trading desks and agencies an integrated mobile advertising solution with the unique capability of measuring incremental metrics in real-time for proximity and app marketing campaigns. Mediasmart empowers advertisers to efficiently invest in advertising through a transparent platform that links the physical world with the digital world across mobile devices and connected TVs, all while following a privacy by design approach to all solutions provided.

Mediasmart enables advertisers and media buyers to create and manage user segments, as well as to use third-party data to make their advertising campaigns most relevant. It provides targeting tools and algorithms to maximize engagement with advertising campaigns in inventory from the multiple ad exchanges it is connected with. It generates granular reports and insights for platform users to understand inventory, campaign performance and audience insights. Mediasmart is integrated with third-party tracking tools and also incorporates a proprietary attribution system for both online conversions and footfall measurement. Set forth below is a diagram showing how Mediasmart's business works.



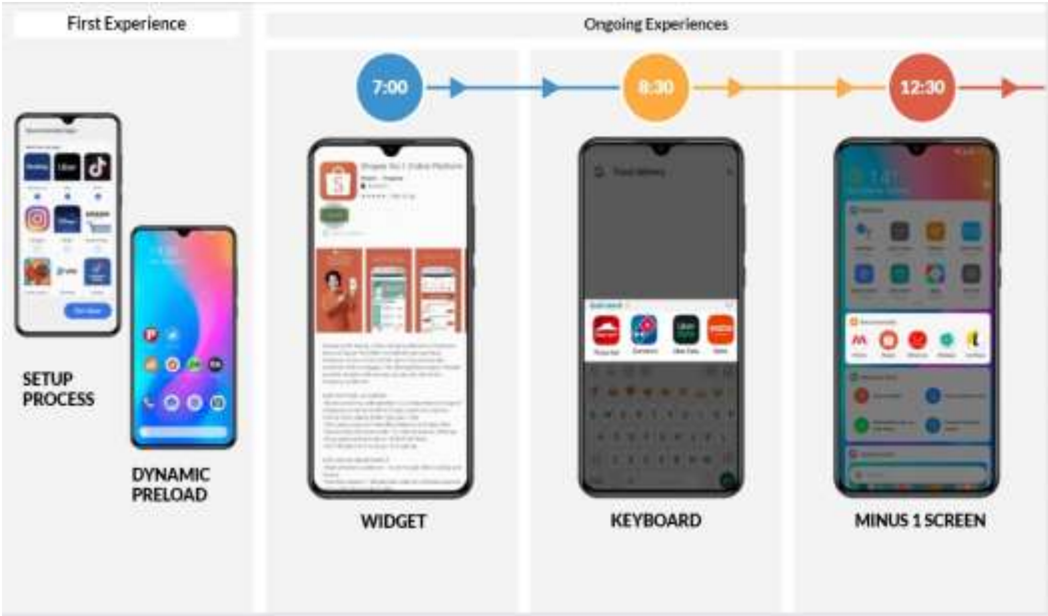
Appnext Business

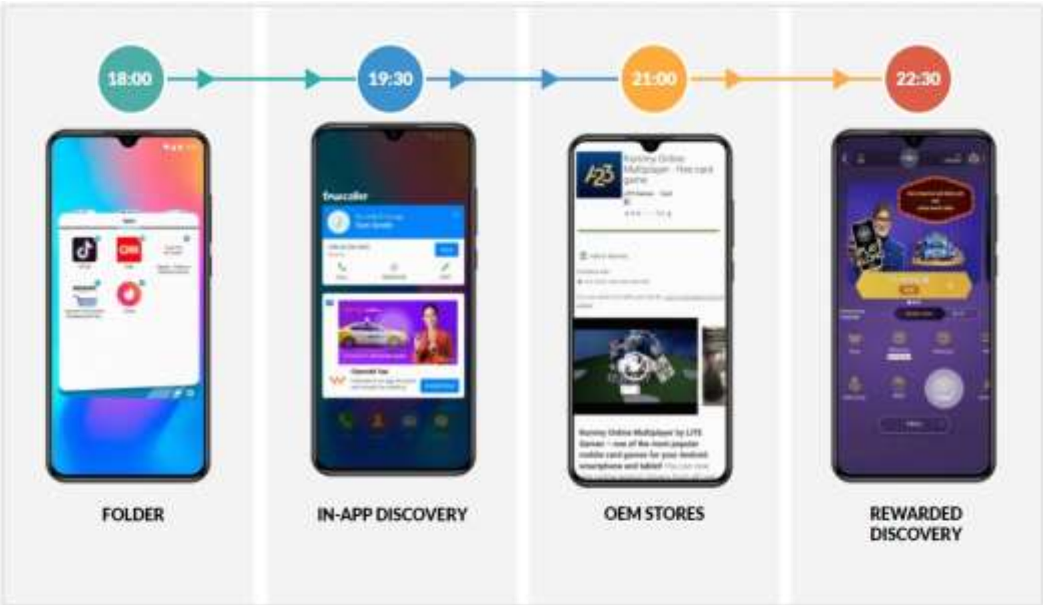
Appnext is an app discovery and recommendation platform that enables top mobile handset OEMs, MNOs and apps developers to deliver personalized app recommendations to mobile users globally. Appnext is an app discovery platform, offering the recommendation engine on the market, which encompasses both in-app and on-device discovery.

Appnext through its direct partnerships with top OEMs, operators and app developers, creates a new discovery experience across multiple daily mobile touchpoints, utilising its 'Timeline' technology that predicts the app users are likely to use next. Appnext's recommendations help app marketers reach more engaged users and get their apps discovered, used and re-used.

Our Appnext OOBE provides a major consumer touchpoint in the mobile device lifecycle-dynamic app discovery at the initial boot or reset of a device (pre-installed apps/ wizards) through its integrations with OEMs and MNOs, enabling them to successfully navigate the first experience with their users. Appnext OOBE is designed with a set of capabilities for advertisers to deeply engage with users, placing their apps in front of new as well as existing mobile device users as they personalize their devices for the first time. We acquired the front-end technology for Appnext OOBE from Discover Tech Limited effective January 1, 2021 and have already integrated it with our end technology. We have agreements in place with the OEMs and MNOs and have started marketing Appnext OOBE to our customers.

Set forth below is a diagram showing how Appnext's app discovery and recommendation platform works.





ENTERPRISE PLATFORM

We also provide end-to-end solutions for enterprises to enhance their engagement with mobile users, such as developing Apps, enabling offline to online commerce for offline businesses with e-commerce aspirations and providing enterprise grade data analytics for online and offline companies (collectively, the "**Enterprise Platform**").

Our Enterprise Platform consists of the following:

App Development

We develop Apps for third parties using our ARC (Affle Reusable Components) platform, which allows us to leverage pre-built components so that we can build high quality enterprise grade Apps in a cost-efficient way. Our Apps include government automation Apps, e-commerce and retail Apps, travel Apps, self-care Apps, ticketing Apps, healthcare Apps, social/ chat Apps, OTT/ streaming Apps and workforce management Apps.

mTraction CDP

mTraction CDP is an end-to-end user data, intelligence, and engagement management platform for enterprises across multiple sectors and industries. Its data analytics suite enables insights on usage analytics, marketing attribution, and utilises these for rules-based customer engagement to maximise the return on a customer's marketing spend.

mTraction CDP allows the capturing of usage events and attribution of data points using its software development kits ("**SDK**") or server to server ("**S2S**") integrations and to visualise these as complex data sets, e.g., cohorts of revenue and user retention. Its segment builder allows creating user segments on the basis of each of these data points and sends customised messages to users using its push notifications module.

mTraction CDP offers private cloud type of deployment options making it an attractive product for enterprises and governments that have access to a lot of personally identifiable user data and need a secure and trusted platform to store, segment and utilise it.

Markt

Markt is our commerce platform that enables offline, businesses and enterprises to conduct end-to-end online commerce. It is an enterprise grade, omni-channel, commerce platform consisting of multiple custom-built modules that offer web service APIs for easy and fast integration. Markt is modular in nature and can integrate with any custom interfaces or systems. Markt's key modules include a catalogue management system, inventory management, order management, payments handler, and delivery management.

Markt supports two primary implementation scenarios: offline to online store enablement; and offline to online marketplace enablement.

ACCESS TO DATA

Access to high quality data assets fuels the accuracy and predictive nature of the algorithm for our Consumer Platform. These data assets include: (a) first party data received from our customers, such as usage and transactions on their Apps and websites; (b) second party data collected by us based on the performance/engagement of advertisements delivered on a particular publisher's App or website; and (c) third-party data, such as customer demographic and behavioural data derived from third-party device identification information.

Our proprietary algorithm for the Consumer Platform, which processes and extracts user insights from this data, is a result of over 15 years' experience.

We obtain large volumes of consumer intent data, browsing behaviour and transaction data through integration with a diverse set of customers and publishers, which enables us to track users' behaviour and build meaningful user personas. The combination of these data sets gives us actionable insights into consumer purchase behaviour that we use to deliver relevant advertisements to drive engagement and ultimately drive sales for our customers. During the 12 months ended December 31, 2020, our Consumer Platform had approximately 2.2 billion connected devices reached, of which approximately 0.6 billion were in India and 1.6 billion were outside India. During the quarter ended December 31, 2020, our Consumer Platform processed over 900 billion data points.

ACCESS TO INVENTORY

Our Consumer Platform has access to extensive mobile advertising inventory through our relationships with OEMs, premium publishers and through real-time bidding mobile advertising inventory exchanges and platforms. In some cases, we have negotiated direct and privileged access with publishers, giving us the opportunity to purchase on an impression-by-impression basis and in real time: (a) inventory that a publisher might otherwise only sell subject to minimum volume commitments; and/ or (b) particular advertising impressions before such inventory is made available to other potential buyers. Across both our direct publisher relationships and inventory purchasing done on advertising exchanges, we leverage our ability to quickly and accurately value available advertising inventory and utilise that information to bid for inventory on a programmatic, automated basis. Our ability to efficiently access and value inventory enables our Consumer Platform to deliver effective advertisements at the right price for our customers and continue to do so as the size and complexity of campaigns increases.

We purchase inventory from our direct publishers generally through insertion orders consistent with industry standard terms and conditions for the purchase of internet advertising inventory. Pursuant to such arrangements, we purchase media on multiple purchase models for users that we recognise on the publishers' network. Such arrangements are cancellable upon short notice and without penalty.

Through the direct relationships we have with publishers, we take steps to determine that the publisher's inventory meets our content requirements and that of our customers to ensure that their display advertisements are not shown in inappropriate content categories, such as adult content. With respect to our inventory purchased through real-time bidding mobile advertising inventory exchanges and platforms, we utilise third-party software to verify that the inventory where the advertisement placement is shown conforms to our advertising guidelines and the content expectations of our advertisers.

AWARDS

We have received numerous awards from organisations in the advertising technology space, including:

- Won Gold in 2019 for 'Digital Marketing Excellence in Technology' for mFaaS.
- Awarded Gold for 'Best Data-Driven Marketing Strategy Games 24x7' and 'Best use of Native Advertising Games24x7' at IAMAI - India Digital Awards 2021.
- Won Gold for 'Best Use of Technology' for Bobbi Brown; 'Best Use of Programmatic' for Meesho and one award for Meesho at ET BrandEquity India DigiPlus Awards 2020.
- Won Gold for innovative mobile advertising for Meesho at MMA (Mobile Marketing Association) Smarties - APAC Awards.
- Awarded Silver for 'Best Lead Generation Through Mobile' for Meesho at IAMAI - India Digital Awards 2020.
- Recognised as the 'Technology Company of the Year' & 'Best in Show' and six more awards for top brands at MMA Smarties Awards 2019, Mumbai.
- Won four awards for mobile advertising for top brands: Meesho; Dunzo; Bobbi Brown; and Isobar, from exchange4media at the Maddies Awards 2019.
- Awarded 'Technology Excellence Award' for harnessing technological innovations in mobile advertising from Singapore Business Review in 2019.
- Won four awards for 'Best Use of Experiential Tech, AR, VR, AI Campaigns' for top brands, including Dish TV, Goibibo and Cadbury, from exchange4media at the IDMA Awards 2019.
- Awarded 'Most Admired Adtech Platform' at the ACEF Global Customer Engagement Awards 2019.
- Awarded 'Best Big Data Technology Platform of the Year' for mFaaS at IAMAI - India Digital Awards 2017.

TECHNOLOGY INFRASTRUCTURE

Our ability to deliver our solutions depends largely on our sophisticated technology infrastructure. Our infrastructure comprises open source and cloud-based technologies. We utilise the latest tools in the industry, which include the following.

Front-End

Our MAAS Business uses a modular front-end, built on MEAN Stack, which comprises Mongo, Express, Angular and Node.JS, to ensure consistency and high code reusability between our products.

Our Vizury Business uses a modular front-end, built on Angular, Node.JS and MySQL to ensure consistency and the ability to reuse code between our products.

Our RevX Business has a modular front end built on Angular, JAVA on top of Cloud Data Lakes, making the code reusability between our products.

Our Mediasmart Business uses a client facing UI built on a microservices-based architecture that is available via a REST API or a Single Page Application (the Console) built on top of the same API using React, Typescript and NextJS.

Our Appnext Business uses a modular front-end, built on Vue.JS, ASP.NET and NODE.js on top of cloud-based services and APIs, to ensure high availability and redundancy.

Data Translation Engine

We use server-less technologies and server-based technologies to process data in an efficient manner.

Big Data Storage

We store information in our database pools. We use multiple layered security controls to protect our data assets, including security by design and, in the case of our Consumer Platform, security controls based upon governance, and a security quality assurance team.

Security by Design

Where possible, we utilise automated processes to minimise the risk to systems and with the appropriate identity and access management controls. In addition, we also employ security measures such as:

- HTTPS to ensure transport security.
- Encryption at rest where possible (data being encrypted at storage).
- Virtual private cloud.
- Logs on all modifications to production, which is shared and reviewed periodically.
- Access to the machines is disabled unless there is an emergency and/or maintenance.
- Use of third-party tools and services to monitor our servers for abnormal behaviour and intrusion detections.

Governance

Through the years of audits of our system, including passing the accreditation review by IMDA twice, we have developed processes in place not only for the tech team but also on security governance for our Consumer Platform. These include strict measures on identity and access management, which starts from our infrastructure (local and cloud), compute machines, databases, security/monitoring services, our products, third-party products and our email. We also have clear escalation procedures and checks-and-balances on processes in place for our Consumer Platform.

Quality Assurance Team

Our quality assurance team for our Consumer Platform has a dedicated section on security. This section conducts periodic penetration testing, periodic security static code analysis and periodic testing for the Open Web Application Security Project ("**OWASP**") security guidelines.

Disaster Recovery

We have a comprehensive disaster recovery and business recovery plan. The information we collect is stored on cloud storage and, in the case of our Consumer Platform, archived on tapes. Our information is then stored onto our databases, on servers that are located in a number of countries. These servers are backed-up automatically daily. A backup of the codebase is also stored offsite for added security. This adds to five layers of security.

The total failure of our systems would require two servers across two physical locations to completely fail, and the raw storage, tape backups (in the case of our Consumer Platform) and our snapshot backups to also fail.

Connectivity to Customers

All our products have several integration mechanisms for our customers/ partners, including SDKs, APIs, embedded website code, S2S integrations and data synchronisations.

SALES AND MARKETING

Our solutions are sold to customers through our sales and marketing team, which as at February 28, 2021 comprised a sales force of 93 persons across 17 countries, and through referrals from existing customers.

The agreements we enter into with our customers for our Consumer Platform are typically for a period of between one to two years and many contain an option for automatic renewal for further periods of one year. Typically, our agreements with advertising agencies contain provisions for volume related discounts. These agreements in many cases are our standard agreements and, in some cases, would be mutually agreed versions of advertiser/agency provided agreement templates and/ or Insertion Orders that are a standard contracting way in this industry.

Typically, the pricing is either fixed or in some cases dynamic, which is determined for each campaign based on mutual agreement.

All agreements regardless of duration include the right for termination.

COMPETITION

The global advertising technology market is highly competitive, with multiple regional and global players. Although it is dominated by digital giants such as Google and Facebook, there are over a hundred companies around the world who offer one or more components of this solution. However, only a few companies/groups operate internationally, including us. For more information on our competition, see "*Industry Overview–Advertising Technology Market*" on page 142.

Our Company has signed a non-compete agreement dated July 14, 2018 with Affle Holdings, our corporate Promoter. Under this agreement, so long as it remains our Promoter, Affle Holdings has agreed not to (a) engage in any business activity that competes with our Company in any geography; (b) solicit any employees or independent contractors of our Company; and (c) induce any employee or independent contractor of our Company to terminate or breach his contractual relationship with our Company.

TECHNOLOGY DEVELOPMENT

We invest substantial resources on technology development to enhance our solutions and technology infrastructure, develop new features, conduct quality assurance testing and improve our core technology. For details, see "*Strategies–Continue to invest in and develop our technological capabilities*" on page 161. We expect to continue to expand the capabilities of our technologies in the future and to invest significantly in continued technology development efforts. As at February 28, 2021, 153 of our workforce were specifically engaged in technology development activities.

INTELLECTUAL PROPERTY

We regard our patents, trademarks, domain names, copyrights, trade secrets, proprietary technologies and similar intellectual property as critical to our success. We seek to protect our intellectual property rights through a combination of patents, copyright and trademark protections.

We have three registered patents in the United States with multiple patent claims in areas of method and apparatus to provide information and consumer-acceptable advertising via data communication clients, online search system, method and computer programme and method and system for extending the use and/or application of messaging system. We have also applied for one patent in the United States in the area of computer implemented method partner pixelling for user identification, which is pending.

We have applied for 10 patents in India and the United States, which are primarily in the areas of the detection and prevention of ad fraud, all of which are pending. In addition, we have applied for two patents in India in the areas of (1) computer implemented method for partner pixelling for user identification and (2) push notifications for price change alerts, both of which are pending.

We have applied for five patents in Singapore in the areas of: (1) method and system for switching and handover between one or more intelligent conversational agents; (2) method and system for adopting user learnings across vernacular contexts; (3) method and system for enabling an interaction of a user with one or more advertisements within a podcast; (4) method and system for enabling an interaction between a user and a podcast and (5) method and system for monitoring and integration of one or more intelligent conversational agents. All of these patent applications are pending.

We have registered our affle corporate logo as a trademark in India, which is valid until October 2025.

We have registered the "VIZURY' trademark in India, which is valid until August 2021.

We have registered the "RevX" trademark in India under class 35 and 42, which is valid until February 2028.

We have registered the "MEDIASMART" trademark in Spain under class 09 and 35, which is valid until February 2030.

We have registered the "Appnext" trademark in the United States, which is valid until July 2026.

PRIVACY AND DATA PROTECTION

Privacy and data protection laws play a significant role in our business. Our ability to optimise the delivery of mobile advertisements for our customers depends on our ability to successfully leverage device level data, data that we collect from our customers, data we receive from our publisher partners and third parties and data from our own operating history. Using cookies, device identifiers and similar tracking technologies, we collect information about the interactions of consumers with our customers' and publishers' digital properties (including, for example, information about the placement of advertisements and consumers' shopping or other interactions with our customers' websites or advertisements, information about apps used, clicks or other actions initiated, in-app actions and purchases by users). Our ability to successfully leverage such data depends on our continued ability to access and use such data, which could be restricted by a number of factors, including consumer choice, restrictions imposed by customers, publishers and web browser developers or other software developers, changes in technology, or new interpretations of laws, regulations and industry standards, as well as regional initiatives by, among others, the European Union, Asia Pacific Economic Cooperation, African Union, West African Economic and Monetary Union and The Commonwealth. In addition, trade agreements have emerged as a new source of both data protection law and guidance on managing the potential conflict between data protection law and cross-border data flows. One example of a relevant agreement that has now been made public is the Trans-Pacific Partnership. For more details, see "*Risk Factors - If our ability to collect significant amounts of data from various sources is restricted by consumer choice, restrictions imposed by customers and publishers or other software developers, or changes in technology it could have a material adverse effect on our business, results of operations, cash flows and financial condition*" on page 47.

The legal, regulatory and judicial environment we face around data protection and other matters is constantly evolving and can be subject to significant change. Various governments have enacted, considered or are considering legislation or regulations that could significantly restrict our ability to collect, process, use, transfer and pool data collected from and about consumers and devices. Trade associations and industry self-regulatory groups have also promulgated best practices and other industry standards relating to targeted advertising. Various governments, self-regulatory bodies and public advocacy groups have called for new regulations specifically directed at the digital advertising industry and we expect to see an increase in legislation, regulation and self-regulation in this area. Additionally, public perception and standards related to the privacy of personal information can shift rapidly, in ways that may affect our business or influence regulators to enact regulations and laws that may limit our ability to provide certain products and services. For more details, see "*Risk Factors - Regulatory, legislative or self-regulatory developments regarding data protection could adversely affect our ability to conduct our business*", and "*Industry Overview - Information Privacy*" on pages 48 and 150, respectively.

We have a robust intellectual property portfolio addressing data privacy issues. For details, see "*Intellectual Property*" on page 174.

WORKFORCE

We have both an on-roll and an off-roll workforce. The following table sets forth the numbers of our workforce, categorised by function, as at February 28, 2021:

Functions	Number of Workforce
Management	14
Research and development	153
Sales and marketing	93
Data platforms and operations	81
Finance, human resources, administrative staff and others	42
Total	**383**

Our success depends on our ability to attract, retain and motivate qualified personnel. We believe we have developed a corporate culture that encourages initiative, technical superiority and self-development.

PROPERTIES

We do not own any real property. We lease/license seven properties for our operations, comprising our corporate office in Gurugram (India), and commercial offices in each of Mumbai (India), Bengaluru (India), Singapore and Jakarta (Indonesia), Dubai (UAE) and Madrid (Spain).

INSURANCE

We have cyber and crime and employment dishonesty policies covering our Company and the Subsidiaries. Our Company has a group medical insurance policy. Our Company also maintains a directors' and officers' liability policy (i.e., 360*protector directors & officers liability insurance –non SEC) to cover certain liabilities that may be imposed on them. Affle International has a SME insurance policy covering its contents in its leased property and a group insurance policy in respect of employee benefits. Our insurance policies do not cover all of our business-related risks. See "*Risk Factors-Our insurance policies do not cover all business-related risks. If we were to incur a material liability or loss, it could have a material, adverse effect on our results of operations, cash flows and financial condition*" on page 65.

HISTORY

Our Company was incorporated as 'Tejus Securities Private Limited', a private limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Registrar of Companies, Maharashtra on August 18, 1994 at Mumbai. As on January 2006, our Company was owned and managed by Mukesh Tulsyan, Raj Pal Singh Rana and certain other shareholders. Subsequently in January 2006, the entire equity share capital of Tejus Securities Private Limited was acquired by Anuj Khanna Sohum, our individual Promoter, along with Anuj Kumar and Madhusudan Ramakrishna. Thereafter, the name of our Company was changed to 'Affle (India) Private Limited', pursuant to a letter of approval from the Central Government dated August 29, 2006 and a fresh certificate of incorporation issued by the RoC on September 29, 2006. Our Company was subsequently converted to a public limited company and the name of our Company was changed to our present name, i.e., 'Affle (India) Limited', and a fresh certificate of incorporation consequent upon conversion was issued by the RoC on July 13, 2018.

The Equity Shares were listed on the Stock Exchanges on August 8, 2019 following the initial public offering of the Equity Shares in India.

We undertook a corporate restructuring in which our Company incorporated Affle International and it acquired all of Affle Global's business, intangible assets and all of the equity interests in the Indonesian Subsidiary, effective July 1, 2018. Affle Global was engaged in the same business as our Company outside India. The Indonesian Subsidiary was engaged in the same business as our Company in Indonesia. Affle Holdings, our corporate Promoter, owns 100% of the issued shares in Affle Global.

For details of the businesses and companies our Company has acquired, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting our Results of Operations and Financial Condition - Acquisitions of businesses / companies*" on page 80.

SUBSIDIARIES

Set forth below is a chart showing our corporate structure as at March 31, 2021.

Notes:
1. Affle International Pte. Ltd. holds 99.0% directly in PT Affle Indonesia and 1.0% is held by Affle Holdings on behalf of Affle International Pte. Ltd.
2. Affle International Pte. Ltd. holds a 66.67% of equity ownership (100.0% of the voting rights). Further, Affle International Pte. Ltd. has a call and put option to acquire 28.33% of the equity ownership (non-voting shares) within three years from June 30, 2020. For the purposes of consolidation of the financial statements, as we have the option to acquire the additional 28.33% of the equity ownership in Appnext Pte. ltd., we are deemed to control 95.00% of Appnext Pte. Ltd. and the remaining 5.00% is considered as a non-controlling interest.

All of the Subsidiaries are involved in same line of business as our Company. However, Appnext Technologies Limited provides only business support services to our Company and the other Subsidiaries.

RECENT DEVELOPMENTS – EFFECTS OF COVID-19

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. In an attempt to contain the spread and impact of COVID-19, authorities throughout India and the world have implemented measures such as travel bans and restrictions, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing and limitations on business activity. According to the 2020 IMF WEO Update, the global GDP is estimated to have deceased year on year by 4.4% in 2020, primarily due to the COVID-19 pandemic. In 2020, the GDP growth of India has been affected due to the COVID-19 pandemic with an expected dip of -10.3% as per IMF estimates (Source: Frost & Sullivan Report).

In response to the COVID-19 pandemic and related lockdowns and restrictions, we implemented the following measures:

- Our offices in South East Asia started transitioning to work from home in early-February 2020 and all global offices started transitioning to work from home in mid-February 2020.
- Our team members connect with their respective teams over video/ audio calls to ensure continued collaboration and brainstorming.
- All our in-person meetings with customers and partners are done on video/ audio calls.

Our standard operating procedures and business continuity plan helped to ensure continued effectiveness of our systems and people globally.

As a result of our responses, we have not had to cut jobs, salaries or pre-agreed bonuses for any employee due to the COVID-19 pandemic.

We have also considered the possible effects that may result from COVID-19 on the carrying amount of our assets. In developing the assumptions relating to the possible future uncertainties in the global conditions because of COVID-19, we have used variable information, as available. Further, we have performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of our assets will be recovered.

See also, "*Risk Factors - COVID-19 has had and could continue to have an adverse effect on our business, financial condition, results of operations and cash flows*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition - Effects of COVID-19*" on pages 50 and 85, respectively.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Pursuant to its Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. Our Company currently has six Directors on its Board, including three Independent Directors.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Name, Address, DIN, Term, Occupation and Nationality	Age (in years)	Designation
Anuj Khanna Sohum *Address:* 283, Ocean Drive #01-05, The Oceanfront @ Sentosa Cove, Singapore, 098 528 *Occupation*: Business *Nationality:* Singaporean *Term:* Five years with effect from April 1, 2018 *DIN:* 01363666	43	Chairman, Managing Director and Chief Executive Officer
Anuj Kumar *Address:* 14B GH-2, Orchid Gardens Suncity, Sector-54, Gurgaon 122 002 *Occupation*: Service *Nationality:* Indian *Term:* Re-appointed with effect from July 10, 2019; Liable to retire by rotation *DIN:* 01400273	42	Director and Chief Revenue & Operating Officer
Mei Theng Leong *Address:* 21 Lorong 108 Changi #03-03, Singapore 426 411 *Occupation*: Service *Nationality:* Malaysian *Term:* Re-appointed with effect from September 24, 2020; Liable to retire by rotation *DIN:* 08163996	44	Non- Executive Director
Bijynath *Address:* 30, Siglap Plain, Singapore, 456019 *Occupation*: Professional *Nationality:* Singaporean *Term:* Five years with effect from June 1, 2020 *DIN:* 08160918	55	Non-Executive Independent Director

Name, Address, DIN, Term, Occupation and Nationality	Age (in years)	Designation
Sumit Mamak Chadha *Address:* Flat No. 602, Block 18, Heritage City Complex, MG Road, Gurgaon 122 002 *Occupation*: Service *Nationality:* Indian *Term:* Five years with effect from June 1, 2020 *DIN:* 05207581	56	Non- Executive Independent Director
Vivek Narayan Gour *Address:* Apartment 1203, Magnolias, DLF Golf Links, DLF Phase 5, Gurgaon 122 009 *Occupation*: Service *Nationality:* Indian *Term:* Five years with effect from June 1, 2020 *DIN:* 00254383	58	Non- Executive Independent Director

Borrowing Powers of the Board

Pursuant to the Articles of Association of our Company and section 180(1)(c) of the Companies Act, subject to applicable laws and pursuant to a special resolution dated September 24, 2020 passed by our Company's Shareholders, the Board has been authorised to borrow sums (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of our Company's paid-up share capital and free reserves, up to ₹ 3500 million.

Interests of our Directors

All our Directors may be deemed to be interested to the extent of remuneration, commission, reimbursement of expenses and other benefits to which they are entitled as per their terms of appointment as approved by the Board, including sitting fees payable to our Company's Independent Directors for attending meetings of the Board and/or a committee thereof, see "*Remuneration of the Directors*" on page 181. Directors may also be deemed to be interested to the extent of their direct or indirect shareholding in our Company, any dividend payable to them and other distributions in respect of such shareholding and any other benefit arising out of such holding and transactions with the companies, firms and trusts with which they are associated as directors, promoters, partners, trustees or members. For details of the Equity Shares held by our Directors, see "*– Shareholding of Directors and Key Managerial Personnel*" on page 180.

Our Directors, Anuj Khanna Sohum, Anuj Kumar, Mei Theng Leong, Vivek Narayan Gour and Bijynath are also shareholders, directors and/or promoters of some of our Subsidiaries and may be deemed to be interested to the extent of their shareholding and transactions in such entities and payments made between our Company and the Group Company or such Subsidiaries, if any. For details on related party transactions, see "*Related Party Transactions*" on page 45.

Except for Anuj Khanna Sohum, who is a Promoter of our Company, our Directors have no interest in the promotion of our Company as on the date of this Preliminary Placement Document.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, our

Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Relationship between Directors

None of the Directors are related to each other.

Shareholding of Directors and Key Managerial Personnel

Other than as set forth below, our Directors do not hold any Equity Shares as on the date of this Preliminary Placement Document:

Name	No. of Equity Shares	% of pre-Offer equity share capital
Anuj Khanna Sohum	32[(1)]	*Negligible*
Anuj Kumar	1[(2)]	*Negligible*
Vivek Narayan Gour	2000	0.01
Kapil Mohan Bhutani	3[(3)]	*Negligible*

[(1)] *Includes 31 Equity Shares held as a nominee of Affle Holdings, and one Equity Share held, as a nominee of Affle Global.*
[(2)] *As a nominee of Affle Global.*
[(3)] *As a nominee of Affle Global*

Terms of appointment and remuneration of Executive Directors

Anuj Khanna Sohum

Pursuant to a resolution passed at the EGM held on March 31, 2018, the Shareholders approved the appointment of Anuj Khanna Sohum as the Managing Director of our Company for a period of five years with effect from April 1, 2018 till March 31, 2023. The terms of appointment as indicated in the aforesaid resolution held on March 31, 2018, are as follows:

Particulars	Amount
Basic Salary	₹ 21,000/- per month (to be reviewed for upscale revision at the end of every financial year).
Variable Salary	Maximum up to 5% of available net profit as per the provisions of Companies Act, 2013.
Leave Travel Assistance	Payable as per the rules of the Company.
Sitting Fees	Not entitled to any sitting fees or other payments for attending meetings of the Board, or where applicable, any Committee/s thereof.

Pursuant to resolution passed at the AGM held on July 10, 2019, the Shareholders approved the payment of remuneration upto ₹ 21,100 per month to Anuj Khanna Sohum and a variable salary of 5% of the available net profits of the Company in accordance with the provisions of the Companies Act, 2013 for Fiscal 2020. The Shareholders further approved that the remuneration payable to Anuj Khanna Sohum may exceed the limits prescribed under Sections 197 and 198 read with Schedule V of the Companies Act, 2013. The same remuneration was also paid for Fiscal 2021.

Anuj Kumar

Pursuant to resolution passed at the EGM held on January 13, 2015, the Shareholders approved the appointment of Anuj Kumar as Managing Director on the Board of our Company with effect from January 13, 2015 for a period of five years. Vide Board Resolution dated May 18, 2018 his designation was changed from Managing Director to Director, Chief Revenue and Operating Officer of the Company, with effect from the same date. He was reappointed as a Director and is liable to retire by rotation, pursuant to shareholder's resolution dated July 10, 2019. Further, the new terms of appointment for the period starting from October 1, 2020 to September 30, 2021, pursuant to letter dated October 20, 2020, are as follows:

Role: Chief Revenue & Operating Officer	Fixed Annual Base Pay (₹)	Annual Variable1 (V1) (₹)	Annual Variable2 (V2) (₹)	Annual Variable 3 (V3) (₹)	Grand Total (₹)
Growth of Programmatic Platform Business - Mediasmart		1,505,000	1,505,000		

Role: Chief Revenue & Operating Officer	Fixed Annual Base Pay (₹)	Annual Variable1 (V1) (₹)	Annual Variable2 (V2) (₹)	Annual Variable 3 (V3) (₹)	Grand Total (₹)
Growth of Programmatic Platform Business - RevX		322,500			
Overall CRO responsibility		322,500	645,000		
Total	9,200,000	2,150,000	2,150,000	500,000	14,000,000

Pursuant to resolution passed at the AGM held on July 10, 2019, the Shareholders approved the payment of remuneration upto ₹ 15,000,000 to Anuj Kumar in accordance with the provisions of the Companies Act, 2013 for Fiscal 2020. The Shareholders further approved that the remuneration payable to Anuj Kumar may exceed the limits prescribed under Sections 197 and 198 read with Schedule V of the Companies Act, 2013

Remuneration of the Directors

A. Executive Directors

The following tables set forth the compensation paid by our Company to the Executive Directors during Fiscals 2021, 2020, 2019 and 2018*:

(in ₹ million)

Anuj Khanna Sohum			
Fiscal/ Period	**Fixed Pay**	**Variable Pay**	**Total**
Fiscal 2021	0.25	0	0.25
Fiscal 2020	0.25	0	0.25
Fiscal 2019	0.25	0	0.25
Fiscal 2018	0	0	0

(in ₹ million)

Anuj Kumar			
Fiscal/ Period	**Fixed Pay**	**Variable Pay**	**Total**
Fiscal 2021	8.82	0.61	9.43
Fiscal 2020	9.20	2.43	11.63
Fiscal 2019	9.20	4.37	13.57
Fiscal 2018	8.70	4.98	13.68

** The remuneration does not include the director sitting fees, provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. Also, it does not include provision for incentives, payable on the basis of actual performance parameters, in next year.*

For further details of compensation paid to our Company's Executive Directors for Fiscals 2018, 2019, 2020 and 2021, see "*Related Party Transactions*" on page 45.

B. Non-Executive and Independent Directors

Mei Theng Leong (Non-Executive Director)

Pursuant to a resolution passed at the EGM held on June 1, 2018, the Shareholders approved the appointment of Mei Theng Leong on the Board of our Company as Non-Executive Director with effect from same date. Further, pursuant to a resolution passed at the AGM held on September 24, 2020, she was re-appointed as a Non-Executive Director. No remuneration is payable by our Company to her in relation to such appointment.

Non-Executive Independent Directors

Our Company's Non-Executive Independent Directors are entitled to a sitting fee of ₹ 90,000 per meeting attended for the meetings of the Board and the committees of the Board along with reimbursement of reasonable expenses incurred in discharge of their roles/duties, including travelling and accommodation expenses.

The following table sets forth the compensation paid by our Company to the Independent Directors during Fiscals 2021, 2020, 2019 and 2018:

(in ₹ million)

Director	Sitting Fees			
	For the Fiscal ended on March 31st			
	2021	2020	2019	2018*
Bijynath	1.35	0.72	0.99	-
Sumit Mamak Chadha	1.62	1.35	1.44	-
Vivek Narayan Gour	1.17	1.08	1.17	-

** Independent directors were appointed in Fiscal 2019*

Corporate Governance

As on the date of this Preliminary Placement Document, our Company have six Directors on the Board, which comprises two Executive Directors, one Non-Executive Director and three Non-Executive Independent Directors. Further, our Company have two women Directors, one of whom is an Independent Director. Our Company is in compliance with the corporate governance requirements prescribed under the SEBI Listing Regulations and Companies Act in relation to the composition of the Board and constitution of committees thereof.

Committees of our Company's Board of Directors

Our Company has constituted the following five committees in terms of the SEBI Listing Regulations and the Companies Act, each of which functions in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations, as applicable:

(i) Audit Committee;
(ii) Nomination and Remuneration Committee;
(iii) Stakeholders Relationship Committee;
(iv) Corporate Social Responsibility Committee; and
(v) Risk Management Committee.

The details of these committees are as follows:

A. Audit Committee

The members of the Audit Committee are:

1. Vivek Narayan Gour (*Chairman*);
2. Sumit Mamak Chadha (*Member*); and
3. Mei Theng Leong (*Member*).

B. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:
1. Bijynath (*Chairman*);
2. Sumit Mamak Chadha (*Member*); and
3. Mei Theng Leong (*Member*);

C. Stakeholders Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Mei Theng Leong (*Chairperson*);
2. Anuj Khanna Sohum (*Member*); and
3. Bijyanth (*Member*).

D. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Sumit Mamak Chadha (*Chairperson*);
2. Anuj Khanna Sohum (*Member*); and
3. Mei Theng Leong (*Member*);

E. Risk Management Committee

The members of the Risk Management Committee are:

1. Anuj Khanna Sohum (*Chairman*);
2. Anuj Kumar (*Member*); and
3. Mei Theng Leong (*Member*);

Key Managerial Personnel

In addition to Anuj Khanna Sohum and Anuj Kumar, the details of our Company's other Key Managerial Personnel are set forth below:

S. No.	Name	Designation
1.	Kapil Mohan Bhutani	Chief Financial & Operations Officer
2.	Parmita Choudhary	Company Secretary and Compliance Officer
3.	Vipul Kedia	Chief Data & Platforms Officer
4.	Charles Yong Jien Foong	Chief Architect and Technology officer
5.	Viraj Sinh	Managing Partner (International)
6.	Noelia Amoedo Casquerio	Chief Executive Officer (MediaSmart Platform)
7.	Elad Natanson	Founder and Chief Executive Officer (Mobile Apps Recommendation platform-Appnext.)
8.	Abeldt Hermann Martje	Chief Revenue Officer (Affle RevX Platform)
9.	Eran Kriti	Co-Founder & Chief Technology Officer (Mobile Apps Recommendation Platform- Appnext)
10.	Sujoy Golan	Chief of Marketing & Omnichannel-Platforms
11.	Guillermo Fernandez Sanz	Technology Director (MediaSmart Mobile, S.L.)

Except for Charles Yong Jien Foong, Abelt Hermann Martie and Noelia Amoedo Casquerio, who are the employees of Affle International, Elad Natanson and Eran Kriti who are the employees of Mobile Apps Recommendation Platform- Appnext, and Guillermo Fernandez Sanz who is an employee of MediaSmart, all Key Management Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel

Other than as disclosed in "- *Shareholding of Directors and Key Managerial Personnel*" on page 180, none of our Company's Key Management Personnel holds any Equity Shares as on the date of this Preliminary Placement Document.

Interest of Key Managerial Personnel

Except as stated in "– *Interest of Directors*" above and in "*Related Party Transactions*" on pages 179 and 45 respectively, and to the extent of their shareholding in our Company, and remuneration or benefits to which they are entitled as per the terms of their appointment and reimbursement of expenses incurred by them in the ordinary course of business, our Company's Key Managerial Personnel does not have any other interest in our Company.

Other confirmations

Except as otherwise stated above in "– *Interests of Directors*" and "– *Interest of Key Managerial Personnel*" on pages 179 and 183 respectively, none of our Company's Promoters or Directors or Key Managerial Personnel have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

None of our Company's Promoters or Directors have been identified as wilful defaulters in the last ten years, as defined under the SEBI ICDR Regulations.

None of our Company's Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Neither our Company, nor our Directors or Promoters have been debarred from accessing capital markets under any order or direction made by SEBI.

None of the Directors, Promoters or Key Managerial Personnel of our Company intends to subscribe to the Issue.

ORGANIZATIONAL STRUCTURE

Corporate History

Our Company was incorporated as 'Tejus Securities Private Limited', a private limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Registrar of Companies, Maharashtra on August 18, 1994 at Mumbai. As on January 2006, our Company was owned and managed by Mukesh Tulsyan, Raj Pal Singh Rana and certain other shareholders. Subsequently in January 2006, the entire equity share capital of Tejus Securities Private Limited was acquired by Anuj Khanna Sohum, our individual Promoter, along with Anuj Kumar and Madhusudan Ramakrishna (collectively, the "**Tejus Acquirers**"). Thereafter, the name of our Company was changed to 'Affle (India) Private Limited', pursuant to a letter of approval from the Central Government dated August 29, 2006 and a fresh certificate of incorporation issued by the RoC on September 29, 2006. Our Company was subsequently converted to a public limited company and the name of our Company was changed to our present name, i.e., 'Affle (India) Limited', and a fresh certificate of incorporation consequent upon conversion was issued by the RoC on July 13, 2018.

Our Company's CIN is L65990MH1994PLC080451. Our registered office is located at 102, Wellington, Business Park 1, Off-Andheri Kurla Road, Marol, Andheri (East), Mumbai 400 059. Our corporate office is located at 606-612, 6th Floor, Tower C, JMD Megapolis, Sohna Road, Sector 48, Gurgaon 122 018.

Organizational Structure

Subsidiaries

As on the date of this Preliminary Placement Document, our Company has one direct subsidiary, i.e., Affle International Pte. Limited.

As on the date of this Preliminary Placement Document, our Company has five step-down subsidiaries:

(i) PT Affle Indonesia (*subsidiary of Affle International Pte. Limited*)
(ii) Affle MEA FZ LLC (*subsidiary of Affle International Pte. Limited*)
(iii) Mediasmart Mobile S.L. (*subsidiary of Affle International Pte. Limited*)
(iv) Appnext Pte Limited (*subsidiary of Affle International Pte. Limited*)
(v) Appnext Technologies Limited (*subsidiary of Affle International Pte. Limited*)

Associates

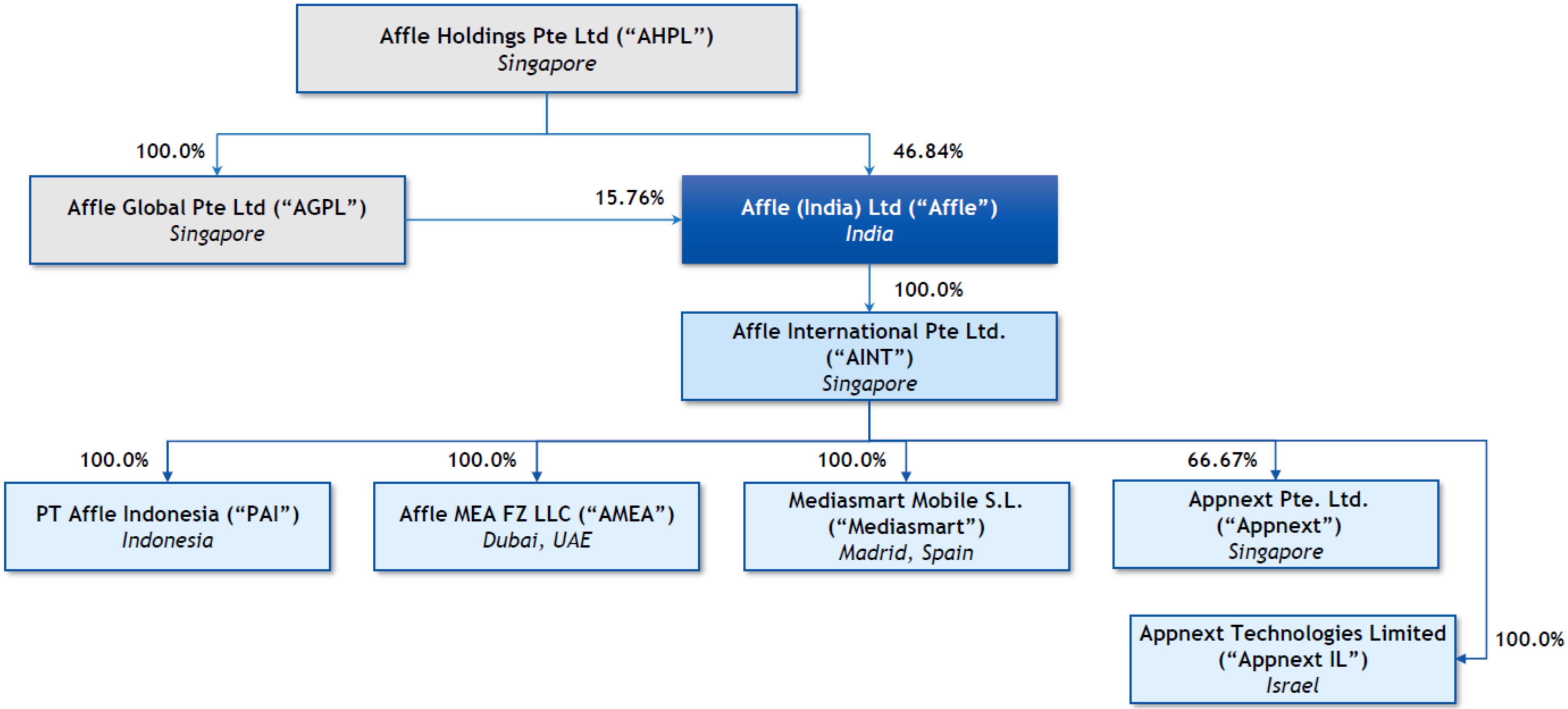
As on the date of this Preliminary Placement Document, our Company has no associate companies.

Joint ventures

As on the date of this Preliminary Placement Document, our Company has no joint ventures.

Group Structure

Our group structure as at the date of this Preliminary Placement Document is set forth below:



SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on March 31, 2021 is set forth below:

Category	Category of Shareholder	No of Shareholders	No of fully paid up Equity Shares held	No of Partly paid-up Equity Shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**				**(X)**	**(XI)**	**(XII)**		**(XIII)**		**(XIV)**
(A)	Promoter and Promoter Group	3	15,961,036	0	0	15,961,036	62.60	15,961,036	0	15,961,036	62.60	0	62.60	5,099,274	31.95	0	0.00	15,961,036
(B)	Public	88,413	9,535,331	0	0	9,535,331	37.40	9,535,331	0	9,535,331	37.40	0	37.40	0	0.00	0	0.00	9,535,328
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C2)	Shares held by Employees Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Total:	**88,416**	**25,496,367**	**0**	**0**	**25,496,367**	**100.00**	**25,496,367**	**0**	**25,496,367**	**100.00**	**0**	**100.00**	**5,099,274**	**20.00**	**0**	**0.00**	**25,496,364**

The shareholding pattern of the Promoters and Promoter Group of our Company, as on March 31, 2021 is set forth below:

Category	Category of Shareholder	No of Shareholders	No of fully paid up Equity Shares held	No of Partly paid-up Equity Shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**				**(X)**	**(XI)**	**(XII)**		**(XIII)**		**(XIV)**
(1)	Indian																	
(a)	Individuals/ HUF	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

Category	Category of Shareholder	No of Shareholders	No of fully paid up Equity Shares held	No of Partly paid-up Equity Shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(b)	Central Government/ State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Financial Institutions/ Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(1)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(2)	Foreign																	
(a)	Individuals (Non-Resident Individuals/Foreign Individuals	1	32	0	0	32	0.00	32	0	32	0.00	0	0.00	0	0.00	0	0.00	32
	Anuj Khanna Sohum	1	32	0	0	32	0.00	32	0	32	0.00	0	0.00	0	0.00	0	0.00	32
(b)	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)																		
	Any Other	2	15,961,004	0	0	15,961,004	62.60	15,961,004	0	15,961,004	62.60	0	62.60	5,099,274	31.95	0	0.00	15,961,004
	Affle Global Pte. Ltd	1	4,017,911	0	0	4,017,911	15.76	4,017,911	0	4,017,911	15.76	0	15.76	0	0.00	0	0.00	4,017,911
	Affle Holdings Pte. Ltd.	1	11,943,093	0	0	11,943,093	46.84	11,943,093	0	11,943,093	46.84	0	46.84	5,099,274	42.70	0	0.00	11,943,093
	Sub-Total (A)(2)	**3**	**15,961,036**	**0**	**0**	**15,961,036**	**62.60**	**15,961,036**	**0**	**15,961,036**	**62.60**	**0**	**62.60**	**5,099,274**	**31.95**	**0**	**0.00**	**15,961,036**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**3**	**15,961,036**	**0**	**0**	**15,961,036**	**62.60**	**15,961,036**	**0**	**15,961,036**	**62.60**	**0**	**62.60**	**5,099,274**	**31.95**	**0**	**0.00**	**15,961,036**

The shareholding pattern of the public shareholders of our Company, as on March 31, 2021 is set forth below:

Category	Category of Shareholder	No of Shareholders	No of fully paid up Equity Shares held	No of Partly paid-up Equity Shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Institutions																	
(a)	Mutual Funds	12	1,485,269	0	0	1,485,269	5.83	1,485,269	0	1,485,269	5.83	0	5.83	0	0.00	0	0.00	1,485,269
	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Advantage Fund	1	315,274	0	0	315,274	1.24	315,274	0	315,274	1.24	0	1.24	0	0.00	0	0.00	315,274
	L&T Mutual Fund Trustee Limited - L&T Focused Equity Fund	1	370,556	0	0	370,556	1.45	370,556	0	370,556	1.45	0	1.45	0	0.00	0	0.00	370,556
	Nippon Life India Trustee Ltd-A/C Nippon India Nifty Small Cap 250 Index Fund	1	485,595	0	0	485,595	1.90	485,595	0	485,595	1.90	0	1.90	0	0.00	0	0.00	485,595
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Alternate Investment Funds	3	265,434	0	0	265,434	1.04	265,434	0	265,434	1.04	0	1.04	0	0.00	0	0.00	265,434
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Foreign Portfolio Investors	137	4,405,803	0	0	4,405,803	17.28	4,405,803	0	4,405,803	17.28	0	17.28	0	0.00	0	0.00	4,405,803

Category	Category of Shareholder	No of Shareholders	No of fully paid up Equity Shares held	No of Partly paid-up Equity Shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
	Nomura India Investment Fund Mother Fund	1	392,138	0	0	392,138	1.54	392,138	0	392,138	1.54	0	1.54	0	0.00	0	0.00	392,138
	Aberdeen Standard Asia Focus Plc	1	434,297	0	0	434,297	1.70	434,297	0	434,297	1.70	0	1.70	0	0.00	0	0.00	434,297
(f)	Financial Institutions/ Banks	1	2	0	0	2	0.00	2	0	2	0.00	0	0.00	0	0.00	0	0.00	2
(g)	Insurance Companies	1	6,602	0	0	6,602	0.03	6,602	0	6,602	0.03	0	0.03	0	0.00	0	0.00	6,602
(h)	Provident Funds/Pension Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(i)	Any Other															0	0.00	
	Qualified Institutional Buyer	1	9,332	0	0	9,332	0.04	9,332	0	9,332	0.04	0	0.04	0	0.00	0	0.00	9,332
	Sub Total (B)(1)	**155**	**6,172,442**	**0**	**0**	**6,172,442**	**24.21**	**6,172,442**	**0**	**6,172,442**	**24.21**	**0**	**24.21**	**0**	**0.00**	**0**	**0.00**	**6,172,442**
(2)	Central Government/ State Government(s) /President of India	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub Total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**
(3)	Non-Institutions																	
(a)	i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs	86,039	1,732,230	0	0	1,732,230	6.79	1,732,230	0	1,732,230	6.79	0	6.79	0	0.00	0	0.00	1,732,227
	ii. Individual shareholders holding nominal share	1	40,000	0	0	40,000	0.16	40,000	0	40,000	0.16	0	0.16	0	0.00	0	0.00	40,000

Category	Category of Shareholder	No of Shareholders	No of fully paid up Equity Shares held	No of Partly paid-up Equity Shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
	capital in excess of ₹ 2 lakhs																	
(b)	NBFCs Registered with RBI	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Employee Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Overseas Depositories (Holding DRs)(Balancing figure)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any other															0	0.00	
	Trusts	3	94	0	0	94	0.00	94	0	94	0.00	0	0.00	0	0.00	0	0.00	94
	Non Resident Indians	1,229	174,079	0	0	174,079	0.68	174,079	0	174,079	0.68	0	0.68	0	0.00	0	0.00	174,079
	Clearing Members	181	52,579	0	0	52,579	0.21	52,579	0	52,579	0.21	0	0.21	0	0.00	0	0.00	52,579
	Directors	2	2,001	0	0	2,001	0.01	2,001	0	2,001	0.01	0	0.01	0	0.00	0	0.00	2,001
	Non Resident Indian Non Repatriable	490	39,871	0	0	39,871	0.16	39,871	0	39,871	0.16	0	0.16	0	0.00	0	0.00	39,871
	Foreign Corporate Bodies																	
	Malabar India Fund Limited	1	1,214,037	0	0	1,214,037	4.76	1,214,037	0	1,214,037	4.76	0	4.76	0	0.00	0	0.00	1,214,037
	Bodies Corporates	312	107,998	0	0	107,998	0.42	107,998	0	107,998	0.42	0	0.42	0	0.00	0	0.00	107,998
	Sub Total (B)(3)	**88,258**	**3,362,889**	**0**	**0**	**3,362,889**	**13.19**	**3,362,889**		**3,362,889**	**13.19**	**0**	**13.19**	**0**	**0.00**	**0**	**0.00**	**3,362,886**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**88,413**	**9,535,331**	**0**	**0**	**9,535,331**	**37.40**	**9,535,331**	**0**	**9,535,331**	**37.40**	**0**	**37.40**	**0**	**0.00**	**0**	**0.00**	**9,535,328**

The shareholding pattern of non-promoter non-public shareholders of our Company, as on March 31, 2021 is set forth below:

Category	Category of Shareholder	No of Shareholders	No of fully paid up Equity Shares held	No of Partly paid-up Equity Shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Custodian/ DR Holder	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(b)	**Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)**	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, payment of Application Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and Bidders are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Also see "Selling Restrictions" and "Transfer Restrictions" on pages 208 and 217, respectively. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, employees, counsels, shareholders, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Our Company, the BRLMs and their respective directors, shareholders, employees, counsels, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THIS ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

This Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares through a QIP, provided that:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must specify (a) that the Allotment of Equity Shares is proposed to be made pursuant to the QIP; and (b) the Relevant Date;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose among other things, the particulars of the Issue and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be Allotted through this Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;

- this Issue must be made through a private placement offer letter (i.e., this Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom this Issue is made;

- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- the Promoters and Directors of our Company are not fugitive economic offenders;

- our Company shall have completed allotments with respect to any previous offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer. However, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom this Issue will be made. This Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe; and

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about this Issue is prohibited.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue.

At least 10% of the Equity Shares issued to Eligible QIBs shall be Allotted to Mutual Funds, provided that, if this portion or any part thereof to be Allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or the Fund Raising Committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the approval of the Shareholders in the EGM on March 24, 2021, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving this Issue and within 60 days from the date of receipt of Application Amount from the Successful Bidders. For details of Allotment, see "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" below on page 203.

The Equity Shares issued pursuant to this Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document and the Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by our Board of Directors on February 27, 2021 and approved by our Shareholders on March 24, 2021.

The minimum number of Allottees with respect to the QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 2,500 million; and
- five, where the issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of this Issue. For details of what constitutes "same group" or "common control", see the section "— *Bid Process—Application Form*" below on page 199.

Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on a recognised stock exchange. Allotments made to VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

Our Company has filed a copy of this Preliminary Placement Document with each of the Stock Exchanges. We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE, each dated April 28, 2021.

Issue Procedure

1. On the Issue Opening Date, our Company in consultation with the Book Running Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules.

2. **The list of QIBs to whom this Preliminary Placement Document cum Application Form will be delivered, shall be determined by our Company in consultation with the BRLMs, at their sole discretion. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers.

4. Bidders will be required to indicate the following in the Application Form:

    - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, phone number, permanent account number, e-mail address and bank account details;
    - number of Equity Shares Bid for;
    - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;
    - details of the depository account to which the Equity Shares should be credited; and
    - a representation that the Bidder is outside the United States acquiring the Equity Shares in an

offshore transaction under Regulation S, and certain other representations made in the Application Form.

5. Each Bidder shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, and the filing of return of Allotment by our Company with the RoC or receipt of final listing and trading approval from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in the Escrow Account, *i.e.,* a separate bank account with a scheduled bank, and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event, among others, a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or a Bidder lowers or withdraws the Bid prior to the Issue Closing Date, or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "- *Refunds*" below on page 204.

6. Once a duly completed Application Form is submitted by a Bidder, whether signed or not, and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Bidder acknowledges that in accordance with the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

8. Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

9. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the Book Running Lead Managers, determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Managers, on behalf of our Company, will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated and the Refund Amount (if any) due to the Successful Bidders. Please note that the Allocation will be at the absolute discretion of our Company, in

consultation with the Book Running Lead Managers.

10. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document (either in electronic form or through physical delivery) to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to this Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to this Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in this Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹ 2,500 million;
- provident funds with minimum corpus of ₹ 2,500 million;
- public financial institutions;
- scheduled commercial banks;

- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies; and
- subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule II of the FEMA Non-Debt Rules, in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means common ownership of more than 50% or common control) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI including its investor group shall be below 10% of the total paid-up Equity Share capital of our Company. In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail funds on look through basis; or (c) public retail funds and investment managers of such FPIs are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates. The existing aggregate investment limit for FPIs in our Company is 100% of the paid up capital of our Company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/ NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Subject to receipt of valid Bids, a minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, our Promoters or any person related to our Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of our Promoter Group;

- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to our Promoters.

Our Company and the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, advisors, representatives, agents or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations.

Note: Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/ or the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings and under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 3, 208 and 217, respectively:

- The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;
- The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;
- The Eligible QIB confirms and consents to its name and percentage of post-Issue shareholding (assuming full subscription in the Issue) will be included as a 'proposed allottee' in the Issue in the Placement Document;
- The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India and is eligible to invest in India under applicable law, including the FEMA Rules, or a multilateral or bilateral development financial institution, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets, and is not an FVCI;
- The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee

director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

- The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

- The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

- The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to this Issue, if any. The Eligible QIB further confirms that its holding of the Equity Shares, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

- The Eligible QIB confirms that its Bids would not result in triggering an open offer under the SEBI Takeover Regulations;

- The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/ or Allotment of Equity Shares Bid for in full or in part;

- The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that the disclosure of such details in relation to it in the Placement Document will not guarantee Allotment to it, as Allotment in the Issue shall continue to be at the sole discretion of our Company;

- The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

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

    b. "Control" shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- The Eligible QIB confirms that:

    a. It is outside the United States and subscribing to the Equity Shares in an offshore transaction in reliance upon Regulation S; and

    b. It has agreed to the other representations set forth in the "*Representations by Investors*" and "*Transfer Restrictions*" on pages 3 and 217, respectively, and the other representations made in the Application Form.

- The Eligible QIB acknowledges that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

- The Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

- The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN (IF APPLICABLE), DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/ OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

Once a duly completed Application Form is submitted by a Bidder, whether signed or not, the submission of such Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and shall become a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

Axis Capital Limited Axis House, Level 1 C-2, Wadia International Centre P.B. Marg, Worli, Mumbai 400 025 Contact Person: Sanjay Kathale E-mail: sanjay.kathale@axiscap.in Phone No.: +91 22 4325 5585	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Contact Person: Vishal Kanjani E-mail: affleqip@nomura.com Phone No.: +91 22 4037 4037	**UBS Securities India Private Limited** 2/F, 2 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Contact Person: Lipika Mitra E-mail: lipika.mitra@ubs.com Phone No.: +91 22 6155 6126

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders submitting a Bid in the Issue, shall pay the entire Application Amount within the Issue Period.

Payment of Application Amount

Our Company has opened the "AFFLE (INDIA) LIMITED – QIP ESCROW ACCOUNT" with Axis Bank Limited, the Escrow Bank, in terms of the arrangement among our Company, the Book Running Lead Managers and the Escrow Bank. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheque or demand draft or cash shall be rejected.

If the payment is not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in the Escrow Account only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "- *Refunds*" below on page 204.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the IT Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Determination and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company, in consultation with the BRLMs, may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders pursuant to a resolution passed on March 24, 2021.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation on a discretionary basis in consultation with the Book Running Lead Managers and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the Application Forms and Application Amount, our Company in their sole and absolute discretion, in consultation with the Book Running Lead Managers, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allotted shall be notified to such Successful Bidders.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, the Eligible QIB would be deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page1 and such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by the Stock Exchanges.

Designated Date and Allotment of Equity Shares

The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares pursuant to the Issue into the QIBs' beneficiary accounts maintained with the Depository Participant, our Company will apply for final trading and listing approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in this Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Managers and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Successful Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Successful Bidder, or the Application Amount paid by a Successful Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Successful Bidder and the Issue Price, or a Bidder does not receive any Allocation in the Issue, or a Bidder withdraws the Application Form prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation, the excess Application Amount paid by such Successful Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation issued to such Successful Bidder. The Refund Amount will be transferred to the relevant Successful Bidders within two Working Days from the date of issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue within 60 days from the date of receipt of the Application Amount, or the Issue is cancelled post Allocation, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges, our Company shall repay the Application Amount within 15 days from expiry of 60 days or such other time period as applicable under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For details see – "*Bid Process*" and – "*Refunds*" above on pages 199 and 204, respectively.

Equity Shares in Dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a successful QIB will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the QIBs.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the Escrow Account to our Company until receipt of notice from the Book Running Lead Managers, the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

PLACEMENT AND LOCK-UP

Placement Agreement

The Book Running Lead Managers and our Company have entered into the Placement Agreement dated April 28, 2021 ("**Placement Agreement**"), pursuant to which each Book Running Lead Manager has agreed, subject to certain conditions, to use its reasonable efforts to place the Equity Shares with Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, the Companies Act read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act and the rules made thereunder.

The Placement Agreement contains customary representations and warranties, as well as indemnity from our Company and the Issue is subject to the satisfaction of certain conditions and subject to the termination of the Placement Agreement in accordance with the terms contained therein.

In connection with the Issue, the Book Running Lead Managers (or their respective affiliates) may, for their own accounts, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in the Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares. See "*Offshore Derivative Instruments*" on page 9.

From time to time, the Book Running Lead Managers and their respective affiliates may engage in transactions with and perform services for our Company or its affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking, investment banking and other banking transactions with our Company, its affiliates or shareholders, for which they have received compensation and may in the future receive compensation.

Lock-up

Our Company will not, for a period of 90 days from the date of Allotment, without the prior written consent of the Book Running Lead Managers, directly or indirectly (a) offer, issue, contract to issue, issue or offer any option or contract to subscribe to any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that provides any right to any person to subscribe to the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares, or (c) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue of the Equity Shares, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above. The forgoing restrictions shall not apply to any issuance and allotment of Equity Shares or any securities convertible into or exercisable or exchangeable into Equity Shares through a preferential allotment aggregating (along with the Issue) up to ₹ 10,800 million in accordance with the Board resolution dated February 27, 2021.

Promoters' and Promoter Group Lock-up

Our Promoters and members of the Promoter Group (who hold Equity Shares) will not, for a period of 90 days without the prior written consent of the Book Running Lead Managers, directly or indirectly (a) sell, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise. The forgoing restrictions will not apply to the secondary sale of Equity Shares aggregating up to 1.07% of the share capital of our Company by our corporate Promoter Affle Holdings, subject to market conditions and receipt of approvals required.

SELLING RESTRICTIONS

General

No action has been taken or will be taken that would permit an offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required, except in India. The Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each subscriber of the Equity Shares offered in the Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and in "*Notice to Investors*", "*Representations by Investors*", and "*Transfer Restrictions*" on pages 1, 3 and 217, respectively.

India

The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder.

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, or an advertisement and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) ("**Corporations Act**") and has not been lodged with the Australian Securities and Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Preliminary Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a "sophisticated investor" or a "professional investor" and that not it is a "retail client" within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Company that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

No financial product advice is provided in this Preliminary Placement Document and nothing in this Preliminary Placement Document should be taken to constitute a recommendation or statement of opinion that is intended to influence a person or persons in making a decision to invest in the Equity Shares offered in the Issue.

This Preliminary Placement Document does not take into account the objectives, financial situation or needs of any particular person. Before acting on the information contained in this Preliminary Placement Document or making a decision to invest in the Equity Shares offered in the Issue, prospective investors should seek professional advice as to whether investing in the Equity Shares is appropriate in light of their own circumstances.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Preliminary Placement Document and the Equity Shares that shall be offered pursuant to this Preliminary Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Preliminary Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Preliminary Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

Cayman Islands

The Preliminary Placement Document does not constitute an offer or invitation to the public in the Cayman Islands to subscribe for Equity Shares in the Issue.

People's Republic of China

This Preliminary Placement Document does not constitute a public offer of the Equity Shares offered in the Issue, whether by way of sale or subscription, in the People's Republic of China (the "**PRC**"). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), an offer to the public of any Equity Shares in the Issue may not be made in that Relevant State, except if the Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "**Prospectus Regulation**"):

- to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Book Running Lead Managers for any such offer;
- or in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Book Running Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting 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.

Except for each person who is not a qualified investor and who has notified the Book Running Lead Managers of such fact in writing and has received the consent of the Book Running Lead Managers in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a qualified investor as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Managers has been obtained to each such proposed offer or resale.

Our Company, the Book Running Lead Managers and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Preliminary Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, the Preliminary Placement Document has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorised by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of the Preliminary Placement Document, they should obtain independent professional advice.

The Preliminary Placement Document does not constitute an offer or invitation to the public in Hong Kong to acquire any Equity Shares nor an advertisement of the Equity Shares in Hong Kong. The Preliminary Placement Document must not be issued, circulated or distributed in Hong Kong other than:

(a) to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**"); or

(b) in other circumstances which do not result in the Preliminary Placement Document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of the Preliminary Placement Document may issue, circulate or distribute the Preliminary Placement Document in Hong Kong or make or give a copy of the Preliminary Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

Japan

No securities registration statement in relation to the solicitations of the Equity Shares offered in the Issue in Japan (the "**Solicitations**") has been or will be filed pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (the "**FIEL**"). The Solicitations shall only be made (i) to Qualified Institutional Investors and (ii) to no more than 49 persons (excluding any Qualified Institutional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Any Qualified Institutional Investors who acquire Equity Shares in the Issue (a) may not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Equity Shares to any person in Japan or to or for the benefit of any resident of Japan, including any corporation or other entity organised under the laws of Japan, except to Qualified Institutional Investors; and (b) shall deliver a notification indicating (a) and (b) herein to any transferee of the Equity Shares.

Capitalized terms used in this sub-section and not defined in this Preliminary Placement Document have the meanings given to those terms in the FIEL.

Jordan

The Equity Shares offered in the Issue have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the Hashemite Kingdom of Jordan in a manner that would constitute a public offering. This Preliminary Placement Document has not been and will not be reviewed or approved by, or registered with, the Jordan Securities Commission in accordance with its regulations and any other regulations in the Hashemite Kingdom of Jordan. The Equity Shares are not and will not be traded on the Amman Stock Exchange. The Equity Shares have not been and will not be offered, sold or promoted or advertised in Jordan other than in compliance with the Securities Law No. (76) of 2002, as amended, the Law Regulating Dealings in Foreign Exchange No. (50) of 2008, and regulations issued pursuant thereto governing the issue of offering and sale of securities. Without limiting the foregoing, the Equity Shares have not been and will not, in any manner, be offered, sold, promoted or advertised to more than thirty (30) persons in Jordan, without complying with the required approval and notification requirements set-out under the above-referenced laws and the regulations issued pursuant to them.

Kuwait

This Preliminary Placement Document has not been licensed for the offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait ("**Kuwait Securities Laws**"). Therefore, in accordance with the Kuwait Securities Laws, no private or public offering of the Equity Shares is or will be made in the State of Kuwait, no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the Equity Shares offered in the Issue may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Preliminary Placement Document has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Preliminary Placement Document does not constitute a public offering. The Preliminary Placement Document is for the exclusive use of the person to whom it has been given by a Book Running Lead Manager and is a private concern between the sender and the recipient.

New Zealand

This Preliminary Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). The Equity Shares offered in the Issue may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who: (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act; (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Oman

This Preliminary Placement Document does not constitute an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman. This Preliminary Placement Document is strictly private and confidential and is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

This Preliminary Placement Document has not been approved by the Capital Market Authority of Oman (the "**CMA**") or any other regulatory body or authority in the Sultanate of Oman ("**Oman**"), nor have the Book Running Lead Managers or any placement agent acting on their behalf received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute the Equity Shares in Oman.

No marketing, offering, selling or distribution of any Equity Shares has been or will be made from within Oman and no subscription for any Equity Shares may or will be consummated within Oman. Neither the Book Running Lead Managers nor any placement agent acting on their behalf is a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. Neither the Book Running Lead Managers nor any placement agent acting on their behalf advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

The Equity Shares offered in the Issue have not and will not be listed on any stock exchange in the Sultanate of Oman.

Nothing contained in this Preliminary Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This Preliminary Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or an offer of Equity Shares in the State of Qatar and accordingly should not be construed as such. The Equity Shares offered in the Issue have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this Preliminary Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, or any other authority or agency in the State of Qatar; (b) our Company and the Book Running Lead Managers are not authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Issue has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Our Company and the Book Running Lead Managers are not, by distributing this Preliminary Placement Document, advising individuals resident in the State of Qatar as to the appropriateness of purchasing Equity Shares in the Issue. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of Equity Shares from or within the Qatar Financial Centre ("**QFC**"), and accordingly should not be construed as such. The Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. The Preliminary Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licenced by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 2-11-2004 dated October 4, 2004 as amended by resolution number 1- 28-2008 (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement

Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Singapore

This Preliminary Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). Accordingly, the Equity Shares offered in the Issue may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Preliminary Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: our Company has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAAN16: Notice on Recommendations on Investment Products).

South Africa

In South Africa, the offering of the Equity Shares in the Issue will only be made by way of private placement to:

(a) selected persons falling within one of the specified categories listed in section 96(1)(a) of the South African Companies Act of 2008, as amended (the "**South African Companies Act**"); and

(b) selected persons, acting as principal, acquiring Equity Shares for a total acquisition cost of ZAR1,000,000 or more, as contemplated in section 96(1)(b) of the South African Companies Act,

and in each case to whom the offer of the Equity Shares will specifically be addressed, and only by whom the offer will be capable of acceptance (the "**South African Qualifying Investors**"). This Preliminary Placement Document is being made available only to such South African Qualifying Investors. The information contained in this Preliminary Placement Document does not constitute, nor form part of, any offer or invitation to sell or issue, an advertisement or any solicitation of any offer or invitation to purchase or subscribe for any Equity Shares or any other securities and is not an "offer to the public" as contemplated in the South African Companies Act. This Preliminary Placement Document does not, nor does it intend to, constitute a "registered prospectus" or an "advertisement", as contemplated by the South African Companies Act and no prospectus has been filed with the Companies and Intellectual Property Commission (the "**CIPC**") in respect of the Issue of the Equity Shares. As a result, this Preliminary Placement Document does not comply with the substance and form requirements for a prospectus set out in the South African Companies Act and the South African Companies Regulations of 2011, and has not been approved by, and/or registered with, the CIPC.

The information contained in this Preliminary Placement Document constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act of 2002, as amended (the "**FAIS Act**") and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Equity Shares or in relation to the business or future investments of the Company is appropriate to the particular investment objectives, financial situation or needs of a prospective investor, and nothing in this Preliminary Placement Document should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. The Company is not a financial services provider licenced as such under the FAIS Act.

South Korea

No securities registration statement in relation to the Solicitations (as defined under Financial Investment Services and Capital Markets Act of the Republic of Korea ("**South Korea**") (the "**FISCMA**")) of the Equity Shares offered in the Issue in South Korea has been or will be filed pursuant to the FISCMA. The Solicitations shall only be made (i) to certain professionals as prescribed in the FISCMA and the enforcement decree promulgated thereunder ("**Professional Investors**") and (ii) to no more than 49 persons (excluding any Professional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Furthermore, the Equity Shares may not be offered, sold, transferred or delivered for reoffering or resale, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident (as defined under the Foreign Exchange Transactions Act of South Korea and the decree, rules and regulations promulgated thereunder) thereof for a period of one year from the date of the issuance of the Equity Shares, except as otherwise permitted under applicable South Korean laws and regulations.

Switzerland

The Equity Shares offered in the Issue may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares offered in the Issue may be publicly distributed or otherwise made publicly available in Switzerland. The Equity Shares offered in the Issue shall only be offered to regulated financial intermediaries, such as banks, securities dealers, insurance institutions and fund management companies, as well as institutional investors with professional treasury operations.

Neither this Preliminary Placement Document nor any other offering or marketing material relating to the offering of the Equity Shares in the Issue have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Preliminary Placement Document will not be filed with, and the offer of the Equity Shares offered in the Issue will not be supervised by, the Swiss Financial Market Supervisory Authority ("**FINMA**"). The offer of the Equity Shares in the Issue has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to purchasers of the Equity Shares offered in the Issue.

This Preliminary Placement Document is personal to the recipient only and is not for general circulation in Switzerland.

United Arab Emirates (excluding the Dubai International Financial Centre)

No offering, marketing, promotion, advertising or distribution (collectively, "**Promotion"**) of the Preliminary Placement Document or the Equity Shares may be made in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

The Promotion of the Preliminary Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, the Preliminary Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of the Preliminary Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the Promotion of the Preliminary Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the Central Bank of the United Arab Emirates or any other regulatory authority in the UAE has reviewed or approved the contents of the Preliminary Placement Document and nor does any such entity accept any liability for the contents of the Preliminary Placement Document.

Dubai International Financial Centre

The Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) (the "**Markets Rules**") adopted by the Dubai Financial Services Authority (the "**DFSA**"); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. The Preliminary Placement Document must not be delivered to, or relied on by, any other person. The DFSA has not approved the Preliminary Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it. Capitalised terms not otherwise defined in the Preliminary Placement Document have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered in the Issue should conduct their own due diligence on the Equity Shares. If you do not understand the contents of the Preliminary Placement Document, you should consult an authorised financial adviser.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the BRLMs for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Equity Shares shall require the Issuer or any BRLM to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). The Preliminary Placement Document is directed only at relevant persons. Other persons should not act on the Preliminary Placement Document or any of its contents. The Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in reliance on Regulation S. To help ensure compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "*Transfer Restrictions*" on page 217. The Equity Shares purchased in the Issue are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 217.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchange, is not permitted for a period of one year from the date of Allotment. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 208.

United States

Each purchaser of the Equity Shares offered in the Issue shall be deemed to have represented, warranted, agreed and acknowledged as follows:

- It understands that the Equity Shares offered in the Issue have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.

- It was outside the United States (within the meaning of Regulation S) at the time the offer of the Equity Shares offered in the Issue was made to it and it was outside the United States (within the meaning of Regulation S) when its buy order for the Equity Shares offered in the Issue was originated.

- It did not purchase the Equity Shares offered in the Issue as a result of any "directed selling efforts" (as defined in Regulation S).

- It is buying the Equity Shares offered in the Issue for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Issue, it agrees that it will not offer, sell, pledge or otherwise transfer the Equity Shares offered in the Issue except in transactions complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Where it is subscribing to the Equity Shares offered in the Issue as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.

- Where it is subscribing to the Equity Shares offered in the Issue for one or more managed accounts, it represents and warrants that it was authorised in writing by each such managed account to subscribe to the Equity Shares offered in the Issue for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees to indemnify and hold our Company and the Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Issue.

- It acknowledges that our Company, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements and acknowledgements.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Rules**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatisation and Demutualisation) Scheme 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 govern the voluntary and compulsory delisting of equity shares from the stock exchanges. These regulations were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/ price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. SEBI has amended the SEBI Takeover Regulations on June 16, 2020 to increase the threshold for creeping acquisitions from 5% to 10% for the financial year 2021 in respect of acquisition by a promoter pursuant to preferential issue of equity shares by the target company. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer.

Prohibition of Insider Trading Regulations

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015. The SEBI Insider Trading Regulations prohibit and penalize insider trading in India and impose certain restrictions on the communication of information by listed companies. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**"), subject to certain limited exceptions. Further, the SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders.

The SEBI Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company. On July 17, 2020, SEBI amended the SEBI (Prohibition of Insider Trading) Regulations, 2015 to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details persons with whom information is shared shall be maintained.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set out below is certain information relating to the share capital of our Company, including a brief summary of certain provisions of our Company's Memorandum and Articles of Association and the Companies Act, 2013 and certain related legislations of India, all as currently in effect. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company as of the date of this Preliminary Placement Document is ₹ 300,000,000 divided into 30,000,000 Equity Shares of ₹ 10 each. Our issued, subscribed and paid up equity share capital as of the date of this Preliminary Placement Document is ₹ 254,963,670 divided into 25,496,367 Equity Shares of ₹ 10 each.

Dividends

Under the Companies Act, 2013, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders. Unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal except, among other things, out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal arrived at as laid down by the Companies Act, 2013. Further, under the Companies Act, 2013, a company is not permitted to declare any dividends unless carried over previous losses and depreciation not provided in previous year or years are set off against the profit of the company for the current year.

According to the Articles of Association, the Shareholders of our Company may approve declaration of dividends to our Shareholders by our Company in a general meeting, which shall not exceed the amount of the dividend recommended by our Board. Subject to the provisions of Section 123 of the Companies Act, our Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of our Company. Our Board may, before recommending any dividend, set aside out of the profits of our Company, such sums as it thinks fit for reserves which shall at the discretion of our Board be applicable for any purpose to which the profits of our Company may be properly applied, including provision for meeting contingencies or for equalizing dividends, and pending such action, such amounts may either be employed in the business of our Company or be invested in such investment (other than shares of our Company) as our Board deems fit. Our Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Subject to the rights of persons, if any, who are entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited, as paid on the Equity Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Equity Shares in our Company, dividends may be declared and paid according to the amounts of the Equity Shares. All dividends shall be apportioned and paid proportionately to the amounts paid or credited, as paid on the Equity Shares during any portion or portions of the period in respect of which the dividend is paid. But, if any Equity Share is issued on terms providing that it shall rank for dividend, as from a particular date, such Equity Share shall rank for dividend accordingly. Our Board may deduct from any dividend payable to any Shareholder all sums of money, if any, presently payable by him to our Company on account of calls or otherwise in relation to the Equity Shares of our Company. No dividend shall bear interest against our Company.

Under the Companies Act, 2013, dividends must be paid within 30 days from the date of its declaration. Where our Company has declared dividend but which has not been paid or claimed within 30 days from the date of declaration, our Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of the unpaid or unclaimed dividend to the unpaid dividend account. All Equity Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by our Company in the name of Investor Education and Protection Fund, established by the Central Government.

Issue of Bonus Shares and Capitalization of Reserves

In addition to permitting dividends to be paid out of current or retained earnings, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account, to its shareholders, in the form of fully paid up bonus shares. Bonus shares are distributed to shareholders in the proportion of the number of ordinary shares owned by them as recommended by the board of directors. The shareholders on record on a fixed record date are entitled to receive such bonus shares. Any issue of bonus shares is subject to regulations issued by SEBI. Further, as per the Companies Act, 2013, bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/ interest payments on fixed deposits or debt securities issued by it. The bonus issue must be made out of free reserves built out of profits or share premium account collected in cash only and not from reserves created by revaluation of fixed assets. Further, bonus shares cannot be issued in lieu of dividend.

Pre-Emptive Rights and Alteration of Share Capital

Under Section 62(1)(a) of the Companies Act, 2013, the shareholders have the pre-emptive right to subscribe for new shares in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any person, and the notice shall contain a statement of this right. The board of directors is authorized to distribute any new shares not purchased by the pre-emptive rights holders in a manner which is not disadvantageous to the shareholders and the company.

Under Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by a company's shareholders in a general meeting.

Our Articles of Association provide that our Company may, from time to time, by ordinary resolution:

- consolidate and divide all or any of its share capital into shares of larger amount than the existing shares;
- convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association;
- cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person; and
- reclassify the shares in the authorized share capital of our Company, subject to a resolution passed by the Shareholders of the Company.

Preference Shares

Subject to Section 55 of the Companies Act, 2013, any new shares may be issued as preference shares which are liable to be redeemed within a period not exceeding 20 years from the date of their issue, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption subject to the conditions provided in the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014.

Our Articles of Association provide that our Company shall have the power to issue preference shares in accordance with Section 55 of the Companies Act, 2013, with the sanction of a special resolution, on the terms that they are to be redeemed on such terms and in such manner as our Company, before the issue of the shares may, by special resolution, determine.

General Meetings of Shareholders

There are two types of general meetings of the Shareholders:

(i) Annual General Meeting, and
(ii) Extraordinary General Meeting.

As per the provisions of our Articles of Association, all general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

In accordance with Section 96 of the Companies Act, 2013, a company must hold its annual general meeting within six months after the expiry of each fiscal provided that not more than 15 months shall elapse between the annual general meeting and the next one, unless extended by the Registrar of Companies at its request for any special reason for a period not exceeding three months. Our Company shall, in addition to any other meetings, hold a general meeting which shall be styled as an Annual General Meeting at intervals and in accordance with the following provisions: (a) our Company shall hold an Annual General Meeting within six months after the expiry of each financial year subject however to the power of the Registrar to extend the time within which such a meeting can be held for a period not exceeding six months and (subject thereto) not more than 15 months shall elapse from the date of one Annual General Meeting and that of the next; and (b) every Annual General Meeting shall be called for at a time during business hours on a day that is not a national holiday and shall be held either at the Registered Office of our Company or at some other place within Chennai and the notice calling such meeting shall specify it as the Annual General Meeting.

Our Board may, whenever it thinks fit, call an Extraordinary General Meeting. If at any time Directors who are sufficient in number to form a quorum are not within India, any Director or any two Shareholders of our Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board. Further, our Board may call an Extraordinary General Meeting on requisition in compliance with the provisions of the Companies Act, 2013.

Whenever our Company proposes to undertake any action that statutorily requires the approval of the Shareholders of our Company, our Company shall call for an Extraordinary General Meeting by serving at least 21 days' written notice to all Shareholders, with an explanatory statement containing all relevant information relating to the agenda for the Extraordinary General Meeting. Unless waived in writing by all the Shareholders, any item not specifically included in the agenda of a Shareholders' meeting shall not be considered or voted upon at that meeting of the Shareholders (including at any adjournments thereof).

In accordance with Section 110 of the Companies Act, a company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot. However, such matters can also be transacted in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal ballot includes voting by electronic mode.

In view of the prevailing lock down enforced across India, due to the outbreak of COVID-19 pandemic and the restrictions imposed on gathering of people through social distancing norms, the MCA, by way of its, General Circular No. 14/ 2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020, Circular No. 33/2020 dated September 28, 2020 and Circular No. 39/2020 dated December 31, 2020, has permitted companies to hold annual general meetings through video conferencing or other audio visual means, till June 30, 2021.

Voting Rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company.

On a show of hands, every member holding Equity Shares and present in person shall have one vote. On a poll, every member holding Equity Shares in our Company shall have voting rights in proportion to his share of the paid-up equity share capital. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy.

Any business other than upon which a poll has been demanded may be proceeded with, pending the taking the poll. No Shareholder shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of the shares in the Company have been paid. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the Registered Office of our Company at least 48 hours before the time of holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than 24 hours before the time appointed for taking the poll and in default, the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by our Company at the Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Transfer and Transmission of Equity Shares

Equity shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the depository participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold).

Except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

According to our Articles of Association, on the death of a Shareholder, the survivor or survivors where the Shareholder was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by our Company as having any title to his interest in the Equity Shares, however the above stated shall not release the estate of a deceased joint holder from any liability in respect of any Equity Share which had been jointly held by him with other persons.

Any person becoming entitled to Equity Shares in consequence of the death or insolvency of a Shareholder may, upon such evidence being produced as may from time to time properly be required by our Board, elect either: (a) to be registered himself as holder of the Equity Share(s); or (b) to make such transfer of the Equity Share(s) as the deceased or insolvent shareholder could have made. Our Board shall, in either case, have the same right to decline or suspend registration as it would have had if the deceased or insolvent shareholder had transferred the Equity Share(s) before his death or insolvency. Our Company shall be fully indemnified by such person from all liability, if any, by actions taken by our Board to give effect to such registration or transfer. If the person so becoming entitled shall elect to be registered as holder of the Equity Shares himself, he shall deliver or send to our Company a notice in writing signed by him stating that he so elects. If the person so becoming entitled shall elect to transfer the Equity Share(s), he shall testify his election by executing a transfer of the Equity Share(s).

Any person becoming entitled to Equity Shares by reason of the death or insolvency of the Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Equity Share(s), except that he shall not, before being registered as a Shareholder in respect of the Equity Shares, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of our Company, provided that our Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Equity Shares, and if the notice is not complied with within 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Share(s), until the requirements of the notice have been complied with.

Acquisition by our Company of its own Equity Shares

Sections 68, 69 and 70 of the Companies Act, 2013 read with Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014 relate to the power of a company to purchase its own shares or other specified securities out of its free reserves, or the securities premium account or the proceeds of the issue of any shares or other specified securities (other than from the proceeds of an earlier issue of the same kind of shares or other specified securities proposed to be bought back) subject to certain conditions, including:

- the buy-back has been authorized by the articles of association of the company;
- a special resolution has been passed in a general meeting of the company authorizing the buy-back;
- the buy-back is for less than 25% of the total paid-up capital and free reserves of the company, provided that the buy-back of equity shares in any financial year shall not exceed 25% of its total paid-up equity capital in that financial year;
- the ratio of the aggregate of secured and unsecured debts owed by the company after buy-back is not more than twice the paid-up capital and its free reserves;
- all the shares or other specified securities for buy-back are fully paid-up; and
- the buy-back is in accordance with the regulations made by SEBI in this behalf.

The requirement of special resolution mentioned above would not be applicable if the buy-back is for less than 10% of the total paid-up equity capital and free reserves of the company and provided that such buy-back has been authorized by the board of directors of the company. A company buying back its securities is required to extinguish and physically destroy the securities so bought back within seven days of the last date of completion of the buy-back. Further, a company buying back its securities is not permitted to buy back any securities for a period of one year from the buy-back or to issue the same kind of securities for six months subject to certain exceptions. Every buy-back must be completed within a period of one year from the date of passing of the special resolution or resolution of the board of directors, as the case may be. Under Section 70 of the Companies Act, 2013, a company is also prohibited from purchasing its own shares or other specified securities through any subsidiary company, including its own subsidiary companies, or through any investment company or group of investment companies or if the company is defaulting on the repayment of deposit or interest, redemption of debentures or preference shares or payment of dividend to a shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank, or in the event of non-compliance with certain other provisions of the Companies Act, 2013. Subject to certain conditions, a company is also prohibited from giving, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person for any shares in the company or its holding company.

Winding up and Liquidation Rights

The Company shall be wound up in accordance with the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

As per the provisions of our Articles of Association, if our Company is wound up, the liquidator may, with the sanction of a special resolution of our Company and any other sanction required by the Companies Act, 2013, divide amongst the members, in specie or kind, the whole or part of the assets of our Company, whether they shall consist of property of the same kind or not. For this purpose, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders of different classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Shareholder shall be compelled to accept any shares or other securities whereon there is any liability.

TAXATION

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

The Board of Directors
Affle (India) Limited
P-601/612, 6th Floor, Tower-C, JMD Megapolis,
Sector 48, Sohna Road,
Gurugram-122018, Haryana

Dear Sirs,

Statement of Possible Tax Benefits available to Affle (India) Limited ("the Company") and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexure, prepared by Affle (India) Limited ('the Company'), provides the possible 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 2021, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, (referred to as 'the Direct Tax Law'). 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 Annexure are not exhaustive and the preparation of the contents stated in the Annexure 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 Direct tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offering of equity shares of face value Re 10 each by the Company in a Qualified Institutional Placement in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "Offering") . We are neither suggesting nor advising the investors to invest in the Offering relying on this statement.

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 tax benefits in future;
   ii) the conditions prescribed for availing the tax benefits have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

4. We assume no obligation to update the Annexure on any events subsequent to this date, which may have a material effect on the discussion herein.

5. The contents of the enclosed Annexure 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.

6. This statement is prepared solely for inclusion in the Preliminary Placement Document (PPD) and the Placement Document (PD) in connection with the Offering, to be filed by the Company with the National Stock Exchange of India Limited, BSE Limited and the Securities and Exchange Board of India, and is not to be used, referred to or distributed for any other purpose.

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

per Yogesh Midha
Partner
Membership Number: 094941

UDIN: 21094941AAAABL4560

Place of Signature: New Delhi
Date: April 28, 2021

ANNEXURE 1 TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible tax benefits available to the Company and its Shareholders under the Income-tax Act, 1961 ('the Act') presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

You should consult your own tax advisors concerning the Indian tax implications and consequences of purchasing, owning and disposing of equity shares in your particular situation.

I. TAXABILITY UNDER THE INCOME-TAX ACT, 1961 (HEREINAFTER REFERRED TO AS 'THE ACT')

1. <u>SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY</u>

There are no special tax benefits available to the Company.

2. <u>GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY UNDER THE ACT</u>

The following benefits are available to the Company after fulfilling conditions as per the applicable provisions of the Act:

2.1. Benefit of lower rate of tax under Section 115BAA of the Act and corresponding benefit under Minimum Alternative Tax ('MAT') provisions under section 115JB of the Act

Section 115BAA has been inserted in the Act by the Finance Act, w.e.f. AY 2020-21, which grants an option to all domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%). The said benefit is available subject to the condition that the Company does not claim the deductions/incentives as specified in sub-clause 2(i) of section 115BAA of the Act.

In case a company opts for section 115BAA of the Act, provisions of MAT under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off.

The option needs to be exercised on or before the due date of filing the tax return of a specific year. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company have opted for the lower tax regime under section 115BAA from FY 2019-20.

In view of the same, the tax rate for the company for FY 2021-22 shall be 25.168% as per the provisions of section 115BAA of the Act and MAT provisions specified in section 115JB of the Act would not apply to the Company.

2.2. Lower tax rate for dividend received from foreign companies

As per section 115BBD of the Act, the dividend received from a company outside India (i.e. where Indian company holds 26% or more of the equity share capital) is taxable at the rate of 15% plus applicable surcharge and cess under the Act.

However, no deduction is allowable in respect of any income in the form of dividend covered under the ambit of this section.

In view of the above, considering that Affle holds more than 26% of equity share capital of the foreign companies, dividend, if any, received during FY 2021-22 – shall be subject to tax at the rate of 15% plus applicable surcharge and cess under the Act. Further, credit for the taxes paid / withheld in overseas jurisdiction may be available to the Company in accordance with the provisions of the Act and the provisions of Double Tax Avoidance Agreement ('DTAA'). This would require detailed evaluation based on the facts of each case.

Further, the Finance Act, 2020 has inserted Section 80M to eliminate the cascading tax effect in case of inter-corporate dividends by providing a deduction in respect of dividends received by a domestic company, to the extent such dividend is distributed by it on or before the specified due date[1]. Accordingly, the Company shall be entitled for benefits of section 80M if the dividend received by its subsidiaries is distributed before the specified due date.

2.3. Benefits while computing total taxable income

2.3.1. Section 32 of the Act Depreciation Allowance

As per section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates in respect of its tangible and intangible assets.

Further, as per the provisions of section 32(1)(iia) of the Act, the Company is entitled to claim additional depreciation at the rate of 20% of the actual cost of any new plant or machinery acquired and installed during the year. In case such new plant or machinery is put to use for less than 180 days, the additional depreciation is allowed at 10% of its actual cost in such year and balance 10% of the actual cost in the immediately succeeding year.

However, the Company shall not be entitled for the additional depreciation under section 32(1)(iia) as it has opted for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 2.1 above.

2.3.2. Depreciation on Goodwill

The Finance Act 2021 has provided that goodwill of a business or profession will not be considered as a depreciable asset and no depreciation on goodwill should be allowed in any situation. In a case where goodwill is purchased by an assessee, the purchase price of the goodwill will continue to be considered as cost of acquisition for the purpose of computation of capital gain under section 48 of the Act, subject to condition that in case depreciation was obtained by assessee in relation to such goodwill prior to AY 2021-22, then the depreciation so obtained by the assessee shall be reduced from the amount of the purchased price of the goodwill.

2.3.3. Section 36(1)(vii) of the Act Allowance of bad debts written off

Under section 36(1)(vii), any bad debt or part thereof which has been written off as irrecoverable in the books of accounts is allowable as deduction for computing the income under the head "Profit and gains of business or profession", subject to the fulfilment of the conditions as specified in section 36(2) read with section 36(1)(vii) of the Act.

2.3.4. Section 80JJAA of the Act Deduction of additional employee cost

The Company is eligible to claim an additional deduction of 30 per cent of additional employee cost incurred in the previous year, for three consecutive assessment years. This deduction is subject to the satisfaction of prescribed conditions under section 80JJAA of the Act while computing total income of the Company.

The Company shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 2.1 above.

2.3.5. Deductions in respect of donations

A deduction equal to 100% or 50%, as the case may be, on sums paid as donations to certain specified entities is allowable as per section 80G of the Act while computing the total income of the Company.

A deduction amounting to 100% of any sum contributed to a political party or an electoral trust, otherwise than by way of cash, is allowable under section 80GGB of the Act while computing total income of the Company.

However, the above benefit shall not be available to the entity which has opted for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 2.1 above.

In view of the same, for FY 2020-21 and onwards the Company shall not be eligible for any deduction under

[1] *For the purposes of section 80M, the expression "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.*

section 80G/80GGB of the Act.

2.3.6. Taxability of income from capital gains

As per section 2(42A) of the Act, if the period of holding of a security (other than a unit) listed on a recognised stock exchange in India or a unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond is more than 12 months, it will be considered a long term capital asset as per section 2(29A) of the Act. With respect to immovable property (being land or building or both) and shares of a company not being listed on a recognized stock exchange, the determinative period of holding shall be more than 24 months for it to be regarded as long-term capital asset. With respect to other assets including a unit of a mutual fund other than equity oriented mutual fund or unit of a business trust, the determinative period of holding is more than 36 months for it to be regarded as long-term capital asset. Asset not considered as long-term capital asset shall be regarded as short-term capital assets.

As per the provisions of section 112(1)(d) of the Act, gains arising on the transfer of long-term capital assets shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112 of the Act, the tax on long term capital gains resulting on transfer of listed securities (other than those covered under section 112A) and Zero Coupon Bonds shall be the lower of the following:

a. 20% (plus applicable surcharge and cess) with indexation benefit; or
b. 10% (plus applicable surcharge and cess) without indexation benefit.

The short-term capital gains are chargeable to tax at a normal tax rate (plus applicable surcharge and cess).

Section 48 of the Act provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration, to arrive at the amount of Capital Gains. However, in respect of long-term capital assets, section 48 provides for substitution of cost of acquisition/ improvement with indexed cost of acquisition/ improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time. Such indexation benefit would not be available on bonds and debentures.

Further, credit for the taxes paid / withheld in overseas jurisdiction may be available to the Company in accordance with the provisions of the Act and the provisions of DTAA. This would require detailed evaluation based on the facts of each case.

In accordance with, and subject to the conditions, including the limit of investment of Rs. 5.00 million, capital gains arising on transfer of a long term capital asset (being land or building) shall be exempt from capital gains under section 54EC if the gains are invested within 6 months from the date of transfer in long term specified asset. In case the whole of the gains are not so invested, the exemption shall be allowed on pro rata basis. The definition of 'long term specified assets' has been amended vide Finance Act, 2018 to mean bonds issued after 1 April 2018, redeemable after five years by the National Highways Authority of India or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 or any other bond notified in the Official Gazette by the Central Government in this behalf.

As per section 70 read with section 74 of the Act, short term capital loss arising during an year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

3. GENERAL TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE COMPANY

The following tax benefits are generally available to the shareholders of all companies subject to the fulfilment of the conditions specified in the Act:

3.1. For resident shareholders:

3.1.1. Taxability of dividend income from shares of the Company

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as to such shareholder. The shareholder is eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

Further, in case of a shareholder being a company, deduction in respect of dividends received from the Company shall be available under section 80M of the Act, to the extent such dividend is distributed by it on or before the specified due date as discussed in para 2.3.1 above.

3.1.2. Taxability of gain/ loss arising from sale of shares of the Company

The characterisation of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various other factors.

a. Taxability under the head 'capital gains'

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 112 of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be the lower of the following:

a. 20% (plus applicable surcharge and cess) with indexation benefit; or
b. 10% (plus applicable surcharge and cess) without indexation benefit.

As per the provisions of section 111A of the Act, short term capital gain arising from transfer of equity share in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any).

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

b. Taxability under the head 'income from business and profession'

Where the gains arising on the transfer of shares of the Company are included in the business income of a shareholder and assessable under the head "Profits and Gains from Business or Profession" and on such transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

3.2. <u>For non-resident shareholders being Foreign Portfolio Investors ('FPIs')/Foreign Institutional Investors ('FIIs')</u>

3.2.1. Taxability of dividend income from shares of the Company

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as 'income from other sources' at tax rate applicable to such shareholder.

3.2.2. Taxability of gain/ loss arising from sale of shares of the Company

As per section 2(14) of the Act, transfer of any shares/ securities (other than those held as stock in trade) being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be deemed to be treated as Capital Gains.

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 115AD read with section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 115AD of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be 10% (plus applicable surcharge and cess) without indexation benefit.

Under section 115AD(1)(ii) of the Act, income by way of short term capital gains arising to the FPI/ FII on transfer of shares of the Company shall be chargeable at the rate of 15% (plus applicable surcharge and cess) if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

3.2.3. Other aspects:

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the country of tax residence of the FII/ FPI or the provisions of the Act, to the extent they are more beneficial to the FII/ FPI.

3.3. <u>For non-resident shareholders, other than FPIs/ FIIs</u>

3.3.1. Taxability of dividend income from shares of the Company

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as 'income from other sources' at tax rate applicable to such shareholder. The shareholder is eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

3.3.2. Taxability of gain/ loss arising from sale of shares of the Company

a. Taxability under the head 'capital gains'

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 112 of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be the lower of the following:

a. 20% (plus applicable surcharge and cess) with indexation benefit; or
b. 10% (plus applicable surcharge and cess) without indexation benefit.

As per the provisions of section 111A of the Act, short term capital gain arising from transfer of equity share in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of

15% (plus applicable surcharge and cess if any).

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

b. Taxability under the head 'income from business and profession'

Where the gains arising on the transfer of shares of the Company are included in the business income of transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

3.3.3. Other aspects:

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Double Tax Avoidance Agreement ('DTAA') between India and the country of tax residence of the non-resident or the provisions of the Act, to the extent they are more beneficial to the non-resident.

As per Explanation 4 to section 115JB(2), the provisions of section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having DTAA with India and such foreign company does not have a permanent establishment within the definition of the term in the relevant DTAA, or the foreign company is a resident of a country which does not have a DTAA with India and such foreign company is not required to seek registration under section 592 of the Companies Act 1956 or section 380 of the Companies Act 2013.

3.4. For shareholders who are Mutual Funds:

Under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

4. SPECIAL TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE COMPANY

There are no special tax benefits available to the shareholders of the Company.

II. TAX DEDUCTION AT SOURCE UNDER THE ACT

Section 194-Dividend distribution by the Company to resident shareholders:

As per section 194 of the Act, dividend income distributed/ paid by the Company shall be subject to withholding tax at the rate of 10%. However, such withholding tax requirement is not applicable in case of distribution/ payment of dividend to individuals if the amount of dividend does not exceed five thousand rupees and distribution/ payment of dividend to Life Insurance Corporation of India, General Insurance Corporation of India and any other insurer.

Section 195-Dividend distribution by the Company to non-resident shareholders:

As per the provisions of Section 195 of the Act, any income by way of dividend payable to non-residents may be subject to withholding of tax at the rate of 20% under the domestic tax laws or under the DTAA whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities.

Withholding tax provisions for capital gains:

Presently, no income tax is required to be withheld at source from income by way of capital gains arising to a resident shareholder on sale of shares, under the current provisions of the Act. It is important to note that Finance Act, 2021 has recently introduced section 194Q (to be effective from 1 July 2021). As per section 194Q of the

Act, specified buyers[2], responsible for paying to any resident seller for purchase of any goods (of the value or aggregate of such value exceeding Rs 50,00,000 in any financial year) are required to deduct taxes at the rate of 0.1% of such sum exceeding Rs 50,00,000. The term 'goods' has not been defined under the Act and as per certain allied laws, there could be an interpretation that securities (including shares) is covered within the meaning of 'goods'. Based on this view, there may exist a requirement for withholding tax to be deducted on payments for purchase of shares. In view of the same, eligible buyers should evaluate the applicability of section 194Q of the Act independently.

As per the provisions of section 195 of the Act, any income by way of capital gains payable to non- residents may be subject to withholding of tax at the rate specified under the Act or under the DTAA, whichever is beneficial to the non-resident, if the same is taxable in India, unless a lower withholding tax certificate is obtained from the tax authorities.

Other aspects:

For claiming the beneficial provisions under the DTAA, the non-resident investor will have to furnish a certificate of him being a tax resident in a country outside India [i.e., valid Tax Residency Certificate ('TRC') and Form 10F (in case the TRC does not contain all the prescribed particulars)] and a suitable declaration for not having a fixed base/ permanent establishment in India, to get the benefit of the applicable DTAA and such other document as may be prescribed as per the provision of section 90(4) of Act.

Further, pursuant to amendment in section 206AA vide notification 53/2016 dated 24 June 2016 introducing Rule 37BC, requirement of quoting permanent account number (PAN) in case of certain specified income is eliminated by maintaining specified documents as mentioned in the said Rule.

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[2] *"buyer" means a person whose total sales, gross receipts or turnover from the business carried on by him exceed Rs 10,00,00,0000 during the financial year immediately preceding the financial year in which the purchase of goods is carried out, not being a person, as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.*

Notes:

1. The income-tax rates specified in this note are as applicable for the financial year 2020-21, and are exclusive of surcharge and education cess, if any. Rate of surcharge and cess are provided below:

   <u>Surcharge:</u>

   Domestic companies (not opting for Section 115BAA/ 115BAB):

   If the net income does not exceed INR 10 million Nil
   If the net income exceeds INR 10 million but does not exceed INR 100 million - 7 per cent
   If the net income exceeds INR 100 million - 12 per cent

   Domestic companies (opting for Section 115BAA/ 115BAB): 10%

   Foreign companies:

   If the net income does not exceed INR 10 million - Nil
   If the net income exceeds INR 10 million but does not exceed INR 100 million - 2 per cent
   If the net income exceeds INR 100 million - 5 per cent

   Individuals, HUF, AOP and BOI:

   If the net income does not exceed INR 5 million 10 per cent
   If the net income exceeds INR 5 million but does not exceed INR 20 million 15 per cent
   If the net income exceeds INR 20 million but does not exceed INR 50 million 25 per cent
   If the net income exceeds INR 50 million 37 per cent

   The enhanced surcharge of 25% & 37% is not levied on income chargeable to tax under sections 111A, 112A and 115AD. The maximum rate of surcharge on tax payable on such incomes shall be 15 per cent.

   For other Assesses surcharge at the rate of 12% shall be applicable if the total income exceeds INR 10 million. Surcharge on dividend distribution tax shall be at the rate of 12%.

   Health and Education cess:

   In all cases, health and education cess will be levied at the rate of 4 per cent of income-tax and surcharge.

2. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Shares, units and other securities.

3. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

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 AADT, if any, between India and the country in which the non-resident has fiscal domicile.

5. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.

6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

7. This statement of possible direct tax benefits enumerated above is as per the Act as amended by the Finance Act, 2021. The above statement of possible Direct-tax Benefits sets out the possible tax benefits available to

the company and its shareholders under the current tax laws presently in force in India. Several of these benefits available are dependent on the taxpayers parties to the transaction fulfilling the conditions prescribed under the relevant tax laws.

LEGAL PROCEEDINGS

We are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are in the nature of, amongst others, civil suits, criminal proceedings, tax proceedings, land and labour disputes.

As on the date of this Preliminary Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy in relation to disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations. Solely for the purpose of the Issue, in accordance with the resolution passed by the Fund Raising Committee on April 28, 2021, the following legal proceedings have additionally been disclosed in this section: (i) any outstanding litigation, suits, including any tax proceedings or any other claims, disputes, legal or show cause notices, investigations or complaints determined as material in accordance with the Company's "Policy on Determination Of Materiality Of Disclosures" framed in accordance with Regulation 30 of the SEBI Listing Regulations ; (ii) all outstanding criminal proceedings against the Company and/or its Subsidiaries; (iii) all outstanding civil proceedings involving the Company and/or its Subsidiaries, which involve an amount equivalent to or above ₹ 13.10 million, which is 2% of the Company's profit after tax on a consolidated basis for Fiscal 2020; (iv) any other civil proceedings involving the Company and/or its Subsidiaries, wherein a monetary liability is not determinable or quantifiable, or which does not exceed the threshold as specified in (iii) above, however, the outcome of which if results in an adverse outcome would have a material adverse effect on the financial position, business, operations, prospects or reputation of the Company, on a consolidated basis, like disputes in relation to intellectual property rights or data privacy laws; (v) all outstanding actions alleging violation of statutory regulations or regulatory requirements by the Company and/or its Subsidiaries, including any show cause notices; (vi) all claims related to direct and indirect tax, involving the Company and/or its Subsidiaries, on a consolidated basis in respect of each entity; (vii) all outstanding litigations (including criminal litigation) involving our Directors, an adverse outcome of which could materially and adversely affect the financial position, business, operations, prospects or reputation of the Company.

It is clarified that for the purposes of the above, pre-litigation notices received by the Company, Subsidiaries, Directors, Promoters (excluding statutory/regulatory/governmental authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, not be considered as litigation until such time that the Company or any of its Subsidiaries, Directors, Promoters, as the case may be, is impleaded as a party in litigation proceedings before any judicial forum.

Further, as on the date of this Preliminary Placement Document, other than as disclosed in this section: (i) there is no litigation or regulatory action pending or taken by any ministry or department of the government or a statutory authority against our Promoters during the last three years immediately preceding the year of this Preliminary Placement Document and no directions have been issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company and our Subsidiaries, and further, there were no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document for our Company and our Subsidiaries; (iii) there are no defaults by our Company in the repayment of statutory dues, dues payable to holders of any debentures and interest thereon, in respect of deposits and interests thereon, or in repayment of any loan obtained from any bank or financial institution and interest thereon, as of the date of this Preliminary Placement Document; (iv) there are no material frauds committed against our Company in the last three years; (v) there are no defaults in the annual filings of our Company under the Companies Act and the rules made thereunder; and (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

I. Litigation involving our Company

A. Outstanding criminal litigation involving our Company

<u>Criminal proceedings against our Company</u>

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings pending against our Company.

Criminal proceedings by our Company

1. AD2C India Private Limited ("**Complainant**"), which subsequently merged into our Company with effect from February 7, 2017 pursuant to a scheme of amalgamation between AD2C India Private Limited, Appstudioz Technologies Private Limited with our Company and their respective shareholders and creditors (**"2017 Scheme"**) , filed a complaint dated June 21, 2016 with the Station House Officer, Sardar Police Station, Gurgaon against Guvera Music India Private Limited ("**Guvera India**") and its directors alleging commission of offences under Sections 406 and 120B of the Indian Penal Code, 1860 ("**IPC**"). The Complainant alleges that it had agreed to provide services of mobile advertising/marketing solutions to Guvera India on agreed payment terms and personal guarantee by the directors of Guvera India for the payment of dues and accordingly the Complainant provided subsequent services. Further, the Complainant alleges that Guvera India stopped making payment for the invoices raised for the months of October 2015 to May 2016 and has claimed outstanding dues of ₹ 4.57 million. Subsequently, the Complainant filed a fresh complaint dated September 23, 2016 in relation to commission of offences under Sections 406, 418, 420 and 120B of IPC alleging that Guvera India has not cleared the outstanding dues despite availability of sufficient funds and with an intention to cheat the Complainant. The complaint is currently pending before the additional chief judicial magistrate.

2. Our Company has filed a criminal complaint against BasicFirst Learning (OPC) Private Limited and its director, Mr. Randhir Kumar Priyadarshi (together, the "**Accused**") under section 138 read with section 142 of the Negotiable Instruments Act, 1881 ("**NI Act**"), claiming an amount of ₹ 21, 59, 309/-. Our Company had been engaged by the Accused to provide our enterprise services *i.e.* designing and development of web and mobile applications through an application development and maintenance agreement dated February 6, 2020. As part payment for the services provided, the Accused had issued cheques to our Company, amounting to ₹ 21, 59, 309/-. which were returned by the bank on account of insufficient funds and difference in the signature of the drawer. Our Company had issued a legal notice dated July 4, 2020 to the Accused to pay the cheque amount for the provided services. The memo of appearance in the matter has been filed and taken on record. The matter is currently pending.

B. Pending actions by statutory or regulatory authorities against our Company

The Enforcement Officer, Employees Provident Fund Organisation, Ministry of Labour and Employment, Regional Office Gurgaon ("**EPFO**"), issued a notice (bearing reference no. HR/GGN/1040801/DS/EO) dated June 21, 2018 to AD2C India Private Limited ("**Notice**"), which merged into our Company with effect from February 7, 2017, pursuant to the scheme of amalgamation between AD2C India Private Limited, Appstudioz Technologies Private Limited with our Company and their respective shareholders and creditors (**"2017 Scheme"**) , directing the production of certain records for verification purposes. Our Company received the said notice on August 28, 2018. Our Company submitted the relevant documents to the Enforcement Officer on August 30, 2018. Further, another Enforcement Officer of the EPFO has issued a notice dated September 26, 2018, directing the production of certain records for verification purposes. Subsequently, our Company submitted the relevant documents to the Enforcement Officer. Thereafter, inspection was conducted by the EPFO, through various visits to our Company between September 26, 2018 to December 18, 2018. Pursuant to these inspections, an observation letter dated December 18, 2018 ("**Observation**") was issued to our Company, advising to deposit difference of provident fund dues with respect to certain employees. Our Company responded to the Observation through a letter dated February 18, 2019. The matter is currently pending.

C. Other material outstanding litigation involving our Company

Material outstanding litigation against our Company

Civil proceedings

1. Five Dots Digital Private Limited ("**Five Dots**") filed a petition bearing Arb. P. No. 330/2017 before the High Court of Delhi ("**High Court**") against Appstudioz Technologies Private Limited, which subsequently merged into our Company with effect from February 7, 2017 pursuant to the scheme of amalgamation between AD2C India Private Limited, Appstudioz Technologies Private Limited with our Company and their respective shareholders and creditors (**"2017 Scheme"**) , and, Affle AppStudioz Pte. Ltd., under Section 11(5) of the Arbitration and Conciliation Act, 1996 ("**Arbitration Act**") alleging non-performance of the application development agreement dated December 24, 2015 entered into

between the abovementioned parties for development of a mobile application programme in a time bound manner to be used by Five Dots. The High Court by its order dated May 16, 2017 appointed a sole arbitrator. Five Dots, by its letter dated July 17, 2017 requested the sole arbitrator to initiate arbitration proceedings in accordance with the said order. The sole arbitrator initiated the arbitration proceedings by order dated July 28, 2017. Subsequently, on August 18, 2017, Five Dots filed a statement of claims before the sole arbitrator claiming an amount of ₹ 17.50 million along with an interest of 24% per annum. Our Company has filed a statement of defence dated September 28, 2017 to this claim, denying all allegations. Five Dots filed a rejoinder dated November 14, 2017. An application dated October 8, 2018 of the Company before the sole arbitrator to place additional evidence and documents, was accepted by order dated November 26, 2018. Subsequently, cross-examination of Kapil Mohan Bhutani, then Director and present Chief Financial & Operations Officer of our Company, was conducted by Five Dots, which was recorded by orders dated November 26, 2018 and January 16, 2019. Further, the matter was listed for arguments after the parties concluded their oral evidence on May 9, 2019 and the arguments of Five Dots were heard on May 25, 2019. Both Five Dots and our Company submitted an application to the High Court seeking extension of the mandate of the arbitral tribunal since both parties were unable to conclude their respective arguments. Vide order dated March 17, 2021, the High Court extended the mandate of the arbitral tribunal till July 17, 2021. The matter is currently pending before the arbitral tribunal.

Material outstanding litigation by our Company

As on the date of this Preliminary Placement Document, there are no material outstanding litigation by our Company, which are pending.

II. **Litigation involving our Subsidiaries**

A. Outstanding criminal litigation involving our Subsidiaries

Criminal proceedings against our Subsidiaries

As on the date of this Preliminary Placement Document, there are no criminal proceedings pending against our Subsidiaries.

Criminal proceedings by our Subsidiaries

As on the date of this Preliminary Placement Document, there are no pending criminal proceedings initiated by our Subsidiaries.

B. Pending action by statutory or regulatory authorities against our Subsidiaries

As on the date of this Preliminary Placement Document, there are no pending actions by statutory or regulatory authorities against our Subsidiaries.

C. Tax proceedings against our Subsidiaries

As on the date of this Preliminary Placement Document, there are no pending tax proceedings against our Subsidiaries.

D. Other material outstanding litigation involving our Subsidiaries

Material outstanding litigation against our Subsidiaries

As on the date of this Preliminary Placement Document, there is no material outstanding litigation against our Subsidiaries.

Material outstanding litigation by our Subsidiaries

As on the date of this Preliminary Placement Document, there is no material outstanding litigation instituted by our Subsidiaries.

III. Tax proceedings involving our Company

Set out in the table below are details of number of cases and total amount involved in claims relating to direct and indirect taxes involving our Company

(₹ in million)

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings*
Direct tax		
Income Tax	4	66.4
Sub-total (A)	**4**	**66.4**
Indirect tax		
GST	2	-
Sub-total (B)	**2**	**-**
Total (A+B)	**6**	**66.4**

* *To the extent quantifiable*

IV. Outstanding Litigations involving the Directors, an adverse outcome of which could materially and adversely affect the financial position, business, operations, prospects or reputation of our Company

Except as disclosed below, there are no outstanding litigations involving our Directors, an adverse outcome of which could materially and adversely affect the financial position, business, operations, prospects or reputation of the Company:

Affle Holdings ("**Claimant**") entered into a share purchase agreement ("**SPA**") with Saurabh Singh ("**Respondent No. 1**"), Snigdha Singh ("**Respondent No. 2**"), Abhinav Singh ("**Respondent No. 3**") and Preeti Singh ("**Respondent No. 4**") (collectively, the "**Respondents**") *inter-alia* for the purchase of the entire share capital of Appstudioz Technologies Private Limited ("**ATPL**"). Additionally, the Claimant agreed *inter alia* to transfer certain equity shares of Affle Holdings to the Respondents subject to certain stipulations. Thereafter, the Claimant allegedly discovered misrepresentations and breach of several representations and warranties by the Respondents. Accordingly, the Claimant terminated the services of Respondents No. 1, 3 and 4 and filed a petition before the High Court of Delhi (the "**DHC**") against the Respondents No. 1 and 2, seeking an injunction restraining them from carrying on any competitive business or soliciting any employee of ATPL, or transferring any intellectual property to third parties. The DHC granted the injunction. The Respondents appealed the order, which was subsequently withdrawn.

The Claimant referred the dispute to arbitration under the SPA. Upon the Respondents rejecting the referral, the Supreme Court of India, on the Claimant's petition, appointed a sole arbitrator. The sole arbitrator, after examining the claims, defenses and counterclaims passed a common arbitral award (**"Arbitral Award"**), in favour of the Claimant. Respondents no. 1, 2 and 3 have filed applications before the DHC against the Arbitral Award. The matter is currently pending.

Certain other proceedings in relation to the same matter are described below:

1. A Contempt Petition has been filed by the Claimant against Respondent No.1 alleging deliberate and wilful violation of certain orders of the DHC, which is currently pending.

2. An FIR has been filed against the Respondent Nos. 1 and 2, Mobulus Technologies Private Limited and Appbulous Software Private Limited under certain provisions of the Indian Penal Code, 1860 ("**IPC**"), which was thereafter registered against Respondents No. 3 and 4. Respondents No. 1, 3 and 4 filed applications before the High Court of Allahabad ("**AHC**") for quashing of the proceedings. The matters are currently pending.

3. A complaint case has been filed by Respondent No. 1 before the Additional Chief Judicial Magistrate – II, Gautam Budh Nagar ("**Magistrate**") against our directors Anuj Khanna Sohum, Anuj Kumar and our former director and current Chief Finance Officer, Kapil Bhutani (collectively, the "**Affle Parties**"). Upon issuance of summons, the Affle Respondents filed an application before the AHC, which directed that no coercive actions shall be taken till completion of investigation. Additionally, a corrective application was filed in order to modify this order, through which a complete stay on the proceedings was granted. The matter is currently pending.

4. An FIR has been filed against the Affle Parties by Respondent No. 1 under certain sections of the IPC. Writ petitions were filed by the Affle Parties before the AHC for quashing the FIR. The AHC dismissed the petitions and issued a stay on coercive action till the submission of the police report. While certain closure reports were filed, the Magistrate ordered further investigation. Certain additional petitions were filed in this matter by Kapil Bhutani, which were dismissed. The matters are currently pending.

5. An FIR has been filed against Anuj Khanna Sohum and Anuj Kumar by the Respondents under certain sections of the IPC. A reply has been filed contesting the allegations. The matter is currently pending.

V. Litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against our Promoters during the last three years

There are no litigation or legal actions pending or taken by any ministry or department of the government or any statutory authority and there are no directions issued by such ministry or department of the government or statutory authority upon conclusion of such litigation or legal action against our Promoters during the last three years immediately preceding the year of the issue of this Preliminary Placement Document.

VI. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or our Subsidiaries.

VII. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

There have been no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

VIII. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

Our Company has no outstanding defaults dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

IX. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

As on the date of this Preliminary Placement Document, our Company has not made any default in annual filings of our Company under the Companies Act, 2013 and the rules made thereunder.

X. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

OUR STATUTORY AUDITORS

S. R. Batliboi & Associates LLP, Chartered Accountants, the Company's Statutory Auditors, have performed limited review of the Special Purpose Interim Condensed Consolidated Financial Statements as at and for the nine months periods ended December 31, 2020 and December 31, 2019 and have issued review reports each dated April 28, 2021, respectively, thereon, which is included in this Preliminary Placement Document in "*Financial Information*" on page 243. They have also audited the Audited Financial Statements and their audit reports on those financial statements are included in this Preliminary Placement Document in "*Financial Information*" on page 243.

FINANCIAL INFORMATION

Review Report

Review Report to
The Board of Directors
Affle (India) Limited

We have reviewed the accompanying Special Purpose Interim Condensed Consolidated Financial Statements of Affle (India) Limited (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the condensed consolidated Balance Sheet as at December 31, 2020, and the related consolidated Statement of Profit and Loss (including other comprehensive income) for the nine months period then ended, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the period then ended, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Condensed Consolidated Financial Statements") as required by Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting".

Management's Responsibility for the Financial Statements

This Special Purpose Condensed Consolidated Financial Statements, which is the responsibility of the Company's management and approved by the Company's Fund Raising Committee, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. These Special Purpose Condensed Consolidated Financial Statements have been prepared solely in connection with raising of funds in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"). Our responsibility is to express a conclusion on the Special Purpose Condensed Consolidated Financial Statements based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Special Purpose Condensed Consolidated Financial Statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Condensed Consolidated Financial Statements are not prepared, in all material respects, in accordance with the recognition and measurement principles of Ind AS-34 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Emphasis of matter

We draw attention to Note 15.2 (i) to the accompanying Special Purpose Condensed Consolidated Financial Statements, which indicate that business combination under common control has been accounted for using purchase method in accordance with previous GAAP resulting in the recognition of goodwill of amounting Rs 59.24 million as on December 31, 2020 as prescribed under court scheme instead of using pooling interest method as prescribed under Ind AS 103 Business Combinations as the approved court scheme will prevail over applicable accounting standard. Our conclusion is not modified in respect of this matter.

Other matters

1. The Special Purpose Condensed Consolidated Financial Statements includes the unaudited interim financial statements and other financial information in respect of six subsidiaries, whose unaudited interim financial statements reflect total assets of Rs 4,560.36 million as at December 31, 2020, total revenues of Rs 1,948.22 million and net cash inflow of Rs 146.03 million for the nine months ended December 31, 2020 as considered in the Special Purpose Condensed Consolidated Financial Statements, which have been reviewed by their respective independent auditors.

   The independent auditor's report on interim financial statements/ financial information of these entities have been furnished to us by the Company's management and our conclusion on the Special Purpose Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the report of such auditors.

   Each of these subsidiaries are located outside India whose interim financial statement and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the interim financial statement of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the Company's management and reviewed by us.

2. The Special Purpose Condensed Consolidated Financial Statements includes the unaudited interim financial statements and other financial information in respect of one subsidiary, whose unaudited interim financial statements reflect total assets of Rs 1.49 million as at December 31, 2020, total revenues of Rs 0.45 million and net cash inflow of Rs 0.82 million for the nine months ended December 31, 2020 as considered in the Special Purpose Condensed Consolidated Financial Statements, which has not been reviewed by any auditor and has been approved and furnished to us by the Company's management and our conclusion on the Special Purpose Condensed Consolidated Financial Statements, in so far its relates to the affairs of this subsidiary is based solely on such unaudited financial statements and other financial information. According to the information and explanations given to us by the Company's management, this interim financial statements/ information is not material to the Group.

Our conclusion on the Special Purpose Condensed Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Company's management.

3. These Special Purpose Condensed Consolidated Financial Statements has been prepared for the purpose of fund raising by the Company. We do not accept or assume responsibility for any other purpose except as expressly agreed by 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.: 094941

UDIN: 21094941AAAABH9746

Place: New Delhi
Date: April 28, 2021

(Amount in INR million, unless otherwise stated)

Special Purpose Interim Condensed Consolidated Balance Sheet as at December 31, 2020

Particulars	Notes	As at December 31, 2020	As at March 31, 2020
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	15.08	10.18
(b) Right of use assets	11	23.66	36.54
(c) Goodwill	4	2,791.80	1,106.73
(d) Other intangible assets	4	462.23	474.25
(e) Intangible assets under development	4	291.70	48.00
(f) Financial assets			
(i) Investments	5	407.00	0.26
(ii) Loans		3.34	3.34
(g) Income tax assets (net)		16.93	-
(h) Deferred tax asset (net)		1.83	-
Total non-current assets		**4,013.57**	**1,679.30**
II. Current assets			
(a) Contract asset (net)	7	615.85	198.75
(b) Financial assets			
(i) Trade receivables		867.44	744.35
(ii) Cash and cash equivalent		504.19	695.90
(iii) Other bank balance other than (ii) above		120.81	568.81
(iv) Loans		15.51	44.05
(v) Other financial assets		192.81	10.40
(c) Other current assets		84.88	58.70
Total current assets		**2,401.49**	**2,320.96**
Total assets (I + II)		**6,415.06**	**4,000.26**
EQUITY AND LIABILITIES			
III. EQUITY			
(a) Equity share capital		254.96	254.96
(b) Other equity			
Retained earning		1,868.21	1,106.19
Capital reserve		25.71	25.71
Securities premium		845.56	845.56
Other reserves		4.02	59.17
- Equity attributable to equity holders of the parent		**2,743.50**	**2,036.63**
- Non-controlling interests		3.35	-
Total equity		**3,001.81**	**2,291.59**
LIABILITIES			
IV. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	6	401.41	280.60
(ii) Other non-current financial liabilities		674.36	117.58
(iii) Lease liabilities	11	12.17	20.08
(b) Long-term provisions		14.88	12.79
(c) Deferred tax liabilities (net)		-	1.80
Total non-current liabilities		**1,102.82**	**432.85**
V. Current liabilities			
(a) Contract liabilities	7	17.38	8.03
(b) Financial liabilities			
(i) Borrowings	6	556.03	357.24
(ii) Trade payables			
- dues of micro enterprises and small enterprises		1.48	6.85
- others		1,346.43	743.33
(iii) Lease liabilities	11	9.72	17.09
(iv) Other current financial liabilities		339.07	70.34
(c) Short-term provisions		7.06	6.59
(d) Liabilities for current tax (net)		20.49	17.12
(e) Other current liabilities		12.77	49.23
Total current liabilities		**2,310.43**	**1,275.82**
Total equity and liabilities (III + IV + V)		**6,415.06**	**4,000.26**

Summary of significant accounting policies 2

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. L65990MH1994PLC080451

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: April 28, 2021

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Singapore
Date: April 28, 2021

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: April 28, 2021

Kapil Mohan Bhutani
Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: April 28, 2021

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: New Delhi
Date: April 28, 2021

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Special Purpose Interim Condensed Consolidated Statement of Profit and Loss for the nine months period ended December 31, 2020

	Particulars	Notes	For the nine months period ended December 31, 2020	December 31, 2019
I	**Revenue**			
	Revenue from contracts with customers	7	3,752.09	2,537.60
	Other income		55.15	26.74
	Total revenue (I)		**3,807.24**	**2,564.34**
II	**Expenses**			
	Inventory and data costs		2,164.54	1,462.20
	Employee benefits expenses		376.00	208.50
	Finance costs		23.52	8.22
	Depreciation and amortisation expense	8	144.64	85.13
	Other expenses	9	259.04	189.55
	Total expenses (II)		**2,967.74**	**1,953.60**
III	**Profit before tax (I-II)**		**839.50**	**610.74**
IV	**Tax expense:**			
	Current tax		77.19	110.44
	Deferred tax credit		(2.00)	(1.98)
	Total tax expense (IV)		**75.19**	**108.46**
V	**Profit for the period (III-IV)**		**764.31**	**502.28**
VI	**Other comprehensive income**			
	Items that will be reclassified to profit or loss in subsequent years			
	Exchange differences on translating the financial statements of a foreign operation		(55.15)	7.62
			(55.15)	**7.62**
	Items that will not be reclassified to profit or loss in subsequent years			
	Re-measurement losses on defined benefit plans		(1.23)	(0.42)
	Income tax effect		0.31	0.10
			(0.92)	**(0.32)**
	Other comprehensive (loss) / income net of tax		**(56.07)**	**7.30**
VII	**Total comprehensive income for the period**		**708.24**	**509.58**
VIII	**Profit for the period**		**764.31**	**502.28**
	Attributable to:			
	- Equity holders of the parent		762.94	502.28
	- Non-controlling interests		1.37	-
IX	**Total comprehensive income for the period attributable to:**			
	Attributable to:			
	- Equity holders of the parent		706.87	509.58
	- Non-controlling interests		1.37	-
X	**Earnings per equity share:**			
	Equity shares of par value INR 10 each			
	(1) Basic	10	29.98	20.15
	(2) Diluted	10	29.98	20.15

Summary of significant accounting policies 2

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: April 28, 2021

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. L65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Singapore
Date: April 28, 2021

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: April 28, 2021

Kapil Mohan Bhutani
Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: April 28, 2021

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: New Delhi
Date: April 28, 2021

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Special Purpose Interim Condensed Consolidated Statement of Cash Flows for the nine months period ended December 31, 2020

	Particulars	For the nine months period ended	
		December 31, 2020	December 31, 2019
A	**Cash flow from operating activities**		
	Profit before tax	839.50	610.74
	Adjustments for :		
	Depreciation and amortisation expense	144.64	85.13
	Non-cash interest on lease	1.36	0.59
	Allowance for impairment of trade receivables and contract asset	11.67	9.48
	Liabilities written back	(2.79)	-
	Loss on Property, plant and equipment and intangible assets (net)	-	0.05
	Interest income	(20.50)	(22.99)
	Interest expense	15.91	5.98
	Unrealised foreign exchange (gain) / loss	(51.99)	1.85
	Operating profit before working capital changes	**937.80**	**690.83**
	Change in working capital:		
	(Increase)/decrease in contract asset (net)	(417.10)	(181.36)
	(Increase)/decrease in trade receivables	(132.34)	(236.63)
	(Increase)/decrease in financial assets	(8.93)	(25.94)
	(Increase)/decrease in other current assets	(26.21)	(14.20)
	Increase/(decrease) in contract liabilities	9.35	2.62
	Increase/ (decrease) in trade payables	535.26	182.83
	Increase/ (decrease) in other financial liabilities	16.39	9.07
	(Decrease)/increase in other liabilities	(36.46)	13.42
	Increase/ (decrease) in provisions	1.33	2.25
	Net cash generated from operations	**879.09**	**442.89**
	Direct taxes paid (net of refunds)	(92.06)	(84.39)
	Net cash flow generated from operating activities (A)	**787.03**	**358.50**
B	**Cash flow from investing activities:**		
	Purchase of property, plant & equipment, intangible assets including assets under development	(373.70)	(303.98)
	Acquisition of a subsidiary, net of cash acquired	(875.95)	(414.27)
	Loan given	(149.80)	-
	Proceeds from sale of property, plant and equipment and intangible assets	-	0.08
	Investments in bank deposits (having original maturity of more than three months)	(467.88)	(1,809.38)
	Redemption in bank deposits (having original maturity of more than three months)	915.88	1,060.13
	Purchase of Investments	(406.74)	-
	Interest received on bank deposits	25.36	20.63
	Net cash flow used in investing activities (B)	**(1,332.83)**	**(1,446.79)**
C	**Cash flow from financing activities:**		
	Interest paid on borrowings	(15.91)	(5.40)
	Proceeds from borrowings	952.64	173.79
	Repayment of borrowings	(571.14)	-
	Interest paid on lease liability	(1.36)	(0.59)
	Payment of principal portion of lease liabilities	(10.50)	(3.41)
	Proceeds from initial public offer (net of issue expenses)	-	857.64
	Net cash flow generated from financing activities (C)	**353.73**	**1,022.03**
	Net change in cash and cash equivalent (A+B+C)	(192.07)	(66.26)
	Net foreign exchange difference	0.36	3.05
	Cash and cash equivalent as at the beginning of the period	695.90	206.08
	Cash and cash equivalent as at the end of the period	**504.19**	**142.87**
	Components of cash and cash equivalent:		
	Balance with banks		
	- On current account	367.53	142.77
	Deposits with original maturity for less than three months	136.53	-
	Cash in hand	0.13	0.10
	Total cash and cash equivalent	**504.19**	**142.87**

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Special Purpose Interim Condensed Consolidated Statement of Cash Flows for the nine months period ended December 31, 2020

The reconciliation between the opening and the closing balances in the balance sheet for liabilities arising from financing activities is as follows:

For the nine months ended December 31, 2020

Particulars	March 31, 2020	Cash flow	Other non-cash adjustments		December 31, 2020
			Rebate received during the period	Accretion of interest	
Current borrowings	357.24	198.80	-		556.04
Non-current borrowings	280.60	120.81	-		401.41
Current lease liabilities	17.09	3.95	4.78	1.36	9.72
Non-current lease liabilities	20.08	7.91	-	-	12.17
Total liabilities from financing activities	**675.01**	**331.47**	**4.78**	**1.36**	**979.34**

For the nine months ended December 31, 2019

Particulars	March 31, 2019	Cash flow	Other non-cash adjustments		December 31, 2019
			Leases added during the period	Accretion of interest	
Current borrowings	20.75	22.01	-	-	42.76
Non-current borrowings	69.17	151.78	-	-	220.95
Current lease liabilities	-	4.00	11.76	0.59	8.35
Non-current lease liabilities	-	-	23.70	-	23.70
Total liabilities from financing activities	**89.92**	**177.79**	**35.46**	**0.59**	**295.76**

Summary of significant accounting policies 2

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. L65990MH1994PLC080451

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: April 28, 2021

Anuj Khanna Sohum
Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Singapore
Date: April 28, 2021

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Director
[DIN: 01400273]
Place: Gurugram
Date: April 28, 2021

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Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: April 28, 2021

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: New Delhi
Date: April 28, 2021

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Special Purpose Interim Condensed Consolidated Statement of Changes in Equity for the nine months period ended December 31, 2020

(a) Equity share capital

Particulars	Number of shares	Amount
Balance as at April 1, 2019	**24,288,314**	**242.88**
Issued during the year	1,208,053	12.08
Balance as at March 31, 2020	**25,496,367**	**254.96**
Balance as at April 1, 2020	**25,496,367**	**254.96**
Issued during the period	-	-
Balance as at December 31, 2020	**25,496,367**	**254.96**

(b) Other equity

Particulars	Reserves and surplus			Other reserves	Equity attributable to owners	Non controlling interests	Total other equity
	Retained earnings	Capital reserve	Securities premium	Exchange differences on translating the financial statements of a foreign operation			
Balance as at April 01, 2019	**449.86**	**25.71**	**-**	**5.60**	**481.17**	**-**	**481.17**
Profit for the year	655.17	-	-	-	655.17	-	655.17
Other comprehensive income	1.16	-	-	53.57	54.73	-	54.73
Issue of share capital	-	-	845.56	-	845.56	-	845.56
Balance as at March 31, 2020	**1,106.19**	**25.71**	**845.56**	**59.17**	**2,036.63**	**-**	**2,036.63**
Balance as at April 01, 2020	**1,106.19**	**25.71**	**845.56**	**59.17**	**2,036.63**	**-**	**2,036.63**
Profit for the period	762.94	-	-	-	762.94	1.37	764.31
Other comprehensive income	(0.92)	-	-	(55.15)	(56.07)	-	(56.07)
Acquisition of a subsidiary	-	-	-	-	-	1.98	1.98
Balance as at December 31, 2020	**1,868.21**	**25.71**	**845.56**	**4.02**	**2,743.50**	**3.35**	**2,746.85**

Summary of significant accounting policies 2

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. L65990MH1994PLC080451

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: April 28, 2021

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Place: New Delhi
Date: April 28, 2021

1. CORPORATE INFORMATION

The Special Purpose Interim Condensed Consolidated Financial Statements comprise of financial statements of Affle (India) Limited ("the Company") and its subsidiaries (collectively, the Group) for the nine months period ended December 31, 2020. The Company is a public limited company, domiciled in India, incorporated under the provisions of the Companies Act, 1956, and is a subsidiary of Affle Holdings Pte. Ltd. The Company was incorporated on 18 August 1994. The shares of the Company got listed on National Stock Exchange Limited and Bombay Stock Exchange Limited on August 8, 2019.

The Group is engaged in providing mobile advertisement services through information technology and software development services for mobiles. The registered office of the Company is situated at 102, Wellington Business Park-1, Off Andheri Kurla Road, Marol, Andheri (East), Mumbai 400 059. The principal place of business is in Haryana, India.

The consolidated financial statement were approved for issue in accordance with the resolution of fund raising committee of the board on April 28, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of special purpose interim condensed consolidated financial statements

These special purpose interim condensed consolidated financial statements (“financial statements”) of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) 34, “Interim Financial Reporting” notified under section 133 of Companies Act, 2013 (the “Act”) and rules thereunder.

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in preparation of the annual financial statements for the year ended March 31, 2020. Further, certain selected explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in the financial position and performance since the last annual financial statements.

These financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual Ind AS financial statements.

These financial statements have been prepared in connection with raising of funds in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBl ICDR Regulations").

ii) Basis of consolidation

The special purpose interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

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 Company, i.e., the period ended on December 31, 2020. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(i) 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.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(iii) 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.

List of entities consolidated

The list of entities consolidated by the Group, which are included in the consolidated financial statements are as under:

S. No.	Entity	Principal activities	Relationship	Place of incorporation	Percentage of ownership interest as at	
					December 31, 2020	March 31, 2020
1	Affle International Pte. Ltd.	Rendering service through 'Mobile Audience As a Service' ("MAAS")	Direct subsidiary	Singapore	100%	100%
2	PT Affle Indonesia		Step down subsidiary – Subsidiary of Affle International Pte. Ltd.	Indonesia	100%	100%
3	Affle MEA FZ-LLC			Dubai, United Arab Emirates	100%	100%
4	Mediasmart Mobile S.L.	Programming and marketing in mobile commerce and mobile marketing environment		Madrid, Spain	100%*	100%*
5	Mediasmart Mobile Limited			London, United Kingdom	100%	100%
6	Appnext Pte. Limited	Web portal marketing		Singapore	100%**	-
7	Appnext Technologies Limited	Technological consultancy and software development		Israel	100%	-

* Includes 94.78% shares acquired by the Group and for balance 5.22% the Group has acquired voting rights and has definite agreement for purchase of shares.

** Includes 66.67% shares acquired by the Group and 95% voting rights and control in Appnext Pte Limited.

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 Company'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) 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.

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Affle (India) Limited (formerly known as "Affle (India) Private Limited")
Notes to the Special Purpose Interim Condensed Consolidated Financial Statements for the nine months period ended December 31, 2020
(Amount in INR million, unless otherwise stated)

3. Property, plant and equipment

Particulars	Computers	Furniture & fixtures	Office equipments	Motor Vehicles	Total
Gross block					
As at April 1, 2019	**9.06**	**1.57**	**2.89**	**1.95**	**15.47**
Additions during the year	6.07	-	0.50	0.97	**7.54**
Additions on account of business combination	2.50	0.47	0.05	-	**3.02**
Disposals during the year	1.70	-	0.25	-	**1.95**
Foreign exchange difference	(0.07)	-	(0.01)		**(0.08)**
As at March 31, 2020	**15.86**	**2.04**	**3.18**	**2.92**	**24.00**
As at April 1, 2020	**15.86**	**2.04**	**3.18**	**2.92**	**24.00**
Additions during the period	5.20	-	0.05	4.06	**9.31**
Disposals during the year	0.05	-	-	-	**0.05**
Foreign exchange difference	0.09	0.04	0.00	-	**0.13**
As at December 31, 2020	**21.10**	**2.08**	**3.23**	**6.98**	**33.39**
Accumulated depreciation					
As at April 1, 2019	**3.72**	**1.36**	**1.64**	**1.26**	**7.98**
Depreciation during the year	5.27	0.04	0.65	0.43	**6.39**
Charge on account of business combination	1.34	0.28	0.05	-	**1.67**
Disposals during the year	1.58	-	0.22	-	**1.80**
Foreign exchange difference	(0.41)	-	(0.01)		**(0.42)**
As at March 31, 2020	**8.34**	**1.68**	**2.11**	**1.69**	**13.82**
As at April 1, 2020	**8.34**	**1.68**	**2.11**	**1.69**	**13.82**
Depreciation during the period	3.70	0.02	0.33	0.40	**4.45**
Disposals during the period	0.05	-	-	-	**0.05**
Foreign exchange difference	0.07	0.02	0.00	0.00	**0.09**
As at December 31, 2020	**12.06**	**1.72**	**2.44**	**2.09**	**18.31**
Net block					
As at December 31, 2020	**9.04**	**0.36**	**0.79**	**4.89**	**15.08**
As at March 31, 2020	**7.52**	**0.36**	**1.07**	**1.23**	**10.18**

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(Amount in INR million, unless otherwise stated)

4. Other intangible assets

Particulars	Computer software	Software application development	Non-compete fees	Trademark	Total	Goodwill	Intangible assets under development
Gross block							
As at April 1, 2019	**25.08**	**833.18**	**-**	**-**	**858.26**	**325.29**	**17.95**
Additions during the year	0.03	226.80	-	-	**226.83**	-	256.85
Additions on account of business combination	-	-	-	0.06	**0.06**	-	**-**
Capitalised during the year	-	-	-	-	**-**	-	226.80
Acquisition during the year	-	78.11	19.66	-	**97.77**	764.28	-
Foreign exchange difference	-	75.69	-	-	**75.69**	17.16	-
As at March 31, 2020	**25.11**	**1,213.78**	**19.66**	**0.06**	**1,258.61**	**1,106.73**	**48.00**
As at April 1, 2020	**25.11**	**1,213.78**	**19.66**	**0.06**	**1,258.61**	**1,106.73**	**48.00**
Additions during the period	-	66.37	-	-	**66.37**	-	310.07
Capitalised during the period			-		**-**	-	66.37
Acquisition during the year	-	58.44	-	-	**58.44**	1,706.82	-
Foreign exchange difference	-	(31.15)	(0.61)	0.00	**(31.76)**	(21.75)	-
As at December 31, 2020	**25.11**	**1,307.44**	**19.05**	**0.06**	**1,351.66**	**2,791.80**	**291.70**
Accumulated amortisation							
As at April 1, 2019	**24.31**	**593.75**	**-**	**-**	**618.06**	**-**	**-**
Amortisation for the year	0.49	117.45	-	0.00	**117.94**	-	**-**
Charge on account of business combination	-	-	-	0.04	**0.04**	-	**-**
Foreign exchange difference	-	48.32	-	-	**48.32**	-	-
As at March 31, 2020	**24.80**	**759.52**	**-**	**0.04**	**784.36**	**-**	**-**
As at April 1, 2020	**24.80**	**759.52**	**-**	**0.04**	**784.36**	**-**	**-**
Amortisation during the period	0.19	127.00	0.04	-	**127.23**	-	**-**
Charge on account of business acquistion	-	-	-	-	-		
Foreign exchange difference	-	(22.16)	(0.00)	0.00	**(22.16)**	-	-
As at December 31, 2020	**24.99**	**864.36**	**0.04**	**0.04**	**889.43**	**-**	**-**
Net block							
As at December 31, 2020	**0.12**	**443.08**	**19.01**	**0.02**	**462.23**	**2,791.80**	**291.70**
As at March 31, 2020	**0.30**	**454.26**	**19.66**	**0.02**	**474.25**	**1,106.73**	**48.00**

Net book value	**As at**	
	December 31, 2020	**March 31, 2020**
Goodwill*	2,791.80	1,106.73
Other intangible assets	462.23	474.25
Intangible assets under development	291.70	48.00
Total	**3,545.73**	**1,628.98**

*Goodwill includes amount of INR 59.24 million (March 31, 2020: INR 59.24 million) on account of business combination and amount of INR 2,732.57 million (March 31, 2020: INR 1,047.49 million) on account of business acquisition.

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(Amount in INR million, unless otherwise stated)

5. Non-current investments

Unquoted equity investments fully paid-up	**As at December 31, 2020**	**As at March 31, 2020**
Investment at fair value through profit or loss (FVTPL)		
101 (March 31, 2020: 101) preference shares with face value of INR 10 each and with premium of INR 1,972 each in Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	0.20	0.20
50 (March 31, 2020: 50) equity shares with face value of INR 10 each and with premium of INR 1,219 each in Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	0.06	0.06
2,300 (March 2020: Nil) Series C compulsorily convertible preference shares with face value of INR 100 each with premium of INR 85,986.95 each in Talent Unlimited Online Services Private Limited	198.00	-
170,263 (March 31, 2020: Nil) Series B4 convertible preference shares with face value USD 16.78 each in OSLabs Pte. Ltd.	208.74	-
Total	**407.00**	**0.26**
Aggregate value of unquoted investments	407.00	0.26
Aggregate amount of impairment in the value of investments	-	-

6. Borrowings

	Non-Current		**Current**	
	As at December 31, 2020	**As at March 31, 2020**	**As at December 31, 2020**	**As at March 31, 2020**
Unsecured				
Term Loan				
- From related parties	-	241.23	387.18	278.93
- From financial institutions	381.39	11.73	157.80	40.97
- From non-financial institutions	20.02	27.64	11.05	5.46
Loan repayable on demand				
- From financial institutions	-	-	-	9.39
- From non-financial institutions	-	-	-	22.49
Total	**401.41**	**280.60**	**556.03**	**357.24**

Details of borrowings i.e. interest rate, currency and terms of repayments of borrowings:

Particulars	**Currency**	**Effective interest rate**	**Maturities**	**Terms of repayment**
From related parties				
- Loan from Affle Holdings Pte. Ltd. vide loan agreement dated February 28, 2020	USD	2.00%	Dec-21	The outstanding amount of loan is payable in 18 equal monthly installments starting from August 31, 2020 along with applicable interest.
- Loan from Affle Holdings Pte. Ltd. vide loan agreement dated March 26, 2020	USD	2.00%	Sep-21	The outstanding amount of loan is payable in 14 equal monthly installments starting from August 31, 2020 along with applicable interest.
- Loan from Affle Global Pte. Ltd. vide loan agreement dated July 25, 2019	USD	3.00%	Aug-20	The outstanding amount of loan is payable in 3 equal monthly installments starting from May 31, 2020 along with applicable interest.
From financial institutions				
- Loan from Banco Bilbao Vizcaya Argentaria, S.A. vide approval dated March 8, 2018	Euro	3.35%	Mar-21	The outstanding amount of loan is payable in 4 equal quarterly installments along with applicable interest.
- Loan from Bankinter, S.A. vide approval in 2018	Euro	2.75%	May-22	The outstanding amount of loan is payable in 26 equal monthly installments along with applicable interest.
- Loan from Banco de Sabadell, S.A. vide approval April 3, 2019.	Euro	1.75%	Jun-21	The outstanding amount of loan is payable in 5 equal quarterly installments along with applicable interest.
- Cash credit facility from Banco Bilbao Vizcaya Argentaria, S.A. vide approval dated March 8, 2018	Euro	Euribor 3M+ 300 bp	Repayable on demand	Interest is payable on monthly basis.
- Click and pay facility from Banco Bilbao Vizcaya Argentaria, S.A.	Euro	1.25%	Repayable on demand	The outstanding amount of loan is payable in 3 equal monthly installments along with applicable interest.
- Loan from Axis Bank Limited, Singapore vide approval dated August 6, 2020	USD	1 Month Libor + 3%	June 30, 2024	The outstanding amount of loan is payable in 14 quarterly installments along with applicable interest.
From non-financial institutions				
Ministry of Energy, Industry and Tourism (Avanza program) dated September 9, 2014	Euro	0.51%	Apr-21	The outstanding amount of loan is payable in 12 equal monthly installments along with applicable interest.
Ministry of Energy, Industry and Tourism (Emprendetur I+D+i program) dated September 30, 2016.	Euro	0.57%	Sep-21	The outstanding amount of loan is payable in September 2021 along with applicable interest.
Technological and Industrial Development Center dated July 2019	Euro	0.00%	Jun-30	The disbursement of the entire loan has not yet happened. The outstanding amount is repayable in June 2030.
Billfront Limited vide approval dated July 8, 2017	Euro	2.50%	NA	This is a bill discounting facility payable in 30-45 days along with applicable interest.

Notes:
1) Following are the unsecured loans due to directors/promotors/promotor group companies/relatives of promotors/relatives of directors:

	Non-Current		**Current**	
	As at December 31, 2020	**As at March 31, 2020**	**As at December 31, 2020**	**As at March 31, 2020**
Affle Holdings Pte. Ltd., Singapore	-	241.23	387.18	233.70
Affle Global Pte. Ltd., Singapore	-	-	-	45.23
	-	**241.23**	**387.18**	**278.93**

2) There are no financial covenants in respect of the borrowings mentioned above.

(Amount in INR million, unless otherwise stated)

7. Revenue from contracts with customers

(i) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the nine months period ended	
	December 31, 2020	**December 31, 2019**
Type of service		
Consumer platform	3,688.04	2,463.64
Enterprise platform	64.05	73.96
Total revenue from contracts with customers	**3,752.09**	**2,537.60**

	For the nine months period ended	
	December 31, 2020	**December 31, 2019**
Geographical markets		
India	1,803.44	1,271.41
Outside India	1,948.65	1,266.19
Total revenue from contracts with customers	**3,752.09**	**2,537.60**

	For the nine months period ended	
	December 31, 2020	**December 31, 2019**
Timing of revenue recognition		
Services transferred at a point in time	3,688.04	2,463.64
Services transferred over time	64.05	73.96
Total revenue from contracts with customers	**3,752.09**	**2,537.60**

(ii) Contract balances

	As at	
	December 31, 2020	**March 31, 2020**
Trade receivable	867.44	744.35
	867.44	**744.35**

Contract assets (net)

A contract asset is the right to consideration that is conditional upon factors other than the passage of time. Contract asset is recognised where there is excess of revenue over billings. Revenue recognised but not billed to customer is classified as unbilled revenue (contract asset) in our balance sheet.

Changes in contract asset (net) are as follows:

	As at	
	December 31, 2020	**March 31, 2020**
Balance at the beginning of the period/year [net of allowance for impairment amounting to INR 2.39 million (April 1, 2019: INR 2.39 million)]	198.75	131.87
Revenue recognized during the period/year	3,752.09	3,337.83
Invoices raised during the period/year	3,334.99	3,270.95
Balance at the end of the period/year [net of allowance for impairment amounting to INR 2.39 million (March 31, 2020: INR 2.39 million)]	**615.85**	**198.75**

Contract liability

	As at	
	December 31, 2020	**March 31, 2020**
Advance from customers	17.38	7.76
Deferred revenue	-	0.27
	17.38	**8.03**

(Amount in INR million, unless otherwise stated)

7. Revenue from contracts with customers (continued)

Changes in advance from customers are as follows:

	As at	
	December 31, 2020	**March 31, 2020**
Balance at the beginning of the period/year	7.76	6.40
Advance received during the period/year	188.15	19.12
Advance adjusted against invoices during the period/year	176.44	17.57
Advance written back	2.09	0.19
Balance at the end of the period/year	**17.38**	**7.76**

Changes in deferred revenue are as follows:

	As at	
	December 31, 2020	**March 31, 2020**
Balance at the beginning of the period/year	0.27	0.39
Added during the period/year	-	0.27
Invoiced during the period/year	0.27	0.39
Balance at the end of the period/year	**-**	**0.27**

Set out below is the amount of revenue recognised from:

	For the nine months period ended	
	December 31, 2020	**December 31, 2019**
Amounts included in contract liabilities at the beginning of the period	0.27	-
Performance obligations satisfied in previous years	-	-

(iii) Performance obligations

Information about the Group's performance obligations are summarised below:

Consumer platform
The performance obligation is satisfied at a point in time and payment is generally due within 30 to 90 days of completion of services and acceptance of the customer. In some contracts, short-term advances are required before the advertisement services are provided.

Enterprise platform
The performance obligation is satisfied over time and payment is generally due within 30 to 90 days of completion of services and acceptance of the customer. In some contracts, short-term advances are required before the advertisement services are provided.

As the duration of the contracts for consumer and enterprise platform is less than one year, the Group has opted for practical expedient and decided not to disclose the amount of the remaining performance obligations.

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8. Depreciation and amortisation expense

	For the nine months period ended	
	December 31, 2020	**December 31, 2019**
Depreciation of property, plant and equipments	4.45	3.98
Amortisation of intangible assets	127.23	77.11
Depreciation on right of use assets	12.96	4.04
Total	**144.64**	**85.13**

9. Other expenses

	For the nine months period ended	
	December 31, 2020	**December 31, 2019**
Power and fuel	0.27	0.45
Rent	4.55	16.28
Rates and taxes	20.85	2.04
Insurance	4.79	2.52
Repair and maintenance - Others	7.53	5.36
Legal and professional fees (including payment to statutory auditor)	67.90	58.46
Travelling and conveyance	0.77	16.82
Communication costs	0.79	2.06
Printing and stationery	0.10	0.55
Recruitment expenses	1.35	3.43
Business promotion	67.92	45.23
Impairment allowance of trade receivables and contract asset	11.67	9.48
Loss on disposal of property, plants and equipment and intangible assets (net)	-	0.05
Exchange differences (net)	-	2.25
Software license fee	4.12	2.48
Project development expenses	14.54	6.03
Directors sitting fee	5.80	4.92
Corporate social responsibility expenses	4.06	1.92
Miscellaneous expenses	43.01	12.58
	260.02	**192.91**
Less: Cost capitalised as intangible assets or intangible assets under development	(0.98)	(3.36)
Total	**259.04**	**189.55**

10. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the period / year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the period/year.

For the purpose of calculating diluted EPS, the net profit for the period / year attributable to equity shareholders and the weighted average number of shares outstanding during the period / year is adjusted for the effects of all dilutive potential equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the nine months period ended	
	December 31, 2020	**December 31, 2019**
Profit attributable to equity holders of the parent for basic earnings	764.31	502.28
Effect of dilution	-	-
Profit attributable to equity holders of the parent for the effect of dilution	**764.31**	**502.28**
Weighted average number of equity shares used for computing basic earning per share (in million)	25.49	24.93
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution*	**25.49**	**24.93**
Basic EPS attributable to the equity holders of the parent (absolute value in INR)	29.98	20.15
Diluted EPS attributable to the equity holders of the parent (absolute value in INR)	29.98	20.15

* The weighted average number of equity shares takes into account the weighted average effect of equity shares issued during the period / year.

(Amount in INR million, unless otherwise stated)

11. Commitments and contingent liability

a. Leases

Group as lessee
The Group has taken office premises on lease. The lease has been entered for a period ranging from one to five years with renewal option. The Group has the option, under some of its lease, to renew the lease for an additional years on a mutual consent basis.

The incremental borrowing rate for the lease liabilities of the Group ranges from 2% to 11% per annum.

Set out below are the carrying amounts of right of use assets recognised and the movements during the period/year:

	As at	
Particulars	**December 31, 2020**	**March 31, 2020**
Opening balance	**36.54**	**-**
Addition during the period/ year	-	45.59
Depreciation expense	12.96	8.98
Foreign exchange gain / (loss)	0.08	(0.07)
Closing balance	**23.66**	**36.54**

Set out below are the carrying amounts of lease liabilities and the movements during the period/year:

	As at	
Particulars	**December 31, 2020**	**March 31, 2020**
Opening balance	**37.17**	**-**
Addition during the period/year	-	45.59
Accretion of interest	1.36	1.32
Payments during the period/year	(11.86)	(9.74)
Rebate received during the period	(4.78)	-
Closing balance	**21.89**	**37.17**
Current	**9.72**	**17.09**
Non-current	**12.17**	**20.08**

The following are the amounts recognised in consolidated statement of profit or loss:

Particulars	**For the nine months period ended**	
	December 31, 2020	**December 31, 2019**
Depreciation expense of right of use assets	12.96	4.04
Interest expense on lease liabilities	1.36	0.59
Expenses relating to short term leases (included in other expenses)	2.67	9.94
Expenses relating to low value assets (included in other expenses)	0.04	0.03

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows :

Particulars	**Contractual undiscounted value**	**0-1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
As at December 31, 2020	28.11	18.01	9.69	0.41	-
As at March 31, 2020	45.89	23.88	15.40	6.61	-

Note: The Group has applied practical expedient in Indian Accounting Standard (Ind AS 116) notified vide Companies (Indian Accounting Standards) Amendment Rules, 2020 by Ministry of Corporate Affairs ('MCA') on July 24, 2020 to all rent concessions received as a direct consequence of COVID-19 pandemic. Accordingly, the Group recognized an amount of INR 4.78 million as other income. The Group has further got rent waivers for other premises taken on lease and it has resulted in cost saving of INR 3.30 million during the nine months period ended December 31, 2020.

b. Capital commitments

As at December 31, 2020, the Group has commitments on capital account and not provided for (net of advances) is INR 97.75 million (March 31, 2020: INR 15.35 million).

c. Contingent liabilities

(i) Claims against the Group not acknowledged as debts includes the following:

- Income tax demand from the Income tax authorities for assessment year 2017-18 of INR 64.88 million on account of disallowance of bad debts written off, advances written off, amortisation of goodwill and certain expenses under various heads as claimed by the Group in the income tax. The matter is pending before Commissioner of Income Tax (Appeals), Mumbai.

- Income tax demand from the Income tax authorities for assessment year 2015-16 of INR 2.95 million on account of disallowance of availment of cenvat credit and write off of certain advances in the income tax. The matter is pending before ITAT.

The Group is contesting the demands and the Management, including its tax advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the demand raised. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Group's financial position and results of operations. The likelihood of the above cases going in favour of the Group is probable and accordingly have not considered any provision against the demands in the financial statements.

(ii) The Group has issued Standby Letter of Credit (SBLC) amounting to INR 633.53 million (equivalent of USD 8.5 million) in favour of Axis Bank Limited, Singapore in lieu of term loan taken by Affle International Pte. Ltd, wholly owned subsidiary of the Group.

(Amount in INR million, unless otherwise stated)

12. Related party disclosures

(i) Names of related parties and related party relationship

S.No.	Relationship	Name of the related party
(i)	Holding Company	Affle Holdings Pte. Ltd. Singapore
(ii)	Fellow subsidiaries	Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited") Affle Global Pte. Ltd., Singapore (formerly known as "Affle Appstudioz Pte. Ltd., Singapore")
(iii)	Key management personnel	Anuj Kumar (Director) Anuj Khanna Sohum (Chairman, Managing Director & Chief Executive Officer) Kapil Mohan Bhutani (Chief Financial & Operations Officer) [Director till May 30, 2020] Akanksha Gupta (Company Secretary) [till April 30, 2019] Parmita Choudhury (Company Secretary) [w.e.f. June 01, 2019]

(ii) The following table provides the total value of transactions that have been entered into with related parties for the relevant periods:

Particulars	Fellow subsidiaries		Holding Company	
	For the nine months period ended		For the nine months period ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Reimbursement of expenses to the Group				
Affle Holdings Pte. Ltd., Singapore	-	-	9.69	118.03
Affle Global Pte. Ltd., Singapore	4.61	0.52	-	-
Reimbursement of expenses by the Group				
Affle Holdings Pte. Ltd., Singapore	-	-	-	0.19
Rendering of service by the Group*				
Affle Holdings Pte. Ltd., Singapore	-	-	-	10.77
Affle Global Pte. Ltd., Singapore	-	1.57	-	-
Rendering of service to the Group				
Affle Holdings Pte. Ltd., Singapore	-	-	9.35	4.97
Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	4.30	38.07	-	-
Affle Global Pte. Ltd., Singapore	0.35	1.55	-	-
Current borrowings (net)				
Affle Holdings Pte. Ltd., Singapore	-	-	73.05	22.62
Affle Global Pte. Ltd., Singapore	43.83	98.00	-	-
Non-current borrowings (net)				
Affle Holdings Pte. Ltd., Singapore	-	-	-	113.08
Affle Global Pte. Ltd., Singapore	-	45.23	-	-

Transaction with key management personnel

Particulars	For the nine months period ended	
	December 31, 2020	December 31, 2019
Compensation paid:**		
Anuj Kumar		
Short-term employee benefits	7.06	9.33
Kapil Mohan Bhutani		
Short-term employee benefits	7.15	7.35
Parmita Choudhury (w.e.f. June 01, 2019)		
Short-term employee benefits	0.64	0.51
Akanksha Gupta (till April 30, 2019)		
Short-term employee benefits	-	0.15
Anuj Khanna Sohum		
Short-term employee benefits	0.19	0.19

* Includes other income of NIL (March 31, 2020: INR 2.77 million).

** The remuneration to the key management personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole. Also, it does not include provision for incentives, payable on the basis of actual performance parameters, in next year.

(Amount in INR million, unless otherwise stated)

12. Related party disclosures (continued)

(iii) Balances as at the period / year end

Particulars	Fellow subsidiaries		Holding Company	
	As at December 31, 2020	As at March 31, 2020	As at December 31, 2020	As at March 31, 2020
Trade receivables				
Affle Global Pte. Ltd., Singapore	-	0.22	-	-
Other current financial assets				
Affle Global Pte. Ltd., Singapore	4.56	0.02	-	-
Affle Holdings Pte. Ltd., Singapore	-	-	7.25	0.04
Non-current borrowings				
Affle Holdings Pte. Ltd., Singapore	-	-	-	241.23
Current borrowings				
Affle Holdings Pte. Ltd., Singapore	-	-	387.18	233.70
Affle Global Pte. Ltd., Singapore	-	45.23	-	-
Trade payables				
Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	38.44	28.74	-	-

Particulars	Key management personnel	
	As at December 31, 2020	As at March 31, 2020
Payable to key management personnel:		
Parmita Choudhury (w.e.f. June 01, 2019)		
Salary payable	0.08	0.07
Anuj Kumar		
Salary payable	0.44	0.73
Kapil Mohan Bhutani		
Salary payable	0.52	0.65
Anuj Khanna Sohum		
Salary payable	0.02	0.02

No amount has been written off or written back in the period in respect of debts due from/to above related parties.

Terms and conditions of transactions with related parties
The sale and purchase from related parties are made on terms equivalent to those that prevail in arm's length transaction. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. For the nine month period ended December 31, 2020 and year ended March 31, 2020, the Group has not recorded any impairment of trade receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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(Amount in INR million, unless otherwise stated)

13. Segment information

The Group's operations pre-dominantly relate to providing mobile advertising services through consumer intelligence platforms.

The Board of Directors, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Group's performance and allocates resources based on the analysis of the various performance indicators of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirements of Ind AS 108 "Operating Segments".

Geographical information
In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets, which have been based on the geographical location of the assets.

Particulars	**For the nine months period ended**	
	December 31, 2020	**December 31, 2019**
Revenue from contracts with customers		
Sales to external customers		
- India	1,803.44	1,271.41
- Outside India	1,948.65	1,266.19
Total	**3,752.09**	**2,537.60**
Capital expenditure:		
Property, plant and equipment		
- India	7.92	4.19
- Outside India	1.39	4.18
Intangible assets		
- India	34.73	38.28
- Outside India	31.64	886.91

Other segment information

Particulars	**As at**	
	December 31, 2020	**March 31, 2020**
Non-current assets (other than financial assets and deferred tax assets)		
- India	330.93	318.31
- Outside India	3,253.54	1,357.39

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(Amount in INR million, unless otherwise stated)

14(i). Statement of fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars	December 31, 2020		March 31, 2020	
	Fair value through profit and loss	**Amortised cost**	**Fair value through profit and loss**	**Amortised cost**
Financial assets				
A. FVTPL financial instruments:				
Investments	407.00	-	0.26	-
B. Amortised Cost:				
Loans	-	18.85	-	47.39
Trade receivables	-	867.44	-	744.35
Cash and cash equivalent	-	504.19	-	695.90
Other bank balances	-	120.81	-	568.81
Other financial assets	-	192.81	-	10.40
Total	**407.00**	**1,704.10**	**0.26**	**2,066.85**
Financial liabilities				
Amortised Cost:				
Borrowings	-	957.44	-	637.83
Trade payables	-	1,347.91	-	750.18
Lease liabilities	-	21.89	-	37.17
Other financial liabilities	945.35	68.08	136.23	51.69
Total	**945.35**	**2,395.32**	**136.23**	**1,476.87**

The management assessed that cash and cash equivalent, other bank balances, trade receivables, borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Further, the subsequent measurements of all assets and liabilities (other than investments) is at amortised cost, using effective interest rate (EIR) method.

The following methods and assumptions were used to estimate the fair values:

Receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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(Amount in INR million, unless otherwise stated)

14(ii). Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.
Level 3 : Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at December 31, 2020:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
FVTPL financial instruments:					
Investments	December 31, 2020	407.00	-	-	407.00
Assets measured at FVTOCI	December 31, 2020	-	-	-	-
Liabilities measured at FVTPL					
Other financial liabilities	December 31, 2020	945.35	-	-	945.35
Liabilities measured at FVTOCI	December 31, 2020	-	-	-	-

There have been no transfers between Level 1, Level 2 and Level 3 during the period ended December 31, 2020.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
FVTPL financial instruments:					
Investments	March 31, 2020	0.26	-	-	0.26
Assets measured at FVTOCI	March 31, 2020	-	-	-	-
Liabilities measured at FVTPL					
Other financial liabilities	March 31, 2020	136.23	-	-	136.23
Liabilities measured at FVTOCI	March 31, 2020	-	-	-	-

There have been no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2020.

Valuation technique used to derive fair values
The Group's unquoted instruments is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

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15. Business combination

15.1 Business combinations under non common control entities

(i) Acquisition of Appnext Pte. Ltd.

Affle International Pte. Ltd., Singapore ("Affle International"), a wholly owned Subsidiary of Affle (India) Limited ("the Company") has acquired 66.67% shares and 95% control in Appnext Pte. Ltd. ("Appnext"), vide Share Purchase Agreement. Also, Affle MEA FZ-LLC, Dubai ("Affle MEA"), a step down subsidiary of the Company has entered into an Intellectual Property Purchase Agreement to acquire Tech IP assets of Appnext. Both the above agreements are dated June 08, 2020, however, as per Ind AS 110, the consolidation has been done effective June 01, 2020 for convenience, being start of the month or quarter, as the date of acquisition.

Further, Affle International also has right to acquire 28.33% shares of Appnext at the end of three years from the date of completion of the Share Purchase Agreement which has been accounted as per anticipated acquisition method.

Total purchase consideration of INR 1,802.88 million (equivalent to USD 24.68 million) is as follows:

> For 66.67% shares - consideration of INR 1,201.74 million (equivalent to USD 16.45 million)
> For 28.33% shares - consideration of INR 602.69 million (equivalent to USD 8.25 million) which is recorded in books as of December 31, 2020 at a
> For Tech IP assets - consideration of INR 58.44 million (equivalent to USD 0.80 million)

Affle International and its subsidiary Affle MEA FZ-LLC, Dubai acquired Appnext so as to continue the expansion of the consumer platform.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Appnext as at the date of acquisition were:

Fair value recognised on acquisition	**INR million**
Assets	
Total Assets acquired	126.71
Liabilities	
Total Liabilities acquired	86.99
Total net assets at fair value	**39.72**
Non-controlling interest (5% of net assets)	**(1.98)**
Total identifiable net assets	
- Other intangible assets	58.44
Goodwill arising on acquisition	1,706.70
Purchase consideration transferred	**1,802.88**

Analysis of cash flow on acquisition:	**INR million**
Transaction costs of the acquisition (included in cash flows from operating activities)	1.24
Consideration paid in cash (included in cash flows from investing activities)	1,004.49
Consideration payable in cash *	798.39
Net cash flow on acquisition	**1,804.12**

* included in other non-current and current financial liabilities.

Acquisition related costs
Affle International has incurred acquisition-related costs of INR 1.24 million on legal fees and due diligence costs.

15. Business combination

Anticipated acquisition

Affle International also has right to acquire 28.33% shares of Appnext at a value of INR 602.69 million (equivalent to USD 8.25 million) which is recorded in books as of December 31, 2020 at a value of INR 542.70 million (equivalent to USD 7.43 million) at the end of three years from the date of completion of the Share Purchase Agreement which has been accounted as per anticipated acquisition method where the recognition of the financial liability implies that the interests subject to the purchase are deemed to have been acquired already. Therefore, the corresponding interests are presented as already owned by the Group even though legally they are still non-controlling interests.

As at December 31, 2020, the key performance indicators of Appnext reflects high probability that the projected event linked to payment of contingent consideration will be met and hence the fair value of the contingent consideration has been estimated to be INR 542.70 million. A reconciliation of fair value measurement of the contingent consideration liability is provided below:

	INR million
Opening balance as at April 1, 2020	-
Liability arising on business combination	542.70
Unrealised fair value changes recognized in statement of profit and loss	-
Closing balance as at December 31, 2020	**542.70**

Further, Affle International also has right to acquire the remaining 5% shares at a mutually agreed value to be determined at the end of five years from the date of completion of the Share Purchase Agreement. As at the period end, the remaining 5% shares have been recorded as Non-controlling interests which the group has elected to measure at the proportionate share of its interest in Appnext's net identifiable assets.

The goodwill and assets identified in case of above acquisition is based on provisional purchase price allocation (“PPA”) available with Affle International and its subsidiary. The management of Affle International and its subsidiary shall be using the services of an external expert to carry out a detailed PPA of the purchase consideration paid / payable to the shareholders of Appnext. Adjustment, resulting from such PPA shall be carried out in the financial statements of Affle International and its subsidiary. Consequently, the values of assets and liabilities acquired, and the resultant goodwill could be materially different once the PPA valuation is completed. The forgoing is in line with the provisions of Ind AS 103 Business Combinations which allows the initial accounting for a business combination to be completed within one year from the acquisition date.

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15. Business combination (continued)

15.1 Business combinations under non common control entities (continued)

(ii) Acquisition of Mediasmart Mobile S.L., Spain

Affle International Pte. Ltd., Singapore ("Affle International"), a wholly owned Subsidiary of Affle (India) Limited ("the Company") has acquired 100% control in Mediasmart Mobile S.L., Spain ("Mediasmart"), vide Share purchase Agreement dated February 28, 2020, for a consideration of INR 373.94 million w.e.f. January 22, 2020. Also, Affle MEA FZ-LLC, Dubai ("Affle MEA"), a step down subsidiary of the Company has entered into an Assets Purchase Agreement dated February 27, 2020, to acquire all Tech IP assets of Mediasmart for a consideration of INR 27.11 million. The total purchase consideration transferred is INR 401.05 million.

Affle International had obtained control by virtue of a legally enforceable MoU entered between Affle International and shareholders of Mediasmart dated January 22, 2020. However, as per Ind AS 110, the consolidation has been done effective January 1, 2020 for convenience, being start of the month and quarter, as the date of acquisition.

Affle International and its subsidiary - Affle MEA FZ-LLC, Dubai acquired Mediasmart so as to continue the expansion of the consumer platform segment and omnichannel platform.

Assets acquired and liabilities assumed

The management of Affle International and Affle MEA FZ-LLC has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of Mediasmart. Pursuant to such PPA valuation, conducted by an independent expert, the net consideration of INR 401.05 million have been allocated, based on the fair value computations, at the acquisition date, as an intangible asset, arising from this acquisition. The accounting for this business combination has been finalised as at date of the financial statements.

The fair values of the identifiable assets and liabilities of Mediasmart as at the date of acquisition were:

Fair value recognised on acquisition	**INR million**
Assets	
Total Assets acquired	187.58
Total Liabilities acquired	267.89
Total net assets at fair value	**(80.31)**
Total identifiable net assets	
- Non-compete	19.66
- Other intangible assets	27.11
Goodwill arising on acquisition	434.59
Purchase consideration transferred	**401.05**

a) A contingent liability at fair value of INR 7.10 million was recognised at the acquisition date resulting from the settlement of pre-existing relationship with some vendors.

b) As at March 31, 2020, Mediasmart has negative working capital of INR 43.70 million and uncertainty in utilisation of tax credit of INR 30.29 million due to which the auditors of Mediasmart have included an emphasis of matter in their audit report on going concern presumption, the resolution of which depends on the financial support of parent and compliance with the business plan. In this regards Affle International has provided the parent support letter to Mediasmart and the Group has not recognised tax credits in the consolidated financial statements.

15. Business combination (continued)

15.1 Business combinations under non common control entities (continued)

(ii) Acquisition of Mediasmart Mobile S.L., Spain (continued)

Analysis of cash flow on acquisition:	**INR million**
Transaction costs of the acquisition (included in cash flows from operating activities)	2.48
Consideration paid in cash (included in cash flows from investing activities)	345.13
Net assets acquired of Mediasmart (included in cash flows from investing activities)	(80.31)
Consideration payable in cash *	136.23
Net cash flow on acquisition	**403.52**

* included in other non-current and current financial liabilities.

Acquisition related costs
Affle International has incurred acquisition-related costs of INR 2.48 million on legal fees and due diligence costs. These costs have been recognised as an expense in statement of profit or loss in the previous year, within the 'other expenses' line item.

Contingent consideration
As part of the Share Purchase Agreement signed between Affle International and shareholders of Mediasmart, a contingent consideration of INR 98.03 million has been agreed. The amount of contingent consideration is included in the total purchase consideration mentioned above and shall be payable to the shareholders of Mediasmart upon meeting the earning targets.

As at December 31, 2020, the key performance indicators of Mediasmart reflects highly probability that the projected event linked to payment of contingent consideration will be met and hence the fair value of the contingent consideration has been estimated to be INR 98.03 million. A reconciliation of fair value measurement of the contingent consideration liability is provided below:

	INR million
Opening balance as at April 1, 2020	98.03
Unrealised fair value changes recognized in statement of profit and loss	-
Closing balance as at December 31, 2020	**98.03**

(iii) Acquisition of identified business of Shoffr Pte. Ltd.

Effective February 19, 2019, Affle International Pte Ltd., Singapore ("Affle International"), wholly owned subsidiary of the Company acquired the Business ("Identified Business") of Shoffr Pte. Ltd. ("Shoffr") for a consideration of INR 41.46 million. Affle International acquired the Identified Business of Shoffr so as to grow and strengthen the consumer and enterprise platform segment.

Assets acquired and liabilities assumed

a) Affle International acquired intangible assets of the Identified Business including the Intellectual Properties, domain name, business relationships, employees and non-compete, the book value of which was Nil on the date of acquisition. The management of Affle International has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of Shoffr. Pursuant to such PPA valuation, conducted by an independent expert, it was concluded that there were no identifiable intangible assets which would meet the recognition criteria and hence the entire consideration of INR 41.46 million has been allocated to Goodwill. The accounting for this business combination has been finalised as at date of the financial statements.

Analysis of cash flow on acquisition:	**INR million**
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Consideration paid in cash (included in cash flows from investing activities)	41.46
Net cash flow on acquisition	**41.46**

b) Pursuant to the business purchase agreement dated February 19, 2019, INR 7.5 million was payable after 3rd year of successful integration and performance of Shoffr business undertaking on February 19, 2022. This was recorded as a shareholder liability in the books in the earlier year. In the year ended March 31, 2020, the above deferred consideration has been waived off by the shareholders through a mutual settlement with Affle International owing to negotiations and exit of one of the shareholders. As the deferred consideration was not contingent upon any future event and that there was no conditions existing on the date of acquisition which substantiates that this consideration will not be payable as on the respective due date or as at the year ended March 31, 2020, it has been recorded as other income in the financial statements.

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15. Business combination (continued)

15.1 Business combinations under non common control entities (continued)

(iv) Acquisition of identified business of RevX Inc.

Effective April 1, 2019, Affle International Pte. Ltd., Singapore ("Affle International"), wholly owned subsidiary of the Company acquired the Business ("Identified Business") of RevX Inc. ("RevX") for a consideration of INR 339.24 million. Affle International acquired the Identified Business of RevX so as to continue the expansion of the consumer platform segment.

Assets acquired and liabilities assumed

Affle International has acquired the intangible assets of Identified Business of RevX namely the Intellectual Properties, domain name, business relationships and non-compete whose book value as on the date of acquisition was Nil. The management of Affle International has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of RevX. Pursuant to such PPA valuation, conducted by an independent expert, the net consideration of INR 339.24 million have been allocated, based on the fair value computations, at the acquisition date, as an intangible asset, arising from this acquisition. The accounting for this business combination has been finalised as at date of the financial statements.

The following table summarises the recognised amounts of assets acquired at the date of acquisition:

Fair value recognised on acquisition	**INR million**
Assets	
Software Application Development (Technology)	51.01
Total identifiable net assets	**51.01**
Goodwill arising on acquisition	288.23
Purchase consideration	**339.24**

Analysis of cash flow on acquisition:	**INR million**
Transaction costs of the acquisition (included in cash flows from operating activities)	0.90
Consideration paid in cash (included in cash flows from investing activities)	339.24
Net cash flow on acquisition	**340.14**

Acquisition related costs

Affle International has incurred acquisition-related costs of INR 0.90 million on legal fees and due diligence costs. These costs have been recognised as an expense in statement of profit or loss in the year ended March 31, 2020, within the 'other expenses' line item.

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15. Business combination (continued)

15.1 Business combinations under non common control entities (continued)

(v) Acquisition of identified business of Vizury Interactive Solutions Private Limited

On September 1, 2018, Affle (India) Limited ("the Company") acquired the Commerce Business ("Identified Business") of Vizury Interactive Solutions Private Limited ("Vizury India") for a consideration of INR 106.44 million (equivalent to USD 1.50 million at the exchange rate of USD1= INR 70.96) minus profit after tax of Vizury India for the period 15 May 2018 to 31 August 2018 of INR 21.37 million (equivalent to USD 0.30 million at the exchange rate of USD1= INR 70.96).

The Company acquired the Identified Business of Vizury India so as to continue the expansion of the consumer platform segment.

Assets acquired and liabilities assumed

The Company has acquired only the intangible assets of Identified Business of Vizury India namely the Intellectual Properties, Domain Name, Business Relationships, Employees and Non-compete whose book value as on the date of acquisition was Nil. The initial accounting of the business combination was finalised as at the date of the earlier year's financial statement.

In the previous year, the management of the Company has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of Vizury India. Pursuant to such PPA valuation, conducted by an independent expert, the net consideration of INR 85.07 million have been allocated, based on the fair value computations, at the acquisition date, as an intangible asset, arising from this acquisition. Based on the PPA information obtained, the fair value of the identifiable net asset arising from the transaction are as follow:

Fair value recognised on acquisition	**INR million**
Assets	
Software Application Development (Technology)	9.93
Total identifiable net assets	**9.93**
Goodwill arising from acquisition	75.14
Purchase consideration	**85.07**

Analysis of cash flow on acquisition:	**INR million**
Transaction costs of the acquisition (included in cash flows from operating activities)	1.02
Consideration paid in cash (included in cash flows from investing activities)	85.07
Net cash flow on acquisition	**86.09**

Acquisition related costs

The Company had incurred acquisition-related costs of INR 1.02 million on legal fees and due diligence costs. The costs was recognised as an expense in statement of profit or loss in FY 2018-19, within the 'other expenses' line item.

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15. Business combination (continued)

15.1 Business combinations under non common control entities (continued)

(vi) Acquisition of identified business of Vizury Interactive Solutions Pte. Ltd. and Vizury Interactive Solutions FZ-LLC

On September 1, 2018, Affle International Pte. Ltd., Singapore ("Affle International"), wholly owned subsidiary of the Company acquired the Commerce Business ("Identified Business") of Vizury Interactive Solutions Pte. Ltd. ("Vizury Singapore") and Vizury Interactive Solutions FZ-LLC ("Vizury Dubai") for a consideration of INR 207.51 million.

Affle International acquired the Identified Business of Vizury Singapore and Vizury Dubai so as to continue the expansion of the consumer platform segment.

Assets acquired and liabilities assumed

Affle International has acquired only the intangible assets of Identified Business of Vizury Singapore and Vizury Dubai namely the Intellectual Properties, Domain Name, Business Relationships, Employees and Non-compete whose book value as on the date of acquisition was Nil.

In the previous year, the management of the Group has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of Vizury Singapore and Vizury Dubai. Pursuant to such PPA valuation, conducted by an independent expert, the net consideration of INR 207.51 million have been allocated, based on the fair value computations, at the acquisition date, as an intangible asset, arising from this acquisition. Based on the PPA information obtained, the fair value of the identifiable net asset arising from the transaction are as follows:

Fair value recognised	INR million
Assets	
Software Application Development (Technology)	16.60
Total identifiable net assets	**16.60**
Goodwill arising on acquisition	190.91
Purchase consideration	**207.51**

Analysis of cash flow on acquisition:	INR million
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Consideration paid in cash (included in cash flows from investing activities)	207.51
Net cash flow on acquisition	**207.51**

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15. Business combination (continued)

15.2 Business combinations under common control

(i) Scheme of amalgamation in accordance with previous GAAP

During the year ended March 31, 2017, the Holding Company has merged its fellow subsidiaries i.e. AD2C Holdings, AD2C India, Appstudioz Technologies into one merged entity, Affle India Limited (formerly known as "Affle (India) Private Limited") under the court approved scheme of amalgamation in accordance with erstwhile applicable previous GAAP.

Business combination under common control has been accounted for using purchase method in accordance with previous GAAP as prescribed under court scheme instead of using pooling interest method as prescribed under Ind AS 103. Business Combinations as the approved court scheme will prevail over applicable accounting standard.

Accordingly, the Scheme was accounted for using purchase method in accordance with erstwhile applicable Accounting Standard 14 "Accounting for Amalgamations". All the assets and liabilities of the Transferor Companies have been incorporated at fair values as at April 1, 2015 against the purchase consideration of INR 84.64 million which resulted in the Goodwill on amalgamation of amounting INR 59.24 million.

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15. Business combination (continued)

Impairment testing of Goodwill

Goodwill acquired through business combinations have indefinite life. The Group performed its impairment test for the period ended December 31, 2020. The Group considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Group has used long-term growth rate of 2% (March 31, 2020: 2%) and discount rate of 12.5% (March 31, 2020: 12.5%) for calculation of terminal value.

The said cash flow projections are based on the senior management past experience as well as expected market trends for the future periods. The projected cash flows have been updated to reflect the decreased demand for services. The calculation of weighted average cost of capital (WACC) is based on the Group's estimated capital structure as relevant and attributable to the Group. The WACC is also adjusted for specific risks, market risks and premium, and other inherent risks associated with similar type of investments to arrive at an approximation of the WACC of a comparable market participant. The said WACC being pre-tax discount rates reflecting specific risks, are then applied to the above mentioned projections of the estimated future cash flows to arrive at the discounted cash flows.

Discount rates represent the market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its WACC.

The key assumptions used in the determination of VIU are the revenue annual growth rates and the EBITDA growth rate. Revenue and EBITDA growths are based on average value achieved in preceding years. Also, the growth rates used to extrapolate the cash flows beyond the forecast period are based on industry standards.

Based on the above assumptions and analysis, no impairment was identified as at December 31, 2020 (March 31, 2020: Nil). Further, on the analysis of the said calculation's sensitivity to a reasonably possible change in any of the above mentioned key assumptions / parameters on which the Management has based determination of the recoverable amount, there are no scenarios identified by the management wherein the carrying value could exceed its recoverable amount.

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16. Affle International Pte. Limited (AINT) made a strategic, non-controlling investment and acquired 8% stake in OSlabs Pte. Ltd., Singapore for a consideration of USD 2.80 Mn (equivalent to INR 211.48 Mn) through Compulsory Convertible Preference Shares ("CCPS").

Subsequent to the period end, AINT has entered into a definitive share purchase agreement to sell its minority investment of 8% in OSlabs Pte. Ltd. to its promoter group Company Affle Global Pte. Ltd. ("AGPL") for a consideration of USD 2.86 Mn (equivalent to INR 215.26 Mn) with an option to purchase the minority investment back from AGPL at a premium of 5% after 1 year or 10% after 2 years subject to any approvals that may be required. Exchange rate used in this note is USD 1 = INR 75.53.

17. On August 08, 2020, the Group has made a strategic, non-controlling investment and acquired 8% stake on a fully diluted basis in Talent Unlimited Online Services Private Limited ("Bobble") for a consideration of INR 198 Mn, through Compulsory Convertible Preference Shares ("CCPS"). Additionally, the Group has also entered into an exclusive monetisation agreement for Bobble's Intellectual Property, which also provides rights to the Group to acquire an additional ownership upto 10.74% of Bobble, through CCPS and Equity Shares, upon meeting of conditions defined in the Shareholder's Agreement. As at December 31, 2020, monetisation of Bobble's Intellectual Property was in the initial stage, thus in absence of reasonable certainty, the above rights towards additional stake has not been accounted for in the current reporting period. The Group will continue to evaluate the rights at each period end.

18. Subsequent to period-end, Affle MEA FZ-LLC ("AMEA"), a step down subsidiary of Affle (India) Limited ("the Company") entered into a definitive business transfer agreement to acquire the business assets of Discover Tech Limited for a consideration of USD 1.15 Mn (equivalent to INR 84.01 Mn) and a maximum success fee of USD 3.37 Mn (equivalent of INR 246.19 Mn) based on achievement of certain milestones to be paid over a period of four years. Exchange rate used in this note is USD 1 = INR 73.0536.

19. The Group has considered the possible effects that may result from COVID-19 on the carrying amount of its assets. In developing the assumptions relating to the possible future uncertainties in the global conditions because of COVID-19, the Group, as on date on approval of these unaudited interim condensed consolidated financial statements has used variable information, as available. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's unaudited interim condensed consolidated financial statements may differ from that estimated as at the date of approval of these unaudited interim condensed consolidated financial statements.

20. The Code on Social Security 2020 (Code), which received the Presidential Assent on September 28, 2020, subsumes nine laws relating to social security, retirement and employee benefits, including the Employee Provident Fund and Miscellaneous Provisions Act, 1952 and the Payment of Gratuity Act, 1972. The effective date of the Code is yet to be notified. The Group will assess the impact of the Code when it comes into effect and will record related impact thereon.

21. The Group has considered amortization of Goodwill amounting to INR 10.56 million as allowable deduction for the computation of taxable income for the nine months ended December 31, 2020. As per Finance Act, 2021 ("Act") (enacted on March 28, 2021), amortization of goodwill can not be considered as tax deductible. The Group has treated this as a non-adjusting event and will record the related impact including deferred tax liability at the year-end.

22. The Group has evaluated all the subsequent events through April 28, 2021, which is the date on which these special purpose interim condensed consolidated financial statements were issued and no events have occurred from the balance sheet date through that date except for matters that have already been considered in the special purpose interim condensed consolidated financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: April 28, 2021

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. L65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Singapore
Date: April 28, 2021

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: April 28, 2021

Kapil Mohan Bhutani
Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: April 28, 2021

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: New Delhi
Date: April 28, 2021

Review Report

Review Report to
The Board of Directors
Affle (India) Limited

We have reviewed the accompanying Special Purpose Interim Condensed Consolidated Financial Statements of Affle (India) Limited (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the condensed consolidated Balance Sheet as at December 31, 2019, and the related consolidated Statement of Profit and Loss (including other comprehensive income) for the nine months period then ended, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the period then ended, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Condensed Consolidated Financial Statements") as required by Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting".

Management's Responsibility for the Financial Statements

This Special Purpose Condensed Consolidated Financial Statements, which is the responsibility of the Company's management and approved by the Company's Fund Raising Committee, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. These Special Purpose Condensed Consolidated Financial Statements have been prepared solely in connection with raising of funds in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"). Our responsibility is to express a conclusion on the Special Purpose Condensed Consolidated Financial Statements based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Special Purpose Condensed Consolidated Financial Statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Condensed Consolidated Financial Statements are not prepared, in all material respects, in accordance with the recognition and measurement principles of Ind AS-34 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Emphasis of matter

We draw attention to Note 15.2 (ii) to the accompanying Special Purpose Condensed Consolidated Financial Statements, which indicate that business combination under common control has been accounted for using purchase method in accordance with previous GAAP resulting in the recognition of goodwill of amounting Rs 59.24 million as on December 31, 2019 as prescribed under court scheme instead of using pooling interest method as prescribed under Ind AS 103 Business Combinations as the approved court scheme will prevail over applicable accounting standard. Our conclusion is not modified in respect of this matter.

Other matters

1. The Special Purpose Condensed Consolidated Financial Statements includes the unaudited interim financial statements and other financial information in respect of three subsidiaries, whose unaudited interim financial statements reflect total assets of Rs 1,354.41 million as at December 31, 2019, total revenues of Rs 1,266.11 million and net cash outflow of Rs 75.74 million for the nine months ended December 31, 2019 as considered in the Special Purpose Condensed Consolidated Financial Statements, which have been reviewed by their respective independent auditors.

   The independent auditor's report on interim financial statements/ financial information of these entities have been furnished to us by the Company's management and our conclusion on the Special Purpose Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the report of such auditors.

   Each of these subsidiaries are located outside India whose interim financial statement and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the interim financial statement of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the Company's management and reviewed by us.

2. We have not audited or reviewed the comparative financial information appearing in the Special Purpose Condensed Consolidated Financial Statements for the nine months ended December 31, 2018 which have been presented solely based on the information compiled by the management and has been approved by the Company's Board of Directors.

3. These Special Purpose Condensed Consolidated Financial Statements has been prepared for the purpose of fund raising by the Company. We do not accept or assume responsibility for any other purpose except as expressly agreed by 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.: 094941

UDIN: 21094941AAAABI2060

Place: New Delhi
Date: April 28. 2021

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Special Purpose Interim Condensed Consolidated Balance Sheet as at December 31, 2019

Particulars	Notes	As at December 31, 2019	As at March 31, 2019
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	9.36	7.49
(b) Right of use assets	10	31.42	-
(c) Goodwill	4	594.81	325.29
(d) Other intangible assets	4	434.92	240.20
(e) Intangible assets under development	4	44.53	17.95
(f) Financial assets			
(i) Investments	5	0.26	0.26
(ii) Loans		3.34	0.80
(g) Income tax assets (net)		7.14	
Total non-current assets		**1,125.78**	**591.99**
II. Current assets			
(a) Contract asset (net)	7	313.23	131.87
(b) Financial assets			
(i) Trade receivables		729.06	478.84
(ii) Cash and cash equivalent		142.87	206.08
(iii) Other bank balance other than (ii) above		848.08	98.83
(iv) Loans		42.58	10.77
(v) Other financial assets		22.98	29.03
(c) Other current assets		37.49	23.68
(d) Current tax assets		-	11.58
Total current assets		**2,136.29**	**990.67**
Total assets (I + II)		**3,262.07**	**1,582.66**
EQUITY AND LIABILITIES			
III. EQUITY			
(a) Equity share capital		254.96	242.88
(b) Other equity			
Retained earning		951.82	449.86
Capital reserve		25.71	25.71
Securities premium		845.56	-
Other reserves		13.22	5.60
Total other equity		**1,836.31**	**481.17**
Total equity		**2,091.27**	**724.05**
LIABILITIES			
IV. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	6	-	69.17
(ii) Lease liabilities	10	23.70	-
(b) Long-term provisions		16.41	15.37
(c) Deferred tax liabilities (net)		0.60	2.68
Total non-current liabilities		**40.71**	**87.22**
V. Current liabilities			
(a) Contract liabilities	7	9.41	6.79
(b) Financial liabilities			
(i) Borrowings	6	263.71	20.75
(ii) Trade payables			
- dues of micro enterprises and small enterprises		-	-
- others		720.91	517.11
(iii) Lease liabilities	10	8.35	-
(iv) Other current financial liabilities		63.06	198.75
(c) Short-term provisions		5.11	3.48
(d) Liabilities for current tax (net)		21.61	-
(e) Other current liabilities		37.93	24.51
Total current liabilities		**1,130.09**	**771.39**
Total equity and liabilities (III + IV + V)		**3,262.07**	**1,582.66**

Summary of significant accounting policies 2

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: April 28, 2021

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. L65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: New Delhi
Date: April 28, 2021

Anuj Kumar
Director
[DIN: 01400273]
Place: New Delhi
Date: April 28, 2021

Kapil Mohan Bhutani
Chief Financial & Operations Officer
[DIN: 00554760]
Place: New Delhi
Date: April 28, 2021

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: New Delhi
Date: April 28, 2021

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Special Purpose Interim Condensed Consolidated Statement of Profit and Loss for the nine months period ended December 31, 2019

	Particulars	Notes	For the nine months period ended December 31, 2019	For the nine months period ended December 31, 2018
I	**Revenue**			
	Revenue from contracts with customers	7	2,537.60	1,889.05
	Other income		26.74	0.70
	Total revenue (I)		**2,564.34**	**1,889.75**
II	**Expenses**			
	Inventory and data costs		1,462.20	1,051.31
	Employee benefits expenses		208.50	148.38
	Finance costs		8.22	5.34
	Depreciation and amortisation expense	8	85.13	73.78
	Other expenses	9	189.55	186.92
	Total expenses (II)		**1,953.60**	**1,465.73**
III	**Profit before tax (I-II)**		**610.74**	**424.02**
IV	**Tax expense:**			
	Current tax		110.44	83.51
	Deferred tax credit		(1.98)	(3.04)
	Total tax expense (IV)		**108.46**	**80.47**
V	**Profit for the period (III-IV)**		**502.28**	**343.55**
VI	**Other comprehensive income**			
	Items that will be reclassified to profit or loss in subsequent years			
	Exchange differences on translating the financial statements of a foreign operation		7.62	1.61
			7.62	**1.61**
	Items that will not be reclassified to profit or loss in subsequent years			
	Re-measurement losses on defined benefit plans		(0.42)	(0.20)
	Income tax effect		0.10	0.06
			(0.32)	**(0.14)**
	Other comprehensive (loss) / income net of tax		**7.30**	**1.47**
VII	**Total comprehensive income for the period**		**509.58**	**345.02**
VIII	**Profit for the period**		**502.28**	**343.55**
	Attributable to:			
	- Equity holders of the parent		502.28	343.55
	- Non-controlling interests		-	-
IX	**Total comprehensive income for the period attributable to:**			
	Attributable to:			
	- Equity holders of the parent		509.58	345.02
	- Non-controlling interests		-	-
X	**Earnings per equity share:**			
	Equity shares of par value INR 10 each			
	(1) Basic	10	20.15	14.14
	(2) Diluted	10	20.15	14.14

Summary of significant accounting policies 2

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: April 28, 2021

For and on behalf of the Board of Directors of
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CIN No. L65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: New Delhi
Date: April 28, 2021

Anuj Kumar
Director
[DIN: 01400273]
Place: New Delhi
Date: April 28, 2021

Kapil Mohan Bhutani
Chief Financial & Operations Officer
[DIN: 00554760]
Place: New Delhi
Date: April 28, 2021

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: New Delhi
Date: April 28, 2021

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Special Purpose Interim Condensed Consolidated Statement of Cash Flows for the nine months period ended December 31, 2019

Particulars	For the nine months period ended	
	December 31, 2019	December 31, 2018
A Cash flow from operating activities		
Profit before tax	610.74	424.02
Adjustments for :		
Depreciation and amortisation expense	85.13	73.78
Non-cash interest on lease	0.59	-
Allowance for impairment of trade receivables and contract asset	9.48	6.17
Employee share based payment expense	-	(5.58)
Liabilities written back	-	-
Loss on Property, plant and equipment and intangible assets (net)	0.05	-
Interest income	(22.99)	(2.57)
Interest expense	5.98	4.71
Unrealised foreign exchange (gain) / loss	1.85	6.48
Advances given written off	-	0.06
Operating profit before working capital changes	**690.83**	**507.07**
Change in working capital:		
(Increase)/decrease in contract asset (net)	(181.36)	(14.33)
(Increase)/decrease in trade receivables	(236.63)	(511.86)
(Increase)/decrease in financial assets	(25.94)	(26.73)
(Increase)/decrease in other current assets	(14.20)	(9.18)
Increase/(decrease) in contract liabilities	2.62	3.68
Increase/ (decrease) in trade payables	182.83	394.63
Increase/ (decrease) in other financial liabilities	9.07	21.28
Increase/(decrease) in other liabilities	13.42	4.76
Increase/(decrease) in provisions	2.25	2.38
Net cash generated from operations	**442.89**	**371.70**
Direct taxes paid (net of refunds)	(84.39)	(68.19)
Net cash flow generated from operating activities (A)	**358.50**	**303.51**
B Cash flow from investing activities:		
Purchase of property, plant & equipment, intangible assets including assets under development	(303.98)	(111.94)
Acquisition of a subsidiary, net of cash acquired	(414.27)	(282.62)
Profit adjustment on account of business combination	-	(59.25)
Proceeds from sale of property, plant and equipment and intangible assets	0.08	0.02
Investments in bank deposits (having original maturity of more than three months)	(1,809.38)	(23.41)
Redemption in bank deposits (having original maturity of more than three months)	1,060.13	-
Interest received on bank deposits	20.63	2.50
Net cash flow used in investing activities (B)	**(1,446.79)**	**(474.70)**
C Cash flow from financing activities:		
Interest paid on borrowings	(5.40)	(4.71)
Proceeds from borrowings	173.79	106.53
Interest paid on lease liability	(0.59)	-
Payment of principal portion of lease liabilities	(3.41)	-
Proceeds from initial public offer (net of issue expenses)	857.64	-
Net cash flow generated from financing activities (C)	**1,022.03**	**101.82**
Net change in cash and cash equivalent (A+B+C)	(66.26)	(69.37)
Net foreign exchange difference	3.05	(0.08)
Cash and cash equivalent as at the beginning of the period	206.08	181.00
Cash and cash equivalent as at the end of the period	**142.87**	**111.55**
Components of cash and cash equivalent:		
Balance with banks		
- On current account	142.77	111.19
Deposits with original maturity for less than three months	-	-
Cash in hand	0.10	0.36
Total cash and cash equivalent	**142.87**	**111.55**

The reconciliation between the opening and the closing balances in the balance sheet for liabilities arising from financing activities is as follows:

For the nine months ended December 31, 2019

Particulars	March 31, 2019	Cash flow	Other non-cash adjustments		December 31, 2019
			Leases added during the period	Accretion of interest	
Current borrowings	20.75	22.01	-	-	42.76
Non-current borrowings	69.17	151.78	-	-	220.95
Current lease liabilities	-	4.00	11.76	0.59	8.35
Non-current lease liabilities	-	-	23.70	-	23.70
Total liabilities from financing activities	**89.92**	**177.79**	**35.46**	**0.59**	**295.76**

For the nine months ended December 31, 2018

Particulars	March 31, 2018	Cash flow	Other non-cash adjustments		December 31, 2018
			Leases added during the period	Accretion of interest	
Current borrowings	-	32.38	-	-	32.38
Non-current borrowings	-	74.15	-	-	74.15
Total liabilities from financing activities	**-**	**106.53**	**-**	**-**	**106.53**

Summary of significant accounting policies 2

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: April 28, 2021

For and on behalf of the Board of Directors of
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CIN No. L65990MH1994PLC080451

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Date: April 28, 2021

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Company Secretary
Membership No.: 26261
Place: New Delhi
Date: April 28, 2021

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Special Purpose Interim Condensed Consolidated Statement of Changes in Equity for the nine months period ended December 31, 2019

(a) Equity Share Capital

Particulars	Number of shares	Amount (INR)
Balance as at April 1, 2018	**24,288,314**	**242.88**
Issued during the year	-	-
Balance as at March 31, 2019	**24,288,314**	**242.88**
Balance as at April 1, 2019	**24,288,314**	**242.88**
Issued during the period	1,208,053	12.08
Balance as at December 31, 2019	**25,496,367**	**254.96**

(b) Other Equity

Particulars	Reserves and surplus			Other reserves	Capital contribution from Parent - Employee Share Based Payment	Total Other Equity
	Retained earnings	Capital reserve	Securities premium	Exchange differences on translating the financial statements of a foreign operation		
As at April 01, 2018	**19.17**	**25.71**	**-**	**8.71**	**8.18**	**61.77**
Profit for the year	488.21	-	-	-	-	488.21
Other comprehensive income	(0.18)	-	-	(3.11)	-	(3.29)
Less: Profit adjustment on account of business combination	(59.94)	-	-	-	-	(59.94)
	428.09	**-**	**-**	**(3.11)**	**-**	**424.98**
Share based payments	-	-	-	-	(5.58)	(5.58)
Transferred to retained earnings	2.60	-	-	-	(2.60)	-
As at March 31, 2019	**449.86**	**25.71**	**-**	**5.60**	**-**	**481.17**
As at April 01, 2019	**449.86**	**25.71**	**-**	**5.60**	**-**	**481.17**
Profit for the period	502.28	-	-	-	-	502.28
Other comprehensive income	(0.32)	-	-	7.62	-	7.30
Issue of share capital	-	-	845.56	-	-	845.56
As at December 31, 2019	**951.82**	**25.71**	**845.56**	**13.22**	**-**	**1,836.31**

Summary of significant accounting policies 2

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: April 28, 2021

For and on behalf of the Board of Directors of
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Place: New Delhi
Date: April 28, 2021

1. CORPORATE INFORMATION

The unaudited interim condensed consolidated financial statements comprise of financial statements of Affle (India) Limited ("the Company") and its subsidiaries (collectively, the Group) for the period ended December 31, 2019. The Company is a public limited company, domiciled in India, incorporated under the provisions of the Companies Act, 1956, and is a subsidiary of Affle Holdings Pte. Ltd. The Company was incorporated on 18 August 1994. The shares of the Company got listed on National Stock Exchange Limited and Bombay Stock Exchange Limited on August 8, 2019.

The Group is engaged in providing mobile advertisement services through information technology and software development services for mobiles. The registered office of the Company is situated at 102, Wellington Business Park-1, Off Andheri Kurla Road, Marol, Andheri (East), Mumbai 400 059. The principal place of business is in Haryana, India.

The consolidated financial statements were approved for issue in accordance with the resolution of fund raising committee on April 28, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of unaudited interim condensed consolidated financial statements

These unaudited interim condensed consolidated financial statements ("financial statements") of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) 34, "Interim Financial Reporting" notified under section 133 of Companies Act, 2013 (the "Act") and rules thereunder.

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in preparation of the annual financial statements for the year ended March 31, 2019 except for leases (refer (ii) below) which was applied and effective from April 1, 2019. Further, certain selected explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in the financial position and performance since the last annual financial statements.

These financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual Ind AS financial statements.

These financial statements have been prepared in connection with raising of funds in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBl ICDR Regulations").

ii) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. 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 consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the period of the lease term (Refer Note 10(a)).

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The effective interest rate for the lease liabilities of the Group ranges from 2% to 11% per annum. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in financial liabilities (Refer Note 10 (a)).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of rent on property and on rent of computer equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also recognizes leases with original lease term of more than 12 months from the commencement date and do not contain any non-cancellable period/lock-in period. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

iii) Basis of consolidation

The unaudited interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

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 period 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 Company, i.e., the period ended on December 31, 2019. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(i) 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.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(iii) 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.

List of entities consolidated

The list of entities consolidated by the Group, which are included in the consolidated financial statements are as under:

S. No.	Entity	Principal activities	Relationship	Place of incorporation	Percentage of ownership interest as at	
					December 31, 2019	**March 31, 2019**
1	Affle International Pte. Ltd.	Rendering service through 'Mobile Audience As a Service' ("MAAS")	Direct subsidiary	Singapore	100%	100%
2	PT Affle Indonesia		Step down subsidiary – Subsidiary of Affle International Pte. Ltd.	Indonesia	100%	100%
3	Affle MEA FZ-LLC			Dubai, United Arab Emirates	100%	100%

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 Company'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) 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.

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
Notes to the Special Purpose Interim Condensed Consolidated Financial Statements for the nine months period ended December 31, 2019
(Amount in INR million, unless otherwise stated)

3. Property, plant and equipment

Particulars	Computers	Furniture & fixtures	Office equipments	Motor Vehicles	Total
Gross block					
As at April 1, 2018	**3.55**	**1.53**	**1.55**	**1.95**	**8.58**
Additions during the year	5.59	0.04	1.36	-	**6.99**
Disposals during the year	0.07	-	0.02	-	**0.09**
Foreign exchange difference	(0.01)	-	-	-	**(0.01)**
As at March 31, 2019	**9.06**	**1.57**	**2.89**	**1.95**	**15.47**
As at April 1, 2019	**9.06**	**1.57**	**2.89**	**1.95**	**15.47**
Additions during the period	5.57	-	0.44	-	**6.01**
Disposals during the period	-	-	-	-	**-**
Foreign exchange difference	(0.07)	-	(0.00)	-	**(0.07)**
As at December 31, 2019	**14.56**	**1.57**	**3.33**	**1.95**	**21.41**
Accumulated depreciation					
As at April 1, 2018	**1.68**	**0.82**	**1.07**	**0.52**	**4.09**
Depreciation during the year	2.53	0.54	0.58	0.74	**4.39**
Disposals during the year	0.06	-	0.01	-	**0.07**
Foreign exchange difference	(0.43)	-	-	-	**(0.43)**
As at March 31, 2019	**3.72**	**1.36**	**1.64**	**1.26**	**7.98**
As at April 1, 2019	**3.72**	**1.36**	**1.64**	**1.26**	**7.98**
Depreciation during the period	3.25	0.03	0.45	0.25	**3.98**
Foreign exchange difference	0.09	-	(0.00)	-	**0.09**
As at December 31, 2019	**7.06**	**1.39**	**2.09**	**1.51**	**12.05**
Net block					
As at December 31, 2019	**7.50**	**0.18**	**1.24**	**0.44**	**9.36**
As at March 31, 2019	**5.34**	**0.21**	**1.25**	**0.69**	**7.49**

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(Amount in INR million, unless otherwise stated)

4. Other intangible assets

Particulars	Computer software	Software application development	Non-compete fees	Trademark	Total	Goodwill	Intangible assets under development
Gross block							
As at April 1, 2018	**24.72**	**682.28**	**-**	**-**	**707.00**	**59.24**	**-**
Additions during the year	0.36	90.49	-	-	**90.85**	266.05	17.95
Capitalised during the year	-	26.53	-	-	**26.53**	-	-
Foreign exchange difference	-	33.88	-	-	**33.88**	-	-
As at March 31, 2019	**25.08**	**833.18**	**-**	**-**	**858.26**	**325.29**	**17.95**
As at April 1, 2019	**25.08**	**833.18**	**-**	**-**	**858.26**	**325.29**	**17.95**
Additions during the period	0.03	216.92	-	-	**216.95**	269.52	26.58
Additions on account of business acqusition	-	51.01	-	-	**51.01**	-	-
Foreign exchange difference	-	19.39	-	-	**19.39**	-	-
As at December 31, 2019	**25.11**	**1,120.50**	**-**	**-**	**1,145.61**	**594.81**	**44.53**
Accumulated amortisation							
As at April 1, 2018	**23.36**	**472.73**	**-**	**-**	**496.09**	**-**	**-**
Amortisation for the year	0.95	95.61	-	-	**96.56**	-	**-**
Foreign exchange difference	-	25.41	-	-	**25.41**	-	-
As at March 31, 2019	**24.31**	**593.75**	**-**	**-**	**618.06**	**-**	**-**
As at April 1, 2019	**24.31**	**593.75**	**-**	**-**	**618.06**	**-**	**-**
Amortisation during the period	0.40	76.71	-	-	**77.11**	-	-
Foreign exchange difference	-	15.52	-	-	**15.52**	-	-
As at December 31, 2019	**24.71**	**685.98**	**-**	**-**	**710.69**	**-**	**-**
Net block							
As at December 31, 2019	**0.40**	**434.52**	**-**	**-**	**434.92**	**594.81**	**44.53**
As at March 31, 2019	**0.77**	**239.43**	**-**	**-**	**240.20**	**325.29**	**17.95**

Net book value	**As at**	
	December 31, 2019	**March 31, 2019**
Goodwill*	594.81	325.29
Other intangible assets	434.92	240.20
Intangible assets under development	44.53	17.95
Total	**1,074.26**	**583.44**

*Goodwill includes amount of INR 59.24 million (March 31, 2019: INR 59.24 million) on account of business combination and amount of INR 535.57 million (March 31, 2019: INR 266.05 million) on account of business acquisition.

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(Amount in INR million, unless otherwise stated)

5. Non-current investments

Unquoted equity investments fully paid-up	**As at December 31, 2019**	**As at March 31, 2019**
Investment at fair value through profit or loss (FVTPL)		
101 (March 31, 2019: 101) preference shares with face value of INR 10 each and with premium of INR 1,972 each in Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	0.20	0.20
50 (March 31, 2019: 50) equity shares with face value of INR 10 each and with premium of INR 1,219 each in Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	0.06	0.06
Total	**0.26**	**0.26**
Aggregate value of unquoted investments	0.26	0.26
Aggregate amount of impairment in the value of investments	-	-

6. Borrowings

	Non-Current		Current	
	As at			
	December 31, 2019	**March 31, 2019**	**December 31, 2019**	**March 31, 2019**
Unsecured				
Term loan				
- From related parties	-	69.17	263.71	20.75
Total	**-**	**69.17**	**263.71**	**20.75**

Details of borrowings i.e. interest rate, currency and terms of repayments of borrowings:

Particulars	**Currency**	**Effective interest rate**	**Maturities**	**Terms of repayment**
From related parties				
- Unsecured loan from Affle Holdings Pte. Ltd. vide loan agreement dated August 31, 2018 and addendum to loan agreement dated February 22, 2019	USD	3.00%	Aug-20	Interest is payable in three installments along with principal amount of loan on July 31, 2019, April 1, 2020 and August 31, 2020 respectively.
- Loan from Affle Global Pte. Ltd. vide loan agreement dated July 25, 2019	USD	3.00%	Aug-20	The outstanding amount of loan is payable in 3 equal monthly installments starting from May 31, 2020 along with applicable interest.

Notes:

1) Following are the unsecured loans due to directors/promotors/promotor group companies/relatives of promotors/relatives of directors:

	Non-Current		Current	
	As at			
	December 31, 2019	**March 31, 2019**	**December 31, 2019**	**March 31, 2019**
Affle Holdings Pte. Ltd., Singapore	178.19	69.17	-	20.75
Affle Global Pte. Ltd., Singapore	42.76	-	42.76	-
	220.95	**69.17**	**42.76**	**20.75**

2) There are no financial covenants in respect of the borrowings mentioned above.

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(Amount in INR million, unless otherwise stated)

7. Revenue from contracts with customers

(i) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the nine months period ended	
	December 31, 2019	**December 31, 2018**
Type of service		
Consumer platform	2,463.64	1,840.62
Enterprise platform	73.96	48.43
Total revenue from contracts with customers	**2,537.60**	**1,889.05**

	For the nine months period ended	
	December 31, 2019	**December 31, 2018**
Geographical markets		
India	1,271.41	836.33
Outside India	1,266.19	1,052.72
Total revenue from contracts with customers	**2,537.60**	**1,889.05**

	For the nine months period ended	
	December 31, 2019	**December 31, 2018**
Timing of revenue recognition		
Services transferred at a point in time	2,463.64	1,840.62
Services transferred over time	73.96	48.43
Total revenue from contracts with customers	**2,537.60**	**1,889.05**

(ii) Contract balances

	As at	
	December 31, 2019	**March 31, 2019**
Trade receivable (refer note 10)	729.06	478.84
	729.06	**478.84**

Contract assets (net)
A contract asset is the right to consideration that is conditional upon factors other than the passage of time. Contract asset is recognised where there is excess of revenue over billings. Revenue recognised but not billed to customer is classified as unbilled revenue (contract asset) in our balance sheet.

Changes in contract asset (net) are as follows:

	As at	
	December 31, 2019	**March 31, 2019**
Balance at the beginning of the period/year [net of allowance for impairment amounting to INR 2.39 million (March 31, 2019: INR 2.39 million)]	131.87	79.13
Revenue recognized during the period/year	2,537.60	2,493.97
Invoices raised during the period/year	2,356.24	2,441.23
Balance at the end of the period/year [net of allowance for impairment amounting to INR 2.39 million (March 31, 2019: INR 2.39 million)]	**313.23**	**131.87**

Contract liability

	As at	
	December 31, 2019	**March 31, 2019**
Advance from customers	9.41	6.40
Deferred revenue	-	0.39
	9.41	**6.79**

Changes in advance from customers are as follows:

	As at	
	December 31, 2019	**March 31, 2019**
Balance at the beginning of the period/year	6.40	3.42
Advance received during the period/year	9.85	9.55
Advance adjusted against invoices during the period/year	6.84	6.57
Balance at the end of the period/year	**9.41**	**6.40**

(Amount in INR million, unless otherwise stated)

7. Revenue from contracts with customers (continued)

Changes in deferred revenue are as follows:

	As at	
	December 31, 2019	**March 31, 2019**
Balance at the beginning of the period/year	0.39	-
Added during the period/year	-	1.10
Invoiced during the period/year	0.39	0.71
Balance at the end of the period/year	**-**	**0.39**

Set out below is the amount of revenue recognised from:

	For the nine months period ended	
	December 31, 2019	**December 31, 2018**
Amounts included in contract liabilities at the beginning of the period	0.39	-
Performance obligations satisfied in previous years	-	-

(iii) Performance obligations

Information about the Group's performance obligations are summarised below:

Consumer platform
The performance obligation is satisfied at a point in time and payment is generally due within 30 to 90 days of completion of services and acceptance of the customer. In some contracts, short-term advances are required before the advertisement services are provided.

Enterprise platform
The performance obligation is satisfied over time and payment is generally due within 30 to 90 days of completion of services and acceptance of the customer. In some contracts, short-term advances are required before the advertisement services are provided.

As the duration of the contracts for consumer and enterprise platform is less than one year, the Group has opted for practical expedient and decided not to disclose the amount of the remaining performance obligations.

Notes:
There is no impact on the revenue recognised by the Group due to implementation of Ind AS 115. Hence, the reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price is not required.

8. Depreciation and amortisation expense

	For the nine months period ended	
	December 31, 2019	**December 31, 2018**
Depreciation of property, plant and equipments	3.98	2.96
Amortisation of intangible assets	77.11	70.82
Depreciation on right of use assets	4.04	-
Total	**85.13**	**73.78**

9. Other expenses

	For the nine months period ended	
	December 31, 2019	**December 31, 2018**
Power and fuel	0.45	0.49
Rent	16.28	15.36
Rates and taxes	2.04	0.53
Insurance	2.52	1.65
Repair and maintenance - Others	5.36	5.24
Legal and professional fees (including payment to statutory auditor)	58.46	16.93
Travelling and conveyance	16.82	12.83
Communication costs	2.06	1.71
Printing and stationery	0.55	0.67
Recruitment expenses	3.43	0.23
Business promotion	45.23	100.53
Impairment allowance of trade receivables and contract asset	9.48	6.17
Bad debts writtens off	-	0.96
Advances written off	-	0.06
Loss on disposal of property, plants and equipment and intangible assets (net)	0.05	-
Exchange differences (net)	2.25	7.72
Software license fee	2.48	1.26
Project development expenses	6.03	7.40
Directors sitting fee	4.92	1.02
Corporate social responsibility expenses	1.92	-
Miscellaneous expenses	12.58	7.59
	192.91	**188.35**
Less: Cost capitalised as intangible assets or intangible assets under development	(3.36)	(1.43)
Total	**189.55**	**186.92**

10. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the period / year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the period/year.

For the purpose of calculating diluted EPS, the net profit for the period / year attributable to equity shareholders and the weighted average number of shares outstanding during the period / year is adjusted for the effects of all dilutive potential equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the nine months period ended	
	December 31, 2019	**December 31, 2018**
Profit attributable to equity holders of the parent for basic earnings	502.28	343.55
Effect of dilution	-	-
Profit attributable to equity holders of the parent for the effect of dilution	**502.28**	**343.55**
Weighted average number of equity shares used for computing basic earning per share (in million)	24.93	24.29
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution*	**24.93**	**24.29**
Basic EPS attributable to the equity holders of the parent (absolute value in INR)	20.15	14.14
Diluted EPS attributable to the equity holders of the parent (absolute value in INR)	20.15	14.14

* The weighted average number of equity shares takes into account the weighted average effect of equity shares issued during the period / year.

(Amount in INR million, unless otherwise stated)

11. Commitments and contingent liability

a. Leases

Group as lessee
The Group has taken office premises on lease. The lease has been entered for a period ranging from one to five years with renewal option. The Group has the option, under some of its lease, to renew the lease for an additional years on a mutual consent basis.

The incremental borrowing rate for the lease liabilities of the Group ranges from 2% to 11% per annum.

Set out below are the carrying amounts of right of use assets recognised and the movements during the period/year:

Particulars	As at December 31, 2019	As at March 31, 2019
Opening balance	-	-
Addition during the period/ year	35.46	-
Depreciation expense	4.04	-
Closing balance	**31.42**	-

Set out below are the carrying amounts of lease liabilities and the movements during the period/year:

Particulars	As at December 31, 2019	As at March 31, 2019
Opening balance	-	-
Addition during the period/year	35.46	-
Accretion of interest	0.59	-
Payments during the period/year	(4.00)	-
Closing balance	**32.05**	-
Current	**8.35**	-
Non-current	**23.70**	-

The following are the amounts recognised in consolidated statement of profit or loss:

Particulars	For the nine months period ended	
	December 31, 2019	December 31, 2018
Depreciation expense of right of use assets	4.04	-
Interest expense on lease liabilities	0.59	-
Expenses relating to short term leases (included in other expenses)	9.94	9.23
Expenses relating to low value assets (included in other expenses)	0.03	0.06

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows :

Particulars	Contractual undiscounted value	0-1 year	1-2 years	2-5 years	More than 5 years
As at December 31, 2019	41.04	19.33	13.86	7.85	-
As at March 31, 2019	-	-	-	-	-

b. Capital commitments

As at December 31, 2019, the Group has commitments on capital account and not provided for (net of advances) is INR 155.91 million (March 31, 2019: INR 11.99 million).

c. Contingent liabilities

(i) Claims against the Group not acknowledged as debts includes the following:

- Income tax demand from the Income tax authorities for assessment year 2017-18 of INR 64.88 million on account of disallowance of bad debts written off, advances written off, amortisation of goodwill and certain expenses under various heads as claimed by the Group in the income tax. The matter is pending before Commissioner of Income Tax (Appeals), Mumbai.

- Income tax demand from the Income tax authorities for assessment year 2015-16 of INR 2.95 million on account of disallowance of availment of cenvat credit and write off of certain advances in the income tax. The matter is pending before ITAT.

The Group is contesting the demands and the Management, including its tax advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the demand raised. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Group's financial position and results of operations. The likelihood of the above cases going in favour of the Group is probable and accordingly have not considered any provision against the demands in the financial statements.

(ii) Other:
There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

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(Amount in INR million, unless otherwise stated)

12. Related party disclosures

(i) Names of related parties and related party relationship

S.No.	Relationship	Name of the related party
(i)	Holding Company	Affle Holdings Pte. Ltd. Singapore
(ii)	Fellow subsidiaries	Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited") Affle Global Pte. Ltd., Singapore (formerly known as "Affle Appstudioz Pte. Ltd., Singapore")
(iii)	Key management personnel	Anuj Kumar (Director) Anuj Khanna Sohum (Chairman, Managing Director & Chief Executive Officer) Kapil Mohan Bhutani (Chief Financial & Operations Officer) Akanksha Gupta (Company Secretary) [till April 30, 2019] Parmita Choudhury (Company Secretary) [w.e.f. June 01, 2019]

(ii) The following table provides the total value of transactions that have been entered into with related parties for the relevant periods:

Particulars	Fellow subsidiaries		Holding Company	
	For the nine months period ended		For the nine months period ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Reimbursement of expenses to the Group				
Affle Holdings Pte. Ltd., Singapore	-	-	118.03	5.67
Affle Global Pte. Ltd., Singapore	0.52	26.80	-	-
Reimbursement of expenses by the Group				
Affle Holdings Pte. Ltd., Singapore	-	-	0.19	-
Affle Global Pte. Ltd., Singapore	-	46.00	-	
Rendering of service by the Group				
Affle Holdings Pte. Ltd., Singapore	-	-	10.77	-
Affle Global Pte. Ltd., Singapore	1.57	19.56	-	-
Rendering of service to the Group				
Affle Holdings Pte. Ltd., Singapore	-	-	4.97	-
Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	38.07	-	-	-
Affle Global Pte. Ltd., Singapore	1.55	-	-	-
Current borrowings (net)				
Affle Holdings Pte. Ltd., Singapore	-	-	22.62	74.23
Affle Global Pte. Ltd., Singapore	98.00	-	-	-
Non-current borrowings (net)				
Affle Holdings Pte. Ltd., Singapore	-	-	113.08	30.57
Affle Global Pte. Ltd., Singapore	45.23	-	-	-

Transaction with key management personnel

Particulars	For the nine months period ended	
	December 31, 2019	December 31, 2018
Compensation paid:**		
Anuj Kumar		
Short-term employee benefits	9.33	7.55
Kapil Mohan Bhutani		
Short-term employee benefits	7.35	6.37
Parmita Choudhury (w.e.f. June 01, 2019)		
Short-term employee benefits	0.51	-
Akanksha Gupta (till April 30, 2019)		
Short-term employee benefits	0.15	0.93
Anuj Khanna Sohum		
Short-term employee benefits	0.19	0.19

** The remuneration to the key management personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole. Also, it does not include provision for incentives, payable on the basis of actual performance parameters, in next year.

(Amount in INR million, unless otherwise stated)

12. Related party disclosures (continued)

(iii) Balances as at the period / year end

Particulars	Fellow subsidiaries		Holding Company	
	As at December 31, 2019	As at March 31, 2019	As at December 31, 2019	As at March 31, 2019
Trade receivables				
Affle Global Pte. Ltd., Singapore	-	10.41	-	-
Other current financial assets				
Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	-	0.03	-	-
Affle Global Pte. Ltd., Singapore	2.08	-	-	-
Affle Holdings Pte. Ltd., Singapore	-	-	8.27	2.67
Non-current borrowings				
Affle Holdings Pte. Ltd., Singapore	-	-	178.19	69.17
Affle Global Pte. Ltd., Singapore	42.76	-	-	-
Current borrowings				
Affle Holdings Pte. Ltd., Singapore	-	-	-	20.75
Affle Global Pte. Ltd., Singapore	42.76	-	-	-
Trade payables				
Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	25.23	-	-	-
Affle Global Pte. Ltd., Singapore	1.10	-	-	-
Other current financial liabilities				
Affle Global Pte. Ltd., Singapore	-	33.57	-	-

Particulars	Key management personnel	
	As at December 31, 2019	As at March 31, 2019
Payable to key management personnel:		
Akanksha Gupta (till April 30, 2019)		
Salary payable	-	0.08
Parmita Choudhury (w.e.f. June 01, 2019)		
Salary payable	0.07	-
Anuj Kumar		
Other payable	-	0.20
Salary payable	0.43	0.16
Kapil Mohan Bhutani		
Other payable	-	0.04
Salary payable	-	0.34
Anuj Khanna Sohum		
Salary payable	0.02	0.02

No amount has been written off or written back in the period in respect of debts due from/to above related parties.

Terms and conditions of transactions with related parties

The sale and purchase from related parties are made on terms equivalent to those that prevail in arm's length transaction. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. For the nine month ended December 31, 2019 and year ended March 31, 2019, the Group has not recorded any impairment of trade receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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(Amount in INR million, unless otherwise stated)

13. Segment information

The Group's operations pre-dominantly relate to providing mobile advertising services through consumer intelligence platforms.

The Board of Directors, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Group's performance and allocates resources based on the analysis of the various performance indicators of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirements of Ind AS 108 "Operating Segments".

Geographical information
In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets, which have been based on the geographical location of the assets.

Particulars	For the nine months period ended	
	December 31, 2019	December 31, 2018
Revenue from contracts with customers		
Sales to external customers		
- India	1,271.41	836.33
- Outside India	1,266.19	1,052.72
Total	**2,537.60**	**1,889.05**
Capital expenditure:		
Property, plant and equipment		
- India	4.19	4.14
- Outside India	4.18	2.11
Intangible assets		
- India	38.28	122.42
- Outside India	886.91	633.63

Other segment information

Particulars	As at	
	December 31, 2019	March 31, 2019
Non-current assets (other than financial assets)		
- India	311.38	253.62
- Outside India	803.66	337.31

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(Amount in INR million, unless otherwise stated)

14(i). Statement of fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars	December 31, 2019		March 31, 2019	
	Fair value through profit and loss	Amortised cost	Fair value through profit and loss	Amortised cost
Financial assets				
Investments	0.26		0.26	-
Loans	-	45.92	-	11.57
Trade receivables	-	729.06	-	478.84
Cash and cash equivalent	-	142.87	-	206.08
Other bank balances	-	848.08	-	98.83
Other financial assets	-	22.98	-	29.03
Total	**0.26**	**1,788.91**	**0.26**	**824.35**
Financial liabilities				
Amortised Cost:				
Borrowings	-	263.71	-	89.92
Trade payables	-	720.91	-	517.11
Lease liabilities	-	32.05	-	-
Other financial liabilities	-	63.06	-	198.75
	-		-	
Total	**-**	**1,079.73**	**-**	**805.78**

The management assessed that cash and cash equivalent, other bank balances, trade receivables, borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Further, the subsequent measurements of all assets and liabilities (other than investments) is at amortised cost, using effective interest rate (EIR) method.

The following methods and assumptions were used to estimate the fair values:

Receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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(Amount in INR million, unless otherwise stated)

14(ii). Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.
Level 3 : Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group’s assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at December 31, 2019:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
FVTPL financial instruments:					
Investments	December 31, 2019	0.26	-	-	0.26
		0.26	**-**	**-**	**0.26**
Assets measured at FVTOCI	December 31, 2019	-	-	-	-
Liabilities measured at FVTPL	December 31, 2019	-	-	-	-
Liabilities measured at FVTOCI	December 31, 2019	-	-	-	-

There have been no transfers between Level 1, Level 2 and Level 3 during the period ended December 31, 2019.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
FVTPL financial instruments:					
Investments	March 31, 2019	0.26	-	-	0.26
		0.26	**-**	**-**	**-**
Assets measured at FVTOCI	March 31, 2019	-	-	-	-
Liabilities measured at FVTPL	March 31, 2019	-	-	-	-
Liabilities measured at FVTOCI	March 31, 2019	-	-	-	-

There have been no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2019.

Valuation technique used to derive fair values
The Group's unquoted instruments is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management’s estimate of fair value for these unquoted equity investments.

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15. Business combination

15.1 Business combinations under non common control entities

(i) Acquisition of identified business of Shoffr Pte. Ltd.

Effective February 19, 2019, Affle International Pte Ltd., Singapore ("Affle International"), wholly owned subsidiary of the Company acquired the Business ("Identified Business") of Shoffr Pte. Ltd. ("Shoffr") for a consideration of INR 41.46 million. Affle International acquired the Identified Business of Shoffr so as to grow and strengthen the consumer and enterprise platform segment.

Assets acquired and liabilities assumed

a) Affle International acquired intangible assets of the Identified Business including the Intellectual Properties, domain name, business relationships, employees and non-compete, the book value of which was Nil on the date of acquisition. The management of Affle International has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of Shoffr. Pursuant to such PPA valuation, conducted by an independent expert, it was concluded that there were no identifiable intangible assets which would meet the recognition criteria and hence the entire consideration of INR 41.46 million has been allocated to Goodwill. The accounting for this business combination has been finalised as at date of the financial statements.

Analysis of cash flow on acquisition:	**INR million**
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Consideration paid in cash (included in cash flows from investing activities)	41.46
Net cash flow on acquisition	**41.46**

b) Pursuant to the business purchase agreement dated February 19, 2019, INR 7.5 million was payable after 3rd year of successful integration and performance of Shoffr business undertaking on February 19, 2022. This was recorded as a shareholder liability in the books in the earlier year. In the previous year, the above deferred consideration has been waived off by the shareholders through a mutual settlement with Affle International owing to negotiations and exit of one of the shareholders. As the deferred consideration was not contingent upon any future event and that there was no conditions existing on the date of acquisition which substantiates that this consideration will not be payable as on the respective due date or as at the year ended March 31, 2020, it has been recorded as other income in the financial statements.

(ii) Acquisition of identified business of RevX Inc.

Effective April 1, 2019, Affle International Pte. Ltd., Singapore ("Affle International"), wholly owned subsidiary of the Company acquired the Business ("Identified Business") of RevX Inc. ("RevX") for a consideration of INR 339.24 million. Affle International acquired the Identified Business of RevX so as to continue the expansion of the consumer platform segment.

Assets acquired and liabilities assumed

Affle International has acquired the intangible assets of Identified Business of RevX namely the Intellectual Properties, domain name, business relationships and non-compete whose book value as on the date of acquisition was Nil. The management of Affle International has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of RevX. Pursuant to such PPA valuation, conducted by an independent expert, the net consideration of INR 339.24 million have been allocated, based on the fair value computations, at the acquisition date, as an intangible asset, arising from this acquisition. The accounting for this business combination has been finalised as at date of the financial statements.

The following table summarises the recognised amounts of assets acquired at the date of acquisition:

Fair value recognised on acquisition	**INR million**
Assets	
Software Application Development (Technology)	51.01
Total identifiable net assets	**51.01**
Goodwill arising on acquisition	288.23
Purchase consideration	**339.24**

Analysis of cash flow on acquisition:	**INR million**
Transaction costs of the acquisition (included in cash flows from operating activities)	0.90
Consideration paid in cash (included in cash flows from investing activities)	339.24
Consideration payable in cash	-
Net cash flow on acquisition	**340.14**

Acquisition related costs
Affle International has incurred acquisition-related costs of INR 0.90 million on legal fees and due diligence costs. These costs have been recognised as an expense in statement of profit or loss in the previous year, within the 'other expenses' line item.

15. Business combination (continued)

15.1 Business combinations under non common control entities (continued)

(iii) Acquisition of identified business of Vizury Interactive Solutions Private Limited

On September 1, 2018, Affle (India) Limited ("the Company") acquired the Commerce Business ("Identified Business") of Vizury Interactive Solutions Private Limited ("Vizury India") for a consideration of INR 106.44 million (equivalent to USD 1.50 million at the exchange rate of USD1= INR 70.96) minus profit after tax of Vizury India for the period 15 May 2018 to 31 August 2018 of INR 21.37 million (equivalent to USD 0.30 million at the exchange rate of USD1= INR 70.96).

The Company acquired the Identified Business of Vizury India so as to continue the expansion of the consumer platform segment.

Assets acquired and liabilities assumed

The Company has acquired only the intangible assets of Identified Business of Vizury India namely the Intellectual Properties, Domain Name, Business Relationships, Employees and Non-compete whose book value as on the date of acquisition was Nil. The initial accounting of the business combination was finalised as at the date of the earlier year's financial statement.

In the previous year, the management of the Company has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of Vizury India. Pursuant to such PPA valuation, conducted by an independent expert, the net consideration of INR 85.07 million have been allocated, based on the fair value computations, at the acquisition date, as an intangible asset, arising from this acquisition. Based on the PPA information obtained, the fair value of the identifiable net asset arising from the transaction are as follow:

Fair value recognised on acquisition	**INR million**
Assets	
Software Application Development (Technology)	9.93
Total identifiable net assets	**9.93**
Goodwill arising from acquisition	75.14
Purchase consideration	**85.07**

Analysis of cash flow on acquisition:	**INR million**
Transaction costs of the acquisition (included in cash flows from operating activities)	1.02
Consideration paid in cash (included in cash flows from investing activities)	85.07
Net cash flow on acquisition	**86.09**

Acquisition related costs

The Company had incurred acquisition-related costs of INR 1.02 million on legal fees and due diligence costs. The costs was recognised as an expense in statement of profit or loss in FY 2018-19, within the 'other expenses' line item.

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15. Business combination (continued)

15.1 Business combinations under non common control entities (continued)

(iv) Acquisition of identified business of Vizury Interactive Solutions Pte. Ltd. and Vizury Interactive Solutions FZ-LLC

On September 1, 2018, Affle International Pte. Ltd., Singapore ("Affle International"), wholly owned subsidiary of the Company acquired the Commerce Business ("Identified Business") of Vizury Interactive Solutions Pte. Ltd. ("Vizury Singapore") and Vizury Interactive Solutions FZ-LLC ("Vizury Dubai") for a consideration of INR 207.51 million.

Affle International acquired the Identified Business of Vizury Singapore and Vizury Dubai so as to continue the expansion of the consumer platform segment.

Assets acquired and liabilities assumed

Affle International has acquired only the intangible assets of Identified Business of Vizury Singapore and Vizury Dubai namely the Intellectual Properties, Domain Name, Business Relationships, Employees and Non-compete whose book value as on the date of acquisition was Nil. The initial accounting of the business combination was finalised as at the date of the earlier year's financial statement.

In the previous year, the management of the Group has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of Vizury Singapore and Vizury Dubai. Pursuant to such PPA valuation, conducted by an independent expert, the net consideration of INR 207.51 million have been allocated, based on the fair value computations, at the acquisition date, as an intangible asset, arising from this acquisition. Based on the PPA information obtained, the fair value of the identifiable net asset arising from the transaction are as follows:

Fair value recognised	**INR million**
Assets	
Software Application Development (Technology)	16.60
Total identifiable net assets	**16.60**
Goodwill arising on acquisition	190.91
Purchase consideration	**207.51**

Analysis of cash flow on acquisition:	**INR million**
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Consideration paid in cash (included in cash flows from investing activities)	207.51
Net cash flow on acquisition	**207.51**

15.2 Business combinations under common control

(i) Acquisition of business of Affle Global Pte. Ltd. and investment in PT Affle Indonesia, Indonesia

Affle International Pte. Ltd., Singapore (“Affle International”), a wholly owned subsidiary of Affle (India) Limited (the “Company”), entered into an agreement with Affle Global Pte. Ltd. (“AGPL”) on July 14, 2018, pursuant to which Affle International acquired the AGPL's Platform based business ("Platform Business Undertaking") and investments in PT Affle Indonesia, Indonesia effective July 1, 2018 for a consideration of INR 131.90 million (equivalent to USD 1,906,792 at the exchange rate of USD1= INR 69.1713). The transfer of the business includes:

- Intellectual Properties ("IP") Rights
- Business relationship
- Technical information including Tech and Data Assets, including three US patents
- Employees
- Non-compete
- AGPL's investment in its 100% subsidiary PT Affle Indonesia, Indonesia

Assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired at the date of acquisition:

Fair value recognised on acquisition	**INR million**
Assets	
Intangible assets of AGPL	131.81
Investment in PT Affle Indonesia, Indonesia	0.09
Total identifiable net assets	**131.90**
Capital reserve arising on acquisition	-
Purchase consideration	**131.90**

15. Business combination (continued)

15.2 Business combinations under common control (continued)

(i) Acquisition of business of Affle Global Pte. Ltd. and investment in PT Affle Indonesia, Indonesia (continued)

Book Value of Asset and Liabilities	**INR million**
Total Asset Acquired	93.46
Less: Total Liability Acquired	(88.83)
Less: Retained earnings (accumulated loss) taken at book value	21.17
Net Amount	**25.80**
Purchase Consideration Paid	0.09
Capital reserve	**25.71**

Analysis of cash flow on acquisition:	**INR million**
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Consideration paid in cash (included in cash flows from investing activities)	131.90
Consideration payable in cash	-
Net cash flow on acquisition	**131.90**

The Group's acquisition of business from AGPL was considered to be a business combination under common control as AGPL and the Group are both ultimately controlled by Affle Holdings Pte. Ltd. The Group had adopted pooling of interest method in respect of the acquisition of business combination under common control as prescribed in Appendix C to Ind AS 103 “Business combinations of entities under common control”.

As such, the consolidated financial statements as at and for the year ended March 31, 2019 incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the beginning of the earliest financial years presented.

As Affle International had not acquired any assets except the intangible asset and the equity interests in PT Affle Indonesia, Indonesia as on July 01, 2018, the profits attributable to AGPL for the period April 01, 2018 to June 30, 2018; amounting to INR 59.94 million, have been adjusted from consolidated profit for the year ended March 31, 2019 under other equity. The same have been disclosed as cash flows from investing activities for the year ended March 31, 2019.

Transaction costs incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination have been recognised as an expense in the year in which it is incurred.

(ii) Scheme of amalgamation in accordance with previous GAAP

During the year ended March 31, 2017, the Holding Company has merged its fellow subsidiaries i.e. AD2C Holdings, AD2C India, Appstudioz Technologies into one merged entity, Affle India Limited (formerly known as "Affle (India) Private Limited") under the court approved scheme of amalgamation in accordance with erstwhile applicable previous GAAP.

Business combination under common control has been accounted for using purchase method in accordance with previous GAAP as prescribed under court scheme instead of using pooling interest method as prescribed under Ind AS 103. Business Combinations as the approved court scheme will prevail over applicable accounting standard.

Accordingly, the Scheme was accounted for using purchase method in accordance with erstwhile applicable Accounting Standard 14 "Accounting for Amalgamations". All the assets and liabilities of the Transferor Companies have been incorporated at fair values as at April 1, 2015 against the purchase consideration of INR 84.64 million which resulted in the Goodwill on amalgamation of amounting INR 59.24 million.

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15. Business combination (continued)

Impairment testing of Goodwill

Goodwill acquired through business combinations have indefinite life. The Group performed its impairment test for the nine months ended December 31, 2019. The Group considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Group has used long-term growth rate of 2% (March 31, 2019: 2%) and discount rate of 12.5% (March 31, 2019: 12.5%) for calculation of terminal value.

The said cash flow projections are based on the senior management past experience as well as expected market trends for the future periods. The projected cash flows have been updated to reflect the decreased demand for services. The calculation of weighted average cost of capital (WACC) is based on the Group's estimated capital structure as relevant and attributable to the Group. The WACC is also adjusted for specific risks, market risks and premium, and other inherent risks associated with similar type of investments to arrive at an approximation of the WACC of a comparable market participant. The said WACC being pre-tax discount rates reflecting specific risks, are then applied to the above mentioned projections of the estimated future cash flows to arrive at the discounted cash flows.

Discount rates represent the market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its WACC.

The key assumptions used in the determination of VIU are the revenue annual growth rates and the EBITDA growth rate. Revenue and EBITDA growths are based on average value achieved in preceding years. Also, the growth rates used to extrapolate the cash flows beyond the forecast period are based on industry standards.

Based on the above assumptions and analysis, no impairment was identified as at December 31, 2019 (March 31, 2019: Nil). Further, on the analysis of the said calculation's sensitivity to a reasonably possible change in any of the above mentioned key assumptions / parameters on which the Management has based determination of the recoverable amount, there are no scenarios identified by the management wherein the carrying value could exceed its recoverable amount.

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16. Effective April 1, 2019. the Company has adopted Ind AS 116 'Leases' as applicable to all lease contracts existing on April 1, 2019 using the modified retrospective method and there is no impact to be adjusted with Retained Earnings. The adoption of standard resulted in recognition of Right-to -Use asset of Rs. 24.27 million and lease liabilities of Rs. 24.62 million as on December 31, 2019.

Resulting impact in the financial statements is an increase of Rs. 1.47 million for the nine months ended December 31, 2019 in depreciation for the right of use assets, Rs. 0.45 million for the nine months ended December 31, 2019 in finance costs on lease liabilities and a decrease in lease rent cost of Rs. 1.57 million for the nine months ended December 31, 2019.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. L65990MH1994PLC080451

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: April 28, 2021

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Singapore
Date: April 28, 2021

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: April 28, 2021

Kapil Mohan Bhutani
Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: April 28, 2021

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: New Delhi
Date: April 28, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Affle (India) Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Affle (India) Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising the Balance Sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2020, their profit including other comprehensive income, their cash flows and the statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter

We draw your attention to note 40 to the financial statements, which indicate that business combination under common control has been accounted for using purchase method in accordance with previous GAAP resulting in recognition of goodwill amounting to INR 59.24 million as on March 31, 2020 as prescribed under court scheme instead of using pooling of interest method as prescribed under Ind AS 103 Business Combinations as the approved court scheme will prevail over applicable accounting standard.

Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the

Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Revenue recognition and recoverability of trade receivables and contract assets</u> (as described in Note 19 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Group derives its revenue mainly from rendering of mobile advertising services using a network of publishers. The Group recognizes revenue from its customers at the time of delivery of advertisement. We identified revenue recognition as a key audit matter because revenue is one of the Group's key performance indicators and there is an inherent risk around the accuracy of revenue recorded which is dependent upon reconciliations of billing data as per Group records with those of customer.

Further, the Group has a significant balance of trade receivables and contract assets amounting to Rs. 943 as at March 31, 2020. The Group has determined the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions, while considering possible impact from the COVID -19 pandemic. We focused on this risk as the balances are material and there are significant judgments involved in assessing recoverability of trade receivables and contract assets and calculating the expected credit losses.</td><td>Our audit procedures included the following, amongst others:
• We obtained an understanding of the systems, processes and controls implemented by the Group for recording revenues.
• We have tested the operating effectiveness of the controls related to revenues and associated receivables and contract assets.
• We selected a sample of transactions and checked the revenue recognition by performing the following:
a) reading the supporting documents including inspection of contractual terms and conditions, release order from customers, delivery documents in the form of email confirmation,
b) tested the reconciliation of service provided from the customer which matches with the amount of invoice raised.
• We assessed the Group's accounting policies relating to revenue recognition.

In obtaining sufficient audit evidence over the carrying value of trade receivables and contract assets, we performed the following procedures:
• We tested the ageing of contract assets and trade receivables for a sample of invoices;
• We obtained direct confirmation of trade receivables and performed other alternate procedures which included testing of invoice, testing of customer purchase/release order and subsequent collection of invoices to confirm their existence for the confirmations not received
• We tested billings and receipts after year-end to determine any remaining exposure at the date of the audit report on the contract assets and receivables on significant balances;
• We examined the Group's assessment of recoverability basis historical payment patterns and macroeconomic information.
• We tested the management computation of the allowance for credit loss.</td></tr>
<tr><td colspan="2"><u>Internally generated intangible assets</u> (as described in Note 4 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Group recognizes internally generated intangible assets i.e. software and application platform. Initial recognition is based on assessing each project in relation to specific recognition criteria that needs to be met for capitalization. The assessment involves management judgment on matters such as technical feasibility, intention and ability to complete the development of such intangible asset, ability to use or sell the asset,</td><td>Our audit procedures included the following, amongst others:
• We assessed the management process and procedures related to initial recognition criteria for intangible assets, allocation of budgets, measurement of time recorded on development and establish the basis for capitalization.
• We tested the amount capitalized from the underlying records and information for expenses;
• We performed inquires with management regarding key assumptions used and estimates made in</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
generation of future economic benefits and the ability to measure costs reliably. Due to the materiality of the assets recognized and the level of management judgement involved being significant, initial recognition and measurement of internally generated intangible assets is a key audit matter.	capitalizing development costs and assessed those assumptions and estimates. • We also considered the useful economic life attributed to the assets.
Accounting for business combination *(as described in Note 40 of the consolidated Ind AS financial statements)*	
For the business combinations as detailed in Note 40, the Group has used an expert for the purchase price allocations ('PPA') to determine the fair value of assets acquired. Considering, the identification and valuation of intangible assets is inherently subjective and involves significant judgements and assumptions around future cash flows and discount rates, we have considered this as a key audit matter.	Our audit procedures on PPA included the following, amongst others: • We read the business purchase agreement to obtain an understanding of the transactions and tested identification and measurement of fair value of the acquired assets and liabilities. • We evaluated the competences, capabilities and objectivity of the management's expert. • We involved valuation specialists for evaluating and testing the methodologies used by the management's expert in their valuation reports; • We also assessed the disclosures given in the consolidated Ind AS financial statements for compliance with disclosure requirements under the accounting standards.
Impairment of goodwill and other intangible assets *(as described in Note 2(xi) of the consolidated Ind AS financial statements)*	
The Group holds significant amounts of goodwill and intangible assets arising from business combinations and including self-generated and other intangibles, on the balance sheet. Accounting Standard ('Ind AS') 36, "Impairment of Assets requires management to test the goodwill for impairment as part of the non-current assets of (groups of) Cash Generating Unit (CGUs) to which it is allocated, both annually and if there is a trigger for testing. In view of the COVID -19 pandemic, the management has reassessed its future business plans and key assumptions as at March 31, 2020 while assessing the adequacy of impairment provision. The impairment tests were a key audit matter due to the significant judgements and assumptions made by management which are affected by uncertainties around future market or economic conditions. For the purpose of performing the recoverability assessment, management identifies the advertisement services as a single Cash Generating Unit ("CGU").	Our audit procedures on impairment test included the following, amongst others: • We assessed the key information used in determining the valuation including the weighted average cost of capital, cash flow forecasts and the implicit growth. • We assessed the Company's valuation methodology applied in determining the value in use; • We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used after taking into consideration possible effects of COVID-19; • We assessed historical accuracy of management's budgets and forecasts by comparing them to actual performance; • We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used; • We tested the arithmetical accuracy of the models; • We also assessed the disclosures given in the consolidated Ind AS financial statements for compliance with disclosure requirements under the accounting standards.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Ind AS financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of 5 subsidiaries, whose Ind AS financial statements include total assets of Rs 2,306.76 Mn as at March 31, 2020, and total revenues of Rs 1,766.37 Mn and net cash outflows of Rs 98.65 Mn for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matter with respect of our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note XX to the consolidated Ind AS financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2020.

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

per Yogesh Midha
Partner
Membership Number: 94941
UDIN: 20094941AAAABX9459

Place of Signature: New Delhi
Date: May 30, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AFFLE (INDIA) LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Affle (India) Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Affle (India) Limited (hereinafter referred to as the "Holding Company") which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company which is the company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, which is company incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Yogesh Midha
Partner
Membership Number: 94941
UDIN:

Place of Signature: New Delhi
Date: May 30, 2020

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Consolidated balance sheet as at March 31, 2020

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	10.18	7.49
(b) Right of use asset	30 (a)	36.54	-
(c) Goodwill	4	1,106.73	325.29
(d) Other intangible assets	4	474.25	240.20
(e) Intangible assets under development	4	48.00	17.95
(f) Financial Assets			
(i) Investments	5	0.26	0.26
(ii) Loans	6	3.34	0.80
Total Non-current assets		**1,679.30**	**591.99**
II. Current assets			
(a) Contract asset (net)	19	198.75	131.87
(b) Financial Assets			
(i) Trade receivables	10	744.35	478.83
(ii) Cash and cash equivalent	11	695.90	206.08
(iii) Other bank balance other than (ii) above	11	568.81	98.83
(iv) Loans	6	44.05	10.77
(v) Other financial assets	7	10.40	29.03
(c) Current tax asset (net)	12	-	11.58
(d) Other current assets	9	58.70	23.68
Total Current assets		**2,320.96**	**990.67**
Total Assets (I + II)		**4,000.26**	**1,582.66**
EQUITY AND LIABILITIES			
III. EQUITY			
(a) Equity share capital	13(a)	254.96	242.88
(b) Other equity	13(b)	2,036.63	481.17
		2,291.59	**724.05**
LIABILITIES			
IV. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	280.60	69.17
(ii) Other non-current financial liabilities	17	117.58	-
(iii) Lease liabilities	30 (a)	20.08	-
(b) Long-term Provisions	14	12.79	15.37
(c) Deferred tax liabilities (net)	8	1.80	2.68
Total Non-current liabilities		**432.85**	**87.22**
V. Current liabilities			
(a) Contract liabilities	19	8.03	6.79
(b) Financial Liabilities			
(i) Borrowings	15	357.24	20.75
(ii) Trade payables	16		
- dues of micro enterprises and small enterprises		6.85	-
- others		743.33	517.11
(iii) Lease liabilities	30 (a)	17.09	-
(iv) Other current financial liabilities	17	70.34	198.75
(c) Short-term Provisions	14	6.59	3.48
(d) Liabilities for current tax (net)	14	17.12	-
(e) Other current liabilities	18	49.23	24.51
Total Current liabilities		**1,275.82**	**771.39**
Total Equity and Liabilities (III + IV + V)		**4,000.26**	**1,582.66**

Summary of significant accounting policies 2

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. L65990MH1994PLC080451

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: May 30, 2020

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Singapore
Date: May 30, 2020

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: May 30, 2020

Kapil Mohan Bhutani
Director, Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: May 30, 2020

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: New Delhi
Date: May 30, 2020

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Consolidated statement of profit and loss for the year ended March 31, 2020

	Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I	**Revenue**			
	Revenue from contracts with customers	19	3,337.83	2,493.97
	Other income	20	60.88	3.94
	Total revenue (I)		**3,398.71**	**2,497.91**
II	**Expenses**			
	Inventory and data costs	21	1,921.40	1,341.13
	Employee benefits expense	22	272.93	212.27
	Finance costs	23	14.22	8.11
	Depreciation and amortization expense	24	133.31	100.95
	Other expenses	25	264.60	237.45
	Total expenses (II)		**2,606.46**	**1,899.91**
III	**Profit before tax (I-II)**		**792.25**	**598.00**
IV	**Tax expense:**	8		
	Current tax [includes INR 1.48 million for earlier year (March 31, 2019: Nil)]		138.35	102.12
	Deferred tax (credit) / charge		(1.27)	7.67
	Total tax expense (IV)		**137.08**	**109.79**
V	**Profit for the year (III-IV)**		**655.17**	**488.21**
VI	**Other comprehensive income**			
	Items that will be reclassified to profit or loss in subsequent years			
	Exchange differences on translating the financial statements of a foreign operation		53.57	(3.11)
			53.57	**(3.11)**
	Items that will not be reclassified to profit or loss in subsequent years			
	Re-measurement gains/ (losses) on defined benefit plans	26	1.55	(0.25)
	Income tax (expense) / income		(0.39)	0.07
			1.16	**(0.18)**
	Other comprehensive income / (loss) net of tax		**54.73**	**(3.29)**
VII	**Total comprehensive income for the year attributable to the equity holders of the parent**		**709.90**	**484.92**
VIII	Earnings per equity share:			
	Equity shares of par value INR 10 each			
	(1) Basic	27	26.13	20.10
	(2) Diluted	27	26.13	20.10

Summary of significant accounting policies 2

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: May 30, 2020

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. L65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Singapore
Date: May 30, 2020

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: May 30, 2020

Kapil Mohan Bhutani
Director, Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: May 30, 2020

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: New Delhi
Date: May 30, 2020

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Consolidated statement of cash flows for the year ended March 31, 2020

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Cash flow from operating activities**		
	Profit before tax	792.25	598.00
	Adjustments to reconcile profit before tax to net cash flow :		
	Depreciation and amortization expense	133.31	100.95
	Non-cash interest on lease	1.32	-
	Allowance for impairment of trade receivables and contract asset	21.52	10.56
	Liabilities written back	(9.37)	-
	Employee share based payment expense	-	(5.58)
	Loss on property, plant and equipment and intangible assets (net)	0.11	-
	Interest income	(35.57)	(3.75)
	Interest expense	8.88	6.12
	Net foreign exchange differences	60.58	(3.11)
	Advances given written off	2.32	0.08
	Operating profit before working capital changes	**975.35**	**703.27**
	Working capital adjustments :		
	(Increase)/decrease in contract asset (net)	(66.88)	(51.26)
	(Increase)/decrease in trade receivables	(290.03)	(323.28)
	(Increase)/decrease in financial assets	(12.44)	(31.49)
	(Increase)/decrease in other assets	(37.34)	(11.47)
	Increase/(decrease) in contract liabilities	1.24	3.37
	Increase/(decrease) in trade payables	238.42	245.89
	Increase/(decrease) in other financial liabilities	4.83	17.88
	Increase/(decrease) in other liabilities	24.72	6.43
	Increase/(decrease) in provisions	2.08	6.11
	Net cash generated from operations	**839.95**	**565.45**
	Direct tax paid (net of refunds)	(109.65)	(87.59)
	Net cash flow generated from operating activities (A)	**730.30**	**477.86**
B	**Cash flow from investing activities:**		
	Purchase of property, plant & equipment, intangible assets including capital work in progress	(310.59)	(151.10)
	Investment made for the acquisition of businesses	(877.71)	(238.11)
	Profit adjustment on account of business combination (Refer Note 40)	-	(59.94)
	Proceeds from sale of property, plant and equipment and intangible assets	0.04	0.02
	Payment for right of use assets	(9.74)	-
	Investments in bank deposits (having original maturity of more than three months)	(568.81)	(55.59)
	Redemption in bank deposits (having original maturity of more than three months)	98.83	-
	Interest received on bank deposits	30.82	2.78
	Net cash flow used in investing activities (B)	**(1,637.16)**	**(501.94)**
C	**Cash flow from financing activities:**		
	Interest paid	(8.88)	(6.12)
	Proceeds from borrowings	909.77	89.92
	Repayment of borrowings	(361.85)	-
	Proceeds from Initial public offer (net of issue expenses)	857.64	-
	Net cash flow generated from financing activities (C)	**1,396.68**	**83.80**
	Net change in cash and cash equivalent (A+B+C)	489.82	59.72
	Cash and cash equivalent as at the beginning of year	206.08	146.36
	Cash and cash equivalent as at the end of year	**695.90**	**206.08**
	Components of cash and cash equivalent:		
	Balance with banks		
	- On current account	246.31	205.99
	Deposits with original maturity of less than three months	449.48	-
	Cash in hand	0.11	0.09
	Total cash and cash equivalent (Refer Note 11)	**695.90**	**206.08**

The reconciliation between the opening and the closing balances in the balance sheet for liabilities arising from financing activities is as follows:

For the year ended March 31, 2020

Particulars	March 31, 2019	Cash flow	Other non-cash adjustments	March 31, 2020
Short-term borrowings	20.75	336.49	-	357.24
Long-term borrowings	69.17	211.43	-	280.60
Total liabilities from financing activities	**89.92**	**547.92**	**-**	**637.84**

For the year ended March 31, 2019

Particulars	March 31, 2018	Cash flow	Other non-cash adjustments	March 31, 2019
Short-term borrowings	-	20.75	-	20.75
Long-term borrowings	-	69.17	-	69.17
Total liabilities from financing activities	**-**	**89.92**	**-**	**89.92**

Summary of significant accounting policies 2

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: May 30, 2020

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. L65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Exec
[DIN: 01363666]
Place: Singapore
Date: May 30, 2020

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: May 30, 2020

Kapil Mohan Bhutani
Director, Chief Financial & Operations Offic
[DIN: 00554760]
Place: Gurugram
Date: May 30, 2020

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: New Delhi
Date: May 30, 2020

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Consolidated statement of changes in equity for the year ended March 31, 2020

(a) Equity Share Capital

Particulars	Number of shares	Amount (INR)
Balance as at April 1, 2018	**24,288,314**	**242.88**
Issued during the year	-	-
Balance as at March 31, 2019	**24,288,314**	**242.88**
Balance as at April 1, 2019	**24,288,314**	**242.88**
Issued during the year	1,208,053	12.08
Balance as at March 31, 2020	**25,496,367**	**254.96**

(b) Other Equity

Particulars	Retained earnings	Capital reserve	Exchange differences on translating the financial statements of a foreign operation	Securities premium	Capital contribution from Parent - Employee Share Based Payment (Refer Note 38)	Total Other Equity
As at April 01, 2018	**19.17**	**25.71**	**8.71**	**-**	**8.18**	**61.77**
Profit for the year	488.21	-	-	-	-	488.21
Other comprehensive income (Refer Note 26)	(0.18)	-	(3.11)	-	-	(3.29)
Less: Profit adjustment on account of business combination (Refer Note 40.1)	(59.94)	-	-	-	-	(59.94)
	428.09	**-**	**(3.11)**	**-**	**-**	**424.98**
Share based payments	-	-	-	-	(5.58)	(5.58)
Transferred to retained earnings	2.60	-	-	-	(2.60)	-
As at March 31, 2019	**449.86**	**25.71**	**5.60**	**-**	**-**	**481.17**
As at April 01, 2019	**449.86**	**25.71**	**5.60**	**-**	**-**	**481.17**
Profit for the year	655.17	-	-	-	-	655.17
Other comprehensive income (Refer Note 26)	1.16	-	53.57	-	-	54.73
Fresh equity issued during the year (Refer Note 45)	-	-	-	845.56	-	845.56
As at March 31, 2020	**1,106.19**	**25.71**	**59.17**	**845.56**	**-**	**2,036.63**

Summary of significant accounting policies (Refer Note 2)

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: May 30, 2020

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. L65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Singapore
Date: May 30, 2020

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: May 30, 2020

Kapil Mohan Bhutani
Director, Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: May 30, 2020

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: New Delhi
Date: May 30, 2020

1. CORPORATE INFORMATION

The consolidated financial statements comprise of financial statements of Affle (India) Limited ("the Company") and its subsidiaries (collectively, the Group) for the year ended March 31, 2020. The Company is a public limited company, domiciled in India, incorporated under the provisions of the Companies Act, 1956, and is a subsidiary of Affle Holdings Pte. Ltd. The Company was incorporated on 18 August 1994. The shares of the Company got listed on National Stock Exchange Limited and Bombay Stock Exchange Limited on August 8, 2019.

The Group is engaged in providing mobile advertisement services through information technology and software development services for mobiles. The registered office of the Group is situated at 312, B-Wing, Kanakia Wallstreet, Andheri Kurla Road, Andheri (East), Mumbai 400 093. The principal place of business is in Haryana, India.

The consolidated financial statements were authorized for issue in accordance with the resolution of directors on May 30, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

The consolidated financial statements of the Group have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value as required under relevant Ind AS.

The consolidated financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest millions upto two decimals, except when otherwise stated. Amounts less than INR 1 million has been shown as “0”.

The consolidated financial statements provide comparative information in respect of the previous year.

ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Company has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

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 Company, i.e., the year ended on March 31, 2020. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(i) 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.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(iii) 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.

List of entities consolidated

The list of entities consolidated by the Group, which are included in the consolidated financial statements are as under:

S.No.	Entity	Place of incorporation	Percentage of ownership interest as at	
			March 31, 2020	March 31, 2019
1	Affle International Pte. Ltd.	Singapore	100%	100%
2	PT Affle Indonesia	Indonesia	100%	100%
3	Affle MEA FZ-LLC	Dubai, United Arab Emirates	100%	-
4	Mediasmart Mobile S.L.	Madrid, Spain	100%*	-
5	Mediasmart Mobile Limited	London, United Kingdom	100%	-

* Includes 94.78% shares acquired by the Group and for balance 5.22% the Group has acquired voting rights and has definite agreement for purchase of shares.

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 Company'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) 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

iii) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

a) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

b) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

c) Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

d) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

e) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss.

Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date. Refer Note 40.

iv) Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party both before and after the business combination, and that control is not transitory.

The Group accounts for its business combination under common control using pooling of interest method of accounting as per Appendix C of Ind AS 103. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the definition for recognition are recognized at their carrying amount at the acquisition date. Transferor's reserves are preserved and are appeared in the financial statements of the transferee in the same form in which they appear in the financial statements of the transferor. Acquisition date is the beginning of the preceding period in case the common control is established prior to such date. However, if business combination had occurred after such date, the acquisition date is considered only from that date.

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the year in which it is incurred.

v) Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- 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 current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

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

vi) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and other directly attributable cost incurred in bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent costs are capitalized on the carrying amount or recognized as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss on the date of disposal or retirement.

vii) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a pro-rata basis from the date on which the asset is ready to use, using written down value method ("WDV") over the useful lives of the assets estimated by the management, which are in line with the useful lives prescribed under Schedule II to the Companies Act, 2013.

The Group has used the following rates to provide depreciation on its property, plant and equipment:

Asset Category	Useful lives estimated by management
Computers	3 years
Office equipments	5 years
Furniture and fixtures	10 years
Motor vehicles	8 years

The residual value of these assets has been considered at 5% of original cost to the Group.

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.

viii) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization. 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.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. 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 is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight-line basis over the period of expected future benefit from the related project. Amortization is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another

asset. During the period of development, the asset is tested for impairment annually.
A summary of amortization periods applied to the Group's intangible assets is as below:

Asset Category	Useful lives estimated by management
Computer software	5 years
Software application development	4 years
Non-Compete fee	4 years
Trademark	5 years

ix) Borrowing costs

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 asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

x) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. 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 consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the period of the lease term (Refer Note 30(a)).

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in clause (xi) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The effective interest rate for the lease liabilities of the Group ranges from 2% to 11% per annum. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in financial liabilities (Refer Note 30 (a)).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of rent on property and on rent of computer equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also recognizes leases with original lease term of more than 12 months from the commencement date and do not contain any non-cancellable period/lock-in period. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

xi) 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. 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 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 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. 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 Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, 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.

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.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

xii) 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

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized 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 amortized cost

A 'debt instrument' is measured at the amortized 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.

This category is most applicable to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument 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 & reversals and foreign exchange gain or loss in the statement of profit and loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss (P&L).

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 considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Equity Instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value. All changes in fair value including dividend are recognized in the statement of profit and loss.

Derecognition

A financial asset is de-recognized only when

- The rights to receive cash flows from the asset have expired, or

- 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 recognize the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognizes 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.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:
- Disclosures for significant accounting judgements, estimates and assumptions – Refer Note 28.
- Trade receivables and contract assets – Refer Note 10 and Note 19.

In accordance with Ind AS 109, the Group applies the 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 amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

The Group follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables and contract asset. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes 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 expected credit loss (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 recognizing 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.

- 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

The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. For the financial assets measured as at amortized cost, 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.

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 or payables, as appropriate.

All financial liabilities are recognized 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 borrowings, trade and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

• Financial liabilities at fair value through profit or loss
• Financial liabilities at amortized cost (borrowings):

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 are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities at amortized cost (Borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

De-recognition

A financial liability is de-recognized 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 recognized in the statement of profit and 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

xiii) Fair value measurement

The Group measures financial instruments 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:

- In the principal market for the asset or liability, or
- 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 economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements 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.

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

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
- Disclosures for significant accounting judgements, estimates and assumptions (Refer Note 28)
- Quantitative disclosures of fair value hierarchy (Refer Note 35)
- Investment in unquoted equity investments (Refer Note 5)
- Statement of fair values containing financial instruments (including those carried at amortized cost) (Refer Note 34)

xiv) Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. 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 the government.

The specific recognition criteria discussed below must also be met before revenue is recognized:

Consumer platform

Revenue from rendering of advertisement services is recognized on accrual basis as and when services are rendered based on the terms of the contract. The Group collects taxes on behalf of governments and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue. In respect of consumer platform, the revenue is recognised as and when the advertisements are delivered by the Group.

Enterprise platform

Revenue from software development comprises income from time & material and fixed price contracts. Revenue with respect to time & material contracts is recognized when the related services are performed. Revenue from fixed price contracts is recognized in accordance with the proportionate completion method which is determined by reference to the milestone achieved as per the terms of the contract. The Group collects taxes on behalf of governments and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue. In respect of enterprise platform, the revenue is recognised over the period of time based on the projects completed by the Group.

Other Operating Revenue

Other operating revenue is derived from the allocation of salary and operational cost charged to the associated entity for the work performed. The transaction is at arm's length which is on usual commercial terms. The amount charged includes cost plus margin based on the transfer pricing study carried at the year end. The revenue is recognized on accrual basis.

Contract balances

- **Contract assets -** A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in clause (xii) Financial instruments – initial recognition and subsequent measurement.

- **Trade receivables -** A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in clause xii) Financial instruments – initial recognition and subsequent measurement.

- **Contract liabilities-** A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Interest

For all debt instruments 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 gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, 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.

xv) Foreign currencies

The Group's consolidated financial statements are presented in Indian Rupees (INR) which is also the Parent's functional currency. Each entity of the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses a quarterly average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

xvi) 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 an expenditure in the statement of profit and loss, when an employee renders the related service.

The Group operates an unfunded defined benefit gratuity plan for its employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end, using the projected unit credit method and charged to statement of profit and loss. Remeasurements, comprising of actuarial gains and losses, are recognized 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.

Past service costs are recognised in the statement of profit and 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 recognizes 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

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.

xvii) Taxes

Income tax expense comprises current income tax and deferred tax.

Current income tax

Current income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities in accordance. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

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

Deferred tax

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

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

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

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

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

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

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are 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 utilized. The unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

The Group offsets deferred tax assets and deferred tax 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 taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Minimum Alternate Tax

Minimum Alternate Tax (“MAT”) credit is recognized as deferred asset only when it is probable that taxable profit will be available against which the credit can be utilized. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss account. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is no longer probable that the Group will pay normal income tax during the specified period.

xviii) 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, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

xix) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortization recognised in accordance with the requirements for revenue recognition.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

xx) 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

xxi) Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

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

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service 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.

No expense is recognized for awards that do not ultimately vest because service conditions have not been met.

xxii) Earnings per share

Basic earnings per share ("EPS") are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity holders of the Group (after adjusting the corresponding income/charge for dilutive potential equity shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

xxiii) Segment reporting

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). Only those business activities are identified as operating segment for which the operating results are regularly reviewed by the CODM to make decisions about resource allocation and performance measurement.

Inter-segment transfers

The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general income and expense items which are not allocated to any business segment.

Segment accounting 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.

xxiv) **Changes in accounting policies and disclosures**

New and amended standards

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its Appendix A Operating Leases-Incentives, Appendix B Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C , Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application being April 01, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 01, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

The Group also applied the available practical expedients wherein it:
- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at April 01, 2019, for all lease contracts existing on April 01, 2019 there is no impact to be adjusted with retained earnings.

The adoption of standard resulted in recognition of right-of-use asset of INR 36.54 million and lease liabilities of INR 37.17 million as on March 31, 2020 in the consolidated balance sheet. Resulting impact in the statement of profit and loss is an increase of INR 8.98 million for the year ended March 31, 2020 in depreciation for the right-of-use assets, INR 1.32 million for the year ended March 31, 2020 in finance costs on lease liabilities and a decrease in lease rent cost of INR 9.74 million for the year ended March 31, 2020.

Accounting policy till March 31, 2019: Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. 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.

Group as a lessee

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 capitalized 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 recognized in finance costs in the consolidated statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

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.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Appendix had an impact on its financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the financial statements of the Group.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are ‘solely payments of principal and interest on the principal amount outstanding’ (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments have no impact on the consolidated financial statements of the Group.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments have no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The Group does not have any associate and joint venture therefore, the amendment does not have any impact.

Annual Improvements to Ind AS

- **Ind AS 103 Business Combinations**

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after April 01, 2019.

These amendments have no impact on the consolidated financial statements of the Group as there is no transaction where joint control is obtained.

- **Ind AS 111 Joint Arrangements**

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after April 01, 2019.

These amendments have no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

- **Ind AS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after April 01, 2019.

These amendments have no impact on the consolidated financial statements of the Group as there is no dividend distributed by the Group during the year.

- **Ind AS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019.

These amendments have no impact on the consolidated financial statements of the Group as there is no qualifying asset under development.

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(Amount in INR million, unless otherwise stated)

3. Property, plant and equipment

Particulars	Computers	Furniture & fixtures	Office equipments	Motor Vehicles	Total
Cost					
As at April 1, 2018	**3.55**	**1.53**	**1.55**	**1.95**	**8.58**
Additions during the year	5.59	0.04	1.36	-	**6.99**
Disposals during the year	0.07	-	0.02	-	**0.09**
Foreign exchange difference	(0.01)	-	-	-	**(0.01)**
As at March 31, 2019	**9.06**	**1.57**	**2.89**	**1.95**	**15.47**
As at April 1, 2019	**9.06**	**1.57**	**2.89**	**1.95**	**15.47**
Additions during the year	6.07	-	0.50	0.97	**7.54**
Additions on account of business combination (Refer Note 40)	2.50	0.47	0.05	-	**3.02**
Disposals during the year	1.70	-	0.25	-	**1.95**
Foreign exchange difference	(0.07)	-	(0.01)		**(0.08)**
As at March 31, 2020	**15.86**	**2.04**	**3.18**	**2.92**	**24.00**
Accumulated Depreciation					
As at April 1, 2018	**1.68**	**0.82**	**1.07**	**0.52**	**4.09**
Depreciation for the year	2.53	0.54	0.58	0.74	**4.39**
Disposals during the year	0.06	-	0.01	-	**0.07**
Foreign exchange difference	(0.43)	-	-	-	**(0.43)**
As at March 31, 2019	**3.72**	**1.36**	**1.64**	**1.26**	**7.98**
As at April 1, 2019	**3.72**	**1.36**	**1.64**	**1.26**	**7.98**
Depreciation for the year	5.27	0.04	0.65	0.43	**6.39**
Charge on account of business combination (Refer Note 40)	1.34	0.28	0.05	-	**1.67**
Disposals during the year	1.58	-	0.22	-	**1.80**
Foreign exchange difference	(0.41)	-	(0.01)		**(0.42)**
As at March 31, 2020	**8.34**	**1.68**	**2.11**	**1.69**	**13.82**
Net block					
As at March 31, 2020	**7.52**	**0.36**	**1.07**	**1.23**	**10.18**
As at March 31, 2019	**5.34**	**0.21**	**1.25**	**0.69**	**7.49**

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(Amount in INR million, unless otherwise stated)

4. Other intangible assets

Particulars	Computer Software	Software application development	Non-compete fees	Trademark	Total	Goodwill (Refer Note 40)	Intangible assets under development (Refer Note 41)
Cost							
As at April 1, 2018	**24.72**	**682.28**	**-**	**-**	**707.00**	**59.24**	**-**
Additions during the year	0.36	90.49	-	-	**90.85**	-	**17.95**
Capitalised during the year	-	26.53	-	-	**26.53**	266.05	-
Foreign exchange difference	-	33.88	-	-	**33.88**	-	-
As at March 31, 2019	**25.08**	**833.18**	**-**	**-**	**858.26**	**325.29**	**17.95**
As at April 1, 2019	**25.08**	**833.18**	**-**	**-**	**858.26**	**325.29**	**17.95**
Additions during the year	0.03	226.80	-	-	**226.83**	-	256.85
Additions on account of business combination (Refer Note 40)	-	-	-	0.06	**0.06**	-	**-**
Capitalised during the year	-	-	-	-	**-**	-	226.80
Acquisition during the year (Refer Note 40)	-	78.11	19.66	-	**97.77**	764.28	-
Foreign exchange difference	-	75.69	-	-	**75.69**	17.16	-
As at March 31, 2020	**25.11**	**1,213.78**	**19.66**	**0.06**	**1,258.61**	**1,106.73**	**48.00**
Accumulated amortization							
As at April 1, 2018	**23.36**	**472.73**	**-**	**-**	**496.09**	**-**	**-**
Amortization for the year	0.95	95.61	-	-	**96.56**	-	**-**
Foreign exchange difference	-	25.41	-	-	25.41	-	-
As at March 31, 2019	**24.31**	**593.75**	**-**	**-**	**618.06**	**-**	**-**
As at April 1, 2019	**24.31**	**593.75**	**-**	**-**	**618.06**	**-**	**-**
Amortization for the year	0.49	117.45	-	0.00	**117.94**	-	**-**
Charge on account of business combination (Refer Note 40)	-	-	-	0.04	**0.04**	-	-
Foreign exchange difference	-	48.32	-	-	**48.32**	-	-
As at March 31, 2020	**24.80**	**759.52**	**-**	**0.04**	**784.36**	**-**	**-**
Net block							
As at March 31, 2020	**0.31**	**454.26**	**19.66**	**0.02**	**474.25**	**1,106.73**	**48.00**
As at March 31, 2019	**0.77**	**239.43**	**-**	**-**	**240.20**	**325.29**	**17.95**

Net book value	**March 31, 2020**	**March 31, 2019**
Goodwill*	1,106.73	325.29
Other intangible assets	474.25	240.20
Intangible assets under development	48.00	17.95
Total	**1,628.98**	**583.44**

* Goodwill includes amount of INR 59.24 million (March 31, 2019: INR 59.24 million) on account of business combination (Refer Note 40.2) and amount of INR 1,047.49 million (March 31, 2019: INR 266.05 million) on account of business acquisition (Refer Note 40.1).

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(Amount in INR million, unless otherwise stated)

5. Non-current investments

Unquoted equity investments fully paid-up	**As at March 31, 2020**	**As at March 31, 2019**
Investment at fair value through profit or loss (FVTPL)		
101 (March 31, 2019: 101) preference shares with face value of INR 10 each and with premium of INR 1,972 each in Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	0.20	0.20
50 (March 31, 2019: 50) equity shares with face value of INR 10 each and with premium of INR 1,219 each in Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	0.06	0.06
Total	**0.26**	**0.26**
Aggregate value of unquoted investments	0.26	0.26
Aggregate amount of impairment in the value of investments	-	-

6. Loans

	Non-current		Current	
	As at		As at	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
At amortised cost				
Unsecured, considered good unless otherwise stated				
Security deposits	3.34	0.07	31.69	8.92
Loans to employees	-	0.73	12.36	1.85
Total	**3.34**	**0.80**	**44.05**	**10.77**

Note:
1) During the year ended March 31, 2020 & March 31, 2019, there were no balances of loan to employees with a significant increase in credit risk or credit impairment.
2) There are no loans and advances to Directors / Promoters / Promoter group companies / Relatives of Promoters / Relatives of Directors.
3) List of persons /entities classified as 'Promoters' and 'Promoter group companies' has been determined by the management and relied upon by the auditors. The auditors have not performed any procedure to determine whether the list is accurate and complete.
4) Security deposits primarily include deposits given towards rented premises and other miscellaneous deposits. It represents fair value of amount paid to landlord for the leases premises. As on March 31, 2020, remaining tenure for security deposits ranges from one to nine years.

7. Other financial assets

	Current	
	As at	
	March 31, 2020	**March 31, 2019**
At amortised cost		
Unsecured, considered good unless otherwise stated		
Interest accrued but not due on deposit	5.33	0.71
Others*	5.07	28.32
Total	**10.40**	**29.03**

* includes amount of INR 0.06 million (March 31, 2019: INR 2.70 million) due from related parties (Refer Note 32)

(Amount in INR million, unless otherwise stated)

8. Income tax

The major component of income tax expense for the year ended March 31, 2020 and March 31, 2019 are as follows:

(i) Profit or loss section

	For the year ended	
	March 31, 2020	**March 31, 2019**
Current income tax:		
Income tax charge [includes INR 1.48 million for earlier year (March 31, 2019: Nil)]	138.35	102.12
Deferred tax:		
Relating to origination and reversal of temporary differences	(1.27)	7.67
Income tax expense reported in the statement of profit and loss	**137.08**	**109.79**

(ii) Other Comprehensive Income (OCI) section:

Deferred tax relating to items recognised in OCI during in the year:

	For the year ended	
	March 31, 2020	**March 31, 2019**
Net (loss) / gain on measurement of defined benefit plans	(0.39)	0.07
Total	**(0.39)**	**0.07**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2020:

	For the year ended	
	March 31, 2020	**March 31, 2019**
Accounting profit before income tax	792.25	598.00
At India's statutory income tax rate of 25.17% (March 31, 2019: 29.12%)	199.41	174.14
Share based payment	-	(1.62)
Non-deductible / taxable expenses for tax purposes	(9.23)	(18.82)
Effect of lower tax rate in case of foreign subsidiaries	(50.40)	(42.76)
Income tax expense relating to earlier year	1.48	-
Tax effect on partial tax exemption and tax relief	(1.87)	(1.89)
Effect of change in tax rate	(2.31)	0.74
At the effective income tax rate of 17.30% (March 31, 2019: 18.36%)	**137.08**	**109.79**
Income tax expense reported in the statement of profit and loss	**137.08**	**109.79**

Deferred tax:

Deferred tax relates to the following:	As at	
	March 31, 2020	**March 31, 2019**
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	7.58	5.25
Impact of fair valuation of financial instruments	-	0.03
Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	4.46	4.85
Allowance for impairment of trade receivables and contract asset	5.55	4.45
Impact of right of use assets and lease liability	0.26	-
Tax deductible goodwill	(19.65)	(17.26)
Deferred tax liability (net)	**(1.80)**	**(2.68)**

Reconciliation of deferred tax liability (net)

	As at	
	March 31, 2020	**March 31, 2019**
Opening balance as of 1 April	(2.68)	4.92
Tax income / (expense) during the year recognised in profit or loss	1.27	(7.67)
Tax income / (expense) during the year recognised in OCI	(0.39)	0.07
Closing balance as at 31 March	**(1.80)**	**(2.68)**

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(Amount in INR million, unless otherwise stated)

8. Income tax (continued)

Reconciliation of deferred tax (income)/expenses recognised in the statement of profit and loss

	For the year ended	
	March 31, 2020	**March 31, 2019**
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(2.32)	(2.85)
Impact of fair valuation of financial instruments	0.02	(0.02)
Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	-	(0.50)
Allowance for impairment of trade receivables and contract asset	(1.10)	5.64
Impact of right of use assets and lease liability	(0.25)	-
Tax deductible goodwill	2.38	5.40
Deferred tax (income)/expense on profit for the year	**(1.27)**	**7.67**

	For the year ended	
	March 31, 2020	**March 31, 2019**
Re-measurement gains/(losses) on defined benefit plans	(0.39)	0.07
Deferred tax related to other comprehensive income of the year	**(0.39)**	**0.07**

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 relates to income taxes levied by the same tax authority.

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the years in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the years in which the deferred tax assets are deductible, management believes that it is probable that the Group will be able to realise the benefits of those deductible differences in future.

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Affle (India) Limited (formerly known as "Affle (India) Private Limited")
Notes to Consolidated Financial Statements for the year ended March 31, 2020
(Amount in INR million, unless otherwise stated)

9. Other current assets

	As at	
	March 31, 2020	**March 31, 2019**
Unsecured, considered good		
Prepayments	15.56	3.95
Deferred lease expense on security deposits paid	(0.12)	0.03
Balance with statutory/government authorities	35.73	13.74
Advances other than capital advances	7.53	5.96
Total	**58.70**	**23.68**

10. Trade receivables

	As at	
	March 31, 2020	**March 31, 2019**
Unsecured, considered good		
Trade receivables from related parties (Refer Note 32)	0.22	10.41
Trade receivables from other than related parties	744.13	468.42
	744.35	**478.83**
Unsecured, considered doubtful		
Trade receivables from other than related parties	68.46	35.95
	68.46	**35.95**
Allowance for impairment of trade receivables	(68.46)	(35.95)
Total	**744.35**	**478.83**

Break-up for security details:

	As at	
Trade receivable	**March 31, 2020**	**March 31, 2019**
Unsecured, considered good	744.35	478.83
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	68.46	35.95
	812.81	**514.78**
Allowance of impairment		
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	(68.46)	(35.95)
Total trade receivables	**744.35**	**478.83**

The movement in allowance for impairment of trade receivables is as follows:

	For the year ended	
	March 31, 2020	**March 31, 2019**
Opening balance	35.95	25.30
Additions	21.52	10.65
Acquired during business combination (Refer Note 40)	23.63	-
Bad debts written off (net of recovery)	(12.64)	-
Closing balance	**68.46**	**35.95**

Note:
1) Trade receivables are non-interest bearing and are generally on credit terms of 30 to 90 days. For terms and conditions relating to related party receivables, refer Note 32.

2) Following are the amounts due from Directors/Promoters/Promoter group companies/Relatives of Promoters/Relatives of Directors (Refer Note 32):

	As at	
	March 31, 2020	**March 31, 2019**
Affle Global Pte. Ltd., Singapore	0.22	10.41
	0.22	**10.41**

3) List of persons /entities classified as 'Promoters' and 'Promoter group companies' has been determined by the management and relied upon by the auditors. The auditors have not performed any procedure to determine whether the list is accurate and complete.
4) During the year ended March 31, 2020 & March 31, 2019; there were no balances of trade receivables with a significant increase in credit risk or credit impairment.

11. Cash and bank balances

(i) Cash and cash equivalents

	As at	
	December 31, 2019	**March 31, 2019**
Balances with banks:		
On current accounts *	246.31	205.99
Deposits with original maturity of less than three months	449.48	-
Cash in hand	0.11	0.09
Total	**695.90**	**206.08**

* The cash credit facility included in balances with banks on current accounts amounting to INR 104.77 million (March 31, 2019: INR 43.28 million) is secured by hypothecation of trade receivable (first and exclusive charge), 10% fixed deposit margin and corporate guarantee from parent entity M/s Affle Holdings Pte Limited.

Note : There are no non-cash items in investing and financing activities.

(ii) Other bank balances

Deposits with original maturity of more than three months but less than twelve months	568.81	98.83
Total	**568.81**	**98.83**

For the purpose of the statement of cash flow, cash and cash equivalent comprise the following:

	As at	
	December 31, 2019	**March 31, 2019**
Balances with banks:		
On current accounts	246.31	205.99
Deposits with original maturity of less than three months	449.48	-
Cash in hand	0.11	0.09
Total	**695.90**	**206.08**

12. Current tax assets (net)

	As at	
	March 31, 2020	**March 31, 2019**
Advance tax [net of provision for tax amounting to Nil (March 31, 2019: INR 134.31 million)]	-	11.58
Total	**-**	**11.58**

(Amount in INR million, unless otherwise stated)

13(a). Share capital

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Authorised share capital		
30,000,000 (March 31, 2019: 30,000,000) equity shares of INR 10 each	300.00	300.00
Issued share capital		
25,496,367 (March 31, 2019: 24,288,314) equity shares of INR 10 each fully paid up	254.96	242.88
	254.96	**242.88**
Subscribed and fully paid-up share capital		
25,496,367 (March 31, 2019: 24,288,314) equity shares of INR 10 each fully paid up	254.96	242.88
	254.96	**242.88**

A. Reconciliation of the number of equity shares outstanding at the beginning and end of the year:

Particulars	**As at March 31, 2020**		**As at March 31, 2019**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Opening balance as on April 1	24,288,314	242.88	24,288,314	242.88
Shares issued during the year (Refer Note 45)	1,208,053	12.08	-	-
Shares bought back during the year	-	-	-	-
Closing Balance as on March 31	**25,496,367**	**254.96**	**24,288,314**	**242.88**

B. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR10 per share. The holders of equity shares are entitled to receive dividends and are entitled to one vote per share. In the event of liquidation, equity shareholders will be entitled to receive assets of the Company in proportion to the number of shares held to the total equity shares outstanding as on that date.

C. Shares held by holding company and/or their subsidiaries

Out of the equity shares issued by the Company, shares held by its Holding Company and its subsidiaries are as below:

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Affle Holdings Pte. Ltd., Singapore, ultimate holding Company		
13,415,919 (March 31, 2019: 18,368,939) equity shares of INR 10 each fully paid up	134.16	183.69
Affle Global Pte. Ltd. (earlier known as Affle Appstudioz Pte. Ltd.) , Singapore, subsidiary of Affle Holdings Pte. Ltd.		
4,017,911 (March 31, 2019: 4,017,911) equity shares of INR 10 each fully paid up	40.18	40.18

D. Details of shareholders holdings more than 5% shares (Refer Note 45)

Name of shareholder	**As at March 31, 2020**		**As at March 31, 2019**	
	Number of shares held	**Percentage of Holding**	**Number of shares held**	**Percentage of Holding**
Equity shares of INR 10 each fully paid				
Affle Holdings Pte. Ltd., Singapore	13,415,919	52.62%	18,368,939	75.63%
Affle Global Pte. Ltd., Singapore	4,017,911	15.76%	4,017,911	16.54%
Malabar India Fund Limited, Mauritius	1,616,214	6.34%	1,616,214	6.65%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date is Nil.

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(Amount in INR million, unless otherwise stated)

13(b). Other equity

	As at	
	March 31, 2020	**March 31, 2019**
Retained earnings	1,106.19	449.86
Capital reverve	25.71	25.71
Exchange differences on translating the financial statements of a foreign operation	59.17	5.60
Securities premium	845.56	-
Capital contribution from parent - employee share based payment	-	-
Total	**2,036.63**	**481.17**

(i) Retained earnings

	As at	
	March 31, 2020	**March 31, 2019**
Opening balance	449.86	19.17
Profit for the year	655.17	488.21
Other comprehensive income	1.16	(0.18)
Less: Profit adjustment on account of business combination	-	(59.94)
Transferred from capital contribution from parent-employee share based payment	-	2.60
Closing balance	**1,106.19**	**449.86**

(ii) Capital reserve

	As at	
	March 31, 2020	**March 31, 2019**
Opening balance	25.71	25.71
Additions for the year	-	-
Closing balance	**25.71**	**25.71**

(iii) Exchange differences on translating the financial statements of a foreign operation

	As at	
	March 31, 2020	**March 31, 2019**
Opening balance	5.60	8.71
Other comprehensive income	53.57	(3.11)
Closing balance	**59.17**	**5.60**

(iv) Securities premium

	As at	
	March 31, 2020	**March 31, 2019**
Opening balance	-	-
Fresh equity issued during the year (refer note 45)	845.56	-
Closing balance	**845.56**	**-**

(v) Capital contribution from parent - employee share based payment

	As at	
	March 31, 2020	**March 31, 2019**
Opening balance	-	8.18
Share based payments	-	(5.58)
Transferred to retained earnings	-	(2.60)
Closing balance	-	-

Nature and purpose of other equity

Retained earnings
Retained earnings represent the undistributed profits of the Group.

Capital reserve
The Group recognizes profit or loss on purchase, sale, issue or cancellation of the group’s own equity instruments to capital reserve.

Exchange differences on translating the financial statements of a foreign operation
Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Securities premium
Securities premium represents the amount received in excess of par value of equity shares.Section 52 of Companies Act, 2013 specifies restriction and utilisation of security premium.

Capital contribution from parent - employee share based payment
Capital contribution from parent represents the share based payment arrangement with employees of the Company by Affle Holdings Pte. Ltd., Singapore. It is the cost of equity settled transactions determined by the fair value at the date when the grant is made using an appropriate valuation model.

(Amount in INR million, unless otherwise stated)

14. Provisions

	Non-Current		Current	
	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for employee benefits				
Provision for gratuity * (Refer Note 29)	9.46	11.77	3.49	0.88
Provision for leave benefits	3.33	3.60	3.03	2.50
Total (A)	**12.79**	**15.37**	**6.52**	**3.38**
Other provisions				
Provision for contingency (Refer Note 42)	-	-	0.07	0.10
Provision for income tax [net of advance tax amounting to INR 233.63 million (March 31, 2019: Nil)]	-	-	17.12	-
Total (B)	**-**	**-**	**17.19**	**0.10**
Total (A+ B)	**12.79**	**15.37**	**23.71**	**3.48**

* Due to non-applicability of gratuity to the employees of subsidiary companies, the balance pertains to the Company only.

Movement in provision for contingency

	For the year ended	
	March 31, 2020	March 31, 2019
At the beginning of the year	0.10	0.15
Write off/utilized during the year	(0.03)	(0.05)
At the end of the year	**0.07**	**0.10**

15. Borrowings

	Non-Current		Current	
	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Unsecured				
- Term loan from related parties (Refer Note 32)	241.23	69.17	278.93	20.75
- Term loan from financial institutions	11.73	-	50.36	-
- Term loan from non-financial institutions	27.64	-	27.95	-
Total	**280.60**	**69.17**	**357.24**	**20.75**

Details of borrowings i.e. interest rate, currency and terms of repayments of borrowings:

Particulars	Currency	Effective interest rate	Terms of repayment
From related parties			
- Loan from Affle Holdings Pte. Ltd. vide loan agreement dated February 28, 2020	USD	2.00%	The outstanding amount of loan is payable in 18 equal monthly installments starting from August 31, 2020 along with applicable interest.
- Loan from Affle Holdings Pte. Ltd. vide loan agreement dated March 26, 2020	USD	2.00%	The outstanding amount of loan is payable in 14 equal monthly installments starting from August 31, 2020 along with applicable interest.
- Loan from Affle Global Pte. Ltd. vide loan agreement dated July 25, 2019	USD	3.00%	The outstanding amount of loan is payable in 3 equal monthly installments starting from May 31, 2020 along with applicable interest.
From financial institutions			
- Loan from BBVA vide approval dated March 8, 2018	Euro	3.35%	The outstanding amount of loan is payable in 4 equal quarterly installments along with applicable interest.
- Loan from Bankinter vide approval in 2018	Euro	2.75%	The outstanding amount of loan is payable in 26 equal monthly installments along with applicable interest.
- Loan from Sabadell vide approval April 3, 2019.	Euro	1.75%	The outstanding amount of loan is payable in 5 equal quarterly installments along with applicable interest.
- Cash credit facility from BBVA vide approval dated March 8, 2018	Euro	Euribor 3M+ 300 bp	Interest is payable on monthly basis.
- Click and pay facility from BBVA	Euro	1.25%	The outstanding amount of loan is payable in 3 equal monthly installments along with applicable interest.
From non-financial institutions			
Ministry of Energy, Industry and Tourism (Avanza program) dated September 9, 2014	Euro	0.51%	The outstanding amount of loan is payable in 12 equal monthly installments along with applicable interest.
Ministry of Energy, Industry and Tourism (Emprendetur I+D+i program) dated September 30, 2016.	Euro	0.57%	The outstanding amount of loan is payable in September 2021 along with applicable interest.
Technological and Industrial Development Center dated July 2019	Euro	0.00%	The disbursement of the entire loan has not yet happened. The outstanding amount is repayable in June 2030.
Billfront vide approval dated July 8, 2017	Euro	2.50%	This is a bill discounting facility payable in 30-45 days along with applicable interest.

Notes:

1) Following are the unsecured loans due to Directors/Promoters/Promoter group companies/Relatives of Promoters/Relatives of Directors (Refer Note 32):

	Non-Current		Current	
	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Affle Holdings Pte. Ltd., Singapore	241.23	69.17	233.70	20.75
Affle Global Pte. Ltd., Singapore	-	-	45.23	-
	241.23	**69.17**	**278.93**	**20.75**

2) List of persons/ entities classified as 'Promoters' and 'Promoter group companies' has been determined by the Management and relied upon by the auditors. The auditors have not performed any procedures to determine whether the list is accurate and complete.

3) There are no financial covenants in respect of the borrowings mentioned above.

(Amount in INR million, unless otherwise stated)

16. Trade payables

	As at	
	March 31, 2020	**March 31, 2019**
Trade payables:		
- total outstanding dues of micro enterprises and small enterprises (Refer Note 39)	6.85	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	743.33	517.11
Total	**750.18**	**517.11**

Terms and conditions of the above trade payables:
-Trade payables are non-interest bearing and are normally settled on 30-90 days term.
-For terms and conditions with related parties, refer note 32

Notes:
1) Following are the amounts due to Directors/Promoters/Promoter group companies/Relatives of Promoters/Relatives of Directors (Refer Note 32):

	As at	
	March 31, 2020	**March 31, 2019**
Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	28.74	-
	28.74	**-**

2) List of persons /entities classified as 'Promoters' and 'Promoter group companies' has been determined by the management and relied upon by the auditors. The auditors have not performed any procedure to determine whether the list is accurate and complete.

17. Other financial liabilities

	Non-current		Current	
	As at		As at	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
At amortised cost				
Salary payable	-	-	51.69	46.86
Others				
- Amount due to related party against business transfer (Refer Note 40)	-	-	-	33.57
- Amount due to others against business acquisition (Refer Note 40)	117.58	-	18.65	118.32
Total	**117.58**	**-**	**70.34**	**198.75**

Terms and conditions of the above current financial liabilities:
-Other current financial liabilities are non-interest bearing and are normally settled on 30-90 days term.
-For terms and conditions with related parties, refer note 32

Notes:
1) Following are the amounts due to Directors/Promoters/Promoter group companies/Relatives of Promoters/Relatives of Directors (Refer Note 32):

	Non-current		Current	
	As at		As at	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Affle Global Pte. Ltd., Singapore	-	-	-	33.57
	-	**-**	**-**	**33.57**

2) List of persons /entities classified as 'Promoters' and 'Promoter group companies' has been determined by the management and relied upon by the auditors. The auditors have not performed any procedure to determine whether the list is accurate and complete.

18. Other current liabilities

	As at	
	March 31, 2020	**March 31, 2019**
Statutory dues payable	49.23	24.51
Total	**49.23**	**24.51**

(This space has been intentionally left blank)

(Amount in INR million, unless otherwise stated)

19. Revenue from contracts with customers

(a) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the year ended	
	March 31, 2020	**March 31, 2019**
Type of service		
Consumer platform	3,245.57	2,419.43
Enterprise platform	92.26	74.53
Other operating revenue	-	0.01
Total revenue from contracts with customers	**3,337.83**	**2,493.97**

	For the year ended	
	March 31, 2020	**March 31, 2019**
Geographical markets		
India	1,576.23	1,088.55
Outside India	1,761.60	1,405.42
Total revenue from contracts with customers	**3,337.83**	**2,493.97**

	For the year ended	
	March 31, 2020	**March 31, 2019**
Timing of revenue recognition		
Services transferred at a point in time	3,245.57	2,419.44
Services transferred over time	92.26	74.53
Total revenue from contracts with customers	**3,337.83**	**2,493.97**

(b) Contract balances

	As at	
	March 31, 2020	**March 31, 2019**
Trade receivables (Refer Note 10)	744.35	478.83

Contract assets (net)

A contract asset is the right to consideration that is conditional upon factors other than the passage of time. Contract assets are recognised where there is excess of revenue over billings. Revenue recognised but not billed to customer is classified as unbilled revenue (contract assets) in our balance sheet.

Changes in contract assets (net) are as follows:

	As at	
	March 31, 2020	**March 31, 2019**
Balance at the beginning of the year [net of allowance for impairment amounting to INR 2.39 million (April 1, 2018: INR 3.70 million)]	131.87	79.13
Revenue recognized during the year	3,337.83	2,493.97
Invoices raised during the year	3,270.95	2,441.23
Balance at the end of the year [net of allowance for impairment amounting to INR 2.39 million (March 31, 2019: INR 2.39 million)]	**198.75**	**131.87**

Contract liability	As at	
	March 31, 2020	**March 31, 2019**
Advance from customers	7.76	6.40
Deferred revenue	0.27	0.39
	8.03	**6.79**

Changes in advance from customers are as follows:	As at	
	March 31, 2020	**March 31, 2019**
Balance at the beginning of the year	6.40	3.42
Advance received during the year	19.12	9.55
Advance adjusted against invoices during the year	17.57	6.57
Advance written back	0.19	-
Balance at the end of the year	**7.76**	**6.40**

Changes in deferred revenue are as follows:	As at	
	March 31, 2020	**March 31, 2019**
Balance at the beginning of the year	0.39	-
Added during the year	0.27	1.10
Invoiced during the year	0.39	0.71
Balance at the end of the year	**0.27**	**0.39**

(Amount in INR million, unless otherwise stated)

19. Revenue from contracts with customers (continued)

(c) Performance obligations

Information about the Group's performance obligations are summarised below:

Consumer platform

The performance obligation is satisfied at a point in time and payment is generally due within 30 to 90 days of completion of services and acceptance of the customer. In some contracts, short-term advances are required before the advertisement services are provided.

Enterprise platform

The performance obligation is satisfied over time and payment is generally due within 30 to 90 days of completion of services and acceptance of the customer. In some contracts, short-term advances are required before the advertisement services are provided.

As the duration of the contracts for consumer and enterprise platform is less than one year, the Group has opted for practical expedient and decided not to disclose the amount of the remaining performance obligations.

Other operating revenue

The performance obligation is satisfied at a point in time and payment is generally due within 60 to 180 days of completion of services and acceptance of the customer.

Notes:

Due to the adoption of Ind AS 115 in the previous year, there is no impact on the revenue recognised by the Group. Hence, the reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price is not required.

20. Other income

	For the year ended	
	March 31, 2020	**March 31, 2019**
Recurring other income:		
Interest income on financial assets measured at amortised cost:		
Bank deposits	35.44	3.33
Security deposits	0.13	0.42
Income tax refund	2.62	-
Bad debts recovered	-	0.01
Non-recurring other income:		
Liabilities written back	9.37	-
Miscellaneous income [Refer Note 40.1(ii)(b)]	13.32	0.18
Total	**60.88**	**3.94**

Notes:

The classification of other income as recurring / non-recurring, to business entity is based on the current operations and business activity of the group as determined by the management.

21. Inventory and data costs

	For the year ended	
	March 31, 2020	**March 31, 2019**
Inventory cost	1,703.44	1,236.66
Platform cost	72.64	65.55
Cloud hosting charges	193.44	50.03
	1,969.52	**1,352.24**
Less: Cost capitalised as intangible assets or intangible assets under development (Refer Note 41)	(48.12)	(11.11)
Total	**1,921.40**	**1,341.13**

22. Employee benefits expense

	For the year ended	
	March 31, 2020	**March 31, 2019**
Salaries, wages and bonus	451.89	248.19
Contribution to provident and other funds	15.22	9.09
Gratuity expense (Refer Note 29)	3.21	3.43
Employee share based payment expense (Refer Note 38)	-	(5.58)
Staff welfare expenses	6.95	7.20
	477.27	**262.33**
Less: Cost capitalised as intangible assets or intangible assets under development (Refer Note 41)	(204.34)	(50.06)
Total	**272.93**	**212.27**

(Amount in INR million, unless otherwise stated)

23. Finance costs

	For the year ended	
	March 31, 2020	**March 31, 2019**
Interest on borrowings	8.56	4.86
Interest on lease liabilities	1.32	-
Interest on income tax	0.07	1.26
Bank charges	3.94	1.95
Others	0.33	0.04
Total	**14.22**	**8.11**

24. Depreciation and amortization expense

	For the year ended	
	March 31, 2020	**March 31, 2019**
Depreciation of property, plant and equipments (Refer Note 3)	6.39	4.39
Amortization of intangible assets (Refer Note 4)	117.94	96.56
Depreciation on right-of-use assets (Refer Note 30 (a))	8.98	-
Total	**133.31**	**100.95**

25. Other expenses

		For the year ended	
		March 31, 2020	**March 31, 2019**
Power and fuel		0.64	0.64
Rent		20.34	22.59
Rates and taxes		12.04	0.55
Insurance		3.63	2.30
Repair and maintenance - Others		7.00	7.17
Legal and professional fees (including payment to statutory auditor, refer detail below)*		88.37	29.19
Travelling and conveyance		20.77	18.82
Communication costs		2.69	2.26
Printing and stationery		0.70	0.84
Recruitment expenses		4.01	0.49
Business promotion		39.34	110.77
Bad debts written off	14.30		
Less: Utilisation from provision for doubtful debts	(14.30)	-	-
Impairment allowance of trade receivables and contract asset		21.52	10.56
Advances given written off		-	0.08
Loss on disposal of property, plants and equipment and intangible assets (net)		0.11	-
Exchange differences (net)		8.69	8.10
Software license fee		4.92	1.81
Project development expenses		8.23	9.14
Directors sitting fee		6.64	7.40
Corporate social responsibility expenses**		2.56	-
Miscellaneous expenses		16.79	8.62
		268.99	**241.33**
Less: Cost capitalised as intangible assets or intangible assets under development (Refer Note 41)		(4.39)	(3.88)
Total		**264.60**	**237.45**

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
Notes to Consolidated Financial Statements for the year ended March 31, 2020
(Amount in INR million, unless otherwise stated)

	For the year ended	
	March 31, 2020	**March 31, 2019**
***Payment to statutory auditor:**		
As auditors:		
Audit fee	13.19	6.09
In other capacity		
Advisory and certification services	0.15	1.18
Reimbursement of expenses	0.22	0.04
Total	**13.56**	**7.31**

Note:
1) The audit fee pertaining to the quarter ended June 30, 2018 and period ended October 31, 2018 has been treated as Initial Public Offer (IPO) expenses and accordingly have been clubbed under the heading 'other financial assets'.

**** Details of corporate social responsibility expenses**

	For the year ended	
	March 31, 2020	**March 31, 2019**
a) Gross amount required to be spent during the year	2.56	0.77

	In Cash	**Yet to be paid in cash**	**Total**
b) Amount spent during the year ending on March 31, 2020:			
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	2.25	0.31	2.56
c) Amount spent during the year ending on March 31, 2019:			
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	0.81	-	0.81

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26. Other comprehensive income

The disaggregation of changes to other comprehensive income by each type of reserve in equity is shown below:

	For the year ended	
	March 31, 2020	**March 31, 2019**
Exchange differences on translating the financial statements of a foreign operation	53.57	(3.11)
Re-measurement gains/ (losses) on defined benefit plans	1.55	(0.25)
Income tax (expense) / income	(0.39)	0.07
Total	**54.73**	**(3.29)**

27. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended	
	March 31, 2020	**March 31, 2019**
Profit attributable to equity holders of the parent for basic earnings	655.17	488.21
Effect of dilution	-	-
Profit attributable to equity holders of the parent for the effect of dilution	**655.17**	**488.21**
Weighted average number of equity shares used for computing basic earning per share (in million)	25.07	24.29
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution*	**25.07**	**24.29**
Basic EPS attributable to the equity holders of the parent (absolute value in INR)	26.13	20.10
Diluted EPS attributable to the equity holders of the parent (absolute value in INR)	26.13	20.10

* The weighted average number of equity shares takes into account the weighted average effect of equity shares issued during the year.

28. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the Grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:
- Capital management, Refer Note 37
- Financial risk management objectives and policies, Refer Note 36
- Sensitivity analysis, Refer Note 29, Note 36 and Note 40

Judgements
In the process of applying the Group's accounting policies, management has not made any significant judgement, which have the most significant effect on the amounts recognised in the financial statements.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the 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) Impairment of non-financial assets
Impairment exists when the carrying value of an asset or CGU 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 Discounted Cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group has 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 Group. Refer Note 40 for further disclosures.

28. Significant accounting judgements, estimates and assumptions (Continued)

(b) Provision for expected credit losses of trade receivables and contract assets
Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience adjusted for forward-looking estimates. Individual trade receivables are written off when management deems them not to be collectible. For details of allowance of doubtful debts please refer Note 10.

(c) Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based on the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 8 for further disclosures.

(d) Defined benefit plans (Gratuity benefits)
The cost of the defined benefit gratuity plan and other post-employment medical benefits 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 India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India. Further details about gratuity obligations are given in Note 29.

(e) Intangible assets under development
The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. At 31 March 2020, the carrying amount of capitalised intangible asset under development was INR 48 million (March 31, 2019: INR 17.95 million).

This amount includes significant investment in the development of an innovative fire prevention system. Prior to being marketed, it will need to obtain a safety certificate issued by the relevant regulatory authorities. The innovative nature of the product gives rise to some uncertainty as to whether the certificate will be obtained.

(f) Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Determining the timing of satisfaction of services

(i) Consumer Platform
The Group concluded that revenue for consumer platform services is to be recognised at a point in time because the customer simultaneously receives and consumes the benefits provided by the Group.

(ii) Enterprise Platform
The Group concluded that revenue for enterprise platform services is to be recognised over time because the Group's performance does not create an asset with alternative use and the Group has a right to payment for performance completed to date.

The Group determined that the input method is the best method in measuring progress of both the services because there is a direct relationship between the Group's effort and the transfer of service to the customer.

(iii) Other operating revenue
The Group concluded that the other operating revenue is to be recognised at a point in time because the customer simultaneously receives and consumes the benefits provided by the Group.

(g) Leases- estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available.

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(Amount in INR million, unless otherwise stated)

29. Employee benefits

A. Defined contribution plans

Provident fund:

The Group makes contribution towards employees' provident fund. The Group has recognised INR 15.22 million (March 31, 2019: INR 9.09 million) as an expense towards contribution to this plan.

B. Defined benefit plans

Gratuity:
The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service with part thereof in excess of six months. The same is payable on termination of service or retirement or death whichever is earlier.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government bonds as at the date of actuarial valuation. Actuarial gains and losses (net of tax) are recognised immediately in the Other Comprehensive Income (OCI).

This is a unfunded benefit plan for qualifying employees. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit or loss and other comprehensive income and amounts recognised in the balance sheet for the gratuity plan:

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance as at the beginning of the year	12.65	9.45
Current service cost	2.24	2.72
Interest cost	0.97	0.71
Benefits paid	(1.36)	(0.47)
Re-measurement (gain) / loss on obligation	(1.55)	0.24
Balance as at the end of the year	**12.95**	**12.65**

Amount recognised in the consolidated statement of profit and loss:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost	2.24	2.72
Interest cost	0.97	0.71
Net expense recognised in the consolidated statement of profit and loss	**3.21**	**3.43**

Amount recognised in the consolidated other comprehensive income:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Re-measurement (gain) / loss on arising in demographic assumptions	(2.35)	-
Re-measurement (gain) / loss on arising in financial assumptions	(3.19)	(0.20)
Re-measurement (gain) / loss on arising from experience adjustment	3.99	0.44
Net expense recognised in the consolidated other comprehensive income	**(1.55)**	**0.24**

29. Employee benefits (continued)

The principal actuarial assumptions used in determining gratuity liability for the Group's plan is shown below:

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Discount rate	6.76%	7.65%
Future salary increase	5.00%	8.00%
Withdrawal rate (per annum)		
- Up to 30 years	33.00%	20.00%
- From 31 years to 44 years	33.00%	10.00%
- From 44 years to 58 years	33.00%	0.00%
Retirement age (years)	58	58
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2006 - 08)

The discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligations. 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.

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Present Value of Obligation at the end of the year	12.95	12.65
Impact of the change in discount rate		
Impact due to increase of 0.50 %	(0.17)	(0.67)
Impact due to decrease of 0.50 %	0.17	0.73
Impact of the change in salary rate		
Impact due to increase of 0.50 %	0.17	0.73
Impact due to decrease of 0.50 %	(0.17)	(0.67)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on define benefit obligation as a result of reasonable changes in key assumptions occurring at the end of reporting year. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Within the next 12 months (next annual reporting period)	3.49	0.88
Between 1 and 5 years	7.10	3.36
Between 5 and 10 years	2.36	8.41
Total expected payments	**12.95**	**12.65**

The average duration of the defined benefit plan obligation at the end of the reporting year is 2.46 years (March 31, 2019: 8.48 years).

Amount for the current and previous four years are as follows :

Gratuity	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Defined benefit obligation	12.95	12.65	9.45	7.48	9.89
Experience adjustments on liabilities (gain)/ loss	3.98	0.45	0.12	(4.53)	(2.40)

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30. Commitments and contingent liability

a. Leases

Group as lessee
The Group has taken office premises on lease. The lease has been entered for a period ranging from one to nine years with renewal option. The Group has the option, under some of its lease, to renew the lease for an additional years on a mutual consent basis.

The effective interest rate for the lease liabilities of the Group ranges from 2% to 11% per annum.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	March 31, 2020	March 31, 2019
As at April 01, 2019	**-**	**-**
Addition during the year	45.59	-
Depreciation expense	8.98	-
Foreign exchange gain / (loss)	(0.07)	-
As at March 31, 2020	**36.54**	**-**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	March 31, 2020	March 31, 2019
As at April 01, 2019	**-**	**-**
Addition during the year	45.59	-
Accretion of interest	1.32	-
Payments during the year	9.74	
As at March 31, 2020	**37.17**	**-**
Current	**17.09**	**-**
Non-current	**20.08**	**-**

The following are the amounts recognised in consolidated statement of profit or loss:

Particulars	March 31, 2020	March 31, 2019
Depreciation expense of right-of-use assets	8.98	-
Interest expense on lease liabilities	1.32	-
Expenses relating to short term leases (included in other expenses)	12.43	-
Expenses relating to low value assets (included in other expenses)	0.05	-

Till March 31, 2019, the Company was recording rental costs in the consolidated statement of profit and loss. For the year ended March 31, 2019, cost charged to the standalone statement of profit and loss is INR 22.59 million.

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows :

Particulars	Contractual undiscounted value	0-1 year	1-2 years	2-5 years	More than 5 years
As at March 31, 2020	37.17	17.09	15.10	4.98	-
As at March 31, 2019	-	-	-	-	-

b. Capital commitments

As at March 31, 2020, the Group has commitments on capital account and not provided for (net of advances) is INR 15.35 million (March 31, 2019: INR 11.99 million).

c. Contingent liabilities

(i) Claims against the Group not acknowledged as debts includes the following:

- Income tax demand from the Income tax authorities for assessment year 2017-18 of INR 64.88 million on account of disallowance of bad debts written off, advances written off, amortization of goodwill and certain expenses under various heads as claimed by the Group in the income tax. The matter is pending before Commissioner of Income Tax (Appeals), Mumbai.

- Income tax demand from the Income tax authorities for assessment year 2015-16 of INR 2.95 million on account of disallowance of availment of cenvat credit and write off of certain advances in the income tax. The matter is pending before ITAT.

The Group is contesting the demands and the Management, including its tax advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the demand raised. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Group's financial position and results of operations. The likelihood of the above cases going in favour of the Group is probable and accordingly have not considered any provision against the demands in the financial statements.

(ii) Other:
There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

31. Group information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiary listed in the table below:

Name	Country of Incorporation	Principal activities	Name of Holding	% equity interest as at March 31, 2020	March 31, 2019
Affle International Pte. Ltd., Singapore	Singapore	Mobile advertisement	Affle (India) Limited	100%	100%
PT Affle Indonesia, Indonesia	Indonesia	Mobile advertisement	Affle International Pte. Ltd.,	100%	100%
Affle MEA FZ-LLC, Dubai	Dubai	Mobile advertisement	Affle International Pte. Ltd.,	100%	-
Mediasmart Mobile S.L., Spain	Spain	Mobile advertisement	Affle International Pte. Ltd.,	100% *	-
Mediasmart Mobile Limited, London	London	Mobile advertisement	Mediasmart Mobile S.L.,	100%	-

* Includes 94.78% stake acquired by the Group and for balance 5.22% the Group has acquired voting rights and has definite agreement for purchase of shares and therefore, has been consolidated at 100%.

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 million	As % of consolidated profit and loss	INR million	As % of consolidated other comprehensive income	INR million	As % of total comprehensive income	INR million
Parent								
Affle (India) Limited								
Balance as at March 31, 2020	72.02%	1,650.33	50.19%	328.85	2.12%	1.16	46.49%	330.01
Balance as at March 31, 2019	63.90%	462.68	34.16%	166.79	5.36%	(0.18)	34.36%	166.61
Foreign Subsidiaries								
Affle International Pte. Ltd., Singapore								
Balance as at March 31, 2020	22.06%	505.44	29.36%	192.38	0.00%	-	27.10%	192.38
Balance as at March 31, 2019	36.91%	267.27	63.16%	308.37	0.00%	-	63.59%	308.37
PT Affle Indonesia, Indonesia								
Balance as at March 31, 2020	-1.26%	(6.04)	-0.09%	(0.62)	0.00%	-	-0.09%	(0.62)
Balance as at March 31, 2019	-0.81%	(5.90)	2.67%	13.05	0.00%	-	2.69%	13.05
Affle MEA FZ-LLC, Dubai								
Balance as at March 31, 2020	5.90%	135.53	19.60%	128.44	0.00%	-	18.09%	128.44
Balance as at March 31, 2019	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Mediasmart Mobile S.L., Spain (consolidated)								
Balance as at March 31, 2020	0.28%	6.33	0.94%	6.12	0.00%	-	0.86%	6.12
Balance as at March 31, 2019	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Adjustment arising out of consolidation								
Balance as at March 31, 2020	0.00%	-	0.00%	-	97.88%	53.57	7.55%	53.57
Balance as at March 31, 2019	0.00%	-	0.00%	-	94.64%	(3.11)	-0.64%	(3.11)
Total								
Balance as at March 31, 2020	98.99%	2,291.59	100.00%	655.17	100.00%	54.73	100.00%	709.90
Balance as at March 31, 2019	100.00%	724.05	100.00%	488.21	100.00%	(3.29)	100.00%	484.92

32. Related party disclosures

(i) Names of related parties and related party relationship

S.No.	Relationship	Name of the related party
(i)	Holding company	Affle Holdings Pte. Ltd. Singapore
(ii)	Fellow subsidiaries	Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited") Affle Global Pte. Ltd., Singapore (formerly known as "Affle Appstudioz Pte. Ltd., Singapore")
(iii)	Key management personnel	Anuj Kumar (Director) Anuj Khanna Sohum (Chairman, Managing Director & Chief Executive Officer) Kapil Mohan Bhutani (Director, Chief Financial & Operations Officer) Akanksha Gupta (Company Secretary) [till April 30, 2019] Parmita Choudhury (Company Secretary) [w.e.f. June 01, 2019]

(Amount in INR million, unless otherwise stated)

32. Related party disclosures (continued)

(ii) The following table provides the total value of transactions that have been entered into with related parties for the relevant year:

Particulars	Fellow subsidiaries		Holding company	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Reimbursement of expenses by the Group				
Affle Holdings Pte. Ltd., Singapore	0.19	15.99	-	-
Reimbursement of expenses to the Group				
Affle Holdings Pte. Ltd., Singapore	-	-	121.91	77.93
Affle Global Pte. Ltd., Singapore	6.88	16.13	-	-
Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	-	0.03	-	-
Rendering of service*				
Affle Holdings Pte. Ltd., Singapore	-	-	13.38	-
Affle Global Pte. Ltd., Singapore	1.57	-	-	-
Other expenses				
Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	48.33	-	-	-
Affle Holdings Pte. Ltd., Singapore	-	-	7.51	-
Affle Global Pte. Ltd., Singapore	2.09	-	-	-
Short-term borrowings				
Affle Holdings Pte. Ltd., Singapore	-	-	376.93	-
Affle Global Pte. Ltd., Singapore	128.16	-	-	-
Long-term borrowings				
Affle Holdings Pte. Ltd., Singapore	-	-	233.70	-
Affle Global Pte. Ltd., Singapore	45.23	-	-	-

Transaction with key management personnel

Particulars	March 31, 2020	March 31, 2019
Compensation paid:**		
Anuj Kumar		
Short-term employee benefits	11.63	11.37
Share based payments	-	(3.23)
Kapil Mohan Bhutani		
Short-term employee benefits	9.30	8.12
Share based payments	-	(0.24)
Parmita Choudhury (w.e.f. June 01, 2019)		
Short-term employee benefits	0.71	-
Akanksha Gupta (till April 30, 2019)		
Short-term employee benefits	0.15	1.24
Anuj Khanna Sohum		
Short-term employee benefits	0.25	0.25

* Includes other income of INR 2.77 million (March 31, 2019: Nil).

** The remuneration to the key management personnel does not include the director sitting fees, provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. Also, it does not include provision for incentives, payable on the basis of actual performance parameters, in next year.

(iii) Balances as at the year end

Particulars	Fellow subsidiaries		Holding Company	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Trade receivables				
Affle Global Pte. Ltd., Singapore	0.22	10.41	-	-
Other current financial assets				
Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	-	0.03	-	-
Affle Global Pte. Ltd., Singapore	0.02	-	-	-
Affle Holdings Pte. Ltd., Singapre	-	-	0.04	2.67
Long-term borrowings				
Affle Holdings Pte. Ltd., Singapre	-	-	241.23	69.17
Short-term borrowings				
Affle Holdings Pte. Ltd., Singapre	-	-	233.70	20.75
Affle Global Pte. Ltd., Singapore	45.23	-	-	-
Trade payables				
Affle X Private Limited (formerly known as "OOO Marketplaces Private Limited")	28.74	-	-	-
Other current financial liabilities				
Affle Global Pte. Ltd., Singapore	-	33.57	-	-

Particulars	Key management personnel	
	March 31, 2020	March 31, 2019
Payable to key management personnel:		
Akanksha Gupta (till April 30, 2019)		
Other Payable	-	-
Salary payable	-	0.08
Parmita Choudhury (w.e.f. June 01, 2019)		
Salary payable	0.07	-
Anuj Kumar		
Other Payable	-	0.20
Salary payable	0.73	0.16
Kapil Mohan Bhutani		
Other Payable	-	0.04
Salary payable	0.65	0.34
Anuj Khanna Sohum		
Salary payable	0.02	0.02

No amount has been written off or written back in the year in respect of debts due from/to above related parties.

Terms and conditions of transactions with related parties

The sale and purchase from related parties are made on terms equivalent to those that prevail in arm's length transaction. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2020 and March 31, 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(Amount in INR million, unless otherwise stated)

33. Segment information

The Group's operations pre-dominantly relate to providing mobile advertising services through consumer intelligence platforms.

The Board of Directors, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Group’s performance and allocates resources based on the analysis of the various performance indicators of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirements of Ind AS 108 "Operating Segments".

Geographical information

In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets, which have been based on the geographical location of the assets.

Year ended and as at March 31, 2020

Particulars	India	Outside India	Total
Revenue from contracts with customers			
Sales to external customers	1,576.23	1,761.60	3,337.83
Other segment information			
Non-current assets (other than financial assets and deferred tax asset)	318.31	1,357.38	1,675.69
Capital expenditure:			
Property, plant and equipment	31.62	(24.08)	7.54
Intangible assets	57.26	(496.94)	(439.68)

Year ended and as at March 31, 2019

Particulars	India	Outside India	Total
Revenue from contracts with customers			
Sales to external customers	1,088.55	1,405.42	2,493.97
Other segment information			
Non-current assets (other than financial assets and deferred tax asset)	253.62	337.31	590.93
Capital expenditure:			
Property, plant and equipment	6.31	0.68	6.99
Intangible assets	47.28	(195.95)	(148.67)

Information about major customers

The Group had one and two customers that each contributed more than 10% of the Group's revenue from contracts with customers for the year ended March 31, 2020 and March 31, 2019 respectively. The total amount of revenue from contracts with these customers for the year ended March 31, 2020 was INR 491.65 million (March 31, 2019: INR 1,068.35 million).

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(Amount in INR million, unless otherwise stated)

34. Statement of fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars	Carrying value		Fair value	
	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets				
A. FVTPL financial instruments:				
Investments	0.26	0.26	0.26	0.26
B. Amortised Cost:				
Loans	47.39	11.57	47.39	11.57
Trade receivables	744.35	478.83	744.35	478.83
Cash and cash equivalents	695.90	206.08	695.90	206.08
Other bank balances	568.81	98.83	568.81	98.83
Other financial assets	10.40	29.03	10.40	29.03
Total	**2,067.11**	**824.60**	**2,067.11**	**824.60**
Financial liabilities				
Amortised Cost:				
Borrowings	637.84	89.92	637.84	89.92
Trade payables	750.18	517.11	750.18	517.11
Other financial liabilities	187.92	198.75	187.92	198.75
Total	**1,575.94**	**805.78**	**1,575.94**	**805.78**

The management assessed that cash and cash equivalents, other bank balances, trade receivables, borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Further, the subsequent measurements of all assets and liabilities (other than investments) is at amortised cost, using effective interest rate (EIR) method.

The following methods and assumptions were used to estimate the fair values:

Receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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(Amount in INR million, unless otherwise stated)

35. Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
FVTPL financial instruments:					
Investments	March 31, 2020	0.26	-	0.26	-
		0.26	**-**	**0.26**	**-**
Assets measured at FVTOCI	March 31, 2020	-	-	-	-
Liabilities measured at FVTPL	March 31, 2020	-	-	-	-
Liabilities measured at FVTOCI	March 31, 2020	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2020.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
FVTPL financial instruments:					
Investments	March 31, 2019	0.26	-	0.26	-
		0.26	**-**	**0.26**	**-**
Assets measured at FVTOCI	March 31, 2019	-	-	-	-
Liabilities measured at FVTPL	March 31, 2019	-	-	-	-
Liabilities measured at FVTOCI	March 31, 2019	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2019.

Valuation technique used to derive fair values
The Group's unquoted instruments is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

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(Amount in INR million, unless otherwise stated)

36. Financial risk management objectives and policies

The Group's principal financial liabilities comprise of borrowings, trade payables, lease liabilities and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalent that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is responsible to ensure that Group's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a. Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market price.

(i) 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 does not use derivative financial instruments such as forward exchange contracts or options to hedge its risk associated with foreign currency fluctuations or for trading/speculation purpose.

The amount of foreign currency exposure not hedged by derivative instruments or otherwise is as under:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Foreign currency	Amount in INR	Foreign currency	Amount in INR
Trade payables				
USD	1.51	113.62	0.75	51.57
SGD	0.09	4.81	0.03	1.50
AED	0.00	0.09	-	-
MYR	-	-	0.04	0.76
Other financial liabilities				
EURO	1.64	136.23	-	-
Contract liabilities				
USD	0.03	2.26	0.02	1.15
Trade receivables				
USD	0.80	60.43	0.82	56.52
SGD	0.13	6.92	0.10	5.16
MYR	3.77	65.18	1.06	18.07
EURO	0.01	0.80	0.34	26.12
CAD	0.02	1.01	0.00	0.09
GBP	0.22	20.46	-	-
Cash and cash equivalents				
USD	0.48	36.11	0.55	37.70
AED	0.11	2.26	-	-
SGD	0.08	4.23	-	-
GBP	0.00	0.28	-	-

The following table demonstrate the sensitivity to a reasonable possible change in exchange rates on profit before tax arising as a result of the revaluation of the Group's foreign currency financial assets and unhedged liabilities.

Particulars	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity
	For the year ended March 31, 2020		For the year ended March 31, 2019	
Effect of 10% strengthening of INR against USD*	1.93	1.93	(4.19)	(4.19)
Effect of 10% strengthening of INR against SGD*	(0.63)	(0.63)	(0.37)	(0.37)
Effect of 10% strengthening of INR against MYR*	(6.52)	(6.52)	(1.73)	(1.73)
Effect of 10% strengthening of INR against EURO*	13.54	13.54	(2.61)	(2.61)
Effect of 10% strengthening of INR against CAD*	(0.10)	(0.10)	(0.01)	(0.01)
Effect of 10% strengthening of INR against AED*	(0.22)	(0.22)	-	-
Effect of 10% strengthening of INR against GBP*	(2.07)	(2.07)	-	-
Effect of 10% weakening of INR against USD**	(1.93)	(1.93)	4.19	4.19
Effect of 10% weakening of INR against SGD**	0.63	0.63	0.37	0.37
Effect of 10% weakening of INR against MYR**	6.52	6.52	1.73	1.73
Effect of 10% weakening of INR against EURO**	(13.54)	(13.54)	2.61	2.61
Effect of 10% weakening of INR against CAD**	0.10	0.10	0.01	0.01
Effect of 10% weakening of INR against AED**	0.22	0.22	-	-
Effect of 10% weakening of INR against GBP**	2.07	2.07	-	-

* Figures in bracket signifies credit to consolidated statement of profit and loss.
** Figures in bracket signifies debit to consolidated statement of profit and loss.

b. Interest risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has availed term loans for a limited time and has fulfilled its interest obligation without any default. The Group does not foresee any significant exposure due to change in interest rate.

c. Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions.

A counterparty whose payment is due more than 90 days after the due date is considered as a defaulted party. This is based on considering the market and economic forces in which the Group operates. The Group write-off the amount if the credit risk of counter-party increases significantly due to its poor financial position.

All the financial assets carried at amortised cost were into good category except some portion of trade receivables considered under doubtful category (Refer Note 10).

(Amount in INR million, unless otherwise stated)

36. Financial risk management objectives and policies (continued)

Trade receivables and contract asset
Trade receivables and contract assets are typically unsecured. Credit risk is managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Group is exposed to credit risk in the event of non-payment by customers. An impairment analysis is performed at each reporting date. The estimate is based on lifetime expected credit losses and is reassessed periodically. Trade receivables disclosed in note 10 include amounts which are past due at the reporting date but against which the Company has not recognized an allowance for doubtful receivables because the amount are still considered recoverable.

The ageing analysis of trade receivables as of the reporting date is as follows:

Trade receivables as at	Particulars	0-90 days	90-180 days	180-360 days	1-2 year	2-3 year	> 3 year	Total
March 31, 2020	Gross carrying amount	617.48	93.76	30.65	41.90	10.19	18.83	**812.81**
March 31, 2019	Gross carrying amount	448.31	38.77	11.90	4.53	7.25	4.02	**514.78**

The Group has provision of INR 68.46 million (March 31, 2019: INR 35.95 million) for doubtful debts.

The ageing analysis of contract asset (gross) as of the reporting date is as follows:

Contract asset as at	Particulars	0-90 days	90-180 days	180-360 days	1-2 year	2-3 year	> 3 year	Total
March 31, 2020	Gross carrying amount	190.15	10.67	0.32	-	-	-	**201.14**
March 31, 2019	Gross carrying amount	134.26	-	-	-	-	-	**134.26**

The Group has provision of INR 2.39 million (March 31, 2019: INR 2.39 million) for contract assets.

Reconciliation of impairment allowance on trade receivables and contract asset

Particulars	March 31, 2020	March 31, 2019
Opening impairment allowance	38.34	25.30
Add: Asset originated	21.52	13.04
Acquired during business combination (Refer Note 40)	23.63	-
Less: write-offs (net of recovery)	(12.64)	-
Closing impairment allowance	**70.85**	**38.34**

None of those trade receivables past due or impaired have had their terms renegotiated. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables presented in the financial statement. The Group does not hold any collateral or other credit enhancements over balances with third parties nor does it have a legal right of offset against any amounts owed by the Group to the counterparty. For receivables which are overdue the Group has subsequently received payments and has reduced its overdue exposure.

Financial instruments and cash deposits
Credit risk from balances with banks is managed by the Group’s treasury department in accordance with the Group’s policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group’s Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group’s finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty’s potential failure to make payments.

d. Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group monitors their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations. The Group’s objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner.

A balance between continuity of funding and flexibility is maintained through the use of borrowings. The Group also monitors compliance with its debt covenants. The maturity profile of the Group’s financial liabilities based on contractual undiscounted payments is given in the table below:

Particulars	Contractual undiscounted value	0-1 year	1-2 years	2-5 years	More than 5 years
As at March 31, 2020					
Borrowings	637.84	357.24	280.60	-	-
Trade payables	750.18	745.40	2.64	2.14	-
Lease liabilities	37.17	17.09	15.10	4.98	-
Other financial liabilities	187.92	70.34	117.58	-	-
	1,613.11	**1,190.07**	**415.92**	**7.12**	**-**
As at March 31, 2019					
Borrowings	89.92	20.75	69.17	-	-
Trade payables	517.11	517.11	-	-	-
Other financial liabilities	198.75	198.75	-	-	-
	805.78	**736.61**	**69.17**	**-**	**-**

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(Amount in INR million, unless otherwise stated)

37. Capital management

The Board's policy maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

For the purpose of the Group's capital management, capital includes issued equity capital general reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. The Group's policy is to keep the gearing ratio between 0% and 50%.

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Borrowings [Note 15]	637.84	89.92
Trade payables [Note 16]	750.18	517.11
Other financial liabilities [Note 17]	187.92	198.75
Less: Cash and cash equivalents [Note11]	(695.90)	(206.08)
Net debts	**880.04**	**599.70**
Total capital	2,291.59	724.05
Capital and net debt	3,171.63	1,323.75
Gearing ratio (%)	**28%**	**45%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year.

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(Amount in INR million, unless otherwise stated)

38. Share-based payments

Affle Holdings Pte. Ltd., Singapore (AHPL), the holding company, had certain stock options plans which entitled the employees of the group, the option to purchase shares of AHPL at the exercise date.

Description of the plan

Share options were granted to key management at the absolute discretion of the Compensation Committee of the Board of Directors under the Affle Employee Share Option Scheme and Affle Restricted Share Plan, which became operative on June 18, 2009.

The option were vesting at the rate of one-fourth (1/4) per year starting on every one-year anniversary from the grant date. Vesting of the options granted under the Scheme is conditional on:
(i) the key management or employee remaining in the Group at grant date
(ii) atleast 30% year on year revenue growth of AHPL

Once the options were vested, they are exercisable for a period of ten years. The options may be exercised in full or in part, to purchase a whole number of vested shares not less than 100 shares, unless the number of shares subscribed is the total number available for subscription under the option.

The details of the plan is as follows:

Date of grant	January 15, 2010	May 31, 2011	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016
Exercise price	41.09	62.35	105.40	137.55	132.09	154.96
Options granted	1,042,500	236,250	203,250	30,000	57,000	57,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Validity	10 years	10 years	10 years	10 years	10 years	10 years
Vesting schedule	25% of the options vest every year from the respective grant dates up to the 4th year					

On July 11, 2018, the Annual General Meeting of Affle Holdings Pte. Ltd (AHPL) was held in which resolution for the forfeiture of all the vested, unvested and unexercised options under Affle Employee Share Option Scheme (ESOS) and Affle Restricted Share Plan (RSU) for years 2008 to 2018 was passed with immediate effect as the vesting conditions relating to options was not met.

Subsequently on July 12, 2018 the employees who were granted ESOS - RSU options signed the waiver letter with regards to their unexercised options right.
Accordingly, as per the provisions of Ind AS 102 Share Based Payments, the expense previously recognised for the unvested options was reversed in the previous year.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Particulars	March 31, 2020		March 31, 2019	
	Number	WAEP	Number	WAEP
Outstanding at the beginning	**-**	**-**	**1,276,250**	**55.71**
Granted during the year	-	-	-	-
Forfeited during the year	-	-	(1,276,250)	(55.71)
Exercised during the year	-	-	-	-
Exercisable at the end	**-**	**-**	**-**	**-**

The expenses arising from equity settled share based payment transactions in the year ended March 31, 2020 was Nil (March 31, 2019: INR (1.29) million).
The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 and March 31, 2019 was Nil years.
The range of exercise prices for options outstanding as at March 31, 2020 and March 31, 2019 was Nil.

The following table lists the inputs to the models used for the plan:

Particulars	January 15, 2010	May 31, 2011	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	85.0 - 86.8	80	78.4 - 84.2	75.1 - 79.3	75.1 - 79.3	66.1 - 68.9
Risk free interest rate (%)	2.6 - 3.2	2.7 - 3.3	0.9 - 12	1.8 - 2.0	1.8 - 2.0	1.8 - 2.0
Expected life of share options (years)	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10
Weighted average share price (INR)	36.09	28.40	47.29	16.78	42.37	82.13
Model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes

The expected life of the share options was based on historical data and current expectations and was not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Restricted share plan
Under Affle Restricted Share Plan, the employee was not required to pay for the grant of the awards. Awards were forfeited when either of the vesting conditions as stated above is not met.

The details of the plan is as follows:

Date of grant	April 1, 2015	April 1, 2016
Options granted	166,428	260,000
Vesting period	10 years	10 years
Method of settlement	Equity	Equity
Share price (INR)	42.96	82.39

Movements during the year

Particulars	March 31, 2020	March 31, 2019
	Number	Number
Outstanding at the beginning of the year	**-**	**316,055**
Granted during the year	-	-
Forfeited during the year	-	(316,055)
Exercised during the year	-	-
Outstanding at the end of the year	**-**	**-**

The expenses arising from equity settled share based payment transactions was Nil (March 31, 2019: INR (4.29) million).
The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 and March 31, 2019 was Nil years.

(Amount in INR million, unless otherwise stated)

39. Dues to micro and small enterprises as defined under the MSMED Act, 2006

In term of the requirement of the Micro, Small and Medium Enterprise Development Act, 2006, the Group has continuously sought confirmations. Based on the information available with the Group, there is following principal amount due to micro and small enterprises.

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	6.85	-
- Interest due thereon	-	-
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	Nil	Nil
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	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
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	Nil	Nil

Note:
The above table is as certified by the management.

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40. Business combination

40.1 Business combinations under non common control entities

(i) Acquisition of Mediasmart Mobile S.L., Spain

Affle International Pte. Ltd., Singapore ("Affle International"), a wholly owned Subsidiary of the Company has acquired 100% control in Mediasmart Mobile S.L., Spain ("Mediasmart"), vide Share purchase Agreement dated February 28, 2020, for a consideration of INR 373.94 million w.e.f. January 22, 2020. Also, Affle MEA FZ-LLC, Dubai ("Affle MEA"), a step down subsidiary of the Company has entered into an Assets Purchase Agreement dated February 27, 2020, to acquire all Tech IP assets of Mediasmart for a consideration of INR 27.11 million. The total purchase consideration transferred is INR 401.05 million

Affle International had obtained control by virtue of a legally enforceable MoU entered between Affle International and shareholders of Mediasmart dated January 22, 2020. However, as per Ind AS 110, the consolidation has been done effective January 1, 2020 for convenience, being start of the month and quarter, as the date of acquisition.

Affle International and its subsidiary - Affle MEA FZ-LLC, Dubai acquired Mediasmart so as to continue the expansion of the consumer platform segment and omnichannel platform.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Mediasmart as at the date of acquisition were:

Fair value recognised on acquisition	**INR million**
Total Assets acquired	187.58
Total Liabilities acquired	267.89
Total net assets at fair value	**(80.31)**
Total identifiable net assets	
- Non-compete	19.66
- Other intangible assets	27.11
Goodwill arising on acquisition	434.59
Purchase consideration transferred	**401.05**

a) A contingent liability at fair value of INR 7.10 million was recognised at the acquisition date resulting from the settlement of pre-existing relationship with some vendors.

b) As at March 31, 2020, Mediasmart has negative working capital of INR 43.70 million and uncertainty in utilisation of tax credit of INR 30.29 million due to which the auditors of Mediasmart have included an emphasis of matter in their audit report on going concern presumption, the resolution of which depends on the financial support of parent and compliance with the business plan. In this regards Affle International has provided the parent support letter to Mediasmart and the Group has not recognised tax credits in the consolidated financial statements.

c) The goodwill and assets identified in case of above acquisition is based on provisional purchase price allocation ("PPA") available with Affle International and its subsidiary. The management of Affle International and its subsidiary shall be using the services of an external expert to carry out a detailed PPA of the purchase consideration paid / payable to the shareholders of Mediasmart. Adjustment, resulting from such PPA shall be carried out in the financial statements of Affle International and its subsidiary. Consequently, the values of assets and liabilities acquired, and the resultant goodwill could be materially different once the PPA valuation is completed. The forgoing is in line with the provisions of Ind AS 103 Business Combinations which allows the initial accounting for a business combination to be completed within one year from the acquisition date.

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40. Business combination

40.1 Business combinations under non common control entities (continued)

(i) Acquisition of Mediasmart Mobile S.L., Spain (continued)

Analysis of cash flow on acquisition:	**INR million**
Transaction costs of the acquisition (included in cash flows from operating activities)	2.48
Consideration paid in cash (included in cash flows from investing activities)	345.13
Net assets acquired of Mediasmart (included in cash flows from investing activities)	(80.31)
Consideration payable in cash	136.23
Net cash flow on acquisition	**403.52**

Acquisition related costs

Affle International has incurred acquisition-related costs of INR 2.48 million on legal fees and due diligence costs. These costs have been recognised as an expense in statement of profit or loss in the current year, within the 'other expenses' line item.

Contingent consideration

As part of the Share Purchase Agreement signed between Affle International and shareholders of Mediasmart, a contingent consideration of INR 98.03 million has been agreed. The amount of contingent consideration is included in the total purchase consideration mentioned above and shall be payable to the shareholders of Mediasmart upon meeting the earning targets.

As at March 31, 2020, the key performance indicators of Mediasmart reflects highly probability that the projected event linked to payment of contingent consideration will be met and hence the fair value of the contingent consideration has been estimated to be INR 98.03 million.

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40. Business combination (continued)

40.1 Business combinations under non common control entities (continued)

(ii) Acquisition of identified business of Shoffr Pte. Ltd.

Effective February 19, 2019, Affle International Pte Ltd., Singapore ("Affle International"), wholly owned subsidiary of the Company acquired the Business ("Identified Business") of Shoffr Pte. Ltd. ("Shoffr") for a consideration of INR 41.46 million. Affle International acquired the Identified Business of Shoffr so as to grow the Group's omnichannel platform and strengthen the consumer and enterprise platform segment.

Assets acquired and liabilities assumed

a) Affle International acquired intangible assets of the Identified Business including the Intellectual Properties, domain name, business relationships, employees and non-compete, the book value of which was Nil on the date of acquisition. The management of Affle International has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of Shoffr. Pursuant to such PPA valuation, conducted by an independent expert, it was concluded that there were no identifiable intangible assets which would meet the recognition criteria and hence the entire consideration of INR 41.46 million has been allocated to Goodwill. The accounting for this business combination has been finalised as at date of the financial statements.

Analysis of cash flow on acquisition:	**INR million**
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Consideration paid in cash (included in cash flows from investing activities)	41.46
Net cash flow on acquisition	**41.46**

b) Pursuant to the business purchase agreement dated February 19, 2019, INR 7.5 million was payable after 3rd year of successful integration and performance of Shoffr business undertaking on February 19, 2022. This was recorded as a shareholder liability in the books in the previous year. In the current year, the above deferred consideration has been waived off by the shareholders through a mutual settlement with Affle International owing to negotiations and exit of one of the shareholders. As the deferred consideration was not contingent upon any future event and that there was no conditions existing on the date of acquisition which substantiates that this consideration will not be payable as on the respective due date or as at the year ended March 31, 2020, it has been recorded as other income in the financial statements.

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40. Business combination (continued)

40.1 Business combinations under non common control entities (continued)

(iii) Acquisition of identified business of RevX Inc.

Effective April 1, 2019, Affle International Pte. Ltd., Singapore ("Affle International"), wholly owned subsidiary of the Company acquired the Business ("Identified Business") of RevX Inc. ("RevX") for a consideration of INR 339.24 million. Affle International acquired the Identified Business of RevX so as to continue the expansion of the consumer platform segment.

Assets acquired and liabilities assumed

Affle International has acquired the intangible assets of Identified Business of RevX namely the Intellectual Properties, domain name, business relationships and non-compete whose book value as on the date of acquisition was Nil. The management of Affle International has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of RevX. Pursuant to such PPA valuation, conducted by an independent expert, the net consideration of INR 339.24 million have been allocated, based on the fair value computations, at the acquisition date, as an intangible asset, arising from this acquisition. The accounting for this business combination has been finalised as at date of the financial statements.

The following table summarises the recognised amounts of assets acquired at the date of acquisition:

Fair value recognised on acquisition	INR million
Assets	
Software Application Development (Technology)	51.01
Total identifiable net assets	**51.01**
Goodwill arising on acquisition	288.23
Purchase consideration	**339.24**

Analysis of cash flow on acquisition:	INR million
Transaction costs of the acquisition (included in cash flows from operating activities)	0.90
Consideration paid in cash (included in cash flows from investing activities)	339.24
Net cash flow on acquisition	**340.14**

Acquisition related costs

Affle International has incurred acquisition-related costs of INR 0.90 million on legal fees and due diligence costs. These costs have been recognised as an expense in statement of profit or loss in the current year, within the 'other expenses' line item.

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40. Business combination (continued)

40.1 Business combinations under non common control entities (continued)

(iv) Acquisition of identified business of Vizury Interactive Solutions Private Limited

On September 1, 2018, Affle (India) Limited ("the Company") acquired the Commerce Business ("Identified Business") of Vizury Interactive Solutions Private Limited ("Vizury India") for a consideration of INR 106.44 million (equivalent to USD 1.50 million at the exchange rate of USD1= INR 70.96) minus profit after tax of Vizury India for the period May 15, 2018 to August 31, 2018 of INR 21.37 million (equivalent to USD 0.30 million at the exchange rate of USD1= INR 70.96).

The Company acquired the Identified Business of Vizury India so as to continue the expansion of the consumer platform segment.

Assets acquired and liabilities assumed

The Company, in the previous year, based on provisional purchase price allocation recorded intangible assets amounting to INR 85.07 million out of which goodwill computed was of INR 75.14 million. The initial accounting of the business combination was finalised as at the date of the previous year's financial statement.

In the current year, the management of the Company has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of Vizury India. Pursuant to such PPA valuation, conducted by an independent expert, the net consideration of INR 85.07 million have been allocated, based on the fair value computations, at the acquisition date, as an intangible asset, arising from this acquisition. Based on the PPA information obtained, the fair value of the identifiable net asset arising from the transaction are as follows:

Fair value recognised on acquisition	INR million
Assets	
Software Application Development (Technology)	9.93
Total identifiable net assets	**9.93**
Goodwill arising from acquisition	75.14
Purchase consideration	**85.07**

Analysis of cash flow on acquisition:	INR million
Transaction costs of the acquisition (included in cash flows from operating activities)	1.02
Consideration paid in cash (included in cash flows from investing activities)	85.07
Net cash flow on acquisition	**86.09**

Acquisition related costs

The Company had incurred acquisition-related costs of INR 1.02 million on legal fees and due diligence costs. These costs have been recognised as an expense in statement of profit or loss in the previous year, within the 'other expenses' line item.

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40. Business combination (continued)

40.1 Business combinations under non common control entities (continued)

(v) Acquisition of identified business of Vizury Interactive Solutions Pte. Ltd. and Vizury Interactive Solutions FZ-LLC

On September 1, 2018, Affle International Pte. Ltd., Singapore ("Affle International"), wholly owned subsidiary of the Company acquired the Commerce Business ("Identified Business") of Vizury Interactive Solutions Pte. Ltd. ("Vizury Singapore") and Vizury Interactive Solutions FZ-LLC ("Vizury Dubai") for a consideration of INR 207.51 million.

Affle International acquired the Identified Business of Vizury Singapore and Vizury Dubai so as to continue the expansion of the consumer platform segment.

Assets acquired and liabilities assumed

Affle International, in the previous year, based on provisional purchase price allocation recorded intangible assets amounting to INR 207.51 million out of which goodwill computed was of INR 190.91 million. The initial accounting of the business combination was finalised as at the date of the previous year's financial statement.

In the current year, the management of the Affle International has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of Vizury Singapore and Vizury Dubai. Pursuant to such PPA valuation, conducted by an independent expert, the net consideration of INR 207.51 million have been allocated, based on the fair value computations, at the acquisition date, as an intangible asset, arising from this acquisition. Based on the PPA information obtained, the fair value of the identifiable net asset arising from the transaction are as follows:

Fair value recognised	**INR million**
Assets	
Software Application Development (Technology)	16.60
Total identifiable net assets	**16.60**
Goodwill arising on acquisition	190.91
Purchase consideration	**207.51**

Analysis of cash flow on acquisition:	**INR million**
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Consideration paid in cash (included in cash flows from investing activities)	207.51
Net cash flow on acquisition	**207.51**

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40. Business combination (continued)

40.2 Business combinations under common control

(i) Acquisition of business of Affle Global Pte. Ltd. and investment in PT Affle Indonesia, Indonesia

Affle International Pte. Ltd., Singapore ("Affle International"), a wholly owned subsidiary of Affle (India) Limited (the "Company"), entered into an agreement with Affle Global Pte. Ltd. ("AGPL") on July 14, 2018, pursuant to which Affle International acquired the AGPL's Platform based business ("Platform Business Undertaking") and investments in PT Affle Indonesia, Indonesia effective July 1, 2018 for a consideration of INR 131.90 million (equivalent to USD 1,906,792 at the exchange rate of USD1= INR 69.1713). The transfer of the business includes:

- Intellectual Properties ("IP") Rights
- Business relationship
- Technical information including Tech and Data Assets, including three US patents
- Employees
- Non-compete
- AGPL's investment in its 100% subsidiary PT Affle Indonesia, Indonesia

Assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired at the date of acquisition:

Fair value recognised on acquisition	**INR million**
Assets	
Intangible assets of AGPL	131.81
Investment in PT Affle Indonesia, Indonesia	0.09
Total identifiable net assets	**131.90**
Capital reserve arising on acquisition	-
Purchase consideration	**131.90**

Book Value of Asset and Liabilities	**INR million**
Total Asset Acquired	93.46
Less: Total Liability Acquired	(88.83)
Less: Retained earnings (accumulated loss) taken at book value	21.17
Net Amount	**25.80**
Purchase Consideration Paid	0.09
Capital reserve	**25.71**

Analysis of cash flow on acquisition:	**INR million**
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Consideration paid in cash (included in cash flows from investing activities)	131.90
Consideration payable in cash	-
Net cash flow on acquisition	**131.90**

The Group's acquisition of business from AGPL was considered to be a business combination under common control as AGPL and the Group are both ultimately controlled by Affle Holdings Pte. Ltd. The Group had adopted pooling of interest method in respect of the acquisition of business combination under common control as prescribed in Appendix C to Ind AS 103 "Business combinations of entities under common control".

As such, the consolidated financial statements as at and for the year ended March 31, 2019 incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the beginning of the earliest financial years presented.

As Affle International had not acquired any assets except the intangible asset and the equity interests in PT Affle Indonesia, Indonesia as on July 01, 2018, the profits attributable to AGPL for the period April 01, 2018 to June 30, 2018; amounting to INR 59.94 million, have been adjusted from consolidated profit for the year ended March 31, 2019 under other equity. The same have been disclosed as cash flows from investing activities for the year ended March 31, 2019.

Transaction costs incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination have been recognised as an expense in the year in which it is incurred.

40. Business combination (continued)

40.2 Business combinations under common control (continued)

(ii) Scheme of amalgamation in accordance with previous GAAP

During the year ended March 31, 2017, the Holding Company has merged its fellow subsidiaries i.e. AD2C Holdings, AD2C India, Appstudioz Technologies into one merged entity, Affle India Limited (formerly known as "Affle (India) Private Limited") under the court approved scheme of amalgamation in accordance with erstwhile applicable previous GAAP.

Business combination under common control has been accounted for using purchase method in accordance with previous GAAP as prescribed under court scheme instead of using pooling interest method as prescribed under Ind AS 103. Business Combinations as the approved court scheme will prevail over applicable accounting standard.

Accordingly, the Scheme was accounted for using purchase method in accordance with erstwhile applicable Accounting Standard 14 "Accounting for Amalgamations". All the assets and liabilities of the Transferor Companies have been incorporated at fair values as at April 1, 2015 against the purchase consideration of INR 84.64 million which resulted in the Goodwill on amalgamation of amounting INR 59.24 million.

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40. Business combination (continued)

Impairment testing of Goodwill

Goodwill acquired through business combinations have indefinite life. The Group performed its impairment test for the year ended March 31, 2020. The Group considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a period of five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Group has extrapolated cash flows beyond 5 years using a growth rate of 2%.

The said cash flow projections are based on the senior management past experience as well as expected market trends for the future periods. The projected cash flows have been updated to reflect the decreased demand for services. The calculation of weighted average cost of capital (WACC) is based on the Group's estimated capital structure as relevant and attributable to the Group. The WACC is also adjusted for specific risks, market risks and premium, and other inherent risks associated with similar type of investments to arrive at an approximation of the WACC of a comparable market participant. The said WACC being pre-tax discount rates reflecting specific risks, are then applied to the above mentioned projections of the estimated future cash flows to arrive at the discounted cash flows. The discount rate used in 10%.

Discount rates represent the market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its WACC.

The key assumptions used in the determination of VIU are the revenue annual growth rates and the EBITDA growth rate. Revenue and EBITDA growths are based on average value achieved in preceding years. Also, the growth rates used to extrapolate the cash flows beyond the forecast period are based on industry standards.

Based on the above assumptions and analysis, no impairment was identified as at March 31, 2020. Further, on the analysis of the said calculation's sensitivity to a reasonably possible change in any of the above mentioned key assumptions / parameters on which the Management has based determination of the recoverable amount, there are no scenarios identified by the management wherein the carrying value could exceed its recoverable amount.

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(Amount in INR million, unless otherwise stated)

41. Capitalisation of intangible assets

The Group has capitalized the following expenses of operating nature to the internally developed software. Consequently, the expenses disclosed under the respective heads are net of amounts capitalized by the Group.

Particulars	March 31, 2020	March 31, 2019
Salaries, allowances and bonus	204.34	50.06
Rent	2.89	2.53
Power and fuel	0.10	0.09
Printing and stationery	0.09	0.10
Repairs and maintenance - others	1.04	0.98
Communication	0.27	0.18
Inventory and data costs	48.12	11.11
Total	**256.85**	**65.05**

42. The Group had filed complaint in earlier year with the police department for embezzlement of the Group's car and filed the statement of claims to recover full cost of the Group's car amounting to INR 0.61 million (March 31, 2019: INR 0.61 million). This embezzlement was done by ex- director of the Group, by transferring the Group's car to the name of his father without any form of consent from the Group. Therefore, the Group had written down entire net book value of the Group's car amounting to INR 0.07 million (March 31, 2019: INR 0.10 million) in the books.

43. The Group has appointed independent consultants for conducting a transfer pricing study to determine whether the transactions with associated enterprise were undertaken at "arm length price". The management confirms that all domestic and international transactions with associated enterprises are undertaken at a negotiated contracted price on usual commercial terms and is confident of there being no adjustment on completion of the study. Adjustment, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed.

44. The outbreak of Coronavirus (COVID-19) pandemic globally is causing a slowdown in economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered disruptions to businesses worldwide, resulting in a economic slowdown and uncertainties pertaining to future operations.

The Group has considered the possible effects that may result from COVID 19 on the carrying amount of its assets. In developing the assumptions relating to the possible future uncertainties in the global conditions because of the pandemic, the Group, as on date on approval of these financial statements has used variable informations, as available. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

The impact of COVID 19 may differ from that estimated as at the date of approval of these financial statements. The Group will continue to monitor any material changes to the operations based on future economic conditions.

45. The Company, in the current year, has completed the Initial Public Offering (IPO) of 6,161,073 Equity Shares of Face Value of INR 10 each for cash at a price of INR 745 per Equity Share aggregating to INR 4,590 million comprising a Fresh Issue of 1,208,053 Equity Shares aggregating to INR 900 million and on offer for sale of 4,953,020 Equity Shares aggregating to INR 3,690 million. Pursuant to the IPO, the Equity Shares of the Company got listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on August 8, 2019. Out of the sale proceeds for offer for sale, INR 3,690 million was remitted to Selling shareholders - Affle Holdings Pte. Ltd.

The Company incurred INR 256.66 million as IPO related expenses (inclusive of taxes) which are proportionately allocated between the selling shareholder and the Company. The Company’s share of expenses (net of tax), INR 42.36 million has been adjusted against securities premium.

The Company has charged INR 179.90 million from the selling shareholder towards business support services including their share of IPO expenses, based on the agreement with and indemnity from the selling shareholder for the IPO expenses, being a qualified Export of services under GST Rules. The Company has relied on expert opinion for invoicing to the selling shareholder.

The details of utilization of IPO proceeds - INR 857.64 million, net of IPO expenses of the Company are as follows:

Particulars	Total amount	Utilised upto March 31, 2020	Un-utilised upto March 31, 2020
Funding for working capital requirements	689.35	204.22	485.13
General corporate purposes	168.29	-	168.29
Total	**857.64**	**204.22**	**653.42**

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46. The Group enters into various transaction for purchase and sale of services with overseas vendors and customers. As per the guidelines issued by RBI, payment for all imports in India should be made within a period of 6 months and collection for all exports outisde India should be made within a period of 9 months respectively, unless approved by the Authorized Dealer. As at March 31, 2020; the aggregate amount of payable outstanding for more than 6 months is INR 7.29 million (March 31, 2019: INR 6.55 million) and receivable outstanding for more than 9 months is INR 6.50 million (March 31, 2019: INR 7.17 million). The Group has intimated the Authorised Dealer about the delays in payments/recovery and expects to get relief from any penalties being imposed, once the transaction is completed and has accordingly not provided for any penalties in these financial statements.

47. Previous year comparatives

Previous year figures have been regrouped/reclassified wherever necessary, to confirm to this year's classification and figure for the year ended March 31, 2020.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: New Delhi
Date: May 30, 2020

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. L65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Singapore
Date: May 30, 2020

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: May 30, 2020

Kapil Mohan Bhutani
Director, Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: May 30, 2020

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: New Delhi
Date: May 30, 2020

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

INDEPENDENT AUDITOR'S REPORT

To the Members of Affle (India) Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Affle (India) Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to note 40.1 (ii) to the financial statements, which indicate that business combination under common control has been accounted for using purchase method in accordance with previous GAAP resulting in the recognition of goodwill amounting to Rs. 59.24 Mn as on March 31, 2019 as prescribed under court scheme instead of using pooling interest method as prescribed under Ind AS 103 Business Combinations as the approved court scheme will prevail over applicable accounting standard.

Our opinion is not qualified in respect of this matter.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Director's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors , to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors,

such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter

We did not audit the financial statements and other financial information, in respect of 2 subsidiaries, whose Ind AS financial statements include total assets of 883.70 Mn as at March 31, 2019, and total revenues of 1,416.08 Mn and net cash inflows Rs 111.53 Mn for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures and joint operations in its consolidated Ind AS financial statements - Refer note 31 to the consolidated Ind AS financial statements;

ii. The Group did not have material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended March 31, 2019.

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

per Yogesh Midha
Partner
Membership Number: 94941
Place of Signature: Gurugram
Date: June 29, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AFFLE (INDIA) LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Affle (India) Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Affle (India) Limited (hereinafter referred to as the "Holding Company").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, , have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per **Yogesh Midha**
Partner
Membership Number: 94941
Place of Signature: Gurugram
Date: June 29, 2019

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Consolidated Balance Sheet as at March 31, 2019

Particulars	Notes	As at March 31, 2019	As at March 31, 2018 (Unaudited)
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	7.49	4.49
(b) Goodwill	4	325.29	59.24
(c) Other intangible assets	4	240.20	210.91
(d) Intangible assets under development	4	17.95	-
(e) Financial Assets			
(i) Investments	5	0.26	0.26
(ii) Loans	6	0.80	5.83
(f) Deferred tax asset (net)	8	-	4.94
(g) Other non-current assets	9	-	0.05
Total Non-current assets		**591.99**	**285.72**
II. Current assets			
(a) Contract asset	19	131.87	79.13
(b) Financial Assets			
(i) Trade receivables	10	478.83	166.11
(ii) Cash and cash equivalent	11	206.08	146.36
(iii) Other bank balance other than (ii) above	11	98.83	42.83
(iv) Loans	6	10.77	2.15
(v) Other financial assets	7	29.03	0.16
(c) Current tax asset (net)	12	11.58	26.09
(d) Other current assets	9	23.68	12.24
Total Current assets		**990.67**	**475.07**
Total Assets (I + II)		**1,582.66**	**760.79**
EQUITY AND LIABILITIES			
III. EQUITY			
(a) Equity share capital	13	242.88	242.88
(b) Other equity		481.17	61.77
		724.05	**304.65**
LIABILITIES			
IV. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	69.17	-
(b) Long-term Provisions	14	15.37	11.42
(c) Deferred tax liabilities (net)	8	2.68	-
Total Non-current liabilities		**87.22**	**11.42**
V. Current liabilities			
(a) Contract liabilities	19	6.79	3.42
(b) Financial Liabilities			
(i) Borrowings	15	20.75	-
(ii) Trade payables	16		
- dues of micro and small enterprises		-	-
- others		517.11	270.30
(iii) Other financial liabilities	17	198.75	151.85
(c) Short-term Provisions	14	3.48	1.07
(d) Other current liabilities	18	24.51	18.08
Total Current liabilities		**771.39**	**444.72**
Total Equity and Liabilities (III + IV + V)		**1,582.66**	**760.79**

Summary of significant accounting policies 2

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No. 101049W/E300004

per Yogesh Midha
Partner
Membership No. 94941
Place: Gurugram
Date: June 29, 2019

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. U65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Gurugram
Date: June 29, 2019

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: June 29, 2019

Kapil Mohan Bhutani
Director, Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: June 29, 2019

Parmita Choudhury
Company Secretary
Membership No. 26261
Place: Gurugram
Date: June 29, 2019

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

	Particulars	Notes	For the period ended March 31, 2019	March 31, 2018 (Unaudited)
I	**REVENUE**			
	Revenue from contracts with customers	19	2,493.96	1,672.46
	Other income	20	3.95	4.94
	Total revenue (I)		**2,497.91**	**1,677.40**
II	**EXPENSES**			
	Inventory and data costs	21	1,341.13	858.14
	Employee benefits expense	22	212.27	174.02
	Finance costs	23	8.11	11.99
	Depreciation and amortization expense	24	100.95	82.70
	Other expenses	25	237.45	185.36
	Total expenses (II)		**1,899.91**	**1,312.21**
III	**Profit before tax (I-II)**		**598.00**	**365.19**
IV	**Tax expense:**	8		
	Current tax		102.12	85.44
	Deferred tax		7.67	1.45
	Total tax expense (IV)		**109.79**	**86.89**
V	**Profit for the year (III-IV)**		**488.21**	**278.30**
VI	**Other Comprehensive Income**			
	Items that will be reclassified to profit or loss in subsequent period			
	Exchange differences on translation of foreign operations		(3.11)	(2.11)
			(3.11)	**(2.11)**
	Items that will not be reclassified to profit or loss in subsequent period			
	Re-measurement losses on defined benefit plans	26	(0.25)	(0.12)
	Income tax effect		0.07	0.04
			(0.18)	**(0.08)**
	Other Comprehensive Income / (loss) net of tax		**(3.29)**	**(2.19)**
VII	**Total Comprehensive Income for the year attributable to the equity holders of the parent**		**484.92**	**276.11**
VIII	Earnings per equity share			
	(1) Basic	27	20.10	11.46
	(2) Diluted	27	20.10	11.46

Summary of significant accounting policies 2

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No. 101049W/E300004

per Yogesh Midha
Partner
Membership No. 94941
Place: Gurugram
Date: June 29, 2019

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. U65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Gurugram
Date: June 29, 2019

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: June 29, 2019

Kapil Mohan Bhutani
Director, Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: June 29, 2019

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: Gurugram
Date: June 29, 2019

(Amount in INR million, unless otherwise stated)

Consolidated Statement of Cash Flows for the year ended March 31, 2019

	Particulars	For the year ended March 31, 2019	March 31, 2018 (Unaudited)
A	**Cash Flow from Operating Activities**		
	Profit Before Tax	598.00	365.19
	Adjustments to reconcile Profit Before Tax to net cash flow :		
	Depreciation and amortization expense	100.95	82.70
	Allowance for impairment of trade receivables and contract asset	10.56	14.12
	Employee share based payment expense	(5.58)	3.69
	Loss on Property, plant and equipment and intangible assets (net)	-	0.06
	Interest income	(3.75)	(3.12)
	Interest expense	6.12	10.24
	Unrealised foreign currency restatement adjustment	(3.11)	(2.11)
	Advances given written off	0.08	3.26
	Operating profit before working capital changes	**703.27**	**474.03**
	Working capital adjustments :		
	(Increase)/decrease in contract asset	(51.26)	(41.68)
	(Increase)/decrease in trade receivables	(323.28)	(44.93)
	(Increase)/decrease in financial assets	(31.49)	(1.35)
	(Increase)/decrease in other assets	(11.47)	12.49
	Increase/(decrease) in contract liability	3.37	(2.86)
	Increase/(decrease) in trade payables	245.89	111.14
	Increase/(decrease) in other financial liabilities	17.88	(24.91)
	Increase/(decrease) in other liabilities	6.43	5.46
	Increase/(decrease) in provisions	6.11	1.90
	Net cash generated from operations	**565.45**	**489.29**
	Income tax paid (net of refunds)	(87.59)	(70.56)
	Net cash flow generated from operating activities (A)	**477.86**	**418.73**
B	**Cash Flow from Investing Activities:**		
	Purchase of property, plant & equipment, intangible assets including capital work in progress	(151.10)	(91.78)
	Investment made for the acquisition of businesses	(238.11)	-
	Profit adjustment on account of business combination (Refer Note 40)	(59.94)	(184.41)
	Proceeds from sale of property, plant and equipment and intangible assets	0.02	0.04
	Purchase of non-current investments	-	(0.06)
	Investments in bank deposits (having original maturity of more than three months)	(55.59)	(13.25)
	Interest received on bank deposits	2.78	3.04
	Net cash flow used in investing activities (B)	**(501.94)**	**(286.42)**
C	**Cash Flow from Financing Activities:**		
	Interest paid	(6.12)	(10.24)
	Proceeds from borrowings	89.92	(33.60)
	Net cash flow generated from / (used in) financing activities (C)	**83.80**	**(43.84)**
	Net change in cash and cash equivalent (A+B+C)	59.72	88.47
	Cash and cash equivalent as at the beginning of year	146.36	57.89
	Cash and cash equivalent as at the end of year	**206.08**	**146.36**
	Components of cash and cash equivalent:		
	Balance with banks		
	- On current account	205.99	125.99
	Deposits with original maturity of less than three months	-	20.00
	Cash in hand	0.09	0.37
	Total cash and cash equivalent (Refer Note 11)	**206.08**	**146.36**

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Consolidated Statement of Cash Flows for the year ended March 31, 2019

The reconciliation between the opening and the closing balances in the balance sheet for liabilities arising from financing activities is as follows

For the year ended March 31, 2019

Particulars	March 31, 2018	Cash flow	Other non-cash adjustments	March 31, 2019
Short-term borrowings	-	20.75	-	20.75
Long-term borrowings	-	69.17	-	69.17
Total liabilities from financing activities	-	**89.92**	-	**89.92**

For the year ended March 31, 2018

Particulars	March 31, 2017	Cash flows	Other non-cash adjustments	March 31, 2018
Short-term borrowings	28.34	(28.34)	-	-
Long-term borrowings	42.09	(42.83)	0.74	-
Total liabilities from financing activities	**70.43**	**(71.17)**	**0.74**	-

Summary of significant accounting policies 2

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: Gurugram
Date: June 29, 2019

For and on behalf of the Board of Directors of
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Place: Gurugram
Date: June 29, 2019

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: Gurugram
Date: June 29, 2019

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Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

(a) Equity Share Capital

Particulars	Number of shares	Amount (INR)
Balance as at April 1, 2017 (Unaudited)	**2,42,88,314**	**242.88**
Issued during the year	-	-
Balance as at March 31, 2018 (Unaudited)	**2,42,88,314**	**242.88**
Balance as at April 1, 2018 (Unaudited)	**2,42,88,314**	**242.88**
Issued during the year	-	-
Balance as at March 31, 2019	**2,42,88,314**	**242.88**

(b) Other Equity

Particulars	Retained earnings	Capital reserve	Foreign currency translation reserve	Capital contribution from Parent-Employee Share Based Payment (Refer Note 38)	Total Other Equity
As at April 01, 2017 (Unaudited)	**(74.64)**	**25.71**	**10.82**	**5.07**	**(33.04)**
Profit for the year	278.30	-	-	-	278.30
Other comprehensive income (Refer Note 26)	(0.08)	-	(2.11)	-	(2.19)
Less: Profit adjustment on account of business combination (Refer Note 40.1)	(184.41)	-	-	-	(184.41)
	93.81	-	**(2.11)**	-	**91.70**
Share based payments	-	-	-	3.11	3.11
As at March 31, 2018 (Unaudited)	**19.17**	**25.71**	**8.71**	**8.18**	**61.77**
As at April 01, 2018 (Unaudited)	**19.17**	**25.71**	**8.71**	**8.18**	**61.77**
Profit for the year	488.21	-	-	-	488.21
Other comprehensive income (Refer Note 26)	(0.18)	-	(3.11)	-	(3.29)
Less: Profit adjustment on account of business combination (Refer Note 40.1)	(59.94)	-	-	-	(59.94)
	428.09	-	**(3.11)**	-	**424.98**
Share based payments	-	-	-	(5.58)	(5.58)
Transferred to retained earnings	2.60	-	-	(2.60)	-
As at March 31, 2019	**449.86**	**25.71**	**5.60**	-	**481.17**

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: Gurugram
Date: June 29, 2019

For and on behalf of the Board of Directors of
Affle (India) Limited
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Place: Gurugram
Date: June 29, 2019

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: Gurugram
Date: June 29, 2019

1. CORPORATE INFORMATION

The consolidated financial statements comprise of financial statements of Affle (India) Limited ("the Company") and its subsidiaries (collectively, the Group) for the period ended March 31, 2019. The Company is a limited company, domiciled in India, incorporated under the provisions of the Companies Act, 1956, and is a subsidiary of Affle Holdings Pte. Ltd. The Company was incorporated on 18 August 1994.

The Group is engaged in providing mobile advertisement services through information technology and software development services for mobiles. The registered office of the Group is situated at 312, B-Wing, Kanakia Wallstreet, Andheri Kurla Road, Andheri (East), Mumbai 400 093. The principal place of business is in Haryana, India.

The consolidated financial statements were authorized for issue in accordance with the resolution of directors on June 29, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

The consolidated financial statements of the Group have been prepared and presented in accordance with the Ind AS 34 *Interim Financial Reporting* notified under the section 133 of the Companies Act 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value as required under relevant Ind AS.

The consolidated financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest millions upto two decimals, except when otherwise stated. Amounts less than INR 1 million has been shown as "0".

ii) Basis of consolidation

The consolidated financial statements comprise the consolidated financial statements of the Company and its subsidiaries. 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 Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Company 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 Company 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 Company 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 by the Company 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 Company, i.e., the year ended on March 31, 2019.

Consolidation procedure:

(i) 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.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(iii) 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.

List of entities consolidated

The list of entities consolidated by the Group, which are included in the consolidated financial statements are as under:

S.No.	Entity	Percentage of ownership interest as at	
		March 31, 2019	March 31, 2018
1	Affle International Pte. Ltd.	100%	-
2	PT Affle Indonesia*	100%	-

* Affle International Pte. Ltd. owns the shares in PT Affle Indonesia.

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 Company'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) 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

iii) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

a) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

b) Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

c) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

d) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS.

Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

iv) Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party both before and after the business combination, and that control is not transitory.

The Company accounts for its business combination under common control using pooling of interest method of accounting as per Appendix C of Ind AS 103. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the definition for recognition are recognized at their carrying amount at the acquisition date. Transferor's reserves are preserved and are appeared in the financial statements of the transferee in the same form in which they appear in the financial statements of the transferor. Acquisition date is the beginning of the preceding period in case the common control is established prior to such date. However, if business combination had occurred after such date, the acquisition date is considered only from that date.

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the year in which it is incurred.

v) Current versus non-current classification

The Company presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- 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 current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- 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 realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

vi) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and other directly attributable cost incurred in bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent costs are capitalized on the carrying amount or recognized as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss on the date of disposal or retirement.

vii) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a pro-rata basis from the date on which the asset is ready to use, using written down value method ("WDV") over the useful lives of the assets estimated by the management, which are in line with the useful lives prescribed under Schedule II to the Companies Act, 2013.

The Company has used the following rates to provide depreciation on its property, plant and equipment:

Asset Category	Useful lives estimated by management
Computers	3 years
Office equipments	5 years

Furniture and fixtures	10 years
Motor vehicles	8 years

The residual value of these assets has been considered at 5% of original cost to the Group.

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.

viii) 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. 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.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. 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 is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight-line basis over the period of expected future benefit from the related project. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of amortization periods applied to the Group's intangible assets is as below:

Asset Category	Useful lives estimated by management
Computer software	5 years
Mobile application	4 years

AFFLE (INDIA) LIMITED

ix) Borrowing costs

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 asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

x) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. 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.

Group as a lessee

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 capitalized 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 recognized in 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 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.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized 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.

xi) 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. 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 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 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 of continuing operations, including impairment on inventories, 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, 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.

xii) 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 recognized 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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized 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 amortized cost

A 'debt instrument' is measured at the amortized 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.

This category is most applicable to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument 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 & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss (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 considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value. All changes in fair value including dividend are recognized in the statement of profit and loss.

Derecognition

A financial asset is de-recognized only 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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies the 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 amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes 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 expected credit loss (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 recognizing 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.

- 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

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. For the financial assets measured as at amortized cost, 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.

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 or payables, as appropriate.

All financial liabilities are recognized 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 borrowings, trade 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 are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 15.

De-recognition

A financial liability is de-recognized 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 recognized in the statement of profit and 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

xiii) Fair value measurement

The Company measures financial instruments 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:

- In the principal market for the asset or liability, or
- 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 economic best interest.

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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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company 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.

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

xiv) Revenue from contracts with customers

Revenue is recognized to the extent that it is probable that the economic benefit 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 the government.

The specific recognition criteria discussed below must also be met before revenue is recognized:

Consumer platform

Revenue from rendering of advertisement services is recognized on accrual basis as and when services are rendered based on the terms of the contract. The Group collects taxes on behalf of governments and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue. In respect of consumer platform, the revenue is recognised over the period of time based on the activity of mobile users viewing the advertisements delivered by the Company.

Enterprise platform

Revenue from software development comprises income from time & material and fixed price contracts. Revenue with respect to time & material contracts is recognized when the related services are performed. Revenue from fixed price contracts is recognized in accordance with the proportionate completion method which is determined by reference to the milestone achieved as per the terms of the contract. The Group collects taxes on behalf of governments and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue. In respect of enterprise platform, the revenue is recognised over the period of time based on the projects completed by the Company.

Contract balances

- **Contract assets** - A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

- **Trade receivables** - A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in clause xi) Financial instruments – initial recognition and subsequent measurement.

- **Contract liabilities**- A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Interest

For all debt instruments 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 gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, 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.

xv) Foreign currencies

The Group's consolidated financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. Each entity of the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

xvi) 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 an expenditure in the statement of profit and loss, when an employee renders the related service.

The Group operates an unfunded defined benefit gratuity plan for its employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end, using the projected unit credit method and charged to statement of profit and loss. Remeasurements, comprising of actuarial gains and losses, are recognized 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.

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 Company recognizes 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

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.

xvii) Taxes

Income tax expense comprises current and deferred tax.

Current tax

Current income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities in accordance. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

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

Deferred tax

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

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Moreover, deferred tax is recognized on temporary differences arising on investments in branches unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

Minimum Alternate Tax

Minimum Alternate Tax ("MAT") credit is recognized as deferred asset only when it is probable that taxable profit will be available against which the credit can be utilized. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss account. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is no longer probable that the Group will pay normal income tax during the specified period.

xviii) 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

xix) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

xx) 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

xxi) Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

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

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service 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.

No expense is recognized for awards that do not ultimately vest because service conditions have not been met.

xxii) Earnings per share

Basic earnings per share ("EPS") are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity holders of the Group (after adjusting the corresponding income/charge for dilutive potential equity shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

xxiii) Segment reporting

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). Only those business activities are identified as operating segment for which the operating results are regularly reviewed by the CODM to make decisions about resource allocation and performance measurement.

Inter-segment transfers

The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general income and expense items which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

xxiv) **Recent accounting pronouncements**

Some amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the company. The company has not early adopted any standards or amendments that have been issued but are not yet effective.

(1) Amendment to Ind AS 38 Intangible assets acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognize both the intangible asset and the grant initially at fair value. If an entity chooses not to recognize the asset initially at fair value, the entity recognizes the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments are not applicable on the company.

(2) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

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 date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the financial statements.

(3) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

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

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

(4) Indian Accounting Standards (Ind AS) issued but not yet effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after April 01, 2019. This standard replaces current guidance in Ind AS 17 and is a far-reaching change in accounting by lessees in particular.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

Ind AS 116 is effective for the Company w.e.f. April 01, 2019 using either one of the following two methods:

(a) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 116 (the full retrospective method); or

(b) retrospectively with the cumulative effect of initially applying Ind AS 116 recognized at the date of initial application (April 01, 2019) and providing certain additional disclosures as defined in Ind AS 116 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on leases resulting from the application of Ind AS 116 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements.

(5) Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12, 'Income taxes'

The appendix corresponds to IFRIC 23, Uncertainty over Income Tax Treatments issued by the IFRS Interpretations Committee.

This amendment clarifies how the recognition and measurement requirements of Ind AS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. The amendment applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

The interpretation is effective for annual periods beginning on or after April 01, 2019. The company is evaluating the impact of the amendment on the financial statements.

(6) Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19, Employee Benefits.

The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:
(a) calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change
(b) any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling
(c) separately recognise any changes in the asset ceiling through other comprehensive income.

The interpretation is effective for annual periods beginning on or after April 01, 2019. The company is evaluating the impact of the amendment on the financial statements.

(7) Annual Improvements to Ind AS

(a) Ind AS 23, 'Borrowing Cost'
The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019. This amendment is not applicable to the Company.

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
Notes to Consolidated Financial Statements for the year ended March 31, 2019
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3. Property, Plant and Equipment

Particulars	Computers	Furniture & fixtures	Office equipments	Motor Vehicles	Total
Cost					
As at April 1, 2017 (Unaudited)	**5.33**	**1.53**	**1.55**	**0.35**	**8.76**
Additions during the year	0.37	-	-	1.60	**1.97**
Disposals during the year	2.14	-	-	-	**2.14**
Foreign exchange difference	(0.01)	-	-	-	**(0.01)**
As at March 31, 2018 (Unaudited)	**3.55**	**1.53**	**1.55**	**1.95**	**8.58**
As at April 1, 2018 (Unaudited)	**3.55**	**1.53**	**1.55**	**1.95**	**8.58**
Additions during the year	5.59	0.04	1.36	-	**6.99**
Disposals during the year	0.07	-	0.02	-	**0.09**
Foreign exchange difference	(0.01)	-	-	-	**(0.01)**
As at March 31, 2019	**9.06**	**1.57**	**2.89**	**1.95**	**15.47**
Accumulated Depreciation					
As at April 1, 2017 (Unaudited)	**2.57**	**0.48**	**0.69**	**0.12**	**3.86**
Depreciation for the year	1.17	0.34	0.38	0.40	**2.29**
Disposals during the year	2.04	-	-	-	**2.04**
Foreign exchange difference	(0.02)	-	-	-	**(0.02)**
As at March 31, 2018 (Unaudited)	**1.68**	**0.82**	**1.07**	**0.52**	**4.09**
As at April 1, 2018 (Unaudited)	**1.68**	**0.82**	**1.07**	**0.52**	**4.09**
Depreciation for the year	2.53	0.54	0.58	0.74	**4.39**
Disposals during the year	0.06	-	0.01	-	**0.07**
Foreign exchange difference	(0.43)	-	-	-	**(0.43)**
As at March 31, 2019	**3.72**	**1.36**	**1.64**	**1.26**	**7.98**
Net block					
As at March 31, 2019	**5.34**	**0.21**	**1.25**	**0.69**	**7.49**
As at March 31, 2018 (Unaudited)	**1.87**	**0.71**	**0.48**	**1.43**	**4.49**

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(Amount in INR million, unless otherwise stated)

4. Other Intangible Assets

Particulars	Goodwill (Refer Note 40)	Computer Software	Software application development	Total	Intangible assets under development
Cost					
As at April 1, 2017 (Unaudited)	59.24	24.30	607.61	691.15	3.06
Additions during the year	-	0.42	73.24	73.66	-
Capitalised during the year	-	-	-	-	3.06
Foreign exchange difference	-	-	1.43	1.43	-
As at March 31, 2018 (Unaudited)	59.24	24.72	682.28	766.24	-
As at April 1, 2018 (Unaudited)	59.24	24.72	682.28	766.24	-
Additions during the year	-	0.36	90.49	90.85	17.95
Acquisition during the year	266.05	-	26.53	292.58	-
Foreign exchange difference	-	-	33.88	33.88	-
As at March 31, 2019	325.29	25.08	833.18	1,183.55	17.95
Accumulated Amortization					
As at April 1, 2017 (Unaudited)	-	22.66	391.45	414.11	-
Amortization for the year	-	0.70	79.71	80.41	-
Foreign exchange difference	-	-	1.57	1.57	-
As at March 31, 2018 (Unaudited)	-	23.36	472.73	496.09	-
As at April 1, 2018 (Unaudited)	-	23.36	472.73	496.09	-
Amortization for the year	-	0.95	95.61	96.56	-
Foreign exchange difference	-	-	25.41	25.41	-
As at March 31, 2019	-	24.31	593.75	618.06	-
Net block					
As at March 31, 2019	325.29	0.77	239.43	565.49	17.95
As at March 31, 2018 (Unaudited)	59.24	1.36	209.55	270.15	-

Net book value	March 31, 2019	March 31, 2018
Goodwill*	325.29	59.24
Other intangible assets	240.20	210.91
Intangible assets under development	17.95	-
Total	583.44	270.15

* Goodwill includes amount of INR 59.24 million on account of business combination (Refer Note 40.1) and amount of INR 266.05 million on account of business acquisition (Refer Note 40.2).

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(Amount in INR million, unless otherwise stated)

5. Non-current investments

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Investment at fair value through profit or loss (FVTPL)		
101 (March 31, 2018: 101) preference shares with face value of INR 10 each and with premium of INR 1,972 each in OOO Marketplaces Private Limited	0.20	0.20
50 (March 31, 2018: 50) equity shares with face value of INR 10 each and with premium of INR 1,219 each in OOO Marketplaces Private Limited	0.06	0.06
Total	**0.26**	**0.26**
Aggregate value of unquoted investments	0.26	0.26
Aggregate amount of impairment in the value of investments	-	-

6. Loans

	Non-current		Current	
	As at		As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**	**March 31, 2019**	**March 31, 2018 (Unaudited)**
At amortised cost				
Unsecured, considered good unless otherwise stated				
Security deposits	0.07	5.83	8.92	1.51
Loans to employees	0.73	-	1.85	0.64
Total	**0.80**	**5.83**	**10.77**	**2.15**

Note:
1) During the year ended March 31, 2019 & March 31, 2018, there were no balances of loan to employees with a significant increase in credit risk or credit impairment.
2) There are no loans and advances to Directors / Promoters / Promoter group companies / Relatives of Promoters / Relatives of Directors
3) List of persons /entities classified as 'Promoters' and 'Promoter group companies' has been determined by the management and relied upon by the auditors. The auditors have not performed any procedure to determine whether the list is accurate and complete.

7. Other financial assets

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
At amortised cost		
Unsecured, considered good unless otherwise stated		
Interest accrued but not due on deposit	0.71	0.16
Others*	28.32	-
Total	**29.03**	**0.16**

* includes INR 2.70 million (March 31, 2018: Nil) recoverable from related parties (Refer Note 32)

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8. Income Tax

The major component of income tax expense for the year ended March 31, 2019 and March 31, 2018 are as follows:

(i) Profit or loss section

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Current income tax:		
Current income tax charge	102.12	85.44
Deferred tax:		
Relating to origination and reversal of temporary differences	7.67	1.45
Income tax expense reported in the consolidated statement of profit and loss	**109.79**	**86.89**

(ii) Other Comprehensive Income (OCI) section:

Deferred tax relating to items in OCI in the year:

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Net gain on measurement of defined benefit plans	0.07	0.04
Total	**0.07**	**0.04**

Reconciliation of tax expense and the accounting profit multiplied by the applicable tax rate(s):

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Accounting profit before income tax	598.00	365.19
At India's statutory income tax rate of 29.12% (March 31, 2018: 34.61%)	174.14	126.39
Share based payment	(1.62)	1.28
Non-deductible / taxable expenses for tax purposes	(18.82)	-
Effect of lower tax rate in case of foreign subsidiaries	(42.76)	(40.37)
Tax effect on partial tax exemption and tax relief	(1.89)	-
Rate difference	0.74	(0.41)
At the effective income tax rate of 18.36% (March 31, 2018: 23.79%)	**109.79**	**86.89**
Income tax expense reported in the consolidated statement of profit and loss	**109.79**	**86.89**

Deferred tax:

Deferred tax relates to the following:	As at	
	March 31, 2019	March 31, 2018 (Unaudited)
Fixed assets: impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	5.25	2.40
Impact of fair valuation of financial instruments	0.03	0.01
Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	4.85	4.27
Allowance for impairment of trade receivables and contract asset	4.45	10.11
Tax deductible goodwill	(17.26)	(11.85)
Deferred tax (liability) / asset (net)	**(2.68)**	**4.94**

Reconciliation of deferred tax (liability) / asset (net)

	As at	
	March 31, 2019	March 31, 2018 (Unaudited)
Opening balance of deferred tax asset (net)	4.94	18.96
Tax income / (expense) during the year recognised in profit or loss	(7.67)	(1.45)
Tax income / (expense) during the year recognised in OCI	0.07	0.04
MAT credit entitlement	-	(12.61)
Others	(0.02)	-
Closing balance of deferred tax (liability) / asset (net)	**(2.68)**	**4.94**

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 relates to income taxes levied by the same tax authority.

In assessing the realisibility of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the years in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the years in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

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9. Other Assets

	Non-current		Current	
	As at		As at	
	March 31, 2019	March 31, 2018 (Unaudited)	March 31, 2019	March 31, 2018 (Unaudited)
Unsecured, considered good				
Prepaid expenses	-	-	3.95	0.44
Deferred lease expense on security deposits paid	-	0.05	0.03	0.38
Balance with statutory/government authorities	-	-	13.74	6.79
Advances other than capital advances	-	-	5.96	4.63
Total	**-**	**0.05**	**23.68**	**12.24**

10. Trade Receivables

	As at	
	March 31, 2019	March 31, 2018 (Unaudited)
Unsecured, considered good		
Trade receivables from related parties (Refer Note 32)	10.41	0.35
Trade receivables from other than related parties	468.42	165.76
	478.83	**166.11**
Unsecured, considered doubtful		
Trade receivables from other than related parties	35.95	25.30
	35.95	**25.30**
Allowance for impairment of trade receivables	(35.95)	(25.30)
Total	**478.83**	**166.11**

The movement in allowance for impairment of trade receivables is as follows:

	For the period ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Opening balance	25.30	24.09
Additions	10.65	9.49
Baddebts written off (net of recovery)	-	(8.28)
Closing balance	**35.95**	**25.30**

Note:

1) Trade receivables are non-interest bearing and are generally on credit terms of 30 to 90 days. For terms and conditions relating to related party receivables, refer Note 32.

2) Following are the amounts due from Directors/Promoters/Promoter group companies/Relatives of Promoters/Relatives of Directors:

	As at	
	March 31, 2019	March 31, 2018 (Unaudited)
NewU Health and Fitness Platform Private Limited	-	0.35
Affle Global Pte. Ltd.	10.41	-
	10.41	**0.35**

3) List of persons /entities classified as 'Promoters' and 'Promoter group companies' has been determined by the management and relied upon by the auditors. The auditors have not performed any procedure to determine whether the list is accurate and complete.

4) During the year ended March 31, 2019 & March 31, 2018: there were no balances of trade receivables with a significant increase in credit risk or credit impairment.

11. Cash and Bank Balances

(i) Cash and Cash Equivalent

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Balances with banks:		
On current accounts [including in-transit amount of Nil (March 31, 2018: INR 41.66 million)]	205.99	125.99
Deposits with original maturity of less than three months	-	20.00
Cash in hand	0.09	0.37
Total	**206.08**	**146.36**

(ii) Other Bank Balances

Deposits with original maturity of more than three months but less than twelve months	98.83	42.83
Total	**98.83**	**42.83**

For the purpose of the statement of cash flow, cash and cash equivalent comprise the following:

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Balances with banks:		
On current accounts [including in-transit amount of Nil (March 31, 2018: INR 41.66 million)]	205.99	125.99
Deposits with original maturity of less than three months	-	20.00
Cash in hand	0.09	0.37
Total	**206.08**	**146.36**

12. Current Tax Assets (net)

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Advance tax [net of provision for tax amounting to INR 134.31 million (March 31, 2018: INR 44.77 million)]	11.58	26.09
Total	**11.58**	**26.09**

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AFFLE (INDIA) LIMITED

(Amount in INR million, unless otherwise stated)

13. Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018 (Unaudited)
Authorised share capital		
30,000,000 (March 31, 2018: 25,000,000) equity shares of INR 10 each	300.00	250.00
Issued share capital		
24,288,314 (March 31, 2018: 24,88,314) equity shares of INR 10 each fully paid up	242.88	242.88
	242.88	**242.88**
Subscribed and fully paid-up share capital		
24,288,314 (March 31, 2018: 24,88,314) equity shares of INR 10 each fully paid up	242.88	242.88
	242.88	**242.88**

A. Reconciliation of the number of equity shares outstanding at the beginning and end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018 (Unaudited)	
	No. of shares	Amount	No. of shares	Amount
Opening balance as on April 1	2,42,88,314	242.88	2,42,88,314	242.88
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Closing Balance as on March 31	**2,42,88,314**	**242.88**	**2,42,88,314**	**242.88**

B. Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of INR10 per share. The holders of equity shares are entitled to receive dividends and are entitled to one vote per share. In the event of liquidation, equity shareholders will be entitled to receive assets of the Company in proportion to the number of shares held to the total equity shares outstanding as on that date

C. Shares held by Holding Company and/or their subsidiaries

Out of the equity shares issued by the Company, shares held by its Holding Company and its subsidiaries are as below:

Particulars	As at March 31, 2019	As at March 31, 2018 (Unaudited)
Affle Holdings Pte. Ltd., Singapore, ultimate holding Company		
18,368,939 (March 31, 2018: 20,270,367) equity shares of INR 10 each fully paid up	183.69	202.70
Affle Global Pte. Ltd. (earlier known as Affle Appstudioz Pte. Ltd.) , Singapore, subsidiary of Affle Holdings Pte. Ltd.		
4,017,911 (March 31, 2018: 4,017,913) equity shares of INR 10 each fully paid up	40.18	40.18

D. Details of shareholders holdings more than 5% shares

Name of Shareholder	As at March 31, 2019		As at March 31, 2018 (Unaudited)	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
Equity shares of INR 10 each fully paid				
Affle Holdings Pte. Ltd., Singapore	1,83,68,939	75.63%	2,02,70,367	83.46%
Affle Global Pte. Ltd., Singapore	40,17,911	16.54%	40,17,913	16.54%
Malabar India Fund Limited, Mauritius	16,16,214	6.65%	-	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(Amount in INR million, unless otherwise stated)

14. Provisions

	Non-Current		Current	
	As at			
	March 31, 2019	March 31, 2018 (Unaudited)	March 31, 2019	March 31, 2018 (Unaudited)
Provision for employee benefits				
Provision for gratuity * (Refer Note 29)	11.77	8.83	0.88	0.62
Provision for leave benefits	3.60	2.59	2.50	0.30
Total (A)	**15.37**	**11.42**	**3.38**	**0.92**
Other provisions				
Provision for contingency (Refer Note 43)	-	-	0.10	0.15
Total (B)	-	-	**0.10**	**0.15**
Total (A+ B)	**15.37**	**11.42**	**3.48**	**1.07**

* Due to non-applicability of gratuity to the employees of Subsidiary Company, the balance pertains to the Company only.

Movement in provision for contingency

	For the period ended	
	March 31, 2019	March 31, 2018 (Unaudited)
At the beginning of the year	0.15	0.72
Write off/utilized during the year	(0.05)	(0.57)
At the end of the year	**0.10**	**0.15**

15. Borrowings

	Non-Current		Current	
	As at			
	March 31, 2019	March 31, 2018 (Unaudited)	March 31, 2019	March 31, 2018 (Unaudited)
Loans from Holding Company (Unsecured)	69.17	-	20.75	-
Total	**69.17**	-	**20.75**	-

Details of borrowings i.e. interest rate, currency and terms of repayments of borrowings:

Particulars	Currency	Effective interest rate	Terms of repayment
Unsecured loan from Affle Holdings Pte. Ltd. vide loan agreement dated August 31, 2018 and addendum to loan agreement dated February 22, 2019	USD	3.00%	Interest is payable in three installments along with principal amount of loan on July 31, 2019, April 1, 2020 and August 31, 2020 respectively.
Cash credit facility from HDFC Bank	INR	11.25%	Interest is payable on monthly basis

Notes:

1) Term loan is secured by hypothecation of trade receivables. Cash credit facility has a pari pasu charge on receivables and book debts of present and future.

2) There are no unsecured loans taken from Directors / Promoters / Promoter group companies / Relatives of Promoters / Relatives of Directors.

3) List of persons/ entities classified as 'Promoters' and 'Promoter group companies' has been determined by the Management and relied upon by the auditors. The auditors have not performed any procedures to determine whether the list is accurate and complete.

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(Amount in INR million, unless otherwise stated)

16. Trade Payables

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Current		
Trade payables - dues of micro and small enterprises (Refer Note 39)	-	-
Trade payables - others*	517.11	270.30
Total	**517.11**	**270.30**

* As at March 31, 2019, amount due to related parties is Nil (March 31, 2018 : INR 35.73 million).

17. Other Current Financial Liabilities

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
At amortised cost		
Salary payable	46.86	28.98
Others		
- Amount due to related company against business transfer (Refer Note 40)	33.57	122.87
- Amount due to other against business acquisition (Refer Note 40)	118.32	-
Total	**198.75**	**151.85**

Terms and conditions of the above current financial liabilities:
-Trade payables are non-interest bearing and are normally settled on 30-90 days term.
-For terms and conditions with related parties, refer note 32

Notes:
1) Following are the amounts due to Directors/Promoters/Promoter group companies/Relatives of Promoters/Relatives of Directors:

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Affle Global Pte. Ltd.	33.57	122.87
	33.57	**122.87**

2) List of persons /entities classified as 'Promoters' and 'Promoter group companies' has been determined by the management and relied upon by the auditors. The auditors have not performed any procedure to determine whether the list is accurate and complete.

18. Other Current Liabilities

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Statutory dues payable	24.51	18.08
Total	**24.51**	**18.08**

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(Amount in INR million, unless otherwise stated)

19. Revenue from Contracts with Customers

(a) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Type of service		
Consumer platform	2,419.43	1,622.20
Enterprise platform	74.53	50.25
Total revenue from contracts with customers	**2,493.96**	**1,672.46**

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Geographical markets		
India	1,088.55	770.22
Outside India	1,405.41	902.24
Total revenue from contracts with customers	**2,493.96**	**1,672.46**

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Timing of revenue recognition		
Services transferred over time	2,493.96	1,672.46
Total revenue from contracts with customers	**2,493.96**	**1,672.46**

(a) Contract balances

	As at	
	March 31, 2019	March 31, 2018 (Unaudited)
Trade receivables (Refer Note 10)	478.83	166.11
Contract assets		
Unbilled revenue [net of allowance for impairment amounting to INR 2.39 million (March 31, 2018: INR 3.70 million)]	131.87	79.13
Contract liability		
Advance from customers	6.40	3.42
Deferred revenue	0.39	-

Set out below is the amount of revenue recognised from:

	As at	
	March 31, 2019	March 31, 2018 (Unaudited)
Amounts included in contract liabilities at the beginning of the year	0.88	1.04
Performance obligations satisfied in previous years	-	-

(c) Performance obligations

Information about the Group's performance obligations are summarised below:

Consumer platform

The performance obligation is satisfied over time and payment is generally due within 30 to 90 days of completion of services and acceptance of the customer. In some contracts, short-term advances are required before the advertisement services are provided.

Enterprise platform

The performance obligation is satisfied over time and payment is generally due within 30 to 90 days of completion of services and acceptance of the customer. In some contracts, short-term advances are required before the advertisement services are provided.

As the duration of the contracts for consumer and enterprise platform is less than one year, the Group has opted for practical expedient and decided not to disclose the amount of the remaining performance obligations.

Notes:

Due to the adoption of Ind AS 115, there is no impact on the revenue recognised by the Company. Hence, the reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price is not required.

(Amount in INR million, unless otherwise stated)

20. Other Income

	For the year ended	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Recurring other income:		
Interest income on financial assets measured at amortised cost:		
Bank deposits	3.33	2.94
Security deposits	0.42	0.18
Bad debts recovered	0.01	0.30
Infrastructure support services	0.01	0.26
Non-recurring other income:		
Miscellaneous income	0.18	1.26
Total	**3.95**	**4.94**

Notes:
The classification of other income as recurring / non-recurring, to business entity is based on the current operations and business activity of the group as determined by the management.

21. Inventory and Data Costs

	For the year ended	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Inventory cost	1,236.66	797.47
Platform cost	65.55	57.42
Cloud hosting charges	50.03	10.88
	1,352.24	**865.77**
Less: Cost capitalised as intangible assets or intangible assets under development (Refer Note 41)	(11.11)	(7.63)
Total	**1,341.13**	**858.14**

22. Employee Benefits Expense

	For the year ended	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Salaries, wages and bonus	248.19	180.77
Contribution to provident and other funds	9.09	7.40
Gratuity expense (Refer Note 29)	3.43	2.51
Employee share based payment expense (Refer Note 38)	(5.58)	3.69
Staff welfare expenses	7.20	4.18
	262.33	**198.55**
Less: Cost capitalised as intangible assets or intangible assets under development (Refer Note 41)	(50.06)	(24.53)
Total	**212.27**	**174.02**

(Amount in INR million, unless otherwise stated)

23. Finance Costs

	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Interest on borrowings	4.86	8.84
Interest on income tax	1.26	1.40
Bank charges	1.95	1.62
Others	0.04	0.13
Total	**8.11**	**11.99**

24. Depreciation and Amortization Expense

	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Depreciation of property, plant and equipments (Note 3)	4.39	2.29
Amortization of intangible assets (Note 4)	96.56	80.41
Total	**100.95**	**82.70**

25. Other Expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Power and fuel	0.64	0.59
Rent	22.59	19.02
Rates and taxes	0.55	1.02
Insurance	2.30	0.83
Repair and maintenance - Others	7.17	4.58
Legal and professional fees (including payment to statutory auditor, refer detail below)*	29.19	11.01
Travelling and conveyance	18.82	11.65
Communication costs	2.26	2.23
Printing and stationery	0.84	0.40
Recruitment expenses	0.49	0.25
Business promotion	110.77	92.60
Impairment allowance of trade receivables and contract asset	10.56	20.57
Advances given written off	0.08	3.26
Loss on disposal of property, plants and equipment and intangible assets (net)	-	0.06
Exchange differences (net)	8.10	2.24
Software license fee	1.81	1.25
Project development expenses	9.14	8.95
Directors sitting fee	7.40	-
CSR expenses**	0.81	-
Miscellaneous expenses	7.81	7.54
Less: Cost capitalised as intangible assets or intangible assets under development (Refer Note 41)	(3.88)	(2.69)
Total	**237.45**	**185.36**

(Amount in INR million, unless otherwise stated)

	For the year ended	
	March 31, 2019	**March 31, 2018 (Unaudited)**
***Payment to statutory auditor:**		
As auditors:		
Audit fee	6.09	-
In other capacity		
Advisory and certification services	1.18	-
Reimbursement of expenses	0.04	-
Total	**7.31**	-

Note:

1) The audit fee pertaining to the quarter ended June 30, 2018 and period ended October 31, 2018 has been treated as Intital Public Offer (IPO) expenses and accordingly have been clubbed under the heading 'other financial assets'.

**** Details of CSR expenses**

During the year Group has contributed INR 0.81 million out of the total contributable amount of INR 0.77 million in accordance with Section 135 read with Schedule VII to the Companies Act, 2013

26. Other Comprehensive Income

The disaggregation of changes to other comprehensive income by each type of reserve in equity is shown below:

	For the period ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Exchange differences on translation of foreign operations	(3.11)	(2.11)
Re-measurement losses on defined benefit plans	(0.25)	(0.12)
Income tax effect	0.07	0.04
Total	**(3.29)**	**(2.19)**

27. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year

For the purpose of calculating diluted EPS, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the period ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Profit attributable to equity holders of the parent for basic earnings	488.21	278.30
Effect of dilution	-	-
Profit attributable to equity holders of the parent for the effect of dilution	**488.21**	**278.30**
Weighted Average number of equity shares used for computing basic earning per share (in million)	24.29	24.29
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution	**24.29**	**24.29**
Basic EPS attributable to the equity holders of the parent (absolute value in INR)	20.10	11.46
Diluted EPS attributable to the equity holders of the parent (absolute value in INR)	20.10	11.46

28. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the Grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has not made any significant judgement, which have the most significant effect on the amounts recognised in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the 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) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU 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 Discounted Cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group has 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 Group. Refer Note 40 for further disclosures.

28. Significant Accounting Judgements, Estimates and Assumptions (Continued)

(b) Allowance for impairment of trade receivables
Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience adjusted for forward-looking estimates. Individual trade receivables are written off when management deems them not to be collectible. For details of allowance of doubtful debts please refer Note 10

(c) Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based on the timing, likely and the level of future taxable profits together with future tax planning strategies. Refer Note 8 for further disclosures.

(d) Defined benefit plans (Gratuity benefits)
The cost of the defined benefit gratuity plan and other post-employment medical benefits 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 India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India. Further details about gratuity obligations are given in Note 29.

(e) Revenue from contracts with customers
The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers

- Determining the timing of satisfaction of services

(i) Consumer Platform
The Group concluded that revenue for consumer platform services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group.

(ii) Enterprise Platform
The Group concluded that revenue for enterprise platform services is to be recognised over time because the Group's performance does not create an asset with alternative use and the Group has a right to payment for performance completed to date.

The Group determined that the input method is the best method in measuring progress of both the services because there is a direct relationship between the Group's effort and the transfer of service to the customer

(Amount in INR million, unless otherwise stated)

29. Employee Benefits

A. Defined Contribution Plans

Provident Fund:

The Group makes contribution towards employees' provident fund. The Group has recognised INR 9.09 million (March 31, 2018: 7.40 million) as an expense towards contribution to this plan.

B. Defined Benefit Plans

Gratuity:

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service with part thereof in excess of six months. The same is payable on termination of service or retirement or death whichever is earlier.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government bonds as at the date of actuarial valuation. Actuarial gains and losses (net of tax) are recognised immediately in the Other Comprehensive Income (OCI).

This is a unfunded benefit plan for qualifying employees. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit or loss and other comprehensive income and amounts recognised in the balance sheet for the gratuity plan:

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Balance as at the beginning of the year	9.45	7.48
Current service cost	2.72	1.95
Interest cost	0.71	0.56
Benefits paid	(0.47)	(0.66)
Re-measurement losses on obligation	0.24	0.12
Balance as at the end of the year	**12.65**	**9.45**

Amount recognised in the consolidated statement of profit and loss:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Current service cost	2.72	1.95
Interest cost	0.71	0.56
Net expense recognised in the consolidated statement of profit and loss	**3.43**	**2.51**

Amount recognised in the consolidated other comprehensive income:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Re-measurement losses on arising from experience adjustment	0.24	0.12
Net expense recognised in the consolidated other comprehensive income	**0.24**	**0.12**

29. Employee Benefits (Continued)

The principal actuarial assumptions used in determining gratuity liability for the Group's plan is shown below:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Discount rate	7.65%	7.50%
Future salary increase	8.00%	8.00%
Withdrawal rate (per annum)		
- Up to 30 years	20.00%	20.00%
- From 31 years to 44 years	10.00%	10.00%
- From 44 years to 58 years	0.00%	0.00%
Retirement age (years)	58	58
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)

The discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligations. 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.

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Present Value of Obligation at the end of the year	12.65	9.45
Impact of the change in discount rate		
Impact due to increase of 0.50 %	(0.67)	(0.50)
Impact due to decrease of 0.50 %	0.73	0.55
Impact of the change in salary rate		
Impact due to increase of 0.50 %	0.73	0.55
Impact due to decrease of 0.50 %	(0.67)	(0.50)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on define benefit obligation as a result of reasonable changes in key assumptions occurring at the end of reporting year.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Within the next 12 months (next annual reporting period)	0.88	0.62
Between 2 and 5 years	3.36	2.75
Between 5 and 10 years	8.41	6.08
Total expected payments	**12.65**	**9.45**

The average duration of the defined benefit plan obligation at the end of the reporting year is 8.48 years (March 31, 2018: 8.22 years).

AFFLE (INDIA) LIMITED

30. Commitments and contingent liability

a. Leases

Operating lease : Group as lessee
The Group has taken office premises on lease. The lease has been entered for a period ranging from one to nine years with renewal option. The Group has the option, under some of its leases, to renew the lease for an additional period of 3 years on a mutual consent basis. The lease payments amounting to INR 22.59 million (March 31, 2018: 19.02 million) has been charged to the consolidated statement of profit and loss

Future minimum rentals payable under the operating lease is as follows

Particulars	March 31, 2019	March 31, 2018 (Unaudited)
Within one year	22.59	11.57
After one year but not more than five years	4.69	1.36

b. Capital commitments

As at March 31, 2019, the Company has commitments on capital account and not provided for (net of advances) is INR 11.99 million (March 31, 2018: INR 6.63 million).

c. Contingent liabilities

(i) Claims against the Company not acknowledged as debts includes the following:

- Income tax demand from the Income tax authorities of INR 4.6 million which is mainly on account of disallowance of amortization of goodwill as claimed by the Company in the income tax. The matter is pending before Commissioner of Income Tax (Appeals), Mumbai.

- demand from Goods and Service Tax authorities for payment of interest and penalty of INR 2.6 million upon completion of their tax investigation for fiscal 2012-13. The service tax demand is on account of interest and penalty calculated on the principal of service tax levied on import of customised software, by downloading electronically, as per provision of service tax, under Reverse Charge Mechanism. The principal demand of service tax was duly deposited on identification of the matter and management is of the contention that no interest and penalty is payable under provisions of revenue nuetrality

The Company is contesting the demands and the Management, including its tax advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the demand raised. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Company's financial position and results of operations

(ii) Other:
There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

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Affle (India) Limited (formerly known as "Affle (India) Private Limited")
Notes to Consolidated Financial Statements for the year ended March 31, 2019
(Amount in INR million, unless otherwise stated)

31. Group Information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiary listed in the table below.

Name	Country of Incorporation	Principal activities	Name of Holding	% equity interest as at March 31, 2019	% equity interest as at March 31, 2018
Affle International Pte. Ltd.	Singapore	Mobile advertisement	Affle (India) Limited	100%	-
PT Affle Indonesia	Indonesia	Mobile advertisement	Affle International Pte. Ltd.	100%	-

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities: As % of consolidated net assets	Net Assets: INR million	Share in profit and loss: As % of consolidated profit and loss	Share in profit and loss: INR million	Share in other Comprehensive income: As % of consolidated other comprehensive income	Share in other Comprehensive income: INR million	Share in total Comprehensive income: As % of total comprehensive income	Share in total Comprehensive income: INR million
Parent								
Affle (India) Limited								
Balance as at March 31, 2019	63.90%	462.68	34.16%	166.79	5.36%	(0.18)	34.36%	166.61
Balance as at March 31, 2018 (Unaudited)	100.00%	301.65	-	88.31	-	(0.08)	-	88.23
Foreign Subsidiaries								
Affle International Pte. Ltd.								
Balance as at March 31, 2019	36.91%	267.27	63.16%	308.37	0.00%	-	63.59%	308.37
Balance as at March 31, 2018 (Unaudited)	0.00%	-	-	-	-	-	-	-
PT Affle Indonesia								
Balance as at March 31, 2019	-0.81%	(5.90)	2.67%	13.05	0.00%	-	2.69%	13.05
Balance as at March 31, 2018 (Unaudited)	0.00%	-	-	-	-	-	-	-
Adjustment arising out of consolidation								
Balance as at March 31, 2019	0.00%	-	-	-	94.64%	(3.11)	-0.64%	(3.11)
Balance as at March 31, 2018 (Unaudited)	0.00%	-	-	-	-	-	-	-
Total								
Balance as at March 31, 2019	100.00%	724.05	100.00%	488.21	100.00%	(3.29)	100.00%	484.92
Balance as at March 31, 2018 (Unaudited)	100.00%	301.65	-	88.31	-	(0.08)	-	88.23

32. Related Party Disclosures

(i) Names of related parties and related party relationship

S.No.	Relationship	Name of the related party
(i)	Holding company	Affle Holdings Pte. Ltd. Singapore
(ii)	Fellow subsidiaries	Affle Limited, United Kingdom (till August 21, 2018) OOO Marketplaces Private Limited Affle Global Pte. Ltd. (earlier known as Affle Appstudioz Pte. Ltd., Singapore)
(iii)	Enterprises owned or significantly influenced by key management personnel or their relatives	NewU Health and Fitness Platform Private Limited [till June 01, 2018]
(iv)	Key management personnel	Anuj Kumar (Director) Anuj Khanna Sohum (Chairman, Managing Director & Chief Executive Officer) Kapil Mohan Bhutani (Director, Chief Financial & Operations Officer) Khushboo Sachdeva (Company Secretary) [till September 18, 2017] Akanksha Gupta (Company Secretary) [w.e.f. January 8, 2018 till April 30, 2019] Parmita Choudhury (Company Secretary) [w.e.f. June 1, 2019]

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Affle (India) Limited (formerly known as "Affle (India) Private Limited")
Notes to Consolidated Financial Statements for the year ended March 31, 2019
(Amount in INR million, unless otherwise stated)

32. Related Party Disclosures (Continued)

(ii) The following table provides the total value of transactions that have been entered into with related parties for the relevant year:

Particulars	Fellow subsidiaries		Holding company	
	March 31, 2019	March 31, 2018 (Unaudited)	March 31, 2019	March 31, 2018 (Unaudited)
Reimbursement of expenses by the Group				
Affle Global Pte. Ltd.	11.16	30.88	-	-
Affle Holdings Pte. Ltd.	-	-	10.50	-
OOO Marketplaces Private Limited	0.03	-	-	-
Reimbursement of expenses to the Group				
Affle Global Pte. Ltd.	16.13	9.64	-	-
Affle Holdings Pte. Ltd.	-	-	67.43	-

Transaction with Key Management Personnel

Particulars	March 31, 2019	March 31, 2018 (Unaudited)
Compensation paid*:		
Anuj Kumar		
Short-term employee benefits	11.37	10.50
Share based payments	(3.23)	-
Kapil Mohan Bhutani		
Short-term employee benefits	8.12	2.86
Share based payments	(0.24)	0.08
Khushboo Sachdeva (till September 14, 2017)		
Short-term employee benefits	-	0.28
Akanksha Gupta		
Short-term employee benefits	1.24	0.18
Anuj Khanna Sohum		
Short-term employee benefits	0.25	-

* The remuneration to the key management personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole. Also, it does not include provision for incentives, payable on the basis of actual performance parameters, in next year.

(iii) Balances as at the year end

Particulars	Fellow subsidiaries		Holding Company		Enterprises owned or significantly influenced by key management personnel or their relatives	
	March 31, 2019	March 31, 2018 (Unaudited)	March 31, 2019	March 31, 2018 (Unaudited)	March 31, 2019	March 31, 2018 (Unaudited)
Trade receivables						
Affle Global Pte. Ltd.	10.41	-	-	-	-	-
NewU Health and Fitness Platform Pvt Ltd	-	-	-	-	-	0.35
Other current financial assets						
OOO Marketplaces Private Limited	0.03	-	-	-	-	-
Affle Holdings Pte. Ltd.	-	-	2.67	-	-	-
Long-term borrowings						
Affle Holdings Pte. Ltd.	-	-	69.17	-	-	-
Short-term borrowings						
Affle Holdings Pte. Ltd.	-	-	20.75	-	-	-
Trade payables						
Affle Global Pte. Ltd.	-	35.73	-	-	-	-
Other current financial liabilities						
Affle Global Pte. Ltd.	33.57	122.87	-	-	-	-

32. Related Party Disclosures (Continued)

Particulars	Key management personnel	
	March 31, 2019	March 31, 2018 (Unaudited)
Payable to key management personnel:		
Akanksha Gupta		
Other Payable	-	0.00
Salary payable	0.08	0.07
Anuj Kumar		
Other Payable	0.20	-
Salary payable	0.16	0.90
Kapil Mohan Bhutani		
Other Payable	0.04	-
Salary payable	0.34	0.52
Anuj Khanna Sohum		
Salary payable	0.02	-

No amount has been written off or written back in the year in respect of debts due from/to above related parties.

Terms and conditions of transactions with related parties

The sale and purchase from related parties are made on terms equivalent to those that prevail in arm's length transaction. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2019 and March 31, 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(Amount in INR million, unless otherwise stated)

33. Segment Information

The Group's operations pre-dominantly relate to providing mobile advertising services through consumer intelligence platforms.

The Board of Directors, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Group's performance and allocates resources based on the analysis of the various performance indicators of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirements of Ind AS 108 "Operating Segments"

Geographical information

In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets, which have been based on the geographical location of the assets.

Year ended and as at March 31, 2019

Particulars	India	Outside India	Total
Revenue from contracts with customers			
Sales to external customers	1,088.55	1,405.41	2,493.96
Other segment information			
Non-current assets (other than financial assets and deferred tax asset)	253.62	337.31	590.93
Capital expenditure:			
Property, plant and equipment	6.31	0.68	6.99
Intangible assets	47.28	70.10	117.38

Year ended and as at March 31, 2018 (Unaudited)

Particulars	India	Outside India	Total
Revenue from contracts with customers			
Sales to external customers	770.22	902.24	1,672.46
Other segment information			
Non-current assets (other than financial assets and deferred tax asset)	151.14	123.55	274.69
Capital expenditure:			
Property, plant and equipment	1.97	-	1.97
Intangible assets	38.34	35.32	73.66

Information about major customers

The Group had two customers that each contributed more than 10% of the Group's revenue from contracts with customers for the year ended March 31, 2019 and 2018. The total amount of revenue from contracts with these two customers for the year ended March 31, 2019 was INR 1,068.35 million (March 31, 2018: INR 796 million).

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(Amount in INR million, unless otherwise stated)

34. Statement of Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

	Carrying value		Fair value	
	As at		As at	
Particulars	**March 31, 2019**	**March 31, 2018 (Unaudited)**	**March 31, 2019**	**March 31, 2018 (Unaudited)**
Financial assets				
A. FVTPL financial instruments:				
Investments	0.26	0.26	0.26	0.26
B. Amortised Cost:				
Loans	11.57	7.98	11.57	7.98
Trade receivables	478.83	166.11	478.83	166.11
Cash and cash equivalents	206.08	146.36	206.08	146.36
Other bank balances	98.83	42.83	98.83	42.83
Other financial assets	29.03	0.16	29.03	0.16
Total	**824.60**	**363.70**	**824.60**	**363.70**
Financial liabilities				
Amortised Cost:				
Borrowings	89.92	-	89.92	-
Trade payables	517.11	270.30	517.11	270.30
Other financial liabilities	198.75	151.85	198.75	151.85
Total	**805.78**	**422.15**	**805.78**	**422.15**

The management assessed that cash and cash equivalents, other bank balances, trade receivables, borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Further, the subsequent measurements of all assets and liabilities (other than investments) is at amortised cost, using effective interest rate (EIR) method.

The following methods and assumptions were used to estimate the fair values:

Receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

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35. Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2 Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly
Level 3 Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	Date of valuation	Valuation technique	Inputs used	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:							
FVTPL financial instruments:							
Investments	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.26	-	0.26	-
				0.26	-	**0.26**	-
Investment carried at cost:							
Assets measured at amortised cost:							
Loans	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	11.57	-	11.57	-
Trade receivables	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	478.83	-	478.83	-
Cash and cash equivalents	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	206.08	-	206.08	-
Other bank balances	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	98.83	-	98.83	-
Other financial assets	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	29.03	-	29.03	-
				824.34	-	**824.34**	-
Liabilities measured at amortised cost							
Borrowings	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	89.92	-	89.92	-
Trade payables	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	517.11	-	517.11	-
Other financial liabilities	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	198.75	-	198.75	-
				805.78	-	**805.78**	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2019

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018 (Unaudited):

Particulars	Date of valuation	Valuation technique	Inputs used	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:							
FVTPL financial instruments:							
Investments	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.26	-	0.26	-
				0.26	-	**0.26**	-
Assets measured at amortised cost:							
Loans	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	7.98	-	7.98	-
Trade receivables	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	166.11	-	166.11	-
Cash and cash equivalents	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	146.36	-	146.36	-
Other bank balances	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	42.83	-	42.83	-
Other financial assets	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.16	-	0.16	-
				363.44	-	**363.44**	-
Liabilities measured at amortised cost							
Trade payables	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	270.30	-	270.30	-
Other financial liabilities	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	151.85	-	151.85	-
				422.15	-	**422.15**	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2018.

(Amount in INR million, unless otherwise stated)

36. Financial Risk Management Objectives and Policies

The Group's principal financial liabilities comprise of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalent that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is responsible to ensure that Group's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a. Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market price.

(i) 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 does not use derivative financial instruments such as forward exchange contracts or options to hedge its risk associated with foreign currency fluctuations or for trading/speculation purpose.

The amount of foreign currency exposure not hedged by derivative instruments or otherwise is as under:

Particulars	As at March 31, 2019		As at March 31, 2018 (Unaudited)	
	Foreign currency	Amount in INR	Foreign currency	Amount in INR
Trade payables				
USD	0.75	51.57	0.61	39.69
SGD	0.03	1.50	-	-
MYR	0.04	0.76	-	-
Contract liabilities				
USD	0.02	1.15	-	-
Trade receivables				
USD	0.82	56.52	0.25	16.47
SGD	0.10	5.16	0.01	0.49
MYR	1.06	18.07	-	-
EURO	0.34	26.12	-	-
CAD	0.00	0.09	-	-
Cash and cash equivalents				
USD	0.55	37.70	0.22	14.09

The following table demonstrate the sensitivity to a reasonable possible change in USD exchange rates on profit before tax arising as a result of the revaluation of the Group's foreign currency financial assets and unhedged liabilities.

Particulars	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity
	For the year ended March 31, 2019		For the year ended March 31, 2018 (Unaudited)	
Effect of 10% strengthening of INR against USD*	(4.19)	(4.19)	0.91	0.91
Effect of 10% strengthening of INR against SGD*	(0.37)	(0.37)	(0.05)	(0.05)
Effect of 10% strengthening of INR against MYR*	(1.73)	(1.73)	-	-
Effect of 10% strengthening of INR against EURO*	(2.61)	(2.61)	-	-
Effect of 10% strengthening of INR against CAD*	(0.01)	(0.01)	-	-
Effect of 10% weakening of INR against USD	4.19	4.19	(0.91)	(0.91)
Effect of 10% weakening of INR against SGD	0.37	0.37	0.05	0.05
Effect of 10% weakening of INR against MYR	1.73	1.73	-	-
Effect of 10% weakening of INR against EURO	2.61	2.61	-	-
Effect of 10% weakening of INR against CAD	0.01	0.01	-	-

* Figures in bracket signifies credit to profit and loss account

b. Credit Risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions.

A counterparty whose payment is due more than 90 days after the due date is considered as a defaulted party. This is based on considering the market and economic forces in which the Group operates. The Group write-off the amount if the credit risk of counter-party increases significantly due to its poor financial position.

All the financial assets carried at amortised cost were into good category except some portion of trade receivables considered under doubtful category (Refer Note 10).

AFFLE (INDIA) LIMITED

(Amount in INR million, unless otherwise stated)

Trade receivables

Trade receivables are typically unsecured. Credit risk is managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The Group is exposed to credit risk in the event of non-payment by customers. An impairment analysis is performed at each reporting date. The Group uses a provision matrix to measure the expected credit loss of trade receivables.

The ageing analysis of trade receivables as of the reporting date is as follows:

ECL rate	Particulars	2.42%	17.34%	27.33%	27.33%	34.46%	100.00%	Total
Trade receivables as at		0-90 days	90-180 days	180-360 days	1-2 year	2-3 year	> 3 year	
March 31, 2019	Gross carrying amount	448.31	38.77	11.90	4.53	7.25	4.02	514.78
March 31, 2019	ECL - Simplified approach*	19.67	1.46	7.07	1.23	2.50	4.02	35.95
March 31, 2019	Net carrying amount	428.64	37.31	4.83	3.30	4.75	-	478.83
March 31, 2018 (Unaudited)	Gross carrying amount	156.35	12.83	10.18	7.68	4.37	-	191.41
March 31, 2018 (Unaudited)	ECL - Simplified approach*	7.22	2.61	3.42	7.68	4.37		25.30
March 31, 2018 (Unaudited)	Net carrying amount	149.13	10.22	6.76	-	-	-	166.11

The ageing analysis of contract asset as of the reporting date is as follows:

ECL rate	Particulars	2.42%	0.00%	0.00%	0.00%	0.00%	0.00%	Total
Trade receivables as at		0-90 days	90-180 days	180-360 days	1-2 year	2-3 year	> 3 year	
March 31, 2019	Gross carrying amount	134.26						134.26
March 31, 2019	ECL - Simplified approach*	2.39						2.39
March 31, 2019	Net carrying amount	131.87	-	-	-	-	-	131.87
March 31, 2018 (Unaudited)	Gross carrying amount	82.83						82.83
March 31, 2018 (Unaudited)	ECL - Simplified approach*	3.70						3.70
March 31, 2018 (Unaudited)	Net carrying amount	79.13	-	-	-	-	-	79.13

Reconciliation of impairment allowance on trade receivables and contract asset

Particulars	March 31, 2018	March 31, 2018 (Unaudited)
Opening impairment allowance	29.00	26.06
Add: Asset originated	9.34	11.22
Less: write-offs (net of recovery)	-	(8.28)
Closing impairment allowance	**38.34**	**29.00**

None of those trade receivables past due or impaired have had their terms renegotiated. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables presented in the financial statement. The Group does not hold any collateral or other credit enhancements over balances with third parties nor does it have a legal right of offset against any amounts owed by the Group to the counterparty. For receivables which are overdue the Group has subsequently received payments and has reduced its overdue exposure.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

c. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group monitors their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations. The Group's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner.

A balance between continuity of funding and flexibility is maintained through the use of borrowings. The Group also monitors compliance with its debt covenants. The maturity profile of the Group's financial liabilities based on contractual undiscounted payments is given in the table below.

Particulars	Contractual undiscounted value	0-1 year	1-2 years	2-5 years	More than 5 years
As at March 31, 2019					
Borrowings	89.92	20.75	69.17	-	-
Trade payables	517.11	517.11	-	-	-
Other financial liabilities	198.75	198.75	-	-	-
	805.78	**736.61**	**69.17**	-	-
As at March 31, 2018 (Unaudited)					
Trade payables	270.30	270.30	-	-	-
Other financial liabilities	151.85	151.85	-	-	-
	422.15	**422.15**	-	-	-

(Amount in INR million, unless otherwise stated)

37. Capital Management

The Board's policy maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

For the purpose of the Group's capital management, capital includes issued equity capital general reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. The Group's policy is to keep the gearing ratio between 0% and 70%.

Particulars	As at March 31, 2019	As at March 31, 2018 (Unaudited)
Borrowings [Note 15]	89.92	-
Trade payables [Note 16]	517.11	270.30
Other current financial liabilities [Note 17]	198.75	151.85
Less: Cash and cash equivalents [Note11]	(206.08)	(146.36)
Net debts	599.70	275.79
Total capital	724.05	304.65
Capital and net debt	1,323.75	580.44
Gearing ratio (%)	45%	48%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year.

(Amount in INR million, unless otherwise stated)

38. Share-Based Payments

Affle Holdings Pte Ltd., Singapore (AHPL), the holding company, has certain stock options plans which entitle the employees of the group, the option to purchase shares of AHPL at the exercise date

Description of the plan

Share options were granted to key management at the absolute discretion of the Compensation Committee of the Board of Directors under the Affle Employee Share Option Scheme and Affle Restricted Share Plan, which became operative on 18 June 2009.

The option shall vest at the rate of one-fourth (1/4) per year starting on every one-year anniversary from the grant date. Vesting of the options granted under the Scheme is conditional on
(i) the key management or employee remaining in the Company at grant date
(ii) atleast 30% year on year revenue growth of AHPL

Once the options are vested, they are exercisable for a period of ten years. The options may be exercised in full or in part, to purchase a whole number of vested shares not less than 100 shares, unless the number of shares subscribed is the total number available for subscription under the option.

The details of the plan is as follows:

Date of grant	January 15, 2010	May 31, 2011	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016
Exercise price	41.09	62.35	105.40	137.55	132.09	154.96
Options granted	10,42,500	2,36,250	2,03,250	30,000	57,000	57,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Validity	10 years	10 years	10 years	10 years	10 years	10 years
Vesting schedule	25% of the options vest every year from the respective grant dates up to the 4th year					

On July 11, 2018, the Annual General Meeting of Affle Holdings Pte. Ltd (AHPL) was held in which resolution for the forfeiture of all the vested, unvested and unexercised options under Affle Employee Share Option Scheme (ESOS) and Affle Restricted Share Plan (RSU) for years 2008 to 2018 was passed with immediate effect as the vesting conditions relating to options was not met.

Subsequently on July 12, 2018 the employees who were granted ESOS - RSU options signed the waiver letter with regards to their unexercised options right.
Accordingly, as per the provisions of Ind AS 102 Share Based Payments, the expense previously recognised for the unvested options has been reversed.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period/year:

Particulars	March 31, 2019		March 31, 2018 (Unaudited)	
	Number	WAEP	Number	WAEP
Outstanding at the beginning	**12,76,250**	**55.71**	**12,76,250**	**55.71**
Granted during the year	-	-	-	-
Forfeited during the year	(12,76,250)	(55.71)	-	-
Exercised during the year	-	-	-	-
Exercisable at the end	-	-	**12,76,250**	**55.71**

The expenses arising from equity settled share based payment transactions in the year ended March 31, 2019 was INR (1.29) million (March 31, 2018: INR 0.92 million)
The weighted average remaining contractual life for the share options outstanding as at March 31, 2019: Nil and March 31, 2018: 6.60 years
The range of exercise prices for options outstanding at the end of of the year was INR Nil and March 31, 2018 was INR 41.09 to INR 154.96

The following table lists the inputs to the models used for the plan

Particulars	January 15, 2010	May 31, 2011	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	85.0 - 86.8	80	78.4 - 84.2	75.1 - 79.3	75.1 - 79.3	66.1 - 68.9
Risk free interest rate (%)	2.6 - 3.2	2.7 - 3.3	0.9 - 1.2	1.8 - 2.0	1.8 - 2.0	1.8 - 2.0
Expected life of share options (years)	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10
Weighted average share price (INR)	36.09	28.40	47.29	16.78	42.37	82.13
Model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Restricted Share Plan
Under Affle Restricted Share Plan, the employee is not required to pay for the grant of the awards. Awards are forfeited when either of the vesting conditions as stated above is not met

The details of the plan is as follows:

Date of grant	April 1, 2015	April 1, 2016
Options granted	1,66,428	2,60,000
Vesting period	10 years	10 years
Method of settlement	Equity	Equity
Share price (INR)	42.96	82.39

Movements during the year

Particulars	March 31, 2019	March 31, 2018 (Unaudited)
	Number	Number
Outstanding at the beginning of the year	**3,16,055**	**3,16,055**
Granted during the year	-	-
Forfeited during the year	(3,16,055)	-
Exercised during the year	-	-
Outstanding at the end of the year	-	**3,16,055**

The expenses arising from equity settled share based payment transactions was INR (4.29) million (March 31, 2018: INR 2.77 million)
The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was Nil years (March 31, 2018 was 7.83 years)

(Amount in INR million, unless otherwise stated)

39. Dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

In term of the requirement of the Micro, Small and Medium Enterprise Development Act, 2006, the Group has continuously sought confirmations. Based on the information available with the Group, there is no principal/interest amount due to micro and small enterprises

Particulars	As at 'March 31, 2019	As at 'March 31, 2018 (Unaudited)
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
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	Nil	Nil
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	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
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	Nil	Nil

40. Business Combination

40.1 Business combinations under common control

(i) Acquisition of business of Affle Global Pte. Ltd. and investment in PT Affle Indonesia

Affle International Pte. Ltd. ("Affle International"), a wholly owned subsidiary of Affle (India) Limited (the "Company"), entered into an agreement with Affle Global Pte. Ltd. ("AGPL") on July 14, 2018, pursuant to which Affle International acquired the AGPL's Platform based business ("Platform Business Undertaking") and investments in PT Affle Indonesia, effective July 1, 2018 for a consideration of INR 131.90 million (equivalent to USD 1,906,792 at the exchange rate of USD1= INR 69.1713). The transfer of the business includes:

- Intellectual Properties ("IP") Rights
- Business relationship
- Technical information including Tech and Data Assets, including three US patents
- Employees
- Non-compete
- AGPL's investment in its 100% subsidiary PT Affle Indonesia

Assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired at the date of acquisition:

Fair value recognised on acquisition	INR million
Assets	
Intangible assets of AGPL	131.81
Investment in PT Affle Indonesia	0.09
Total identifiable net assets	**131.90**
Capital reserve arising on acquisition	-
Purchase consideration	**131.90**

Book Value of Asset and Liabilities	INR million
Total Asset Acquired	93.46
Less: Total Liability Acquired	(88.83)
Less: Retained earnings (accumulated loss) taken at book value	21.17
Net Amount	**25.80**
Purchase Consideration Paid	0.09
Capital reserve	**25.71**

Analysis of cash flow on acquisition:	INR million
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Consideration paid in cash (included in cash flows from investing activities)	98.33
Consideration payable in cash	33.57
Net cash flow on acquisition	131.90

The Group acquisition of business from AGPL is considered to be a business combination under common control as AGPL and the Group are both ultimately controlled by the Affle Holdings Pte. Ltd. The Group adopts pooling of interest in respect of the acquisition of business combination under common control as prescribed in Appendix C to Ind AS 103 "Business combinations of entities under common control"

As such, the consolidated financial statements as at and for the year ended March 31, 2019 incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the beginning of the earliest financial years presented.

As Affle International has not acquired any assets except the intangible asset and the equity interests in PT Affle Indonesia as on July 01, 2018, the profit attributable to AGPL for the period April 01, 2018 to June 30, 2018; amounting to INR 59.94 million (March 31, 2018: INR 184.41 million), has been adjusted from consolidated profit for the year under other equity. The same has been disclosed as cash flows from investing activities.

Transaction costs incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination is is recognised as an expense in the year in which it is incurred.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date.

AFFLE (INDIA) LIMITED

40. Business Combination

40.1 Business combinations under common control

(ii) Scheme of amalgamation in accordance with previous GAAP

During the year ended March 31, 2017, the Holding Company has merged its fellow subsidiaries i.e. AD2C Holdings, AD2C India, Appstudioz Technologies into one merged entity, Affle India Limited (formerly known as "Affle (India) Private Limited") under the court approved scheme of amalgamation in accordance with erstwhile applicable previous GAAP.

Business combination under common control has been accounted for using purchase method in accordance with previous GAAP as prescribed under court scheme instead of using pooling interest method as prescribed under Ind AS 103. Business Combinations as the approved court scheme will prevail over applicable accounting standard.

Accordingly, the Scheme was accounted for using purchase method in accordance with erstwhile applicable Accounting Standard 14 "Accounting for Amalgamations". All the assets and liabilities of the Transferor Companies have been incorporated at fair values as at 1 April 2015 against the purchase consideration of INR 84.64 Mn which resulted in the Goodwill on amalgamation of amounting INR 59.24.

Goodwill acquired through business combinations have indefinite life. The Group performed its impairment test for the year ended March 31, 2019.

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40. Business Combination (Cont'd)

40.2 Business combinations under non-common control entities

(i) Acquisition of Identified Business of Vizury Interactive Solutions Private Limited

On September 1, 2018, Affle (India) Limited ("the Company") acquired the Commerce Business ("Identified Business") of Vizury Interactive Solutions Private Limited ("Vizury India") for a consideration of INR 106.44 million (equivalent to USD 1.50 million at the exchange rate of USD1= INR 70.96) minus profit after tax of Vizury India for the period 15 May 2018 to 31 August 2018 of INR 21.37 million (equivalent to USD 0.30 million at the exchange rate of USD1= INR 70.96).

The Company acquired the Identified Business of Vizury India so as to continue the expansion of the consumer platform segment.

Assets acquired and liabilities assumed

The goodwill computed in case of above acquisition is based on provisional purchase price allocation ("PPA") available with the Company. The management of the Company shall be using the services of an external expert to carry out a detailed PPA of the purchase consideration paid / payable to the shareholders of Vizury India. Adjustment, resulting from such PPA shall be carried out in the financial statements of the Company. Consequently, the values of assets and liabilities acquired, and the resultant goodwill could be materially different once the PPA valuation is completed. The forgoing is in line with the provisions of Ind AS 103 Business Combinations which allows the initial accounting for a business combination to be completed within one year from the acquisition date. Based on the provisional PPA information obtained, the fair value of the identifiable net asset arising from the transaction are as follows:

Assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired at the date of acquisition:

Fair value recognised on acquisition	**INR million**
Assets	
Software Application Development (Technology)	9.93
Total identifiable net assets	**9.93**
Goodwill arising from acquisition	75.14
Purchase consideration	**85.07**

Analysis of cash flow on acquisition:

	INR million
Transaction costs of the acquisition (included in cash flows from operating activities)	1.02
Consideration paid in cash (included in cash flows from investing activities)	53.22
Consideration payable in cash	31.85
Net cash flow on acquisition	**86.09**

Acquisition related costs

The Company has incurred acquisition-related costs of INR 1.02 million on legal fees and due dilligence costs. These costs have been recognised as an expense in statement of profit or loss in the current year, within the 'other expenses' line item.

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40. Business Combination (Cont'd)

40.2 Business combinations under non common control entities

(ii) Acquisition of Identified Business of Vizury Interactive Solutions Pte. Ltd. and Vizury Interactive Solutions FZ-LLC

On September 1, 2018, Affle International Pte. Ltd. ("Affle International"), wholly owned subsidiary of the Company acquired the Commerce Business ("Identified Business") of Vizury Interactive Solutions Pte. Ltd. ("Vizury Singapore") and Vizury Interactive Solutions FZ-LLC ("Vizury Dubai") for a consideration of INR 207.51 million.

Affle International acquired the Identified Business of Vizury Singapore and Vizury Dubai so as to continue the expansion of the consumer platform segment.

Assets acquired and liabilities assumed

The Company has acquired only the intangible assets of Identified Business of Singapore and Vizury Dubai namely the Intellectual Properties, Domain Name, Business Relationships, Employees and Non-compete whose book value as on the date of acquisition was Nil. The management of the Company has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of Vizury Singapore and Vizury Dubai. Pursuant to such PPA valuation, conducted by an independent expert, the net consideration of INR 207.51 million have been allocated, based on the fair value computations, at the acquisition date, as an intangible asset, arising from this acquisition. The initial accounting for this business combination has been finalised as at date of the financial statements. Based on the PPA information obtained, the fair value of the identifiable net asset arising from the transaction are as follow:

The following table summarises the recognised amounts of assets acquired at the date of acquisition:

Fair value recognised on acquisition	**INR million**
Assets	
Software Application Development (Technology)	16.60
Total identifiable net assets	**16.60**
Goodwill arising on acquisition	190.91
Purchase consideration	**207.51**

Analysis of cash flow on acquisition:

	INR million
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Consideration paid in cash (included in cash flows from investing activities)	121.04
Consideration payable in cash	86.47
Net cash flow on acquisition	**207.51**

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40. Business Combination (Cont'd)

From the date of acquisition, Vizury has contributed INR 256.16 million of revenue to continuing operations of the Group. If the combination had taken place at the beginning of year ended March 31, 2019, the total Group's revenue from continuing operations would have been INR 2,686.09 million.

Impairment testing of Goodwill

Goodwill acquired through business combinations have indefinite life. The Group performed its impairment test for the year ended March 31, 2019. The Group considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a period of five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Group has extrapolated cash flows beyond 5 years using a growth rate of 2% (March 31, 2018: 2%).

The said cash flow projections are based on the senior management past experience as well as expected met trends for the future periods. The projected cash flows have been updated to reflect the decreased demand for services. The calculation of weighted average cost of capital (WACC) is based on the Group's estimated capital structure as relevant and attributable to the Group. The WACC is also adjusted for specific risks, market risks and premium, and other inherent risks associated with similar type of investments to arrive at an approximation of the WACC of a comparable market participant. The said WACC being pre-tax discount rates reflecting specific risks, are then applied to the above mentioned projections of the estimated future cash flows to arrive at the discounted cash flows.

The key assumptions used in the determination of VIU are the revenue annual growth rates and the EBITDA growth rate. Revenue and EBITDA growths are based on average value achieved in preceeding years. Also, the growth rates used to extrapolate the cash flows beyond the forecast period are based on industry standards.

Based on the above assumptions and analysis, no impairment was identified as at March 31, 2019. Further, on the analysis of the said calculation's sensitivity to a reasonably possible change in any of the above mentioned key assumptions / parameters on which the Management has based determination of the recoverable amount, there are no scenarios identified by the management wherein the carrying value could exceed its recoverable amount.

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Affle (India) Limited (formerly known as "Affle (India) Private Limited")
Notes to Consolidated Financial Statements for the year ended March 31, 2019
(Amount in INR million, unless otherwise stated)

41. Capitalisation of Intangible Assets

The Group has capitalized the following expenses of operating nature to the internally developed software. Consequently, the expenses disclosed under the respective heads are net of amounts capitalized by the Group.

Particulars	March 31, 2019	March 31, 2018 (Unaudited)
Salaries, allowances and bonus	50.06	24.53
Rent	2.53	1.74
Power and fuel	0.09	0.08
Printing and stationery	0.10	0.05
Repairs and maintenance - others	0.98	0.69
Communication	0.18	0.13
Inventory and data costs	11.11	7.63
Total	**65.05**	**34.85**

42. The Company is in contravention of certain provisions under Foreign Exchange Management Act (FEMA) due to certain administrative and regulatory non-filings by authorized dealer with Reserve Bank of India (RBI) related to non-allotment of equity shares within stipulated time and is in the process of applying for relevant approvals with the regulatory authorities. The Company, basis legal opinion obtained in earlier year, was reasonably confident of receiving approval/ condonation from the regulatory authorities with respect to the above non-compliance after incurring certain penalties. The Holding Company has guaranteed to reimburse any liability arising on the Company on account of such non-compliance and accordingly, the Company has recorded provision and corresponding indemnification assets of amounting INR 7.50 million as at March 31, 2014. The Company has revised its estimate of provision due to regularization of the non-compliance and accordingly, has reduced the provision and indemnification asset at INR 2.20 million and INR 0.50 million as at March 31, 2015 and March 31, 2016 respectively.

During the year ended March 31, 2018, RBI has compounded the contravention on payment of INR 0.50 million by order dated August 02, 2017.

43. The Company has filed complaint with the police department for embezzlement of the Company's car and filed the statement of claims to recover full cost of the Company's car amounting to INR 0.61 million (March 31, 2018: INR 0.61 million). This embezzlement was done by ex- director of the Company, by transferring the Company's car to the name of his father without any form of consent from the Company. Therefore, the Company has written down entire net book value of the Company's car amounting to INR 0.10 million (March 31, 2018: INR 0.15 million) in the books.

44. The Company has appointed independent consultants for conducting a transfer pricing study to determine whether the transactions with associated enterprise were undertaken at "arm length price". The management confirms that all domestic and international transactions with associated enterprises are undertaken at a negotiated contracted price on usual commercial terms and is confident of there being no adjustment on completion of the study. Adjustment, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed.

45. The Company enters into various transaction for the purchase and sale of services with overseas customers and vendors. As per the guidelines issued by RBI, payment for all imports should be made within a period of 6 months and collection for all exports should be made within a period of 9 months respectively, unless approved by the Authorized Dealer. As at March 31, 2019, the aggregate amount of payable outstanding for more than 6 months is INR 6.55 million and receivable outstanding for more than 9 months is INR 7.17 million. The Company has intimated the Authorised Dealer about the delays in recovery and expects to get relief from any penalties being imposed, once the transaction is completed and has, accordingly, not provided for any penalties in these financial statements.

46. Subsequent Events

A. Affle International Pte Ltd ("Affle International") and RevX Inc. ("RevX") has entered into a business transfer agreement dated June 14, 2019 pursuant to which Affle International has acquired the RevX Business as a slump sale, on an "as is where is basis", for total consideration of USD 4.50 million, including all of RevX's business including its business assets consisting of: (i) intellectual property (but not the "RevX" brand); (ii) records; (iii) movable assets; (iv) goodwill; and (v) transferred contracts, assumed liabilities with effective from April 1, 2019.

B. Affle International, Shoffr Pte. Ltd. ("Shoffr"), Abhishek Dadoo and Nagendra Hassan Dhanakeerthi (together with Abhishek Dadoo, the "Founders") entered into a business transfer and non-compete agreement dated February 20, 2019 (the "Shoffr BTA"), as amended, for total consideration of USD 0.55 million, pursuant to which, among other things, Affle International acquired the Shoffr's Business (as defined in the Shoffr BTA) as a going concern, including the brand name 'Shoffr' and all of the intellectual property rights, technical information, employees and assets of the Shoffr Business. The acquisition has been concluded post March 31, 2019 and accordingly no impact was required to be considered in the financial statement for the year ended March 31, 2019.

47. Previous year comparitives

These are the first set of consolidated financial statements of the Group, in accordance with Ind AS - 110 "Consolidated Financial Statements". Hence there are no comparative figures.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: Gurugram
Date: June 29, 2019

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. U65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Gurugram
Date: June 29, 2019

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: June 29, 2019

Kapil Mohan Bhutani
Director, Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: June 29, 2019

Parmita Choudhury
Company Secretary
Membership No. 26261
Place: Gurugram
Date: June 29, 2019

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Golf View Corporate Tower - B
Sector-42, Sector Road
Gurgaon -122 002, Haryana, India

Tel : +91 124 464 4000
Fax: +91 124 464 4050

INDEPENDENT AUDITOR'S REPORT

To the Members of Affle (India) Private Limited

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of Affle (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of Other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

S.R. BATLIBOI & ASSOCIATES LLP

S.R. Batliboi & Associates LLP, a Limited Liability Partnership with LLP Identity No. AAB-4295
Regd. Office : 22, Camac Street, Block C, 3rd Floor, Kolkata-700 016

Emphasis of Matter

We draw attention to Note 37 to the financial statements, which indicate that business combination under common control has been accounted for using purchase method in accordance with previous GAAP as prescribed under court scheme instead of using pooling interest method as prescribed under Ind AS 103 Business Combinations as the approved court scheme will prevail over applicable accounting standard.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report dated June 16, 2018 in "Annexure 2" to this report;

S.R. BATLIBOI & ASSOCIATES LLP

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Yogesh Midha
Partner
Membership Number: 94941
Place of Signature: Gurugram
Date: June 16, 2018

S.R. BATLIBOI & ASSOCIATES LLP

Annexure 1 referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements' of our report of even date

Re: Affle (India) Private Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the Company and accordingly, the requirements under paragraph 3(i) (c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given by the management, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given by the management, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of paragraph 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company

(vii) (a) Undisputed statutory dues including provident fund, income-tax, sales-tax, customs duty, excise duty, cess have been regularly deposited with the appropriate authorities though there have been significant delays in few cases of service tax and ESI

(b) According to the information and explanations given by the management, no undisputed amounts payable in respect of income-tax, service tax, provident fund and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, service tax, excise duty, value added tax and cess which have not been deposited on account of any dispute

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the money raised by way of term loan for the purposes for which it was raised.

S.R. BATLIBOI & ASSOCIATES LLP

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Companies Act, 2013 are not applicable to the Company and hence reporting under paragraph 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of paragraph 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Yogesh Midha
Partner
Membership Number: 94941
Place of Signature: Gurugram
Date: June 16, 2018

S.R. BATLIBOI & ASSOCIATES LLP

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AFFLE (INDIA) PRIVATE LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Affle (India) Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Yogesh Midha
Partner
Membership Number: 94941
Place of Signature: Gurugram
Date: June 16, 2018

S.R. BATLIBOI & ASSOCIATES LLP

Affle (India) Private Limited
(Amount in INR million, unless otherwise stated)

Balance Sheet as at March 31, 2018

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
I. Non-current assets				
(a) Property, plant and equipment	3	3.67	3.63	5.48
(b) Capital work-in-progress	3	-	-	1.26
(c) Goodwill		59.24	59.24	59.24
(d) Other intangible assets	4	88.18	80.14	33.06
(e) Intangible assets under development	4	-	3.06	39.75
(f) Financial Assets				
(i) Investments	5	0.26	0.20	-
(ii) Loans	6	5.83	6.31	6.28
(g) Deferred tax asset (net)	8	4.94	18.96	20.74
(h) Non current tax asset (net)	9	-	-	3.16
(i) Other non-current assets	10	0.05	0.32	0.86
Total Non-current assets		**162.17**	**171.86**	**169.83**
II. Current assets				
(a) Financial Assets				
(i) Trade receivables	11	158.23	135.30	162.99
(ii) Cash and cash equivalents	12	136.71	57.89	78.69
(iii) Other bank balance other than (ii) above	12	8.20	29.58	-
(iv) Loans	6	1.62	0.39	5.34
(v) Other financial assets	7	77.29	38.93	67.88
(b) Current tax asset (net)	9	24.35	28.48	25.53
(c) Other current assets	10	11.74	24.46	30.05
Total Current assets		**418.14**	**315.03**	**370.48**
Total Assets		**580.31**	**486.89**	**540.31**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	13	242.88	242.88	242.88
(b) Other equity	13	58.77	(32.57)	(45.25)
		301.65	**210.31**	**197.63**
LIABILITIES				
I. Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	-	5.26	40.40
(b) Provisions	15	11.42	9.12	9.98
Total Non-current liabilities		**11.42**	**14.38**	**50.38**
II. Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	-	28.34	-
(ii) Trade payables	16	220.24	160.08	229.84
(iii) Other financial liabilities	17	24.89	59.66	38.27
(b) Provisions	15	1.07	1.47	5.19
(c) Other current liabilities	18	21.04	12.65	19.00
Total Current liabilities		**267.24**	**262.20**	**292.30**
Total Equity and Liabilities		**580.31**	**486.89**	**540.31**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm's Registration No.: 101049W/E300004
Chartered Accountants

S.R. BATLIBOI & ASSOCIATES LLP

per Yogesh Midha
Partner
Membership No.: 94941
Place: Gurugram
Date: June 16, 2018

For and on behalf of the Board of Directors of
Affle (India) Private Limited
CIN No. U65990MH1994PTC080451

Anuj Khanna Sohum
Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Gurugram
Date: June 16, 2018

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: June 16, 2018

Kapil Mohan Bhutani
Director and Chief Financial Officer
[DIN: 00554760]
Place: Gurugram
Date: June 16, 2018

Akanksha Gupta
Company Secretary
Membership No.: 29443
Place: Gurugram
Date: June 16, 2018

Affle India Private Limited

Affle (India) Private Limited
(Amount in INR million, unless otherwise stated)

Statement of Profit and Loss for the year ended March 31, 2018

	Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I	**REVENUE**			
	Revenue from operations	19	837.56	656.29
	Other income	20	11.22	15.79
	Total revenue (I)		**848.78**	**672.08**
II	**EXPENSES**			
	Inventory and data costs		424.27	323.78
	Employee benefits expense	21	159.52	176.23
	Finance costs	22	10.78	15.86
	Depreciation and amortization expense	23	32.13	23.07
	Other expenses	24	86.12	121.06
	Total expenses (II)		**712.82**	**660.00**
III	**Profit before tax (I-II)**		**135.96**	**12.08**
IV	**Tax expense:**	8		
(1)	Current tax		46.20	1.82
(2)	Deferred tax (credit)/ charge (includes adjustment of MAT credit entitlement amounting to INR Nil (March 31, 2017: INR 1.82 million))		1.45	4.14
V	**Profit for the year (III-IV)**		**88.31**	**6.12**
VI	**Other Comprehensive Income**			
	Items that will not be reclassified to Statement of profit and loss			
	Re-measurement gains /(losses) on defined benefit plans	25	(0.12)	4.53
	Income tax effect	8	0.04	(1.40)
	Other Comprehensive Income net of tax		**(0.08)**	**3.13**
VII	**Total Comprehensive Income for the year (V + VI)**		**88.23**	**9.25**
VIII	Earnings per equity share:			
	(1) Basic	26	3.64	0.25
	(2) Diluted		3.64	0.25
	Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm's Registration No.: 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership No.: 94941
Place: Gurugram
Date: June 16, 2018

For and on behalf of the Board of Directors of
Affle (India) Private Limited
CIN No. U65990MH1994PTC080451

Anuj Khanna Sohum
Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Gurugram
Date: June 16, 2018

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: June 16, 2018

Kapil Mohan Bhutani
Director and Chief Financial Officer
[DIN: 00554760]
Place: Gurugram
Date: June 16, 2018

Akanksha Gupta
Company Secretary
Membership No.: 29443
Place: Gurugram
Date: June 16, 2018

(Amount in INR million, unless otherwise stated)

Cash Flow Statement for the Year Ended March 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A Cash Flow from Operating Activities		
Profit Before Tax	135.96	12.08
Adjustments for :		
Depreciation and amortization	32.13	23.07
Allowance for impairment of trade receivables and unbilled revenue	11.22	11.21
Liabilities no longer required written back	-	(4.08)
Employee stock option compensation cost	3.11	3.43
Loss/ (Gain) on disposal of property, plant and equipment and intangible assets (net)	0.06	(0.05)
Interest income	(2.10)	(3.90)
Interest expense	10.24	14.85
Unrealised foreign exchange (gain)/ loss	(0.30)	(1.13)
Advances given written off	0.04	2.10
Operating profit before working capital changes	**190.36**	**57.58**
Change in working capital:		
Decrease/ (increase) in trade receivables	(32.21)	14.60
Decrease/ (increase) in financial assets	(40.84)	35.33
Decrease in other assets	12.95	4.03
Increase/ (decrease) in trade payables	60.47	(67.85)
Increase in other financial liabilities	2.59	22.30
Increase/ (decrease) in other liabilities	8.38	(2.27)
Increase/ (decrease) in provisions	1.78	(0.05)
Cash generated from operations	**203.48**	**63.67**
Direct taxes paid (net of refunds)	(29.46)	(5.37)
Net cash generated from operating activities (A)	**174.02**	**58.30**
B Cash Flow from Investing Activities:		
Purchase of property, plant & equipment, intangible assets including Capital work in progress	(37.25)	(32.30)
Proceeds from sale of property, plant and equipment and intangible assets	0.04	1.53
Purchase of non-current investments	(0.06)	(0.20)
Investments in bank deposits (having original maturity of more than three months)	-	(36.61)
Redemption in bank deposits (having original maturity of more than three months)	21.38	7.03
Interest received	1.89	3.54
Net cash used in investing activities (B)	**(14.00)**	**(57.01)**

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Affle India Private Limited India

Affle (India) Private Limited
(Amount in INR million, unless otherwise stated)

Cash Flow Statement for the Year Ended March 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
C Cash flow from financing activities:		
Interest paid	(10.03)	(13.60)
Proceeds from borrowings	-	28.34
Repayment of borrowings	(71.17)	(36.83)
Net cash used from financing activities (C)	**(81.20)**	**(22.09)**
Net change in cash and cash equivalents (A+B+C)	78.82	(20.80)
Cash and cash equivalents as at the beginning of year	57.89	78.69
Cash and cash equivalents as at the end of year	**136.71**	**57.89**
Components of cash and cash equivalents		
Balance with banks:		
In current account	116.36	57.66
Deposits with original maturity for less than three months	20.00	-
Cash on hand	0.35	0.23
Total cash and cash equivalents	**136.71**	**57.89**

The reconciliation between the opening and the closing balances in the balance sheet for liabilities arising from financing activities is as follows:

Particulars	March 31, 2017	Cash flows	Fair value changes	March 31, 2018
Long-term borrowings	42.09	(42.83)	0.74	-
Short-term borrowings	28.34	(28.34)	-	-
Total liabilities from financing activities	**70.42**	**(71.16)**	**0.74**	-

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm's Registration No.: 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership No.: 94941
Place: Gurugram
Date: June 16, 2018

S.R. BATLIBOI & ASSOCIATES LLP

For and on behalf of the Board of Directors of Affle (India) Private Limited
CIN No. U65990MH1994PTC080451

Anuj Khanna Sohum
Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Gurugram
Date: June 16, 2018

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: June 16, 2018

Kapil Mohan Bhutani
Director and Chief Financial Officer
[DIN: 00554760]
Place: Gurugram
Date: June 16, 2018

Affle India Private Limited

Akanksha Gupta
Company Secretary
Membership No.: 29443
Place: Gurugram
Date: June 16, 2018

Affle (India) Private Limited
(Amount in INR million, unless otherwise stated)

Statement of Changes in Equity

Equity Share Capital

Particulars	Number of shares	Amount (Rs.)
Balance as at April 01, 2016	24,288,314	242.88
Issued during the year	-	-
Balance as at March 31, 2017	24,288,314	242.88
Issued during the year	-	-
Balance as at March 31, 2018	24,288,314	242.88

Other Equity

Particulars	Retained earnings	Share application money pending allotment (Refer note 41)	Capital contribution from Parent-Employee Share Based Payment (Refer note 35)	Total
As at April 01, 2016	(46.89)	0.00	1.64	(45.25)
Profit for the year	6.12	-	-	6.12
Other comprehensive income	3.13	-	-	3.13
Total comprehensive income	9.25	-	-	9.25
Written back during the year	-	(0.00)	-	(0.00)
Share based payments (Refer to note 35)	-	-	3.43	3.43
As at March 31, 2017	(37.64)	-	5.07	(32.57)
Profit for the year	88.31	-	-	88.31
Other comprehensive income	(0.08)	-	-	(0.08)
	88.23	-	-	88.23
Share based payments (Refer to note 35)	-	-	3.11	3.11
As at March 31, 2018	50.59	-	8.18	58.77

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm's Registration No.: 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership No.: 94941
Place: Gurugram
Date: June 16, 2018

Anuj Khanna Sohum
Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Gurugram
Date: June 16, 2018

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: June 16, 2018

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Director and Chief Financial Officer
[DIN: 00554760]
Place: Gurugram
Date: June 16, 2018

Akanksha Gupta
Company Secretary
Membership No.: 29443
Place: Gurugram
Date: June 16, 2018

1. CORPORATE INFORMATION

Affle (India) Private Limited ("the Company"), is a private limited Company, domiciled in India, incorporated under the provisions of the Companies Act, 1956, and is a subsidiary of Affle Holdings Pte Ltd. The Company was incorporated on 18 August 1994. The Company is engaged in providing mobile advertisement services through information technology and software development services for mobiles.

The registered office of the Company is situated at 402, 4th Floor, Akruti Orion, Shraddhanand Road, Vile Parle (East), Mumbai, India – 400057. The principal place of business is in Haryana, India.

These financial statements were authorized for issue in accordance with the resolution of directors on June 16, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

The financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2018 are the first financial statements of the Company under Ind AS. Reconciliations and descriptions of the effect of the transition has been summarized in Note 38.

The financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value as required under relevant Ind AS.

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest millions upto two decimals, except when otherwise stated. Amounts less than INR 1 million has been shown as "0"

ii) Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party both before and after the business combination, and that control is not transitory.

The Company accounts for its business combination under common control using pooling of interest method of accounting as per Appendix C of Ind AS 103. Acquisition related costs are recognized in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the definition for recognition are recognized at their carrying amount at the acquisition date.

Transferor's reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appear in the financial statements of the transferor.
Acquisition date shall be the beginning of the preceding period in case the common control is established prior to such date. However, if business combination had occurred after such date, the acquisition date shall be considered only from that date.

iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- 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 current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- 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 realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

iv) **Property, plant and equipment**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and other directly attributable cost incurred in bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent costs are capitalized on the carrying amount or recognized as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss on the date of disposal or retirement.

v) **Depreciation on property, plant and equipment**

Depreciation on property, plant and equipment is calculated on a pro-rata basis from the date on which the asset is ready to use, using written down value method ("WDV") over the useful lives of the assets estimated by the management, which are in line with the useful lives prescribed under Schedule II to the Companies Act, 2013.

The Company has used the following rates to provide depreciation on its property, plant and equipment

Asset Category	Useful lives estimated by management
Computers	3 years

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Office equipments	5 years
Furniture and fixtures	10 years
Motor vehicles	8 years

The residual value of these assets has been considered at 5% of original cost to the Company.

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.

vi) **Intangible assets**

On transition to Ind AS, the Company has elected to continue with the carrying value of its intangible asset recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible asset.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. 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.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. 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 is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset

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- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of amortization periods applied to the Company's intangible assets is as below:

Asset Category	Useful lives estimated by management
Computer software	5 years
Mobile application	4 years

vii) **Borrowing costs**

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 asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

viii) **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. 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 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Where the Company is the lessee

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 capitalized 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 recognized in 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 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.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized 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.

ix) **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

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(CGU) fair value less costs of disposal 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 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 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 of continuing operations, including impairment on inventories, 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, 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.

x) **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 recognized 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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized 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 amortized cost

A 'debt instrument' is measured at the amortized 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

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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.

This category is most applicable to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument 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 & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss (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 considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value. All changes in fair value including dividend are recognized in the statement of profit and loss.

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Derecognition

A financial asset is de-recognized only 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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.

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:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes 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 expected credit loss (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 recognizing 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.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. For the financial assets measured as at amortized cost, 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

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from the gross carrying amount

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 or payables, as appropriate.

All financial liabilities are recognized 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 borrowings, trade 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 are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 14.

De-recognition

A financial liability is de-recognized 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 recognized in the statement of profit and 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

xi) **Fair value measurement**

The Company measures financial instruments 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

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presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- 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 economic best 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company 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.

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

xii) **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefit 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 the government.

The specific recognition criteria discussed below must also be met before revenue is recognized:

Advertisement

Revenue from rendering of advertisement services is recognized on accrual basis as and when services are rendered based on the terms of contracts. The Company collects taxes on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

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Software development

Revenue from software development comprises income from time & material and fixed price contracts. Revenue with respect to time & material contracts is recognized when the related services are performed. Revenue from fixed price contracts is recognized in accordance with the proportionate completion method which is determined by reference to the milestone achieved as per the terms of the contract. The Company collects taxes on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Interest

For all debt instruments 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 gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, 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.

xiii) **Foreign currencies**

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions and balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in statement of profit and 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.

xiv) **Retirement and other employee benefits**

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 expenditure in the statement of profit and loss, when an employee renders the related service.

The Company operates an unfunded defined benefit gratuity plan for its employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end, using the projected unit credit method and charged to statement of profit and loss. Remeasurements, comprising of actuarial gains and losses, are recognized 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 Statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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

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- Net interest expense or income

Accumulated leave, which is expected to be utilized 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.

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 gains/losses are immediately taken to the statement of profit and loss and are not deferred.

xv) **Taxes**

Income tax expense comprises current and deferred tax.

Current tax

Current income-tax assets and liabilities is measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Moreover, deferred tax is recognized on temporary differences arising on investments in branches unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered

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

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

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

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognized as deferred asset only when it is probable that taxable profit will be available against which the credit can be utilized. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss account The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is no longer probable that the Company will pay normal income tax during the specified period.

xvi) **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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

xvii) **Provisions**

Provisions are recognized 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. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

xviii) **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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

xix) **Share based payments**

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

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

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

Service 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.

No expense is recognized for awards that do not ultimately vest because service conditions have not been met.

xx) **Earnings per share**

Basic earnings per share (EPS) are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity holders of the Company (after adjusting the corresponding income/charge for dilutive potential equity shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

xxi) **Segment reporting**

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Only those business activities are identified as operating segment for which the operating results are regularly reviewed by the CODM to make decisions about resource allocation and performance measurement.

Inter-segment transfers

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general income and expense items which are not allocated to any business segment

Segment accounting 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.

xxii) **Recent accounting pronouncements 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.

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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*

Revenue from contracts with customers outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most current revenue recognition guidance. The core principle for the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively including service revenues and contract modifications and improve guidance for multiple-element arrangements. The new standard will come into effect for the annual reporting periods beginning on or after April 1, 2018.

The Company is evaluating the requirements of the new standard and the effect on the financial statements is expected to be insignificant.

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

The amendments clarify that an entity needs to consider whether the tax laws restrict 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 for 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 recognized 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 the fact.

These amendments are effective for annual periods beginning on or after April 1, 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

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 de-recognition 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 recognizes 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 recognized 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.

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Notes forming part of financial statements for the year ended March 31, 2018
(Amount in INR million, unless otherwise stated)

3. Property, plant and equipment

Particulars	Computers	Furniture and fixtures	Office equipments	Motor Vehicles	Total	Capital Work in Progress
Gross block						
As at April 01, 2016	3.69	-	1.44	0.35	5.48	1.26
Additions	0.21	1.53	0.13	-	1.87	-
Disposals	0.20	-	0.02	-	0.22	-
Capitalised	-	-	-	-	-	1.26
As at March 31, 2017	3.70	1.53	1.55	0.35	7.13	-
Additions	0.37	-	-	1.60	1.97	-
Disposals	2.14	-	-	-	2.14	-
As at March 31, 2018	1.93	1.53	1.55	1.95	6.96	-
Accumulated Depreciation						
As at April 01, 2016	-	-	-	-	-	-
Charge for the year	2.21	0.48	0.69	0.12	3.50	-
Deductions	-	-	-	-	-	-
As at March 31, 2017	2.21	0.48	0.69	0.12	3.50	-
Charge for the year	0.71	0.34	0.38	0.40	1.83	-
Deductions	2.04	-	-	-	2.04	-
As at March 31, 2018	0.88	0.82	1.07	0.52	3.29	-
Net block						
As at March 31, 2018	1.05	0.71	0.48	1.43	3.67	-
As at March 31, 2017	1.49	1.05	0.86	0.23	3.63	-
As at April 01, 2016	3.69	-	1.44	0.35	5.48	1.26

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4. Other Intangible Assets

Particulars	Computer Software	Mobile application	Total	Intangible assets under development
Gross block				
As at April 01, 2016	**23.96**	**44.17**	**68.13**	**39.75**
Additions	0.34	66.31	**66.65**	-
Disposals	-	-	-	-
Capitalised	-	-	-	36.69
As at March 31, 2017	**24.30**	**110.48**	**134.78**	**3.06**
Additions	0.42	37.92	**38.34**	-
Disposals	-	-	-	-
Capitalised	-	-	-	3.06
As at March 31, 2018	**24.72**	**148.40**	**173.12**	-
Accumulated Amortisation				
As at April 01, 2016	**22.21**	12.86	**35.07**	-
Charge for the year	0.45	19.12	**19.57**	-
Disposals	-	-	-	-
As at March 31, 2017	**22.66**	**31.98**	**54.64**	-
Charge for the year	0.70	29.60	**30.30**	-
Disposals	-	-	-	-
As at March 31, 2018	**23.36**	**61.58**	**84.94**	-
Net block				
As at March 31, 2018	**1.36**	**86.82**	**88.18**	-
As at March 31, 2017	**1.64**	**78.50**	**80.14**	**3.06**
As at April 01, 2016	**1.75**	**31.31**	**33.06**	**39.75**

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Financial assets

5. Investments

	Non-current		
	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Investment at fair value through profit or loss (FVTPL)			
101 (March 31, 2017: 101, April 01, 2016: Nil) preference shares with face value of Rs. 10 each and with premium of Rs. 1,972 each in OOO Marketplaces Private Limited	0.20	0.20	-
50 (March 31, 2017: Nil, April 01, 2016: Nil) equity shares with face value of Rs. 10 each and with premium of Rs. 1,219 each in OOO Marketplaces Private Limited	0.06	-	-
Total	0.26	0.20	-
Aggregate amount of unqouted investments	0.26	0.20	-
Aggregate amount of impairment in the value of investments	-	-	-

6. Loans

	Non-current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
At amortised cost						
Security deposits						
Secured, considered good	5.83	6.31	6.28	0.98	-	5.08
Loans to employees						
Unsecured, considered good	-	-	-	0.64	0.39	0.26
Total	5.83	6.31	6.28	1.62	0.39	5.34

7. Other financial assets

	Current		
	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
At amortised cost			
Unsecured, considered good unless otherwise stated			
Interest accrued but not due on deposit	0.10	0.07	0.66
Unbilled revenue [net of allowance for impairment amounting to Rs. 3.91 million (March 31, 2017: Rs. 1.97 million, April 01, 2016: Rs. 3.06 million)]	77.19	38.85	60.51
Advances to related parties (Refer note 30)	-	-	6.71
Other financial assets	-	0.01	-
Total	77.29	38.93	67.88

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties

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(Amount in INR million, unless otherwise stated)

8. Income Tax

The major component of income tax expense are as follows:

(a) Statement of profit and loss:

	For the year ended	
	March 31, 2018	March 31, 2017
Current income tax:		
Current income tax charge	46.20	1.82
Adjustment in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	1.45	4.14
Income tax expense reported in the statement of profit or loss	**47.65**	**5.96**

(b) Other Comprehesive Income (OCI) section:

Deferred tax relating to items in OCI in the year:

	March 31, 2018	March 31, 2017
Net (loss) /gain on measurement of defined benefit plans	(0.04)	1.40
Income tax charged to OCI	**(0.04)**	**1.40**

(c) Reconciliation of tax expense and the accounting profit multiplied by the applicable tax rate(s) for the year ended March 31, 2018

	March 31, 2018	March 31, 2017
Accounting profit before income tax	135.96	12.08
At India's statutory income tax rate of 34.61% (March 31, 2017: 30.90%)	47.05	3.74
Share based payment	1.08	1.06
Non-deductible expenses for tax purposes	0.44	0.39
Rate difference	(0.92)	0.78
Effective income tax rate of 35.05% (March 31, 2017: 49.34%)	**47.65**	**5.96**
Income tax expense reported in the statement of profit and loss	**47.65**	**5.96**

(d) Deferred tax:

Deferred tax relates to the following:		Balance sheet	
	March 31, 2018	March 31, 2017	April 01, 2016
Fixed assets: impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	2.40	0.49	1.66
Impact of fair valuation of financial instruments	0.01	(0.21)	(0.77)
Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	4.27	3.05	4.58
Allowance for impairment of trade receivables and unbilled revenue	10.11	8.05	8.22
Losses available for offsetting against future taxable income	-	2.98	4.82
Tax deductible goodwill	(11.85)	(8.01)	(4.81)
MAT credit entitlement	-	12.61	7.04
Deferred tax asset (net)	**4.94**	**18.96**	**20.74**

Reconciliation of deferred tax asset (net):

	March 31, 2018	March 31, 2017	April 01, 2016
Opening balance	18.96	20.74	31.44
Tax income/(expense) during the period recognised in profit or loss	(1.45)	(4.14)	(6.73)
Tax income/(expense) during the period recognised in OCI	0.04	(1.40)	(0.78)
MAT credit entitlement	(12.61)	3.76	(3.19)
Closing balance of deferred tax asset (net)	**4.94**	**18.96**	**20.74**

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.

In assessing the realisibility of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future

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(Amount in INR million, unless otherwise stated)

9. Tax Assets (net)

	Non-current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Advance tax (net of provision for tax amounting to Rs. 43.83 million (March 31, 2017: Rs. 9.88 million, April 01, 2016: Rs. 8.71 million))	-	-	3.16	24.35	28.48	24.31
TDS Refundable	-	-	-	-	-	1.22
Total	**-**	**-**	**3.16**	**24.35**	**28.48**	**25.53**

10. Other Assets

	Non-current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured, considered good						
Prepaid expenses	-	-	-	0.11	1.16	1.80
Deferred lease expense on security deposits paid	0.05	0.32	0.86	0.38	0.49	0.89
Balance with statutory/government authorities	-	-	-	6.62	16.16	23.10
Advances other than capital advances						
Unsecured, considered good	-	-	-	4.63	6.65	4.26
Total	**0.05**	**0.32**	**0.86**	**11.74**	**24.46**	**30.05**

11. Trade Receivables

	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured, considered good			
Trade receivables from related parties (Refer to note 30)	4.26	46.23	23.31
Trade receivables from other than related parties	153.97	89.07	139.68
	158.23	**135.30**	**162.99**
Unsecured, considered doubtful			
Trade receivables from other than related parties	25.30	24.09	22.27
	25.30	**24.09**	**22.27**
Allowance for impairment of trade receivables	(25.30)	(24.09)	(22.27)
Total	**158.23**	**135.30**	**162.99**

The movement in allowance for impairment of trade receivables is as follows:

	For the year ended	
	March 31, 2018	March 31, 2017
Opening balance	24.09	22.27
Additions	11.22	11.21
Bad debts written off (net of recovery)	(10.01)	(9.39)
Closing balance	**25.30**	**24.09**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

For terms and conditions relating to related party receivables, refer to note 30.

Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days.

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(Amount in INR million, unless otherwise stated)

12. Cash and Bank Balances

	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
(i) Cash and Cash Equivalents			
Balances with banks:			
In current accounts (including in transit amount of Rs. 41.66 million)	116.36	57.66	50.37
Deposits with original maturity for less than three months	20.00	-	27.00
Cash on hand	0.35	0.23	1.32
Total	136.71	57.89	78.69
(ii) Other bank balances			
Deposits with original maturity for more than three months but less than twelve months	8.20	29.58	-
	8.20	29.58	-

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following:

	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Balances with banks:			
In current accounts (including in transit amount of Rs. 41.66 million)	116.36	57.66	50.37
Deposits with original maturity for less than three months	20.00	-	27.00
Cash on hand	0.35	0.23	1.32
Total	136.71	57.89	78.69

The details of specified bank notes held and transacted during the period November 8, 2016 to December 30, 2016 are provided below:-

	Specified bank notes	Other denomination notes	Total
Closing cash in hand as at November 8, 2016	0.92	0.15	1.07
(+) Permitted receipts	-	0.20	0.20
(-) Permitted payments	-	0.20	0.20
(-) Amount deposited in banks	0.92	-	0.92
Closing cash in hand as at December 30, 2016	-	0.15	0.15

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Affle (India) Private Limited
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(Amount in INR million, unless otherwise stated)

13. Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised share capital			
25,000,000 (March 31, 2017: 25,000,000, April 01, 2016: 25,000,000) equity shares of Rs. 10 each	**250.00**	**250.00**	**250.00**
Issued share capital			
24,288,314 (March 31, 2017: 24,288,314, April 01, 2016: 24,288,314) equity shares of Rs. 10 each fully paid up	242.88	242.88	242.88
	242.88	**242.88**	**242.88**
Subscribed and fully paid-up share capital			
24,288,314 (March 31, 2017: 24,288,314, April 01, 2016: 24,288,314) equity shares of Rs. 10 each fully paid up	242.88	242.88	242.88
	242.88	**242.88**	**242.88**

A. Reconciliation of the number of equity shares outstanding at the beginning and end of the year

Particulars	As at March 31, 2018		March 31, 2017		March 31, 2016(Proforma)	
	No. of shares	Amt	No. of shares	Amt	No. of shares	Amt
Opening balance	24,288,314	242.88	24,288,314	242.88	24,288,314	242.88
Shares issued	-	-	-	-	-	-
Shares bought back	-	-	-	-	-	-
Closing Balance	**24,288,314**	**242.88**	**24,288,314**	**242.88**	**24,288,314**	**242.88**

B. Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. The holders of equity shares are entitled to receive dividends and are entitled to one vote per share. In the event of liquidation, equity shareholders will be entitled to receive assets of the Company in proportion to the number of shares held to the total equity shares outstanding as on that date.

C. Shares held by Holding Company, ultimate holding company and/or their subsidiaries

Out of the equity shares issued by the Company, shares held by its Holding Company, ultimate holding company and its subsidiaries are as below:

Particulars	As at March 31, 2018	March 31, 2017	April 1, 2016
Affle Holdings Pte Limited, Singapore, ultimate Holding Company			
20,270,367 (March 31, 2017: 20,270,367, April 01, 2016:20,270,367) equity shares of Rs. 10 each fully paid up	202.70	202.70	202.70
Affle Limited, United Kingdom, subsidiary of Affle Holdings Pte Limited			
Nil (March 31, 2017: 3,474,480, April 01, 2016: 3,474,480) equity shares of Rs. 10 each fully paid up	-	34.74	34.74
Affle Global Pte Limited (earlier known as Affle Appstudioz Pte Ltd), Singapore, subsidiary of Affle Holdings Pte Limited			
4,017,913 (March 31, 2017: 543,433, April 01, 2016: 543,433) equity shares of Rs. 10 each fully paid up	40.17	5.43	5.43

D. Details of shareholders holding more than 5% shares

Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
Equity shares of Rs. 10 each fully paid						
Affle Holdings Pte Limited, Singapore	20,270,367	83.46%	20,270,367	83.46%	20,270,367	84.36%
Affle Limited, United Kingdom	-	-	3,474,480	14.31%	3,474,480	14.31%
Affle Global Pte Limited, Singapore	4,017,913	16.54%	-	-	-	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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(Amount in INR million, unless otherwise stated)

14. Borrowings

	Non-Current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Term loan from financial institution (secured)	-	5.26	40.40	-	36.83	36.83
Less: Amount disclosed under the head 'Other current financial liabilities	-	-	-	-	(36.83)	(36.83)
Cash credit facility from bank (secured)	-	-	-	-	28.34	-
Total	-	5.26	40.40	-	28.34	-

Note:
a) Term loan is secured by hypothecation of trade receivables. Cash credit facility has a pari pasu charge on receivables and book debts of present and future.
b) Details on analysis of borrowings i.e. interest rate, currency and terms of repayments of borrowings:

Particulars	Currency	Effective interest rate	Terms of repayment
Term loan from Innoven Capital India Pvt Ltd.	INR	19.39%	Fixed equal principal amount of INR 2.07 million is payable along with the interest on a monthly basis, for a period of 30 months starting from October 1, 2015
Term loan from Innoven Capital India Pvt Ltd.	INR	19.51%	Fixed equal principal amount of INR 1 million is payable along with the interest on a monthly basis, for a period of 30 months starting from April 1, 2016
Cash credit facility from HDFC Bank	INR	11.25%	Interest is payable on monthly basis

15. Provisions

	Non-Current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Provision for employee benefits						
Provision for gratuity (Refer to note 28)	8.83	6.98	9.98	0.62	0.50	0.39
Provision for leave benefits	2.59	2.14	-	0.30	0.25	3.75
Total (A)	11.42	9.12	9.98	0.92	0.75	4.14
Other provisions						
Provision for contingency (Refer to note 39)	-	-	-	0.15	0.72	1.05
Total (B)	-	-	-	0.15	0.72	1.05
Total (A+ B)	11.42	9.12	9.98	1.07	1.47	5.19

Movement in provision for contingency:

	For the year ended		
	March 31, 2018	March 31, 2017	April 01, 2016
At the beginning of the year	0.72	1.05	2.44
Write off/utilized during the year	(0.57)	(0.33)	(1.39)
	0.15	0.72	1.05

(Amount in INR million, unless otherwise stated)

16. Trade Payables

	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Current			
Trade payables - dues of micro small and small enterprises	-	-	-
Trade payables - others*	220.24	160.08	229.84
Total	**220.24**	**160.08**	**229.84**

*There is no amount due to related parties as at March 31, 2018 (March 31, 2017: Nil, April 01, 2016: Nil)

17. Other Current Financial Liabilities

	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
At amortised cost			
Current maturities of long term borrowings	-	36.83	36.83
Interest accrued but not due on borrowings	-	0.53	0.97
Salary payable	24.89	19.57	-
Capital creditors	-	-	0.47
Others	-	2.73	-
Total	**24.89**	**59.66**	**38.27**

Terms and conditions of the above financial liabilities:

-Trade payables are non-interest bearing and are normally settled on 60-day terms

-For terms and conditions with related parties, refer to note 30

18. Other Current Liabilities

	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Statutory dues payable	17.62	11.61	14.66
Advance from customers	3.42	-	4.34
Deferred revenue	-	1.04	-
Total	**21.04**	**12.65**	**19.00**

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Affle (India) Private Limited
Notes forming part of financial statements for the year ended March 31, 2018
(Amount in INR million, unless otherwise stated)

19. Revenue from Operations

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of services		
Consumer platform	769.40	529.81
Enterprise platform	68.16	126.48
Total	**837.56**	**656.29**

India

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(Amount in INR million, unless otherwise stated)

20. Other Income

	For the year ended	
	March 31, 2018	**March 31, 2017**
Interest income on financial assets measured at amortised cost:		
Bank deposits	1.92	1.84
Security deposits	0.18	0.95
Interest income on income-tax refunds	-	1.11
Bad debts recovered	0.30	1.23
Infrastructure support services	7.62	5.66
Liabilities no longer required written back	-	4.08
Gain on disposal of property, plants and equipment and intangible assets (net)	-	0.05
Miscellaneous income	1.20	0.87
	11.22	**15.79**

21. Employee Benefits Expense

	For the year ended	
	March 31, 2018	**March 31, 2017**
Salaries, wages and bonus	170.26	185.46
Contribution to provident and other funds	5.29	5.94
Gratuity expense (Refer to note 28)	2.51	2.56
Employee share based payment expense	3.11	3.43
Staff welfare expenses	2.88	2.91
	184.05	**200.30**
Less: Cost capitalised as intangible assets or intangible assets under development (Refer to note 40)	(24.53)	(24.07)
	159.52	**176.23**

22. Finance Costs

	For the year ended	
	March 31, 2018	**March 31, 2017**
Interest on borrowings	8.84	13.34
Interest on income tax	1.40	1.51
Bank charges	0.41	0.37
Others	0.13	0.64
	10.78	**15.86**

23. Depreciation and Amortization Expense

	For the year ended	
	March 31, 2018	**March 31, 2017**
Depreciation of property, plant and equipments (Refer to note 3)	1.83	3.50
Amortisation of intangible assets (Refer to note 4)	30.30	19.57
	32.13	**23.07**

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(Amount in INR million, unless otherwise stated)

24. Other Expenses

	For the year ended	
	March 31, 2018	March 31, 2017
Power and fuel	0.59	1.37
Rent	13.34	19.29
Rates and taxes	1.02	4.37
Insurance	0.83	1.52
Repair and maintenance - Others	4.58	6.96
Legal and professional fees (including payment to statutory auditor, refer detail below)*	7.12	14.75
Travelling and conveyance	9.33	11.37
Communication costs	1.36	2.74
Printing and stationery	0.40	0.59
Recruitment expenses	0.25	0.54
Business promotion	32.15	36.63
Impairment allowance of trade receivables and unbilled revenue	11.22	11.21
Advances given written off	0.04	2.10
Loss on disposal of property, plants and equipment and intangible assets (net)	0.06	-
Exchange differences (net)	0.45	2.03
Software license fee	8.89	3.78
Project development expenses	0.55	2.95
Miscellaneous expenses	4.27	4.43
Less. Cost capitalised as intangible assets or intangible assets under development (Refer to note 40)	(10.33)	(5.57)
	86.12	**121.06**

***Payment to statutory auditor:**

	For the year ended	
	March 31, 2018	March 31, 2017
As auditors:		
Audit fee	2.25	1.20
In other capacity		
Reimbursement of expenses	0.20	0.27
	2.45	**1.47**

25. Components of Other Comprehensive Income

The disaggregation of changes to other comprehensive income by each type of reserve in equity is shown below:

	For the year ended	
	March 31, 2018	March 31, 2017
Re-measurement gains/ (losses) on defined benefit plans	(0.12)	4.53
Income tax effect	0.04	(1.40)
	(0.08)	**3.13**

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26. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended	
	March 31, 2018	March 31, 2017
Profit attributable to equity holders for basic earnings	88.31	6.12
Effect of dilution	-	-
Profit attributable to equity holders for the effect of dilution	**88.31**	**6.12**
Weighted Average number of equity shares used for computing basic earning per share (in million)	24.29	24.29
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution	**24.29**	**24.29**
Basic EPS (absolute value in Rs.)	3.64	0.25
Diluted EPS (absolute value in Rs.)	3.64	0.25

27. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements
In the process of applying the Company's accounting policies, management has not made any significant judgement, that had a significant effect on the amounts recognised in the financial statements.

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 has 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) Impairment of non-financial assets
Impairment exists when the carrying value of an asset or CGU 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 Discounted Cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company has 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. Refer note 37 for further disclosures.

(b) Allowance for impairment of trade receivables
Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience adjusted for forward-looking estimates. Individual trade receivables are written off when management deems them not to be collectible. For details of allowance for doubtful debts please refer to Note 11.

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27. Significant Accounting Judgements, Estimates and Assumptions ("Contd")

(c) Income taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based on the timing, likely and the level of future taxable profits together with future tax planning strategies. Refer Note 8 for further disclosures.

(d) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits 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 India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in Note 28.

(e) Share-based payments

The grant date fair value of employee stock options granted is recognised as an employee expense over the period that the employee becomes unconditionally entitled to the options. Estimating fair value for the share-based transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimation 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 transactions are disclosed in Note 35.

28. Employee Benefits

A. Defined Contribution Plans

Provident Fund:

The Company makes contribution towards employees provident fund. The Company has recognised Rs. 5.29 million (March 31, 2017: Rs. 5.94 million) as an expense towards contribution to this plan.

B. Defined Benefit Plans

Gratuity:

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed five years of service are entitled to specific benefits. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service with part thereof in excess of six months. The same is payable on termination of service or retirement or death whichever is earlier.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognises each period of service as giving rise to additional units of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government bonds as at the date of actuarial valuation. Actuarial gains and losses (net of tax) are recognised immediately in the Other Comprehensive Income (OCI).

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(Amount in INR million, unless otherwise stated)

28. Employee Benefits ("Contd")

This is an unfunded benefit plan for qualifying employees. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and other comprehensive income and amounts recognised in the balance sheet for the gratuity plan:

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

Particulars	March 31, 2018	March 31, 2017
Balance as at the beginning of the year	7.48	9.89
Current service cost	1.95	1.82
Interest cost	0.56	0.74
Benefits paid	(0.66)	(0.44)
Re-measurement (gains)/losses on obligation	0.12	(4.53)
Balance as at the end of the year	**9.45**	**7.48**

Amount recognised in the statement of profit and loss:

Particulars	March 31, 2018	March 31, 2017
Current service cost	1.95	1.82
Interest cost	0.56	0.74
Net expense recognised in the statement of profit and loss	**2.51**	**2.56**

Amount recognised in other comprehensive income:

Particulars	March 31, 2018	March 31, 2017
Re-measurement (gains)/losses on arising from change in demographic assumption	-	-
Re-measurement (gains)/losses on arising from change in financial assumption	-	-
Re-measurement (gains)/losses on arising from experience adjustment	0.12	(4.53)
Net expense recognised in other comprehensive income	**0.12**	**(4.53)**

The principal actuarial assumptions used in determining gratuity liability for the Company's plan is shown below:

Particulars	March 31, 2018	March 31, 2017
Discount rate	7.50%	7.50%
Future salary increase	8.00%	8.00%
Withdrawal rate (per annum)		
- Up to 30 years	20.00%	20.00%
- From 31 years to 44 years	10.00%	10.00%
- From 44 years to 58 years	0.00%	0.00%
Retirement age (years)	58	58
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)

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(Amount in INR million, unless otherwise stated)

28. Employee Benefits ("Contd")

The discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligations. The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2018	March 31, 2017
Present Value of Obligation at the end of the period	9.45	7.48
Impact of the change in discount rate		
Impact due to increase of 0.50 %	(0.50)	(0.40)
Impact due to decrease of 0.50 %	0.55	0.44
Impact of the change in salary rate		
Impact due to increase of 0.50 %	0.55	0.43
Impact due to decrease of 0.50 %	(0.50)	(0.40)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on define benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	March 31, 2018	March 31, 2017
Within the next 12 months (next annual reporting period)	0.62	0.50
Between 2 and 5 years	2.75	1.98
Between 5 and 10 years	6.08	5.00
Beyond 10 years	-	-
Total expected payments	**9.45**	**7.48**

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.22 years (March 31, 2017: 7.89 years).

29. Commitments

a. Leases

Operating lease: Company as lessee
The Company has taken office premises on lease. The leases have been entered into for period between five and nine years with renewal option after the initial three years of the each lease. The Company has the option, under some of its leases, to renew the lease for an additional period of 3 years on a mutual consent basis. The lease payments amounting to INR 13.34 million (March 31, 2017: Rs. 19.29 million) has been charged to the statement of profit and loss.

Future minimum rentals payable under the operating lease is as follows:

Particulars	March 31, 2018	March 31, 2017	April 01, 2016 (Proforma)
Within one year	10.80	11.33	12.52
After one year but not more than five years	1.36	9.44	9.84

b. Capital commitments

As at March 31, 2018, the Company has commitments on capital account and not provided for (net of advances) Rs. 6.63 million (March 31, 2017: Rs. 6.30 million, April 01, 2016: Rs. 14.00 million).

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(Amount in INR million, unless otherwise stated)

30. Related Party Disclosures

(i) Names of related parties and related party relationship

Relationship	**Name of the related party**
(i) Holding company	Affle Holdings Pte. Ltd. Singapore
(ii) Fellow subsidiaries	Affle Limited, United Kingdom Affle Global Pte. Limited (earlier known as Affle Appstudioz Pte. Ltd., Singapore)
(iii) Enterprises owned or significantly influenced by key management personnel or their relatives	NewU Health and Fitness Platform Private Limited
(iv) Key management personnel	Anuj Kumar (Managing director) Anuj Khanna Sohum (Director) Kapil Mohan Bhutani (Director) [w.e.f. September 30, 2017] Khushboo Sachdeva (Company Secretary) [till September 18, 2017] Akanksha Gupta (Company Secretary) [w.e.f. January 8, 2018]

(ii) The following table provides the total value of transactions that have been entered into with related parties for the relevant financial year:

Particulars	**Holding company**		**Fellow subsidiaries**		**Enterprises owned or significantly influenced by key management personnel or their relatives**	
	For the year ended		**For the year ended**		**For the year ended**	
	March 31, 2018	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
Rendering of service						
Affle Global Pte. Ltd	-	-	38.76	62.39	-	-
NewU Health and Fitness Platform Pvt Ltd	-	-	-	-	-	0.18
Reimbursement of expenses to the Company						
Affle Holdings Pte Ltd	-	6.86	-	-	-	-
Affle Global Pte. Ltd	-	-	30.88	20.30	-	-
Reimbursement of expenses by the Company						
Affle Global Pte. Ltd	-	-	9.64	2.88	-	-

Transaction with Key Management Personnel

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Compensation paid*:		
Anuj Kumar		
Short-term employee benefits	10.50	8.92
Kapil Mohan Bhutani (w.e.f. September 30, 2017)		
Short-term employee benefits	2.86	-
Share based payments	0.08	-

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(Amount in INR million, unless otherwise stated)

30. Related Party Disclosures

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Compensation paid*:		
Khushboo Sachdeva (till September 14, 2017)		
Short-term employee benefits	0.28	0.49
Akanksha Gupta (w.e.f. January 8, 2018)		
Short-term employee benefits	0.18	-

* The remuneration to the key management personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

(iii) Balances as at the year end

Particulars	**Holding company**			**Fellow subsidiaries**		
	As at March 31, 2018	**As at March 31, 2017**	**As at April 1, 2016**	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Trade receivables						
Affle Global Pte Ltd	-	-	-	3.91	45.39	22.48
Affle Holdings Pte Ltd	-	0.49	-	-	-	-
Other current assets						
Affle Holdings Pte Ltd	-	-	6.71	-	-	-
Share application money pending allotment						
Affle Holdings Pte Ltd	-	-	0.00	-	-	-
Affle Global Pte Ltd	-	-	-	-	-	0.00

Particulars	**Key management personnel**			**Enterprises owned or significantly influenced by key management personnel or their relatives**		
	As at March 31, 2018	**As at March 31, 2017**	**As at April 1, 2016**	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Trade receivables						
NewU Health and Fitness Platform Pvt Ltd	-	-	-	0.35	0.35	0.82
Payable to key management personnel						
Amit Sharma	-	-	2.84	-	-	-
Anuj Kumar	-	0.01	0.04	-	-	-
Anurag Singh	-	-	0.01	-	-	-
Akanksha Gupta	0.00	-	-	-	-	-

(iv) No amount has been written off or written back in the year in respect of debts due from/to above related parties.

Terms and conditions of transactions with related parties

The sale and purchase 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. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Nil, April 01, 2016: Nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

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31. Segment Information

Ind AS 108 establishes standards for the way that companies report information about operating segments and related disclosures about products and services, geographic areas, and major customers.

The Chief Operating Decision Maker ("CODM") being the Board of Directors ("Board") evaluates the Company's performance and allocates resources based on analysis of various performance indicators pertaining to advertisement and software development segment.

The "Consumer platform" segment provides mobile advertisement services to its customers and is a reseller of advertisement space for online publishing companies.

The "Enterprise platform" segment provides customized mobile app development services.

Transfer prices between the operating segments are set at cost plus appropriate margins. Segment revenue, segment expenses and segment result include transfers between operating segments. Those transfers are eliminated in total revenue/expense/result.

The accounting principles used in preparation of the financial statements are consistently applied to record revenue and expenditure in segment information, and are as set out in the significant accounting policies.

The summary of the segmental information for the year ended and as at March 31, 2018 is as follows.

Particulars	Consumer platform	Enterprise platform	Elimination	Total
Income				
Revenue from external customers	769.40	68.16	-	837.56
Inter-segment revenue	-	-	-	-
Other income	7.62	-	-	7.62
Total income (A)	**777.02**	**68.16**	-	**845.18**
Expenses				
Inventory and data costs	424.27	-	-	424.27
Employee benefits expenses	108.12	51.40	-	159.52
Depreciation and amortisation expenses	32.13	-	-	32.13
Finance cost	10.78	-	-	10.78
Other expenses	75.15	10.97	-	86.12
Total expenses (B)	**650.45**	**62.37**	-	**712.82**
Segment profit (A-B)				**132.36**

Particulars	Consumer platform	Enterprise platform	Total
Segment assets	225.63	9.79	235.42
Total assets	**225.63**	**9.79**	**235.42**
Segment liabilities	21.98	15.40	37.38
Total liabilities	**21.98**	**15.40**	**37.38**
Capital expenditure:			
Property, plant and equipment	1.97	-	1.97
Intangible assets	38.34	-	38.34
Depreciation and amortisation expenses	32.13	-	32.13
Other non-cash expenses	4.52	0.21	4.73

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Affle (India) Private Limited
Notes forming part of financial statements for the year ended March 31, 2018
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31. Segment Information

The summary of the segmental information for the year ended and as at March 31, 2017 is as follows:

Particulars	Consumer platform	Enterprise platform	Elimination	Total
Income				
Revenue from external customers	529.81	126.48	-	656.29
Inter segment revenue	-	2.47	(2.47)	-
Other income	5.66	-	-	5.66
Total income (A)	**535.47**	**128.95**	**(2.47)**	**661.95**
Expenses				
Inventory and data costs	323.78	-	-	323.78
Employee benefits expenses	98.24	79.42	(1.43)	176.23
Depreciation and amortisation expenses	20.83	2.24	-	23.07
Finance cost	15.06	0.80	-	15.86
Other expenses	88.01	33.70	(0.65)	121.06
Total expenses (B)	**545.92**	**116.16**	**(2.08)**	**660.00**
Segment profit (A-B)				**1.95**

Particulars	Consumer platform	Enterprise platform	Total
Segment assets	142.03	32.11	174.15
Total assets	**142.03**	**32.11**	**174.15**
Segment liabilities	89.13	14.72	103.85
Total liabilities	**89.13**	**14.72**	**103.85**
Capital expenditure:			
Property, plant and equipment	1.77	0.10	1.87
Intangible assets	66.65	-	66.65
Depreciation and amortisation expenses	20.83	2.24	23.07
Other non-cash expenses	0.85	3.95	4.80

The summary of the segmental information for the year ended and as at April 01, 2016 is as follows:

Particulars	Consumer platform	Enterprise platform	Total
Segment assets	187.45	37.31	224.76
Total assets	**187.45**	**37.31**	**224.76**
Segment liabilities	86.79	7.05	93.84
Total liabilities	**86.79**	**7.05**	**93.84**

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31. Segment Information

Reconciliation to amounts reflected in the financial statements

a. Reconciliation of profit

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Segment profit	132.36	1.95
Interest income on financial assets measured at amortised cost:		
Bank deposits	1.92	1.84
Security deposits	0.18	0.95
Interest income on income-tax refunds	-	1.11
Bad debts recovered	0.30	1.23
Liabilities no longer required written back	-	4.08
Gain on disposal of property, plants and equipment and intangible assets (net)	-	0.05
Miscellaneous income	1.20	0.87
Profit before tax	**135.96**	**12.08**

b. Reconciliation of assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Segment assets	235.42	174.15	224.76
Property, plant and equipment	3.67	3.63	5.48
Goodwill	59.24	59.24	59.24
Other intangible assets	88.18	80.14	33.06
Intangible assets under development	-	3.06	39.75
Loans	7.45	6.70	11.62
Other assets	5.17	8.62	7.81
Cash and cash equivalents	136.71	57.89	78.69
Other bank balances	8.20	29.58	-
Interest accrued but not due on deposits	0.10	0.07	0.66
Advances to related parties	-	-	6.71
Other financial assets	-	0.01	-
Non-current investments	0.26	0.20	-
Deferred tax assets	4.94	18.96	20.74
Tax assets	24.35	28.48	28.69
Balance with statutory/government authorities	6.62	16.16	23.10
Total assets	**580.31**	**486.89**	**540.31**

c. Reconciliation of liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Segment liabilities	37.38	103.85	93.84
Trade payables	220.24	160.08	229.84
Other current liabilities	21.04	12.65	19.00
Total liabilities	**278.66**	**276.58**	**342.68**

Geographical information

Year ended and as at March 31, 2018

Particulars	India	Singapore	Others	Total
Revenue from operations				
Sales to external customers	770.22	31.14	36.20	**837.56**
Other segment information				
Non-current assets (other than financial assets and deferred tax asset)	151.15	-	-	**151.15**
Capital expenditure:				
Property, plant and equipment	1.97	-	-	**1.97**
Intangible assets	38.34	-	-	**38.34**

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(Amount in INR million, unless otherwise stated)

31. Segment Information

Year ended and as at March 31, 2017

Particulars	India	Singapore	Others	Total
Revenue from operations				
Sales to external customers	534.68	62.39	59.22	**656.29**
Other segment information				
Non-current assets (other than financial assets and deferred tax asset)	146.39	-	-	**146.39**
Capital expenditure:				
Property, plant and equipment	1.87	-	-	**1.87**
Intangible assets	66.65	-	-	**66.65**

Year ended and as at April 1, 2016

Particulars	India	Singapore	Others	Total
Other segment information				
Non-current assets (other than financial assets and deferred tax asset)	142.82	-	-	142.82

Information about major customers

The Company derives revenue in excess of 10% from one (March 31, 2017, one) major customer amounting to Rs. 503.10 million (March 31, 2017: Rs. 203.68 million).

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(Amount in INR million, unless otherwise stated)

32. Statement of Fair Values

a) Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value			Fair value		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial assets						
A. FVTPL financial instruments:						
Investments	0.26	0.20	-	0.26	0.20	-
B. Amortised Cost:						
Security deposit paid	6.81	6.31	11.36	6.81	6.31	11.36
Loan to employees	0.64	0.39	0.26	0.64	0.39	0.26
Trade receivables	158.23	135.30	162.99	158.23	135.30	162.99
Cash and cash equivalents	136.71	57.89	78.69	136.71	57.89	78.69
Other bank balances	8.20	29.58	-	8.20	29.58	-
Other financial assets	77.29	38.93	67.88	77.29	38.93	67.88
Total	**388.14**	**268.60**	**321.18**	**388.14**	**268.60**	**321.18**
Financial liabilities						
Amortised Cost:						
Borrowings	-	33.60	40.40	-	33.60	40.40
Trade payables	220.24	160.08	229.84	220.24	160.08	229.84
Other financial liabilities	24.89	59.66	38.27	24.89	59.66	38.27
Total	**245.13**	**253.34**	**308.51**	**245.13**	**253.34**	**308.51**

The management assessed that cash and cash equivalents, other bank balances, trade receivables, capital creditors, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Further, the subsequent measurements of all assets and liabilities (other then investments) is at amortised cost, using effective interest rate (EIR) method.

The following methods and assumptions were used to estimate the fair values:
Receivables are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

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(Amount in INR million, unless otherwise stated)

32. Statement of Fair Values

b) Fair Value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

Particulars	Date of valuation	Valuation technique	Inputs used	Total	Fair value measurement using		
					Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:							
FVTPL financial instruments:							
Investment	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.26	-	0.26	-
				0.26	**-**	**0.26**	**-**
Assets measured at amortised cost:							
Security deposit paid	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	6.81	-	6.81	-
Loan to employees	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.64	-	0.64	-
Trade receivables	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	158.23	-	158.23	-
Cash and cash equivalents	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	136.71	-	136.71	-
Other bank balances	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	8.20	-	8.20	-
Other financial assets	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	77.29	-	77.29	-
				387.88	**-**	**387.88**	**-**
Liabilities measured at amortised cost:							
Trade payables	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	220.24	-	220.24	-
Other financial liabilities	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	24.89	-	24.89	-
				245.13	**-**	**245.13**	**-**

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2018

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32. Statement of Fair Values

b) Fair Value hierarchy

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

Particulars	Date of valuation	Valuation technique	Inputs used	Total	Fair value measurement using		
					Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:							
FVTPL financial instruments:							
Investment	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.20		0.20	-
				0.20	-	**0.20**	-
Assets measured at amortised cost:							
Security deposit paid	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	6.31	-	6.31	-
Loan to employees	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.39	-	0.39	-
Trade receivables	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	135.30	-	135.30	-
Cash and cash equivalents	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	57.89	-	57.89	-
Other bank balances	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	29.58	-	29.58	-
Other financial assets	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	38.93	-	38.93	-
				268.40	-	**268.40**	-
Liabilities measured at amortised cost:							
Borrowings	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	33.60		33.60	
Trade payables	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	160.08	-	160.08	-
Other financial liabilities	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	59.66	-	59.66	-
				253.34	-	**253.34**	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2017

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(Amount in INR million, unless otherwise stated)

32. Statement of Fair Values

b) Fair Value hierarchy

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2016:

Particulars	Date of valuation	Valuation technique	Inputs used	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at amortised cost:							
Security deposit paid	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	11.36	-	11.36	-
Loan to employees	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.26	-	0.26	-
Trade receivables	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	162.99	-	162.99	-
Cash and cash equivalents	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	78.69	-	78.69	-
Other financial assets	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	67.88	-	67.88	-
				321.18	-	**321.18**	-
Liabilities measured at amortised cost:							
Borrowings	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	40.40		40.40	
Trade payables	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	229.84	-	229.84	-
Other financial liabilities	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	38.27	-	38.27	-
				308.51	-	**308.51**	-

There have been no transfers between Level 1 and Level 2 during at April 1, 2016.

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33. Financial Risk, Management Objectives and Policies

The Company's principal financial liabilities comprise of trade payables, other payables, capital creditors and employee related payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalent that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible for ensuring that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a. Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market price.

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 does not use derivative financial instruments such as forward exchange contracts or options to hedge its risk associated with foreign currency fluctuations or for trading/speculation purpose.

The amount of foreign currency exposure not hedged by derivative instruments or otherwise is as follows:

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Amount	Foreign currency	Amount	Foreign currency	Amount	Foreign currency
Financial liabilities						
Trade payables						
USD	36.75	0.57	46.58	0.72	54.06	0.81
Trade receivables						
USD	16.47	0.25	57.55	0.89	55.27	0.83
SGD	0.49	0.01	-	-	-	-

The following table demonstrates the sensitivity to a reasonable possible change in USD exchange rates on profit before tax arising as a result of the revaluation of the Company's foreign currency financial assets and unhedged liabilities.

Particulars	Effect on profit before tax		Effect on pre-tax equity	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Effect of 10% strengthening of INR against USD	(1.98)	1.10	(1.98)	1.10
Effect of 10% weakening of INR against USD	1.98	(1.10)	1.98	(1.10)

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33. Financial Risk, Management Objectives and Policies

b. Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions.

A counterparty whose payment is due more than 90 days after the due date is considered as a defaulted party. This is based on considering the market and economic forces in which the Company operates. The Company write-off the amount if the credit risk of counter-party increases significantly due to its poor financial position.

All the financial assets carried at amortised cost were into Good category except some portion of trade receivables considered under doubtful category (Refer note 11).

Trade receivables

Trade receivables are typically unsecured. Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company is exposed to credit risk in the event of non-payment by customers. An impairment analysis is performed at each reporting date. The Company uses a provision matrix to measure the expected credit loss of trade receivables.

The ageing analysis of trade receivables as of the reporting date is as follows:

ECL rate	Particulars	4.82%	22.73%	33.89%	100.00%	Total
Trade receivables as at		0-90 days	90-180 days	180-360 days	More than 360 days	
March 31, 2018	Gross carrying amount	149.88	11.50	10.10	12.05	183.53
March 31, 2018	ECL - Simplified approach	7.22	2.61	3.42	12.05	25.30
March 31, 2018	Net carrying amount	142.67	8.89	6.68	-	158.23
March 31, 2017	Gross carrying amount	114.08	24.77	11.46	9.08	159.39
March 31, 2017	ECL - Simplified approach	5.50	5.63	3.88	9.08	24.09
March 31, 2017	Net carrying amount	108.58	19.14	7.58	-	135.30
April 01, 2016	Gross carrying amount	141.34	25.55	13.18	5.19	185.26
April 1, 2016	ECL - Simplified approach	6.80	5.81	4.47	5.19	22.27
April 1, 2016	Net carrying amount	134.54	19.74	8.71	-	162.99

Reconciliation of impairment allowance on trade receivables

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Opening impairment allowance	24.09	22.27	18.99
Add: Asset originated	11.22	11.21	23.27
Less: write-offs (net of recovery)	(10.01)	(9.39)	(19.99)
Closing impairment allowance	**25.30**	**24.09**	**22.27**

None of those trade debtors past due or impaired have had their terms renegotiated. The maximum exposure to credit risk at the reporting date is the fair value of each class of debtors presented in the financial statement. The Company does not hold any collateral or other credit enhancements over balances with third parties nor does it have a legal right of offset against any amounts owed by the Company to the counterparty. For receivables which are overdue, the Company has subsequently received payments and has reduced its overdue exposure.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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33. Financial Risk, Management Objectives and Policies

c. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company monitors their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner.

A balance between continuity of funding and flexibility is maintained through the use of borrowings. The Company also monitors compliance with its debt covenants. The maturity profile of the Company's financial liabilities based on contractual undiscounted payments is given in the table below:

Particulars	Contractual undiscounted value	0-1 year	1-2 years	2-5 years	More than 5 years
As at March 31, 2018					
Trade payables	220.24	220.24	-	-	-
Other financial liabilities	24.89	24.89	-	-	-
	245.13	**245.13**	**-**	**-**	**-**
As at March 31, 2017					
Borrowings	75.04	68.84	6.20	-	-
Trade payables	160.08	160.08	-	-	-
Other financial liabilities	22.30	22.30	-	-	-
	257.42	**251.22**	**6.20**	**-**	**-**
As at April 01, 2016					
Borrowings	93.14	46.44	40.50	6.20	-
Trade payables	229.84	229.84	-	-	-
Other financial liabilities	0.47	0.47	-	-	-
	323.45	**276.75**	**40.50**	**6.20**	**-**

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(Amount in INR million, unless otherwise stated)

34. Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed as well as the level of dividend to shareholders.

For the purpose of the Company's capital management, capital includes issued equity capital, retained earnings and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. The Company's policy is to keep the gearing ratio between 0% and 60%.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Borrowings (Note 14)	-	33.60	40.40
Trade payables (Note 16)	220.24	160.08	229.84
Other financial liabilities (Note 17)	24.89	59.66	38.27
Less: Cash and cash equivalents (Note 12)	(136.71)	(57.89)	(78.69)
Net debts	**108.42**	**161.85**	**189.42**
Total capital	301.65	210.31	197.63
Capital and net debt	410.07	372.16	387.05
Gearing ratio (%)	**26%**	**43%**	**49%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the last financial years

35. Share-Based Payments

Affle Holdings Pte. Ltd., Singapore (AHPL), the holding company, has certain stock options plans which entitle the employees of the group, including certain employees of the Company, the option to purchase shares of AHPL at the exercise date.

Description of the plan

Share options were granted to key management at the absolute discretion of the Compensation Committee of the Board of Directors under the Affle Emloyee Share Option Scheme and Affle Restricted Share Plan, which became operative on June 18, 2009.

The option shall vest at the rate of one quarter (1/4) per year starting on every one-year anniversary from the grant date. Vesting of the options granted under the Scheme is conditional only on the key management or employee remaining in the Company at the grant date. Once the options are vested, they are exercisable for a period of ten years. The options may be exercised in full or in part, to purchase a whole number of vested shares not less than 100 shares, unless the number of shares subscribed is the total number available for subscription under the option.

Options are forfeited when the employee leaves the Company before the options vest.

The details of the plan is as follows

Date of grant	January 15, 2010	May 31, 2011	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016
Exercise price	41.09	62.35	105.40	137.55	132.09	154.96
Options granted	1,042,500	236,250	203,250	30,000	57,000	57,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Validity	10 years	10 years	10 years	10 years	10 years	10 years
Vesting schedule	25% of the options vest every year from the respective grant dates up to the 4th year					

The expenses arising from equity settled share based payment transactions in the year ended March 31, 2018 was Rs. 0.92 million (March 31, 2017: Rs. 1.52 million).

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35. Share-Based Payments ("Contd")

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Particulars	March 31, 2018		March 31, 2017	
	Number	WAEP	Number	WAEP
Outstanding at April 1	1,276,250	55.71	1,276,500	49.10
Granted during the year	-	-	57,000	154.96
Forfeited during the year	-	-	(57,250)	
Exercised during the year	-	-	-	-
Exercisable at March 31	1,276,250	55.71	1,276,250	55.71

The weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 6.60 years (March 31, 2017: 7.60 years).

The weighted average fair value of options granted during the year was Rs. Nil (March 31, 2017: Rs. 154.96)

The range of exercise prices for options outstanding at the end of the year was Rs. 41.09 to Rs. 154.96 (March 31, 2017: Rs. 41.09 to Rs. 154.96).

The following table lists the inputs to the models used for the plan:

Particulars	April 1, 2016	April 1, 2015	April 1, 2014	April 1, 2013	May 31, 2011	January 15, 2010
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	66.1 - 68.9	75.1 - 79.3	75.1 - 79.3	78.4 - 84.2	80	85.0 - 86.8
Risk free interest rate (%)	1.8 - 2.0	1.8 - 2.0	1.8 - 2.0	0.9 - 12	2.7 - 3.3	2.6 - 3.2
Expected life of share options (years)	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10
Weighted average share price (Rs.)	82.13	42.37	16.78	47.29	28.40	36.09
Model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Restricted Share Plan

Under Affle Restricted Share Plan, the employee is not required to pay for the grant of the awards. Awards are forfeited when the employee leaves the Company before the awards vest.

The details of the plan are as follows:

Date of grant	April 1, 2015	April 1, 2016
Options granted	166,428	260,000
Vesting period	10 years	10 years
Method of settlement	Equity	Equity
Share price (Rs.)	42.96	82.39

Movements during the year

Particulars	March 31, 2018	March 31, 2017
	Number	Number
Outstanding at April 1	316,055	316,055
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
	316,055	316,055

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35. Share-Based Payments ("Contd")

The expenses arising from equity settled share based payment transactions in the year ended March 31, 2018 was Rs. 2.19 million (March 31, 2017: Rs. 1.91 million)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 7.83 years (March 31, 2017: 8.83 years)

36. Dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

In term of the requirement of the Micro, Small and Medium Enterprise Development Act, 2006, the Company has continuously sought confirmations. Based on the information available with the Company, there is no principal/interest amount due to micro and small enterprises.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil	Nil
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	Nil	Nil	Nil
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	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil	Nil
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	Nil	Nil	Nil

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37. Business Combination

The scheme of amalgamation ('the Scheme') is for the amalgamation of the AD2C Holdings Private Limited (Transferor Company No. 1), AD2C India Private Limited (Transferor Company No. 2) and Appstudioz Technologies Private Limited (Transferor Company No.3) with Affle (India) Private Limited (Transferee Company or the Company).

All the four companies, i.e. AD2C Holdings, AD2C India, Appstudioz Technologies and Affle India were subsidiaries of the same parent company based out of Singapore. Therefore, the parent company decided to merge its Indian operations to create a single robust entity which would carry on businesses that are integrated and complimentary in nature. Accordingly, their businesses are combined conveniently/ advantageously which is expected to ensure the benefit of the shareholders, the employees and all the stakeholders of the four companies.

The Scheme has been approved by the board of the directors of the Company in their meeting held on May 13, 2015.

Salient features of the Scheme are:

(i) The names of the Transferor Companies stand changed to Affle (India) Private Limited.

(ii) The Scheme is operative from the appointed date, i.e. April 1, 2015 and is effective from the date on which copies of the orders of Hon'ble High Courts of Bombay, Delhi and Punjab & Haryana sanctioning the Scheme have been filed with the Registrar of Companies, respectively.

(iii) Authorised share capital of the Transferee Company is the sum total of the authorised share capital of all the four companies.

(iv) Based on the business valuation of all four companies, equity shareholders of AD2C Holdings are entitled to get 74 equity shares for every 21 equity shares held in AD2C Holdings, equity shareholders of AD2C India are entitled to get 48 equity shares for every 17 equity shares held in AD2C India and equity shareholders of Appstudioz Technologies are entitled to get 586 equity shares for every 5 equity shares held in Appstudioz Technologies of the Transferee Company.

Based on above, the Scheme provides for the increase in the issued and paid up equity share capital of the Transferee Company by allotment of 8,464,330 equity shares of Rs. 10/- each amounting to Rs. 84.64 million.

Accordingly, the paid-up equity share capital of the Transferee Company has become Rs. 242.88 million comprising 24.29 million equity shares as at April 1, 2015.

(v) All assets, liabilities, rights and obligations of the Transferor Companies shall vest with the Transferee Company at fair value as on the appointed date, i.e. April 1, 2015.

The Scheme has been sanctioned by the Hon'ble High Courts of Bombay, Delhi and Punjab & Haryana vide their orders dated August 5, 2016, January 16, 2017 and December 9, 2016 respectively, the copies of which have been filed with the Registrar of Companies on February 7, 2017, February 7, 2017 and January 9, 2017 respectively. Accordingly, the effective date of the Scheme is February 7, 2017 though the appointed date is April 1, 2015.

Based on above, the Scheme has been given effect to in these financial statements with retrospective effect from April 1, 2015.

The Scheme has been accounted for using purchase method in accordance with previous GAAP. Accordingly, all the assets and liabilities of the Transferor Companies have been incorporated at fair values as at April 1, 2015, details of which are given below:

Particulars	Appstudioz Technologies	AD2C India	AD2C Holdings	Total
ASSETS				
Non-current assets				
Property, plant and equipment	4.63	1.14	-	5.77
Intangible assets	0.56	19.66	-	20.32
Intangible assets under development	-	7.98	-	7.98
Financial assets				
(i) Loans	6.31	1.71	-	8.02
Deferred tax assets (net)	2.22	3.51	-	5.73
Non-current tax assets (net)	0.05	-	-	0.05
	13.87	**34.00**	-	**47.87**
Current assets				
Financial assets				
(i) Trade receivables	8.74	113.82	-	122.56
(ii) Cash and cash equivalents	3.91	13.24	0.87	18.02
(iii) Bank balances other than (ii) above	-	4.98	-	4.98
(iv) Loans	-	0.86	5.12	5.98
(v) Other financial assets	0.70	1.96	-	2.66
Other current assets	0.65	1.97	-	2.62
Current tax asset (net)	-	13.61	1.22	14.83
	14.00	**150.44**	**7.21**	**171.65**
Total assets	**27.87**	**184.44**	**7.21**	**219.52**

(Amount in INR million, unless otherwise stated)

37. Business Combination

Particulars	Appstudioz Technologies	AD2C India	AD2C Holdings	Total
LIABILITIES				
Non-current liabilities				
Long-term provisions	3.70	0.96	-	4.66
	3.70	**0.96**	**-**	**4.66**
Current liabilities				
Financial liabilities				
(i) Borrowings		5.12	-	5.12
(ii) Trade Payables dues to others	23.09	142.05	1.97	167.11
(iii) Trade Payables dues of micro small and small enterprises	-	-	-	-
(iv) Other financial liabilities	1.31	-	0.08	1.39
Other current liabilities	0.67	14.62	-	15.29
Short term provisions	0.54	-	-	0.54
	25.61	**161.79**	**2.05**	**189.45**
Total liabilities	**29.31**	**162.75**	**2.05**	**194.11**
Net assets / (liabilities) acquired	(1.44)	21.69	5.16	25.41

In view of above, goodwill amounting to Rs. 59.24 million has been recorded in the books as at April 1, 2015 on the basis of purchase consideration amounting to Rs. 84.64 million.

Impairment testing of Goodwill

Goodwill acquired through business combinations have indefinite life. The Company performed its annual impairment test for years ended March 31, 2018 and March 31, 2017. The Company considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a period of five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Company has extrapolated cashflows beyond 5 years using a growth rate of 4.5% (March 31, 2017: 4.5%).

The said cash flow projections are based on the senior management past experience as well as expected met trends for the future periods. The projected cash flows have been updated to reflect the decreased demand for services. The calculation of weighted average cost of capital (WACC) is based on the Company's estimated capital structure as relevant and attributable to the Company. The WACC is also adjusted for specific risks, market risks and premium, and other inherent risks associated with similar type of investments to arrive at an approximation of the WACC of a comparable market participant. The said WACC being pre-tax discount rates reflecting specific risks, are then applied to the above mentioned projections of the estimated future cash flows to arrive at the discounted cash flows.

The key assumptions used in the determination of VIU are the revenue annual growth rates and the EBITDA growth rate.

Based on the above assumptions and analysis, no impairment was identified as at March 31, 2018 and March 31, 2017. Further, on the analysis of the said calculation's sensitivity to a reasonably possible change in any of the above mentioned key assumptions / parameters on which the Management has based determination of the recoverable amount, there are no scenarios identified by the Management wherein the carrying value could exceed its recoverable amount.

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38. First-Time Adoption of Ind AS

These financial statements, for the year ended March 31, 2018 are the first time that the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS.

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions applied:

Ind AS 101, First-time adoption of Indian Accounting Standards allows first time adopters of Ind AS certain optional exemptions and mandatory exceptions from the retrospective application of certain Ind AS. The Company has applied the following exemptions and mandatory exceptions in the transition from Indian GAAP to Ind AS.

(i) Mandatory exceptions:

a) Estimates
The estimates as at April 01, 2016, March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

• Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at April 1, 2016 and March 31, 2017.

b) De-recognition of financial assets:
The Company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

(ii) Optional exemptions:

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Deemed cost - Indian GAAP carrying amount: (Property, plant and equipment and Capital-work-in-progress)
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian 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 capital-work-in-progress as well.

Accordingly, the Company has elected to measure all of its property, plant and equipment and capital-work-in-progress at their Indian GAAP carrying value.

b) Share based payment
Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. Ind AS 102 Share-based Payment has not been applied to equity instruments of share-based payment transactions that vested before April 1, 2016.

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(Amount in INR million, unless otherwise stated)

38. First-Time Adoption of Ind AS ("Contd")

Reconciliation of equity as at April 01, 2016

Particulars	Footnotes	Amount as per Indian GAAP #	Ind AS adjustments	Amount as per Ind AS
(1) **Non-current assets**				
(a) Property, Plant and Equipment		5.48	-	5.48
(b) Capital work-in-progress		1.26	-	1.26
(c) Goodwill	E	44.44	14.80	59.24
(d) Other intangible assets		33.06	-	33.06
(e) Intangible assets under development		39.75	-	39.75
(f) Financial Assets				
(i) Loans	A	7.76	(1.48)	6.28
(g) Deferred tax asset (net)	B	16.06	4.68	20.74
(h) Non current tax asset (net)		3.16	-	3.16
(i) Other non-current assets	A	-	0.86	0.86
		150.97	**18.86**	**169.83**
(2) **Current assets**				
(a) Financial Assets				
(i) Trade Receivables	C	174.31	(11.32)	162.99
(ii) Cash and cash equivalents		78.69	-	78.69
(iii) Bank balances other than (ii) above		-	-	-
(iv) Loans	A	5.67	(0.33)	5.34
(v) Other financial assets	D	70.95	(3.07)	67.88
(b) Other current assets	A	29.17	0.88	30.05
(c) Current tax asset (net)		25.53	-	25.53
		384.32	**(13.84)**	**370.48**
Total Assets		**535.29**	**5.02**	**540.31**
EQUITY AND LIABILITIES				
(1) **Equity**				
(a) Equity Share capital		242.88	-	242.88
(b) Other Equity		(52.70)	7.45	(45.25)
		190.18	**7.45**	**197.63**
LIABILITIES				
(1) **Non-current liabilities**				
(a) Financial Liabilities				
(i) Borrowings	E	42.83	(2.43)	40.40
(b) Long term provisions		9.98	-	9.98
		52.81	**(2.43)**	**50.38**
(2) **Current liabilities**				
(a) Financial Liabilities				
(i) Trade Payables dues to others		229.84	-	229.84
(ii) Trade Payables dues of micro small and small enterprises		-	-	-
(iii) Other financial liabilities		38.27	-	38.27
(b) Other current liabilities		19.00	-	19.00
(c) Short term provisions		5.19	-	5.19
		292.30	**-**	**292.30**
Total Equity and Liabilities		**535.29**	**5.02**	**540.31**

Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

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Reconciliation of equity as at March 31, 2017

Particulars	Footnotes	Amount as per Indian GAAP #	Ind AS adjustments	Amount as per Ind AS
(1) **Non-current assets**				
(a) Property, Plant and Equipment		3.63	-	3.63
(b) Goodwill	E	29.64	29.60	59.24
(c) Other intangible assets		80.14	-	80.14
(d) Intangible assets under development		3.06	-	3.06
(e) Financial Assets				
(i) Investments		0.20	-	0.20
(ii) Loans	A	7.17	(0.86)	6.31
(f) Deferred tax asset (net)	B	19.88	(0.92)	18.96
(g) Other non-current assets	A	-	0.32	0.32
		143.72	**28.14**	**171.86**
(2) **Current assets**				
(a) Financial Assets				
(i) Trade Receivables	C	147.29	(11.99)	135.30
(ii) Cash and cash equivalents		57.89	-	57.89
(iii) Bank balances other than (iii) above		29.58	-	29.58
(iv) Loans		0.39	-	0.39
(v) Other financial assets	D	40.90	(1.97)	38.93
(b) Other current assets	A	23.95	0.51	24.46
(c) Current tax asset (net)		28.48	-	28.48
		328.48	**(13.45)**	**315.03**
Total Assets		**472.20**	**14.69**	**486.89**
EQUITY AND LIABILITIES				
(1) **Equity**				
(a) Equity Share capital		242.88	-	242.88
(b) Other Equity		(47.97)	15.40	(32.57)
		194.91	**15.40**	**210.31**
LIABILITIES				
(1) **Non-current liabilities**				
(a) Financial Liabilities				
(i) Borrowings	F	6.00	(0.74)	5.26
(b) Long term provisions		9.12	-	9.12
		15.12	**(0.74)**	**14.38**
(2) **Current liabilities**				
(a) Financial Liabilities				
(i) Borrowings		28.34	-	28.34
(ii) Trade Payables dues to others		160.08	-	160.08
(iii) Trade Payables dues of micro small and small enterprises		-	-	-
(iv) Other financial liabilities		59.66	-	59.66
(b) Other current liabilities		12.62	0.03	12.65
(c) Short term provisions		1.47	-	1.47
		262.17	**0.03**	**262.20**
Total Equity and Liabilities		**472.20**	**14.69**	**486.89**

Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

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Reconciliation of profit or loss for the year ended March 31, 2017

Particulars	Footnotes	Amount as per Indian GAAP	Ind AS adjustments	Amount as per Ind AS
I Revenue From Operations		656.29	-	656.29
II Other Income	A	14.82	0.97	15.79
III Total Income (I+II)		**671.11**	**0.97**	**672.08**
IV EXPENSES				
Inventory and data costs		323.78	-	323.78
Employee benefits expense	G and H	168.28	7.95	176.23
Finance costs	F	14.17	1.69	15.86
Depreciation and amortization expense	E	37.87	(14.80)	23.07
Other expenses	A,C and D	120.54	0.52	121.06
Total expenses (V)		**664.64**	**(4.64)**	**660.00**
V Profit before tax (IV-V)		**6.47**	**5.61**	**12.08**
VI Tax expense:	B			
(1) Current tax		1.82	-	1.82
(2) Deferred tax (credit)/ charge		0.30	3.84	4.14
VII Profit for the period (V+ VI)		**4.35**	**1.77**	**6.12**
VII Other Comprehensive Income		-	**3.13**	**3.13**
Items that will not be reclassified to profit or loss				
Re-measurement (losses) on defined benefit plans	I	-	4.53	4.53
Income tax effect	B	-	(1.40)	(1.40)
IX Total Comprehensive Income for the year (VII+VIII)		**4.35**	**4.90**	**9.25**

Total equity reconciliation as at March 31, 2017 and April 1, 2016

Particulars	Footnotes	As per Indian GAAP as at March 31, 2017	As per Indian GAAP as at April 1, 2016
Total equity under Previous GAAP		**194.91**	**190.18**
Security deposit - rental expense	A	(1.97)	(1.03)
Security deposit - unwinding of discount	A	1.91	0.96
Allowance for impairment of trade receivables and unbilled revenue	C and D	(13.96)	(14.39)
Reversal of amortisation of goodwill	E	29.60	14.80
Impact of effective interest rate adjustment on borrowings	F	0.74	2.43
Deferred tax impact	B	(0.92)	4.68
Total equity under Ind AS		**210.31**	**197.63**

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Footnotes to the reconciliation of equity as at April 01, 2016 and March 31, 2017 and profit or loss for the year ended March 31, 2017

A. Loans (Security deposits)
Under Indian GAAP ('Indian GAAP'), the security deposits paid for lease rent are shown at the transaction value whereas under Ind AS, the same are initially discounted and subsequently recorded at amortised cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the security deposits paid towards lease rent is recognized as deferred lease expense and is amortised over the period of the lease term (along with current and non- current classification). Further, interest is accreted on the present value of the security deposits paid for lease rent.

B. Deferred tax
Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments which are recognised in correlation to the underlying transaction either in retained earnings or as a separate component in equity.

C. Trade receivables
Under Indian GAAP, the Company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

D. Other financial assets (Unbilled revenue)
Under Indian GAAP, the Company had created provision for impairment of unbilled revenue only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

E. Business Combinations
Under Indian GAAP, the goodwill on business combination was amortised to the statement of profit and loss over a period of 4 years. Under Ind AS, the goodwill is tested for impairment at the end of each reporting period and amortisation of goodwill is not allowed. Accordingly, the amortisation of goodwill recognised under Indian GAAP has been reversed.

F. Borrowings
Under Indian GAAP, the Company has charged transaction costs incurred in connection with borrowings upfront to the statement of profit and loss. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest rate method.

G. Share based payments
As per Ind AS 102 relating to share-based payment, the Company has recorded fair value of options provided to its employees by its ultimate holding company using an appropriate pricing model recognised over the vesting period. Under Indian GAAP, as per the Guidance Note issued by The Institute of Chartered Accountants of India on Accounting for Employee Share-Based Payments, the management was of the opinion that the stock options scheme were managed and administered by the ultimate holding company for its own benefit and do not have any settlement obligations on the Company. Further, the scheme pertain to shares of the ultimate holding company and the impact of compensation benefits in respect of such schemes is assessed and accounted for in the books of the ultimate parent company. Accordingly, the Company was not required to account for such expenses as per the said Guidance Note under Indian GAAP.

H. Employee benefit expense
Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI).

I. 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.

J. 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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39. The Company has filed a complaint with the police department for embezzlement of the Company's car and filed the statement of claims to recover full cost of the Company's car amounting to Rs. 0.61 million (March 31, 2017: Rs. 0.61 million). This embezzlement was done by Mr. Saurabh Singh, ex- director of the Company, by transferring the Company's car to the name of his father without any form of consent from the Company. Therefore, the Company has written down the entire net book value of the Company's car amounting to Rs. 0.15 million (March 31, 2017: Rs. 0.22 million) in the books.

40. Capitalisation of Intangible Assets

The Company has capitalized the following expenses of revenue nature to the internally developed software. Consequently, the expenses disclosed under the respective heads are net of amounts capitalized by the Company.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, allowances and bonus	24.53	24.07
Rent	1.74	1.50
Power and fuel	0.08	0.05
Printing and stationery	0.05	0.08
Travelling and conveyance	-	1.16
Repairs and maintenance - others	0.69	0.78
Communication	0.13	0.30
Others	7.64	1.70
Total	**34.86**	**29.64**

41. The share application money pending allotment appearing in the books of the Company amounting to Rs. 0.00 pertains to two subscribers on account of the exchange differences.

42. The Company is in contravention of certain provisions under Foreign Exchange Management Act (FEMA) due to certain administrative and regulatory non-filings by authorized dealer with Reserve Bank of India (RBI) related to non-allotment of equity shares within stipulated time and is in the process of applying for relevant approvals with the regulatory authorities. The Company, basis legal opinion obtained in earlier year, was reasonably confident of receiving approval/ condonation from the regulatory authorities with respect to the above non-compliance after incurring certain penalties. The Holding Company has guaranteed to reimburse any liability arising on the Company on account of such non-compliance and accordingly, the Company has recorded provision and corresponding indemnification assets of amounting Rs 7.50 million as at March 31, 2014. The Company has revised its estimate of provision due to regularization of the non-compliance and accordingly, has reduced the provision and indemnification asset at Rs. 2.20 million and Rs. 0.5 million as at March 31, 2015 and March 31, 2016 respectively.

During the year ended March 31, 2018, RBI has compounded the contravention on payment of Rs. 0.5 million by order dated August 02, 2017.

43. The Company has appointed independent consultants for conducting a transfer pricing study to determine whether the transactions with associated enterprise were undertaken at "arms length price". The management confirms that all domestic and international transactions with associated enterprises are undertaken at negotiated contracted price on usual commercial terms and is confident of there being no adjustment on completion of the study. Adjustment, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm's Registration No.: 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership No.: 94941
Place: Gurugram
Date: June 16, 2018

For and on behalf of the Board of Directors of Affle (India) Private Limited
CIN No. U65990MH1994PTC080451

Anuj Khanna Sohum
Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Gurugram
Date: June 16, 2018

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: June 16, 2018

Kapil Mohan Bhutani
Director and Chief Financial Officer
[DIN: 00554760]
Place: Gurugram
Date: June 16, 2018

Akanksha Gupta
Company Secretary
Membership No.: 29443
Place: Gurugram
Date: June 16, 2018

GENERAL INFORMATION

1. Our Company was incorporated as 'Tejus Securities Private Limited' under the Companies Act, 1956, with a certificate of incorporation issued by the Registrar of Companies, Maharashtra ("**RoC**") on August 18, 1994 at Mumbai. Subsequently, the name of our Company was changed to 'Affle (India) Private Limited' and a fresh certificate of incorporation was issued by the RoC on September 29, 2006. Our Company was subsequently converted to a public limited company and the name of our Company was changed to our present name, i.e., 'Affle (India) Limited', and a fresh certificate of incorporation consequent upon conversion was issued by the RoC on July 13, 2018.

2. The Registered Office is located at 102, Wellington Business Park-I, Off Andheri Kurla Road, Marol, Andheri (East), Mumbai 400059 and our Corporate Office is located at 606-612, 6th Floor, Tower C, JMD Megapolis, Sohna Road, Sector 48, Gurgaon 122 018.

3. The CIN of our Company is L65990MH1994PLC080451.

4. Our Company Secretary and Compliance Officer is Ms. Parmita Choudhury. Her contact details are as follows:

   Ms. Parmita Choudhury
   606-612, 6th Floor, Tower C,
   JMD Megapolis, Sohna Road,
   Sector 48, Gurgaon 122 018
   Tel No.: +91 124 4992 914
   Email: compliance@affle.com

5. The authorized share capital of our Company as of the date of this Preliminary Placement Document is ₹ 300,000,000, divided into 30,000,000 Equity Shares of ₹ 10 each. Our issued share capital as of the date of this Preliminary Placement Document is ₹ 254,963,670. Our subscribed and paid up equity share capital as of the date of this Preliminary Placement Document is ₹ 254,963,670 divided into 25,496,367 Equity Shares of ₹ 10 each. Our Equity Shares are listed on BSE and NSE.

6. This Issue was authorized and approved by our Board of Directors on February 27, 2021 and approved by our Shareholders on March 24, 2021.

7. Our Company has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations to list the Equity Shares on the NSE and the BSE, each dated April 28, 2021. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.

8. Copies of the Memorandum and Articles of Association will be available for inspection during usual business hours on any weekday between 10.00 A.M. to 1.00 P.M. (except public holidays) at our Corporate Office.

9. Except as disclosed in this Preliminary Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

10. No change in the control of the Company will occur consequent to the Issue.

11. Except as disclosed in this Preliminary Placement Document, there has been no material change in our financial condition since December 31, 2020, the date of the latest financial statements prepared and included herein.

12. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

13. The Floor Price for the Issue is ₹ 5,422.94 per Equity Share, calculated in accordance with Regulation 176 of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with the approval of the Shareholders accorded through their resolution passed at the EGM on March 24, 2021.

14. Our Company and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at his or her own risk.

15. Except as disclosed in this Preliminary Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "*Legal Proceedings*" on page 237.

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotments of Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis. The names of the Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them, is set forth below:

S. No.	Name of the proposed Allottee#	Percentage of the post-Issue share capital (%)*
1.	[●]	[●]%
2.	[●]	[●]%
3.	[●]	[●]%
4.	[●]	[●]%
5.	[●]	[●]%

* *Based on the beneficiary position as on [●] (adjusted for Equity Shares Allocated in the Issue).*

\# *The details of the proposed Allottees have been intentionally left blank and will be filled in before filing the Placement Document with the Stock Exchanges and issuing the Placement Document to such proposed Allottees.*

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

____

Anuj Khanna Sohum
Designation: Chairman, Managing Director and Chief Executive Officer

Date: April 28, 2021
Place: Singapore

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under this Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by

Anuj Khanna Sohum
Designation: Chairman, Managing Director and Chief Executive Officer

I am authorized by the Fund Raising Committee, a committee constituted by the Board of Directors of the Company, vide resolution dated February 27, 2021 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter(s) subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Anuj Khanna Sohum
Designation: Chairman, Managing Director and Chief Executive Officer

Date: April 28, 2021
Place: Singapore

AFFLE (INDIA) LIMITED

Registered Office
102, Wellington Business Park-I, Off Andheri Kurla Road, Marol, Andheri (East), Mumbai 400059

Corporate Office
606-612, 6th Floor, Tower C, JMD Megapolis, Sohna Road, Sector 48, Gurgaon 122 018

Website: www.affle.com
Contact Person: Parmita Choudhury, Company Secretary and Compliance Officer
Address: 606-612, 6th Floor, Tower C, JMD Megapolis, Sohna Road, Sector 48, Gurgaon 122 018
Email: compliance@affle.com | **Tel No:** +91 124 4992 914

BOOK RUNNING LEAD MANAGERS

Axis Capital Limited Axis House, Level 1 C-2 Wadia International Centre P.B. Marg, Worli Mumbai 400 025	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018	**UBS Securities India Private Limited** 2/F, 2 North Avenue Maker Maxity Bandra Kurla Complex Bandra (E), Mumbai 400051

DOMESTIC LEGAL COUNSEL TO THE COMPANY

Indus Law
2nd Floor, Block D
The MIRA
Mathura Road
New Delhi 110 065, India

DOMESTIC LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

J. Sagar Associates
Sandstone Crest
(Opposite Park Plaza Hotel)
Sushant Lok –I
Gurugram 122 009, India

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

Duane Morris & Selvam LLP
16 Collyer Quay, #17-00
Singapore 049 318

STATUTORY AUDITORS

S. R. Batliboi & Associates LLP, Chartered Accountants
4th Floor, Office 405
World Mark – 2, Asset No. 8
IGI Airport Hospitality District, Aerocity
New Delhi 110 037, India

APPLICATION FORM

AFFLE (INDIA) LIMITED	**APPLICATION FORM** **Name of the Bidder ___________________** **Form. No.______**
(Incorporated in the Republic of India under the provisions of the Companies Act, 1956) **Corporate Identity Number:** L65990MH1994PLC080451 **Registered Office:** 102, Wellington Business Park-I, Off Andheri Kurla Road, Marol, Andheri (East), Mumbai 400059 **Corporate Office:** 606-612, 6th Floor, Tower C, JMD Megapolis, Sohna Road, Sector 48, Gurgaon 122 018 **Tel No.:** +91 124 4992 914; **Website:** www.affle.com; **Email:** compliance@affle.com	**Date: ______**

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING TO ₹[●] MILLION IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") BY AFFLE (INDIA) LIMITED (THE "COMPANY") (AND SUCH ISSUE THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ [●] PER EQUITY SHARE AND THE COMPANY MAY OFFER A DISCOUNT OF UPTO 5% ON THE FLOOR PRICE.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States (as defined in Regulation S under the Securities Act ("Regulation S")) in reliance on Regulations S. You should note and observe the solicitation and distribution restrictions contained in the section titled "Selling Restrictions" in the accompanying preliminary placement document dated April 28, 2021 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON-DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors

AFFLE (INDIA) LIMITED

606-612, 6th Floor, Tower C, JMD Megapolis, Sohna Road, Sector 48, Gurgaon 122 018

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Eligible Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Fund
SI- NBFC	Systemically Important Non-Banking Financial Companies	**OTH**	Others _____________ (Please specify)

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

Dear Sirs,

On the basis of the serially numbered PPD and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws and that we are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the promoter or promoter group or persons related to the promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the Board. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Non-Debt Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We further understand and agree that (i) our names, address, contact details, PAN and bank account details will be recorded by the Company in the format prescribed in terms of the PAS Rules (ii) in the event that any Equity Shares are Allocated to us in the Issue, our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document pursuant to the requirements under Form PAS-4 of the PAS Rules; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company will disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together referred to as the "**Stock Exchanges**"), and we consent to such disclosure. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations and other applicable laws.

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted separate Application Forms, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the price and amount to be Allotted under each such scheme. We undertake that we will sign and/or submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals. We note that the Board is entitled, in consultation with Axis Capital Limited, Nomura Financial Advisory and Securities (India) Private Limited and UBS Securities India Private Limited (the "**BRLMs**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us pursuant to the Confirmation of Allocation Note ("**CAN**") and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form within the Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

By signing and submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in the sections "Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions" and "Transfer Restrictions" sections of the PPD; and (ii) the terms, conditions and agreements mentioned herein, are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of which is entitled to rely on and is relying on these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors"* therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company in consultation with the BRLMs and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the Memorandum of Association and Articles of Association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that the Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. By signing this Application Form, we hereby represent that we are located outside the United States and purchasing Equity Shares in an offshore transaction complying with Rule 903 of Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that once a duly filled Application Form is submitted, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We confirm that we are eligible to invest and hold the Equity Shares of our Bank in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
EMAIL ID			
LEGAL ENTITY IDENTIFIER			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO. ____		
FOR MF	SEBI MF REGISTRATION NO.____		
FOR AIFs***	SEBI AIF REGISTRATION NO. ____		
FOR VCFs***	SEBI VCF REGISTRATION NO. ____		
FOR SI-NBFC	RBI REGISTRATION DETAILS____		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS. ____		

**Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs.*

*** In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the BRLMs have relied on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

DEPOSITORY ACCOUNT DETAILS		
Depository Name	National Securities Depository Limited	Central Depository Services (India) Limited
Depository Participant Name		
DP – ID	I N	
Beneficiary Account Number		(16-digit beneficiary A/c. No. to be mentioned above)

PAYMENT DETAILS
REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 1.00 pm (IST), [.], 2021 ([.])

BANK ACCOUNT DETAILS FOR PAYMENT OF APPLICATION AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	AFFLE (INDIA) LIMITED-QIP ESCROW ACCOUNT	**Account Type**	Escrow Account
Name of Bank	Axis Bank Limited	**Address of the Branch of the Bank**	GL 005 to 008, Ground Floor, Cross Point, DLF Phase 4, Gurgaon, Haryana, 122009

Account No.	921020013584816	**IFSC**	UTIB0000131
Phone Number	+91 124 4050595	**SWIFT Code**	AXISINBB131
Legal Entity Identifier	335800VOXUF6XMCWSD89	**Email ID**	dlfgurgaon.branchhead@axisbank.com

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

The Application Amount should be transferred pursuant to the Application Form only by way of electronic fund transfers, towards the Escrow Account**.** Payment of the entire Application Amount should be made along with the Application Form on or before the closure of the Issue Period i.e. within the Issue Closing Date. All payments must be made in favor of "AFFLE INDIA LIMITED-QIP ESCROW ACCOUNT". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**	
(In Figures)	(In Words)	(In Figures)	(In Words)

DETAILS OF CONTACT PERSON	
Name:	
Address:	
Tel. No:	Fax No:
Email:	

OTHER DETAILS	
PAN*	
Signature of Authorized Signatory *(may be either signed physically or digitally)***	

ENCLOSURES ATTACHED
☐ Copy of the PAN Card or PAN allotment letter
☐ FIRC
☐ Copy of the SEBI registration certificate as a Mutual Fund
☐ Copy of the SEBI registration certificate as an Eligible FPI
☐ Copy of the SEBI registration certificate as an AIF
☐ Copy of the SEBI registration certificate as a VCF
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
☐ Copy of notification as a public financial institution
☐ Copy of the IRDAI registration certificate
☐ Certified true copy of power of attorney
☐ Others, please specify________________

**Please note that the Bidder should not submit the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.*

***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.
Note 2: The Application Form is liable to be rejected if any information provided is incomplete or inadequate.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you, either in physical form or in electronic form or both, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.