**UNSECURED CREDITORS**

TOLEXO ONLINE PRIVATE LIMITED.

CIN No. U72200DL2014PTC267665

Registered Office at 1st floor, 29-Daryaganj,

Netaji Subash Marg, New Delhi-110002

Ph. No.011-30272100

Email: support@tolexo.com Website: www.tolexo.com

MEETING OF THE UNSECURED CREDITORS

OF

TOLEXO ONLINE PRIVATE LIMITED

(Convened pursuant to order dated May 19, 2017, passed by the National Company Law Tribunal, Principal Bench at New Delhi)

DAY: Friday

DATE: 14th July, 2017

TIME: 2:00 PM

VENUE: 7th Floor, Advant Navis Business Park, Plot No. 7, Sector-142, Noida-201301

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

PRINCIPAL BENCH, NEW DELHI

CA (CAA)/47(PB)/2017

In the matter of the Companies Act,
2013;

And

In the matter of Sections 230 to 232
and other relevant provisions of the
Companies Act, 2013;

And

In the matter of Scheme of
Arrangement between Tolexo
Online Private Limited and
Indiamart Intermesh Limited and
their respective shareholders and
creditors ("Scheme of
Arrangement");

Tolexo Online Private Limited,

A company incorporated under the provisions of the Companies Act, 2013 as on 28th
May, 2014, bearing CIN No U72200DL2014PTC267665 and having its Registered
Office at 1st Floor, 29-Daryaganj, Netaji Subhash Marg, New Delhi-110002

-----Applicant-1/ Transferor Company

Indiamart Intermesh Limited,

A company incorporated under the provisions of the Companies Act, 1956 as on
13th September, 1999, bearing CIN No. U74899DL1999PLC101534 and having its
Registered Office at 1st Floor, 29-Daryaganj, Netaji Subhash Marg, New Delhi-
110002

-----Applicant-2/ Transferee Company

**NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF
THE TRANSFEROR COMPANY PURSUANT TO THE ORDER DATED MAY 19,
2017 BY THE NATIONAL COMPANY LAW TRIBUNAL ("TRIBUNAL")**

To,

The Unsecured Creditors of Transferor Company:

Notice is hereby given that by an order dated May 19, 2017 by the Principal Bench
of the Tribunal at New Delhi, it has directed to hold a meeting of Unsecured
Creditors of Tolexo Online Private Limited for the purpose of considering, and if
thought fit, approving with or without modification, the Scheme of Arrangement.

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of Unsecured Creditors of Tolexo Online Private Limited will be held at 7th Floor, Advant Navis Business Park, Plot No.7, Sector-142, Noida-201301 on Friday, 14th day of July, 2017 at 2:00 PM at which time and place the said Unsecured Creditors are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

“RESOLVED THAT pursuant to the provisions of Sections 230-232, and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Transferor Company and subject to the approval of the Tribunal and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Transferor Company (hereinafter referred to as the “Board”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the Scheme of Arrangement, placed before this meeting and initialed by the Company Secretary of the Transferor Company for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme of Arrangement and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble National Company Law Tribunal or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme of Arrangement, as the Board may deem fit and proper.”

The person entitled to attend and vote at the meeting, may vote in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Transferor Company at 1st Floor, 29-Daryaganj, Netaji Subhash Marg, New Delhi- 110002 not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting.

Copies of the said Scheme of Arrangement the statement under section 230 and Form of Proxy can be obtained free of charge at the registered office of the Transferor Company at 1st Floor, 29-Daryaganj, Netaji Subhash Marg, New Delhi-110002 or at the office of the authorized representative Ms. Preeti Jain, Company Secretary, at 7th Floor, Advant Navis Business Park, Plot No. 7, Sector-142, Noida-201301

The Tribunal has appointed Sh. Virender Ganda, Senior Advocate as the Chairperson and Sh. Sumant Batra, Advocate as the Alternate Chairperson for the said meeting. Sh. Shyam Aggarwal, Company Secretary has further been appointed as the Scrutinizer.

The above mentioned Scheme of Arrangement, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

Place: New Delhi
Date: 07 June, 2017

Sd/-
Sh. Virender Ganda,
Senior Advocate
Chairperson appointed
for the Unsecured Creditor meeting

Notes:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 along with applicable rules thereunder and provisions of Section 230(3) of the Companies Act, 2013 setting out material facts forms part of this Notice.
2. An Unsecured Creditor entitled to attend and vote is entitled to appoint one or more proxies or in case of body corporate, by an authorized representative (including proxy of such authorized representative), to attend and vote instead of himself at the meeting of the Unsecured Creditor. Proxy Holders need not be a creditor of the Transferor Company.
3. The Body Corporate which is an Unsecured Creditor of the Transferor Company may attend and vote at the meeting of the Unsecured Creditor of the Transferor Company provided a copy of the resolution of the Board of Directors or a power of attorney or an authority letter authorising such representative to attend and vote at the meeting of the Unsecured Creditor of the Transferor Company, is deposited at the registered office of the Transferor Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the Unsecured Creditor of the Transferor Company.
4. The instrument appointing a proxy/Proxy Form should be deposited at the Registered Office of the Transferor Company not less than 48 hours before the commencement of the meeting.
5. The form of proxy can be obtained free of charge from the registered office of the Transferor Company
6. All alterations made in the Form of Proxy should be initialed.
7. The Unsecured Creditor of the Transferor Company shall be eligible to attend and vote at the meeting of the Unsecured Creditor of the Transferor Company.
8. A Member or his/her Proxy is requested to bring the copy of the notice to

the Meeting and produce the attendance slip, duly completed and signed, at the entrance of the Meeting venue.

9. The relevant records and documents connected with the businesses set out in the notice and explanatory statements are available for inspection at the Registered Office of the Transferor Company between 12.00 Noon and 3.00 P.M. on all working days except Saturday, Sunday and Public Holiday up to and during the Meeting of Unsecured Creditors of the Transferor Company.
10. The Notice, together with the documents accompanying the same, is being sent to all the Unsecured Creditors either by registered post or speed post or by courier service or electronically by e-mail or by hand delivery or any other mode as directed by NCLT. The Notice will be displayed on the website of the Transferor Company www.tolexo.com.
11. The notice convening the meeting will be published through advertisement in (i) 'Business Standard' in the English Language; and (ii) Jansatta ('Delhi edition') in the Hindi language.
12. Route Map of the venue of the meeting forms part of this Notice

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH, NEW DELHI
CA (CAA)/47(PB)/2017

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013;

And

In the matter of Scheme of Arrangement between Tolexo Online Private Limited and Indiamart Intermesh Limited and their respective shareholders and creditors ("Scheme of Arrangement");

Tolexo Online Private Limited,

A company incorporated under the provisions of the Companies Act, 2013 as on 28th May, 2014, bearing CIN No U72200DL2014PTC267665 and having its Registered Office at 1st Floor, 29-Daryaganj, Netaji Subhash Marg, New Delhi-110002

-----**Applicant-1/ Transferor Company**

Indiamart Intermesh Limited,

A company incorporated under the provisions of the Companies Act, 1956 as on 13th September, 1999, bearing CIN No. U74899DL1999PLC101534 and having its Registered Office at 1st Floor, 29-Daryaganj, Netaji Subhash Marg, New Delhi-110002

-----**Applicant-2/ Transferee Company**

Explanatory Statement under 230(3) And Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

- Pursuant to an order dated 19th May, 2017 passed by the Principal Bench, New Delhi, of the National Company Law Tribunal ("**NCLT**") in the above mentioned CA (CAA)/47(PB)/2017 ("**Order**"), meetings of the Unsecured Creditors of Tolexo Online Private Limited (the "**Transferor Company**") and Unsecured Creditors and Shareholders of Indiamart Intermesh Limited ("**Transferee Company**") are being convened at the 7th Floor, Advant Navis Business Park, Plot No.7, Sector-142, Noida-201301 on Friday, 14th July, 2017 ("**Tribunal Convened Meeting**" or "**Meeting**") for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of Arrangement between the Transferor Company with Transferee Company and their respective shareholders and creditors, pursuant to the provisions of Section 230-232 read with Sections 52 and 66 and any other applicable provisions of the Companies Act, 2013, as applicable (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the "**Scheme**" or "**Scheme of Arrangement**") as under:

S. No	Class of Meeting	Date of Meetings	Time (IST)	Place of Meetings
Transferor Company				
1	Unsecured Creditors	Friday, 14 th day of July 2017	2:00 PM	7 th Floor, Advant Navis Business Park, Plot No 7, Sector 142,

				Noida-201301
Transferee Company				
1	Equity Shareholders	Friday, 14 th day of July 2017	10:00 AM	7 th Floor, Advant Navis Business Park, Plot No 7, Sector 142, Noida-201301
2	Series-A Preference Shareholders	Friday, 14 th day of July 2017	12:00 Noon	
3	Series-B Preference Shareholders	Friday, 14 th day of July 2017	12:30 PM	
4	Unsecured Creditors	Friday, 14 th day of July 2017	1:00 PM	

2. A copy of the Scheme setting out the details of parties involved in the proposed Scheme, appointed date, effective date, share exchange ratio, etc., which has been, inter alia, approved by the Board of Directors of the Transferor Company and Transferee Company at their respective meetings held on 29th March, 2017, i.e. Wednesday is enclosed as **Annexure 1**. Capitalized terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
3. In terms of the said Order, the NCLT, has appointed Mr. Virender Ganda, Senior Advocate as the Chairperson and Mr. Sumant Batra, Advocate appointed as the Alternate Chairperson for the said meeting including for any adjournment or adjournments thereof. Further Mr. Shyam Aggarwal, Company Secretary is appointed as the Scrutinizer.
4. This statement explaining the terms of the Scheme is being furnished as required under Section 230(3) and Section 102 of the Companies Act, 2013 (the "Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

BACKGROUND OF THE COMPANIES

Particulars of Tolexo Online Private Limited (Transferor Company)

5. Tolexo Online Private Limited ("Transferor Company"), was incorporated on 28th May, 2014 as a Private Limited Company. The Corporate Identification Number of the Transferor Company is U72200DL2014PTC267665. The Permanent Account Number (PAN) no. of the Transferor Company is AAFCT0145B. The Registered Office of the Transferor Company is at 1st Floor, 29-Daryaganj, Netaji Subhash Marg, New Delhi-110002.
6. The email address of the Transferor Company is support@tolexo.com and its website address is www.tolexo.com.
7. The Transferor Company, by itself is primarily engaged in the business of facilitation of the purchase and sale of business and industrial goods such as abrasives, tools, fasteners, lab equipment, safety products, electrical goods and hardware. The Transferor Company primarily has the following business segments:
 - a. **Online Business Undertaking** - The Online Business Undertaking of the Transferor Company is an online transaction marketplace, where the customer place their order through electronic medium i.e. website (desktop or mobile) and mobile application, for business and industrial goods such as abrasives, tools, fasteners, lab equipment, safety products, electrical goods and hardware. The Online Business Undertaking facilitates transactions by enabling the purchase and sale of goods directly through the online marketplace, including online payment collection, product delivery and return logistics through third-party service providers.

Further, the Online Business Undertaking does not engage in direct sales, excluding any cross sales/ promotions to the existing customers of the Online Business Undertaking.

- b. **Offline Business Undertaking-** Offline Business Undertaking focusses on the facilitation of sale transactions by enabling the purchase and sale of business and industrial goods such as abrasives, tools, fasteners, lab equipment, safety products, electrical goods and hardware, through traditional sales channels of one-on-one interaction (including but not limited to feet-on-street or telecalling etc.). The Offline Business Undertaking also facilitates payment collection, product delivery and return logistics through third-party service providers. The main objects as mentioned in Clause III A of the Memorandum of Association of the Transferor Company are as follows:
- i. *To carry on the business or profession of, in India and abroad, providing a platform, technology and/or other mechanism / service including through any future and known or unknown technology to facilitate and process internet and/or mobile and/or electronic and/or other existing and future technology based payments for transactions, commerce, electronic commerce, mobile commerce, any type of commerce whether by and between businesses, by and between individual consumers, or by and between businesses and individual consumers and the likes and incidental and ancillary activities thereto including without limitation displaying advertisement and promotions.*
 - ii. *To carry on in India and abroad, the business of operating, maintaining, marketing and otherwise dealing in all types of electronic, technological, wireless application protocol (WAP), 3G and internet properties including web-sites and portals on the World Wide Web and providing internet, wireless application protocol (WAP), 3G or other existing and future, whether known or unknown, technology based/other software, media, medium and information technology services or information technology enabled services of all kinds and establishing, developing, undertaking, designing, producing, conceptualizing, marketing, selling, and licensing software products of all descriptions, applications and specifications and for the said purpose to act as consultant, provider of professional services, know how provider, licensor and to do all other acts or things necessary for the attainment of the foregoing objects in India and abroad including registering with Software Technology Parks, Hardware Technology Parks and Export Oriented Units or any other appropriate authority.*
 - iii. *To carry on the business or profession of, in India and abroad, either on its own or through franchisee arrangements, licensees, agents, stockists, resellers, distributors, contractors or otherwise, of procuring, storing, warehousing, dispatching, promoting, packaging, formulating, buying, selling, exchanging, altering, importing, exporting, assembling, repairing, marketing, advertising, distributing, or otherwise dealing in whole or in part, on a wholesale basis or otherwise, all kinds of services, goods and merchandise and generally to carry on business as wholesale merchants, importers and exporters, couriers, warehousing agents, including sourcing, procuring and placing contracts for all or any kinds of services, goods, materials and items whatsoever in nature.*
 - iv. *To carry on in India and abroad, the business & profession of rendering, technical device in constructing, furnishing, running and management of business, either on its own or through franchisee arrangements, licensees, agents, stockiest, resellers, distributors, contractors or otherwise, of operating, establishing, providing and managing, e-commerce and m-commerce websites, supermarkets, hypermarkets, stores, direct to home and mail order services for all categories of products and services and dealing in all kinds of goods, materials and items in India or in any other part of the world.*

- v. *To carry on in India and abroad, the business & profession of developing, designing, planning, executing, consultancy services or otherwise deal in, operate provide and facilitate in any manner the entire range of information technology enabled services, websites, mobile websites, web enabled services, value added services including (a) all services relating to access, storage, distribution and transmission of internet, web page hosting, website designing, electronic commerce services in various forms, including mobile, voice, email, chat and collaborative browsing, data storage, data transmission, data base and data processing services, computer hardware and software systems and all kind of communications as are in use or may be developed in future, (b) establishment and operation of customer call centers, customers service centers, technical support centers, billing payment processing, claims processing, inbound and outbound logistics, order fulfillment, packaging, warehousing and inventory management, document processing and digitizing, and (c) rendering of consultancy services in relation to any of the foregoing, including support and incidental services, in India and abroad.*
8. Since incorporation, there has been no change in the name and main objects (summarized above) of the Transferor Company. However, the registered office of the Transferor Company changed from 408, Ashirwad Enclave, 104 I.P Extension, Delhi to 1st floor, 29- Daryaganj, Netaji Subhash Marg, New Delhi 110006 with effect from 29th April, 2015.
9. It may be noted that the Transferor Company is a private limited company and its securities are not listed on any stock exchange.
10. The capital structure of the Transferor Company as on the Appointed Date, i.e. 1 January, 2017 is as under:

Particulars	Amount (in Rs.)
<u>Authorised Share Capital:</u>	
5,50,00,000 Equity Shares of Rs.10/- each	55,00,00,000
2,50,00,000 0.01% Optionally Convertible Redeemable Preference share of Rs.10/- each	25,00,00,000
Total	80,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital:</u>	
5,38,60,000 Equity Shares of Rs.10/- each	53,86,00,000
1,47,85,000 0.01% Optionally Convertible Redeemable Preference share of Rs.10/- each	14,78,50,000
Total	68,64,50,000

Subsequent to the Appointed Date, i.e. 1 January 2017 and till date of this notice, there has been a change in the issued, subscribed and paid-up share capital of the Transferor Company whereby the Transferee Company has subscribed the 9,50,000 0.01% Optionally Convertible Redeemable Preference shares of Rs. 10/- each of the Transferor Company and the Share Capital of the Transferor Company post such issue of shares is as follows:

Particulars	Amount (in Rs.)
<u>Authorised Share Capital:</u>	

5,50,00,000 Equity Shares of Rs.10/- each	55,00,00,000
2,50,00,000 0.01% Optionally Convertible Redeemable Preference shares of Rs.10/- each	25,00,00,000
Total	80,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital:</u>	
5,38,60,000 Equity Shares of Rs.10/- each	53,86,00,000
1,57,35,000 0.01% Optionally Convertible Redeemable Preference Share of Rs.10/- each	15,73,50,000
Total	69,59,50,000

11. The details of promoters and directors of the Transferor Company as on the date of notice along with their addresses is as under:

Name of Promoter	Registered Office Address
Indiamart InterMesh Limited	1 st floor, 29- Daryaganj, Netaji Subhash Marg, New Delhi-110002

S. No.	Name of Directors	DIN	Address for Correspondence	Designation
1	Brijesh Agrawal	00191760	408, Aashirwad Enclave 104, I.P. Extension Delhi 110092	Director & Chief Executive Officer
2	Dinesh Chandra Agarwal	00191800	408, Aashirwad Enclave 104, I.P. Extension Delhi 110092	Director
3	Rajesh Sawhney	01519511	A/402, The IVY Residential Complex, Sushant Lok- Phase-1 Gurgaon 122001	Independent Director
4	Ganesh Venkateshwaran Rengaswamy	02656783	136 Phase 2 Palm Meadows White Field Road Ramagondanahalli Bangalore 560066	Director
5	Elizabeth Lucy Chapman	06459440	Soona Mahal, 6 th Floor, Near HDFC Bank, CCI Marine Drive, Mumbai - 400020	Independent Director
6	Maneesh Dhir	07575665	574, 16th B Main 3rd Block, Koramangala Bangalore 560034	Director

Particulars of Indiamart Intermesh Limited (Transferee Company)

12. Indiamart Intermesh Limited ("Transferee Company"), was incorporated on 13th September, 1999 as a Public Limited Company. The Corporate Identification Number of the Transferee Company is U74899DL1999PLC101534. The Permanent Account Number (PAN) no. of the Transferee Company is AAACI5853L. The Registered Office of the Transferee Company is at 1st Floor, 29-Daryaganj, Netaji Subhash Marg, New Delhi-110002.
13. The email address of the Transferee Company is cs@indiamart.com and its website address is www.indiamart.com.
14. The Transferee Company is also inter alia engaged in the similar business as the Online Business Undertaking of the Transferor Company("Demerged Undertaking"), of facilitation of purchase and sale of goods and services across various business categories through online medium. The Transferee Company has been in these operations since incorporation and has developed a well-established product and technology base, a wide customer base and a strong brand name in this business. The main objects as mentioned in the Memorandum of Association of the Transferee Company are as follows:
- i. *To design, develop, host promote and maintain web pages and websites and to carry on business of Internet and web advertising, web content design and development, web publishing, networking, network integration, e-mail and messaging solution, web enabled automation systems and solutions, Intranet, Extranet, E-business, E-commerce, Electronic Data Interchange (EDI) solutions, Cyber Solutions and all other Internet related products and services.*
 - ii. *To carry on turnkey, on-site, off-shore or subcontract the business of developing, designing, programming, maintenance of software and to buy, sell, import, export, design, develop, implement or undertake projects in the field of computer hardware, system or application software, peripherals, electronic and web enabled devices and to carry on business of management and consultancy services relating to Information Technologies and Electronic Systems.*
 - iii. *To buy sell, export, import, trade, auction, whole sale through e-commerce, web shopping web auction, mail order, teleshopping, electronic trading, physical trading of any products and services.*
15. During the last five (5) financial years, there has been no change in the name and main objects (summarized above) of the Transferor Company. However, the registered office of the Transferor Company changed from 408, Ashirwad Enclave, 104 I.P Extension, Delhi to 1st floor, 29- Daryaganj, Netaji Subhash Marg, New Delhi with effect from 28th January 2015.
16. It may be noted that the Transferee Company is a public limited company whose securities are not listed on any stock exchange.
17. The capital structure of the Transferee Company as on the Appointed Date, i.e. 1 January 2017 is as under:

Particulars	Amount (in Rs.)
Authorised Share Capital:	
2,00,00,000 Equity Shares of Rs. 10/- each	20,00,00,000
14,93,903 0.01% Series A Cumulative Convertible Preference Shares (CCPS) of Rs. 328/- each	49,00,00,184
17,22,047 0.01% Series B Compulsory Convertible Preference Shares (CCPS) of Rs. 100/- each	17,22,04,700
Total	86,22,04,884
Issued, Subscribed and Paid-up Share Capital:	

91,68,989 Equity Shares of Rs. 10/- each	9,16,89,890
14,93,903 0.01% Series A Cumulative Convertible Preference Shares (CCPS) of Rs. 328/- each.	49,00,00,184
1,722,047 0.01% Series B Compulsory Convertible Preference shares (CCPS) of Rs. 100/- each	17,22,04,700
Total	75,38,94,774

Subsequent to the Appointed Date, i.e. 1 January 2017 and till date of this notice, there has been a change in the Authorised Share Capital of the Transferee Company which was reclassified at the Extra Ordinary General Meeting of its shareholders held on March 27, 2017. Further, the issued, subscribed and paid-up share capital of the Transferee Company was increased post allotment of 94713, 0.01% Series B1 Compulsory Convertible Preference Shares to existing shareholders at Series B1 Management Committee Meeting held on March 31, 2017. The share capital of the Transferee Company post such reclassification and issue of shares is as follows:

Particulars	Amount (in Rs.)
<u>Authorised Share Capital:</u>	
1,82,77,930 Equity Shares of Rs. 10/- each	18,27,79,300
14,93,903 0.01% Series A Cumulative Convertible Preference Shares (CCPS) of Rs. 328/- each	49,00,00,184
17,22,047 0.01% Series B Compulsory Convertible Preference Shares (CCPS) of Rs. 100/- each	17,22,04,700
1,72,207 0.01% Series B1 Compulsory Convertible Preference Shares (CCPS) of Rs. 100/- each	1,72,20,700
Total	86,22,04,884
<u>Issued, Subscribed and Paid-up Share Capital:</u>	
91,68,989 equity shares of Rs. 10/- each	9,16,89,890
14,93,903 0.01% Series A Cumulative Convertible Preference Shares (CCPS) of Rs. 328/- each	49,00,00,184
1,722,047 0.01% Series B Compulsory Convertible Preference Shares (CCPS) of Rs. 100/- each	17,22,04,700
94,713 0.01% Series B1 Compulsory Convertible Preference Shares (CCPS) of Rs. 100/- each	94,71,300
Total	76,33,66,074

18. The details of Promoters and Directors of the Transferee Company as on the date of notice along with their addresses is as under:

Name of Promoter	Address of Correspondence
Mr.Brijesh Agrawal	408, Aashirwad Enclave 104, I.P. Extension

	Delhi 110092
Mr. Dinesh Chandra Agarwal	408, Aashirwad Enclave 104, I.P. Extension Delhi 110092

S. No.	Name of Directors	DIN	Address for Correspondence	Designation
1	Brijesh Agrawal	00191760	408, Aashirwad Enclave 104, I.P. Extension Delhi 110092	Whole Time Director
2	Dinesh Chandra Agarwal	00191800	408, Aashirwad Enclave 104, I.P. Extension Delhi 110092	Managing Director
3	Rajesh Sawhney	01519511	A/402, The IVY Residential Complex, Sushant Lok-Phase-1 Gurgaon 122001	Independent Director
4	Mahendra Kumar Chouhan	00187253	A/1, Shitala Krupa, 277, LJ Road, Mahim West, Mumbai – 400016	Independent Director
5	Elizabeth Lucy Chapman	06459440	Soona Mahal, 6 th Floor, Near HDFC Bank, CCI Marine Drive, Mumbai -400020	Independent Director
6	Dhruv Prakash	05124958	A-14, Sector 26, Noida -201301	Non-executive Director

After the Appointed Date, i.e. 1st January 2017, Mr. Bhavanipratapsinh Rana (DIN: 07052033) was appointed as Additional Director of the Transferee Company at the Board Meeting held on May 04, 2017.

19. The Scheme was unanimously approved by the Board of Directors of the Transferor Company in the meeting held on 29th March 2017. Out of the six (6) directors of the Transferor Company, three (3) were present in the meeting, all of them voted in favour of the resolution as summarized below:

S. No.	Name	Voting on the resolution
1	Brijesh Agrawal	Favour

2	Dinesh Chandra Agarwal	Favour
3	Rajesh Sawhney	Absent
4	Ganesh Venkateshwaran Rengaswamy	Absent
5	Elizabeth Lucy Chapman	Favour
6	Maneesh Dhir	Absent

20. The Scheme was unanimously approved by the Board of Directors of the Transferee Company in the meeting held on 29th March 2017. Out of the six (6) directors of the Transferee Company, five (5) were present in the meeting, all of them voted in favour of the resolution as summarized below:

S. No.	Name	Voting on the resolution
1	Brijesh Agrawal	Favour
2	Dinesh Chandra Agarwal	Favour
3	Rajesh Sawhney	Absent
4	Mahendra Kumar Chouhan	Favour
5	Elizabeth Lucy Chapman	Favour
6	Dhruv Prakash	Favour

RELATIONSHIP SUBSISTING BETWEEN PARTIES TO THE SCHEME

21. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

KEY FEATURES OF THE SCHEME

22. The Appointed Date of the Scheme, is opening business hours of 1st January, 2017 or such other date as may be fixed by the NCLT or any other concerned Authority of this scheme.
23. The Effective Date of the Scheme, has been defined as “means the later of the Appointed Date or the last of the dates on which the certified copy or authenticated copy of the order of NCLT sanctioning the scheme is filed with the Registrar of Companies by the Transferor Company and the Transferee Company.”
24. The Record Date for the purpose of the Scheme, has been defined as “the date to be fixed by the Board of Directors of the Transferor Company in consultation with the Transferee Company for the purpose of reckoning names of the shareholder(s) of the Transferor Company and the no. of equity shares and preference shares of the Transferor Company held by them, which shall be reduced and reorganized in the books of the Transferor Company upon this Scheme coming into effect.”
25. This Scheme provides for the transfer of all the activities, business and operations relating to “Demerged Undertaking” of the Transferor Company on a going concern basis into the Transferee Company pursuant to demerger and consequent reorganization of the share capital and securities premium of the Transferor Company and reorganization of the securities premium of the Transferee Company pursuant to the provisions of Sections 230 to 232 read

with Sections 52 and 66 and other applicable provisions of the Companies Act, 2013 , (including any statutory modification(s) or re-enactment thereof, for the time being in force), including the rules made thereunder and also read with Section 2(19AA) read with Section 72A(4) of the Income Tax Act, 1961, as applicable, for the demerger.

26. The Transferee Company is also, inter-alia, engaged in the similar business as the Demerged Undertaking, of facilitation of purchase and sale of goods and services across various business categories through online medium. The Transferee Company has been in these operations since incorporation and has developed a well-established product and technology base, a wide customer base and a strong brand name in this business.
27. The rationale for the Scheme between the Transferor Company into the Transferee Company is, inter alia, as follows:
- ensuring provision of adequate and necessary financial support and managerial capabilities of the Transferee Company for the growth of Demerged Undertaking;
 - consolidating Demerged Undertaking with the Transferee Company to achieve synergies in operations and optimal utilisation of resources, thereby reducing operating costs of running the Demerged Undertaking;
 - reducing the inter se transactions between the Transferee Company and the Transferor Company, thereby reducing administrative costs and achieving efficiencies; and
 - enhancing the shareholders' value of the Transferee Company and the Transferor Company.

The demerger and vesting of the Demerged Undertaking into the Transferee Company with effect from the Appointed Date is in the interest of the shareholders, creditors, employees and all concerned. The same shall not, in any manner, be prejudicial to the interests of the shareholders, creditors or general public at large.

28. An independent valuation expert, i.e. Corporate Professionals Capital Private Limited being a SEBI registered (Category I) Merchant Banker, has issued a report determining the value of Online Business Segment and Offline Business Segment as per the values appearing in the assets and liabilities statement as on December 31, 2016. Further the value so derived shall be used for allocation of the net-worth of the Transferor Company between the Online Business Segment and Offline Business Segment. Copy of the valuation report dated 29th March 2017 is enclosed as **Annexure –4**.
29. Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no new shares of the Transferee Company shall be issued to the shareholders of the Transferor Company, as the Transferee Company cannot issue shares to itself.
30. Pursuant to the Scheme paid-up equity share capital and 0.01% optionally convertible redeemable preference shares along with the securities premium account of Transferor Company shall be reduced in accordance with the provisions of Section 66 of the Companies Act, 2013 and Section 52 of the Companies Act, 2013 and any other applicable provisions of the Act and the order of NCLT sanctioning this Scheme shall be deemed to also be the order under Section 66 of the Companies Act, 2013 for the purpose of confirming the capital reduction. The Transferor Company will be effected in the following manner:
- the issued, subscribed and paid-up equity share capital of the Transferor Company shall be reduced and reorganised by reducing the face value and paid up value of equity shares of Rs. 10 (Rupees Ten only) each of the Transferor Company to Rs. 1.3 (Rupees One and Thirty paise only) each. Simultaneously, the equity share capital of the Transferor Company shall be reorganized and consolidated and as a result, every shareholder of the Transferor Company holding 8(Eight) equity shares of face value and paid up value of Rs. 1.3(Rupees One and Thirty paise only) each shall be issued 1(One) equity share of face value and paid up value of Rs. 10(Rupees Ten) each

- b. the issued, subscribed and paid up 0.01% optionally convertible redeemable preference shares of the Transferor Company shall be reorganised by reducing the face value and paid up value of 0.01% optionally convertible redeemable preference shares of Rs. 10 (Rupees Ten only) each of the Transferor Company to Rs. 1.3 (Rupees One and Thirty paise only) each. Simultaneously, the 0.01% optionally convertible redeemable preference shares of the Transferor Company shall be reorganized and consolidated and as a result, preference shareholder of the Transferor Company holding 8 (Eight) 0.01% optionally convertible redeemable preference shares of face value and paid up value of Rs. 1.3 (Rupees One and Thirty paise only) each shall be issued 1 (One) 0.01% optionally convertible redeemable preference shares of face value and paid up value of Rs. 10 (Rupees Ten only) each.; and
 - c. to give the effect to the above, the securities premium account of the Transferor Company, as on the Appointed Date, shall stand reduced to an amount of Rs. 10,57,09,500 (Rupees Ten Crore Fifty Seven Lacs Nine Thousand and Five Hundred only).
31. Pursuant to the Scheme becoming effective, the securities premium account of the Transferee Company as on the Appointed Date shall be stand reduced by an amount of Rs 1,30,68,19,536 (Rupees One Hundred and Thirty Crores Sixty Eight Lacs Nineteen Thousand Five Hundred and Thirty Six). The corresponding adjustment shall be made in the balance of Profit & Loss account as appearing on the Appointed Date in the Balance Sheet of the Transferee Company.
32. The capital reduction by the Transferor Company and Transferee Company would not involve either the diminution of liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital.
33. It is further provided that the proposed Scheme does not contemplate any corporate debt restructuring exercise.
34. The features set out above being only the salient features of the Scheme, the members are requested to read the entire text of the Scheme (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the Scheme.
35. As on 28th March, 2017 the Transferor Company has 66 Unsecured Creditors and amount due to such Unsecured Creditors is Rs.40,65,109/-. Further, as on the same date the Transferee Company has 26 Unsecured creditors and amount due to such Unsecured Creditors is Rs. 33,47,094/-.
36. The Scheme of Arrangement does not have any effect on the key managerial personnel, directors, promoters, non-promoter members, depositors, creditors debenture holders, deposit trustee and debenture trustees and employees of the company, except as shareholders in general to the extent of the shares held by them in the Transferor Company and Transferee Company, if any.
37. None of the Directors, the Key Managerial Personnel (as defined under the Act and rules formed thereunder) of the Transferee Company and the Transferor Company have any interests, financial or otherwise in the Scheme of Arrangement, except as shareholders in general to the extent of the shares held by them in the Transferor Company and Transferee Company, if any.
38. No investigation or proceeding pending against the Transferor Company and the Transferee Company under the Act.
39. The following documents are available for obtaining extract from or for making or obtaining copies of or for inspection by the Unsecured Creditors/ shareholders at the Registered Office of the Transferor Company and Transferee Company at 1st Floor, 29 - Daryaganj, Netaji Subhash Marg, Delhi-110002 or at the office of the authorized representative of the Transferee Company

and Transferee Company i.e. Mr. Anil Dwivedi, Company Secretary of Transferee Company, at 7th Floor, Advant Navis Business Park, Plot No. 7, Sector-142, Noida, Uttar Pradesh – 201301 and Ms. Preeti Jain, Company Secretary of Transferor Company, at 7th Floor, Advant Navis Business Park, Plot No. 7, Sector-142, Noida, Uttar Pradesh – 201301 respectively between 12 noon to 3.p.m on any working day except Saturday, Sunday and Public Holiday upto the date of the Meetings:

- a. Latest audited financial of the Transferor Company and Transferee Company as on 31st March, 2016 (including consolidated financial statements of Transferee Company);
 - b. Copy of unaudited financial statements of the Transferor Company and Transferee Company as on 31st December, 2016;
 - c. Copy of the order of NCLT in pursuance of which the Tribunal convened Meeting of Transferor Company and Transferee Company are being held;
 - d. Copy of the Scheme of Arrangement; and
 - e. Certificate of Auditor regarding the accounting treatment in the books of Transferor Company and Transferee Company as proposed in the Scheme of Arrangement.
40. In compliance with the requirement of Section 230(5) of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, notice in the prescribed form alongwith the Scheme of Arrangement and other necessary documents shall be served to the concerned regulatory and government authorities for the purpose of the Scheme of Arrangement.
 41. No other approvals from regulators or governmental authorities are required at this stage nor any have been received or are pending in respect of the proposed Scheme.
 42. The Unsecured Creditors of the Transferor Company and Unsecured Creditors and Shareholders of the Transferee Company to whom the Notice is sent may vote in the meeting either in person or by proxies.
 43. It is confirmed that the copy of the Scheme of Arrangement has been filed with the Registrar of Companies, New Delhi and Haryana by the Transferor Company and the Transferee Company, respectively.
 44. As required under Section 232(2) of the Act, the following documents are being circulated with this notice and the explanatory statement:
 - a. Scheme of Arrangement, enclosed as **Annexure 1**;
 - b. Report of the Board of Directors prepared u/s 232 (2) (c) of the Transferor Company and Transferee Company, enclosed as **Annexure-2**;
 - c. Valuation Report issued by SEBI registered (Category I) Merchant Banker enclosed as **Annexure 3**;
 - d. Certificate of Auditor regarding the accounting treatment of the Companies **Annexure-4**; and
 - e. Copy of unaudited financial statements of the Transferor Company and Transferee Company as on 31st December, 2016 enclosed as **Annexure-5**.
 45. Statement disclosing details of the Scheme of Arrangement as per Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

No.	Particulars	Tolexo Online Private Limited	Indiamart Intermesh Limited
		Transferor Company	Transferee Company
(i)	Details of the order of the Tribunal directing the calling, convening and conducting of the meeting :-		

No.	Particulars	Tolexo Online Private Limited	Indiamart Intermesh Limited
		Transferor Company	Transferee Company
a.	Date of the order	May 19, 2017	May 19, 2017
b.	Date, time and venue of the Meeting of:	Date – July 14, 2017 Venue – 7th Floor Advant Navis Business Park, Plot No 7, Sector 142, Noida-201301	Date – July 14, 2017 Venue – 7th Floor Advant Navis Business Park, Plot No 7, Sector 142, Noida-201301
	Equity shareholders	Dispensed with by NCLT	10:00 AM
	0.01% Optionally Convertible Redeemable Preference shareholder	Dispensed with by NCLT	Not applicable
	Series A –Preference shareholders	Not applicable	12:00 Noon
	Series B –Preference shareholders	Not applicable	12:30 PM
	Unsecured creditors	2:00 PM	1:00 PM
(ii)	<i>Details of the Companies including</i>		
a.	Corporation Identification Number (CIN)	U72200DL2014PTC267665	U74899DL1999PLC101534
b.	Permanent Account Number (PAN)	AAFCT0145B	AAACI5853L
c.	Name of Company	Tolexo Online Private Limited	Indiamart Intermesh Limited
d.	Date of Incorporation	28 th May, 2014	13 th September, 1999
e.	Type of Company	Private Limited Company	Public Limited Company
f.	Registered Office address	Tolexo Online Private Limited 1st floor, 29-Daryaganj, Netaji Subhash Marg, New Delhi-110002	Indiamart Intermesh Limited 1st floor, 29-Daryaganj, Netaji Subhash Marg, New Delhi-110002
g.	E-mail address	support@tolexo.com	cs@indiamart.com
h.	Summary of main object as per the memorandum of association; and main	Refer to Para 7 of Explanatory Statement	Refer to Para 14 of Explanatory Statement

No.	Particulars	Tolexo Online Private Limited	Indiamart Intermesh Limited
		Transferor Company	Transferee Company
	business carried on by the Company		
i.	Details of change of name, Registered Office and objects of the Company during the last five years	Refer to Para 8 and Para 15 of Explanatory Statement for Transferor Company and Transferee Company respectively	
j.	Name of stock exchange(s) where securities of the company are listed, if applicable	Not applicable as both the Transferor Company and the Transferee Company are Unlisted.	
k.	Details of capital structure – Authorized, Issued, subscribed and paid-up share capital	Refer to Para 10 of the Explanatory Statement	Refer to Para 17 of the Explanatory Statement
l.	Names of the shareholders and directors along with their addresses for correspondence	Refer to Para 11 of Explanatory Statement	Refer to Para 18 of Explanatory Statement
(iii)	If the scheme of compromise or arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or associate companies	Refer to Para 21 of the Explanatory Statement	
(iv)	The date of board meeting at which the scheme was approved by the board of directors including the name of directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution	Refer to Para 19 of Explanatory Statement	Refer to Para 20 of Explanatory Statement
(v)	<i>Explanatory Statement disclosing details of the scheme of compromise or arrangement including</i>		
a.	Parties involved in such compromise or	Tolexo Online Private Limited (Transferor Company)	

No.	Particulars	Tolexo Online Private Limited	Indiamart Intermesh Limited
		Transferor Company	Transferee Company
	arrangement	Indiamart Intermesh Limited (Transferee Company)	
	Appointed Date	Opening business hours of January 1 st , 2017 or such other date as may be fixed by the NCLT or any other concerned Authority of this scheme	
	Effective Date	The later of the Appointed Date or the last of the dates on which the certified copy or authenticated copy of the order of NCLT sanctioning the scheme is filed with the Registrar of Companies by the Transferor Company and the Transferee Company	
b.	Share Exchange Ratio and other considerations, if any	Refer to Para 29 of Explanatory Statement	
c.	Summary of Valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any, and the declaration that the valuation report is available for inspection at registered office of the Company	Refer to Annexure - 4 for the Valuation Report read with Para 28 of the Explanatory Statement	
d.	Details of capital or debt restructuring, if any	Refer to Para 30 and Para 31 for details in respect of capital restructuring of the Transferor Company and the Transferee Company respectively. Debt Restructuring : Not Applicable	
e.	Rationale for the compromise or arrangement	As per Para C of the Scheme and Para 26 and Para 27 of the Explanatory Statement	
f.	Benefits of the compromise or arrangement as perceived by the Board of directors to the company, shareholders, creditors and others (as applicable)	As provided in the rationale in Para 27 of the Explanatory Statement	
g.	Amount due to unsecured Creditors	Refer to Para 35 of Explanatory Statement	
(vi)	Disclosure about effect of the compromise or arrangement on		
a.	Key Managerial Personnel	Refer to Para 36 of Explanatory Statement	
b.	Directors		
c.	Promoters		

No.	Particulars	Tolexo Online Private Limited	Indiamart Intermesh Limited
		Transferor Company	Transferee Company
d.	Non-promoter members		
e.	Depositors		
f.	Creditors		
g.	Debenture holders		
h.	Deposit Trustee & Debenture Trustee		
i.	Employees of the Company		
(vii)	Disclosure about effect of compromise or arrangement on material interest of Directors, Key Managerial Personnel (KMP) and debenture trustee		
	Directors	Refer to Para 37 of Explanatory Statement	
	Key Managerial Personnel		
	Debenture Trustee	Not Applicable	
(viii)	Investigation or proceedings, if any, pending against the company under the Act	None	
(ix)	Details of the availability of the following documents for obtaining extract from or for making or obtaining copies of or inspection by the members and creditors, namely:		
a.	Latest Audited Financial Statements of the Company including consolidated financial statements	Refer to Para 39 of Explanatory Statement	
b.	Copy of the order of NCLT in pursuance of which the meeting is to be convened or has been dispensed with.	Refer to Para 39 of Explanatory Statement	
c.	Copy of scheme of Compromise or Arrangement	Refer to Para 39 of Explanatory Statement	
d.	Contracts or Agreements material to the compromise or arrangement	None	
e.	The certificate issued by the Auditor of the Company to	Refer to Para 39 of Explanatory Statement	

No.	Particulars	Tolexo Online Private Limited	Indiamart Intermesh Limited
		Transferor Company	Transferee Company
	the effect that the accounting treatment, if any, proposed in the scheme of compromise or arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013		
f.	Such other information or documents as the Board or Management believes necessary and relevant for making decision things for or against the scheme	None	
(x)	Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or arrangement	<p>Not applicable</p> <p>Notice under Section 230(5) of the Companies Act, 2013 is being given to the Central Government (Regional Director), Registrar of Companies, Official Liquidator and Income Tax Authorities in respect of both the Transferor Company and Transferee Company separately</p>	
(xi)	A statement to the effect that the persons to whom the notice is sent may vote in the meeting either in person or by proxies, or where applicable, by voting through electronic means	Refer to Para 42 of Explanatory Statement	

46. In view of the information provided hereinabove and the documents attached along with this Notice and Explanatory statement, the requirement of Section 232(2) of the Companies Act, 2013 have been complied with.

Place: New Delhi

Dated this: 07 day of June, 2017

Sd/-
Preeti Jain
Company Secretary
Tolexo Online Private Limited

SCHEME OF ARRANGEMENT

UNDER SECTIONS

230 to 232, 52 and 66 OF COMPANIES ACT, 2013

BETWEEN

**TOLEXO ONLINE PRIVATE LIMITED
(BEING THE DEMERGED COMPANY/ THE TRANSFEROR
COMPANY)**

AND

**INDIAMART INTERMESH LIMITED
(BEING THE RESULTING COMPANY/ THE TRANSFEREE
COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

A. PREAMBLE

This Scheme (as defined hereinafter) is presented pursuant to the provisions of Sections 230 to 232 read with Sections 52 and 66 of Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Companies Act, 1956, as notified, amended, or re-enacted from time to time, including the rules made thereunder and also read with Section 2(19AA) read with Section 72A(4) of the Income Tax Act, 1961, as applicable, for the demerger of the Demerged Undertaking (defined hereinafter) of the Transferor Company (defined hereinafter) and vesting of the same with the Transferee Company (defined hereinafter), on a going concern basis and consequent reorganization of the share capital and securities premium of the Transferor Company and reorganisation of the securities premium of the Transferee Company. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

B. INTRODUCTION

- (i) TOLEXO ONLINE PRIVATE LIMITED (hereinafter referred to as “Demerged Company” or the “Transferor Company”) is a private limited company incorporated under the provisions of the Companies Act 2013 as on 28th May, 2014, bearing CIN No U72200DL2014PTC267665 and having its Registered Office at 1st Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi-110002. The Transferor Company is a wholly owned subsidiary of the Transferee Company. The Transferor Company is authorised to and is primarily engaged in the business or profession in India, of providing a platform, technology and/or other mechanism / service including through any future and known or unknown technology to facilitate and process internet and/or mobile and/or electronic and/or other existing and future technology based payments for transactions, commerce, electronic commerce, mobile commerce, any type of commerce whether by and between businesses, by and between individual consumers, or by and between businesses and individual consumers and the likes and incidental and ancillary activities thereto including without limitation displaying advertisement and promotions, through online and offline channels.
- (ii) INDIAMART INTERMESH LIMITED (hereinafter referred to as “Resulting Company” or the “Transferee Company”) is a public limited company incorporated under the provisions of the Companies Act 1956 on 13th September, 1999, bearing CIN No. U74899DL1999PLC101534 and having its Registered Office at 1st Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi-110002. The Transferee Company is authorised to and is primarily engaged in the business to design, develop, host, promote and maintain web pages and websites and to carry on business of Internet and web advertising, web content design and development, web publishing, networking, network integration, e-mail and messaging solution, web enabled automation systems and solutions, Intranet, Extranet, E-business, E-commerce, Electronic Data Interchange (EDI) solutions, Cyber Solutions and all other Internet related products and services.

C. PROPOSED SCHEME AND RATIONALE

- (i) The Transferor Company, by itself is primarily engaged in the business of facilitation of the purchase and sale of business and industrial goods such as abrasives, tools, fasteners, lab equipment, safety products, electrical goods and hardware. The Transferor Company primarily has the following business segments:

a. Online Business Undertaking

The Online Business Undertaking of the Transferor Company is an online transaction marketplace, where the customer place their order through electronic medium i.e. website (desktop or mobile) and mobile application, for business and industrial goods such as abrasives, tools, fasteners, lab equipment, safety products, electrical goods and hardware.

The Online Business Undertaking facilitates transactions by enabling the purchase and sale of goods directly through the online marketplace, including online payment collection, product delivery and return logistics through third-party service providers.

Further, the Online Business Undertaking does not engage in direct sales, excluding any cross sales/ promotions to the existing customers of the Online Business Undertaking.

b. Offline Business Undertaking

Offline Business Undertaking focusses on the facilitation of sale transactions by enabling the purchase and sale of business and industrial goods such as abrasives, tools, fasteners, lab equipment, safety products, electrical goods and hardware, through traditional sales channels of one-on-one interaction (including but not limited to feet-on-street or telecalling etc.). The Offline Business Undertaking also facilitates payment collection, product delivery and return logistics through third-party service providers.

- (ii) This Scheme of Arrangement ('Scheme') is for the demerger of the Demerged Undertaking (defined hereinafter) of the Transferor Company, into the Transferee Company and consequent reorganisation of the share capital and securities premium of the Transferor Company and reorganisation of the securities premium of the Transferee Company.
- (iii) The Transferee Company is also, inter-alia, engaged in the similar business as the Demerged Undertaking, of facilitation of purchase and sale of goods and services across various business categories through online medium. The Transferee Company has been in these operations since incorporation and has developed a well-established product and technology base, a wide customer base and a strong brand name in this business.
- (iv) The Demerged Undertaking of the Transferor Company has been making substantial investment in development of the product and technology base and investment in marketing to acquire customers resulting into significant losses. The Demerged

Undertaking would further require financial and managerial, and technical know-how support from its parent, the Transferee Company, for this business to survive, expand and grow.

- (v) The rationale for the Scheme of the demerger of the Demerged Undertaking of the Transferor Company into the Transferee Company is, inter alia, as follows:-
- a. ensuring provision of adequate and necessary financial support and managerial capabilities of the Transferee Company for the growth of Demerged Undertaking;
 - b. consolidating Demerged Undertaking with the Transferee Company to achieve synergies in operations and optimal utilisation of resources, thereby reducing operating costs of running the Demerged Undertaking;
 - c. reducing the inter se transactions between the Transferee Company and the Transferor Company, thereby reducing administrative costs and achieving efficiencies; and
 - d. enhancing the shareholders' value of the Transferee Company and the Transferor Company.

The demerger and vesting of the Demerged Undertaking into the Transferee Company with effect from the Appointed Date is in the interest of the shareholders, creditors, employees and all concerned. The same shall not, in any manner, be prejudicial to the interests of the shareholders, creditors or general public at large.

D. OPERATION OF THE SCHEME

- (i) The Demerged Undertaking of the Transferor Company is proposed to be demerged, pursuant to the applicable provisions of the Companies Act, 2013 and/or any other applicable provisions of the Companies Act, 1956 and be transferred to the Transferee Company for achieving the above mentioned objectives.
- (ii) The Transferor Company will continue its interests in the Remaining Business (defined hereinafter) which is presently being carried out but with greater focus on growth opportunities in its field, the regulatory requirements, risks etc. specific to its business.
- (iii) The Demerger of the Demerged Undertaking is in accordance with this Scheme shall take effect from the Appointed Date and shall be in accordance with Section 2(19AA) read with Section 72A(4) of the Income Tax Act, 1961.

E. GENERAL

This scheme is divided into the following parts:

- (i) Part-I, deals with Definitions, Interpretation, Effective Date and Share Capital;
 - i. Part-II, deals with demerger of Demerged Undertaking from the Transferor Company and vesting of the same in the Transferee Company and reorganisation of share capital and securities premium of the Transferor Company and reorganisation of the securities premium of

the Transferee Company in accordance with Sections 230-232 read with Sections 52 and 66 of the Companies Act, 2013 and/ or other relevant provisions of the Companies Act, 2013;

- (ii) Part-III, deals with Accounting Treatment;
- (iii) Part-IV, deals with miscellaneous/general terms and conditions applicable to the scheme.

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PART-I

1. DEFINITIONS AND INTERPRETATIONS

- 1.1. In this scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings.

“Act” means the Companies Act, 2013 and/or Companies Act, 1956 and rules made thereunder and includes any statutory re-enactments or modification thereof, or amendment thereof, or amendment thereto, from time to time.

“Applicable Laws” means any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.

“Appointed Date” means opening business hours of 01 January 2017 or any such date which may be fixed by National Company Law Tribunal at New Delhi (“NCLT”) or any other concerned Authority of this scheme.

“Appropriate Authority” means and includes any governmental, statutory, departmental or public body or authority, including Registrar of Companies and NCLT.

“Board” in relation to each of the Transferor Company and the Transferee Company as the case may be means the board of directors of such company and shall include a committee duly constituted and authorized for the purposes of matters pertaining to the Demerger of the Demerged Undertaking as described in the scheme and/or any other matter relating thereto.

“Book Value(s)” means the value(s) of assets and liabilities of the Demerged Undertaking appearing in the books of accounts of the Transferor Company at the close of the business hours immediately preceding the Appointed Date.

“Demerged Company” or the **“Transferor Company”** means Tolexo Online Private Limited, a private limited company incorporated under the provisions of the Companies Act 2013 as on 28th May, 2014, bearing CIN No U72200DL2014PTC267665 and having its Registered Office at 1st Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi-110002. Tolexo Online Private Limited is a wholly owned subsidiary of Indiamart InterMesh Limited.

“Demerged Undertaking” means and includes all the activities, business, operations and undertakings of and relating to Online Business Undertaking of the Transferor Company. Without prejudice and limitation to the generality of the above, the Demerged Undertaking shall mean and include:

- (i) all the assets and properties of the Demerged Undertaking wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, present, future or contingent, in possession or reversion, corporeal or incorporeal, inventory, debtors, leasehold improvements, vehicles, furniture, fixtures, office equipment, electrical appliances, accessories, utilities, actionable claims, earnest monies, security deposits and sundry debtors, bills of exchange, inter corporate deposits, financial assets and accrued benefits thereto, insurance claims recoverable, prepaid expenses, outstanding loans and advances recoverable in cash or in kind or for value to be received (including capital advances), provisions, receivables, funds, cheques and other negotiable instruments, margin money with banks, fixed deposits, cash and bank balances and deposits including accrued interests thereto with Governmental Authority, other authorities, bodies, customers and other persons, benefits of any bank guarantees, performance guarantees, corporate guarantees, rights to use, electronic mails, fax, telephone, computers, software applications and installations and VSATs pertaining to or relatable to the Demerged Undertaking on a going concern basis;
- (ii) all permits, licenses, permissions, approvals, consents, municipal permissions, benefits, registrations, rights, entitlements, certificates, clearances, authorities, allotments, quotas, no-objection certificates and exemptions of the Demerged Undertaking of the Transferor Company including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereof, including applications made in relation thereto ("Licenses");
- (iii) all benefits, subsidies, incentives, privileges, entitlements, policies including under customs, excise, service tax, VAT, sales tax and entry tax and income tax laws, all other direct tax benefit/ exemptions/ deductions, sales tax deferrals, to the extent statutorily available to the Demerged Undertaking, along with associated obligations;
- (iv) all contracts, tenancies, agreements, memoranda of understanding, leases, leave and licenses, bids, tenders, expressions of interest, letters of intent, commitments (including to clients and other third parties), hire purchase arrangements, purchase orders, invoices, assignments, grants, engagements, powers of attorney, other arrangements, undertakings, deeds, bonds, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Demerged Undertaking is a party, or to the benefit of which the Demerged Undertaking may be eligible ("Contracts");
- (v) all intellectual property rights of the Demerged Undertaking, including pending applications (including hardware, software, source codes, parameterization and scripts), registrations, goodwill, logos, trade names, trademarks, service marks, copyrights, patents, technical know-how, domain names, mobile and web applications and the right to use thereto, trade secrets, domain names, computer programs, moral rights, development rights, right to use the trademarks, brand names or other intellectual property rights registered in the

name of the Transferor with respect to the Demerged Undertaking (including trademarks and copyrights as listed in the Annexure I), finished and ongoing research and development programs and all such rights of whatsoever description and nature, whether or not registered, owned or licensed, including any form of intellectual property which is in progress ("Intellectual Property");

- (vi) all taxes, duties, cess, etc., that are allocable, referable or related to the Demerged Undertaking, including share of advance tax, tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of sales tax, value added tax, service tax, CENVAT, and other indirect taxes), deferred tax, tax business loss, unabsorbed depreciation and other benefits, all or any refunds, interest due thereon, credits and claims relating thereto in respect of Demerged Undertaking;
- (vii) all books, records, files, registers (statutory and otherwise), records of correspondence and filings made with Governmental Authorities and other parties/persons, catalogues, brochures, quotations, websites, list of customers, list of suppliers and logistic suppliers, list of service providers, sales data, customer credit information, pricing information, employee related data, papers, governance templates and process information, records of standard operating procedures, computer programs along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking;
- (viii) employees of the Transferor Company that are determined by its Board of Directors, who are substantially engaged in or in relation to the Demerged Undertaking, on the date immediately preceding the Effective Date ("Transferred Employees") and contributions, if any, made towards any insurance, provident fund, employees state insurance, gratuity fund, labour welfare fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such employees ("Funds"), together with such of the investments made by these Funds, which are relatable to such Transferred Employees;
- (ix) existing securities, mortgages, charges and other encumbrances, if any, subsisting over or in respect of the property and assets or any part thereof relatable to the Demerged Undertaking;
- (x) all debts, liabilities including contingent liabilities, employee dues, service provider credits, duties, taxes and obligations of the Transferor Company pertaining to the Demerged Undertaking and/or arising out of and/or relatable to it ("Transferred Liabilities"); and
- (xi) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings (including arbitrations and show cause notices) of whatsoever nature by or against the Transferor Company pending as on the Appointed Date and relating to the Demerged Undertaking before any Governmental Authority.

Any issue as to whether any asset or liability pertains to or is relatable to the Demerged Undertaking or not shall be solely decided by the Board of Directors of the Transferor Company, on the basis of evidence that may be deemed to be relevant to them for the purpose (including the books or records of the Transferor Company);

“Effective Date” or “upon this scheme become effective” or “upon coming into effect of this scheme” means the later of the Appointed Date or the last of the dates on which the certified copy or authenticated copy of the order of NCLT sanctioning the scheme is filed with the Registrar of Companies by the Transferor Company and the Transferee Company.

“Financial Statements” means and includes standalone and consolidated accounts i.e. balance sheet, statement of profit & loss, cash flow statements and notes to accounts of the Transferor Company and the Transferee Company, as the context may require.

“Generally Accepted Accounting Principles” means a common set of accounting principles, standards and procedures used by companies to compile their financial statements.

“Government Authority(ies)” means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or committee or any court, tribunal, board, bureau, instrumentality, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India or any government or non-governmental self-regulatory organization.

“National Company Law Tribunal” or “NCLT” means National Company Law Tribunal at New Delhi having jurisdiction over the Transferor Company and the Transferee Company.

“Record Date” means the date to be fixed by the Board of Directors of the Transferor in consultation with the Transferee Company for the purpose of reckoning the names of the shareholder (s) of the Transferor Company and the number of equity shares and preference shares of the Transferor Company held by them, which shall be reduced and reorganised in the books of the Transferor Company upon this Scheme coming into effect;

“Registrar of Companies” means the Registrar of Companies, National Capital Territory of Delhi & Haryana.

“Remaining Business” means all the undertakings, businesses, activities and operations of the Transferor Company other than those comprised in the Demerged Undertaking.

“Resulting Company” or the **“Transferee Company”** means Indiamart Intermesh Limited a public limited company incorporated under the provisions of the Companies Act 1956 as on 13th September, 1999, bearing CIN No.

U74899DL1999PLC101534 and having its Registered Office at 1st Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi-110002.

“Scheme”, or “the Scheme”, or “this Scheme”, or “Scheme of Arrangement” means this Scheme of Arrangement in its present form or as modified by an agreement between the Parties submitted to NCLT or any other Appropriate Authority in the relevant jurisdictions with any modification thereof as the NCLT or any other Appropriate Authority may direct.

2. INTERPRETATION

2.1. The expressions which are used in this scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof have the same meanings ascribed to them under the Act, the Income Tax Act, 1961 and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2.2. In this Scheme, unless the context otherwise requires:

- a. words denoting singular shall include plural and vice versa,
- b. headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation,
- c. references to the word “include” or “including” shall be construed without limitation.
- d. a reference to an article, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, section, paragraph or schedule of this scheme.
- e. unless otherwise defined, the reference to the word “days” shall mean calendar days,
- f. references to dates and times shall be construed to be references to Indian dates and times,
- g. reference to a document includes an amendment or supplement to or replacement or novation of that document.
- h. word and expression(s) elsewhere defined in this scheme will have the meaning(s) respectively ascribed to them.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The scheme set out herein in its present form or with any modification(s) approved or imposed or directed by NCLT shall be effective from the appointed date but shall be operative from the Effective Date.

4. SHARE CAPITAL

- 4.1. The share capital of the Transferor Company as on the Appointed Date is as under:

Particulars	Amount(Rs)
<u>AUTHORISED CAPITAL</u>	
5,50,00,000 equity shares of Rs. 10 each	55,00,00,000
2,50,00,000 0.01% Optionally Convertible Redeemable Preference shares of Rs. 10 each	25,00,00,000
Total	80,00,00,000
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u>	
5,38,60,000 equity shares of Rs. 10 each	53,86,00,000
1,47,85,000 0.01% Optionally Convertible Redeemable Preference shares of Rs. 10 each	14,78,50,000
Total	68,64,50,000

As on the Board approval date, the Transferee Company has subscribed the 7,00,000 Optionally Convertible Redeemable Preference shares of Rs. 10 each of the Transferor Company and the Share Capital of the Transferor Company post such issue of shares is as follows:

Particulars	Amount(Rs)
Authorized Share Capital	
55000000 equity shares of Rs. 10 each	55,00,00,000
25000000 0.01% Optionally Convertible Redeemable Preference share of Rs. 10 each	25,00,00,000
Total	80,00,00,000
Issued, Subscribed And Paid Up Capital	
53860000 equity shares of Rs. 10 each	53,86,00,000
15485000 0.01% Optionally Convertible Redeemable Preference share of Rs. 10 each	15,48,50,000
Total	69,34,50,000

The entire share capital of the Transferor Company as on date of approval by the Board of Directors is held by the Transferee Company and hence Transferor Company is a Wholly Owned Subsidiary of the Transferee Company.

- 4.2 The Share Capital of the Transferee Company as on the Appointed Date is as under:

Particulars	Amount(Rs)
<u>AUTHORISED CAPITAL</u>	
2,00,00,000 equity shares of Rs. 10 each	20,00,00,000
14,93,903 0.01% Series A cumulative convertible preference shares (CCPS) of Rs. 328 each.	49,00,00,184
17,22,047 0.01% Series B compulsory convertible preference shares (CCPS) of Rs. 100 each	17,22,04,700
Total	86,22,04,884
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u>	
91,68,989 equity shares of Rs. 10 each	9,16,89,890
14,93,903 0.01% Series A cumulative convertible preference shares (CCPS) of Rs. 328 each.	49,00,00,184
17,22,047 0.01% Series B compulsory convertible preference shares (CCPS) of Rs. 100 each	17,22,04,700
Total	75,38,94,774

From the Appointed Date till the approval of the Scheme by the Board of Directors, the Transferee Company has issued 94,713 Series B1 Preference Shares [Compulsory Convertible Preference Shares (CCPS)] of Rs. 100 each for which the Transferee Company is yet to receive the subscription money.

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PART-II

DEMERGER OF THE DEMERGED UNDERTAKING OF THE TRANSFEROR COMPANY ON A GOING CONCERN BASIS AND TRANSFER TO AND VESTING INTO THE TRANSFeree COMPANY AND REORGANISATION OF SHARE CAPITAL AND SECURITIES PREMIUM OF THE TRANSFEROR COMPANY AND REORGANISATION OF THE SECURITIES PREMIUM OF THE TRANSFeree COMPANY IN ACCORDANCE WITH THE SECTIONS 230-232 READ WITH SECTIONS 52 AND 66 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE ACT.

5. TRANSFER OF ASSETS

- 5.1. With effect from the Appointed Date and upon coming into effect of this scheme, the Demerged Undertaking(including all the estate, assets, rights, claims, title, interest and authorities including and appurtenances of the Demerged Undertaking) shall, pursuant to the provisions of Sections 230 to 232 read with Sections 52 and 66 of the Act and all other provisions of the Act and Section 2(19AA) read with Section 72A(4) of the Income Tax Act, 1961 and without any further act, deed and vested in or shall be deemed to be transferred to and vested in the Transferee Company on a going concern basis such that all the properties, assets, rights, claims, title, interest, authorities, investments and liabilities comprised in the Demerged Undertaking immediately before the demerger shall automatically and without any other order to this effect, become the properties, assets, rights, claims, title, interest, authorities, investments and liabilities of the Transferee Company simply by virtue of approval of the scheme and in the manner provided in this scheme with effect from the effective date.
- 5.2. Without prejudice to the generality of Clause 5.1 above and upon coming into effect of the Scheme, with effect from the Appointed Date, the entire business and undertaking of the Transferor Company in relation to the Demerged Undertaking including all the properties, investments, shareholding interests in other companies, claims, title, interest, assets of whatsoever nature such as licenses and all other rights, title, contracts or powers of every kind, nature and description of whatsoever nature and whosoever situated shall pursuant to the provisions of Section 230 to 232 read with Sections 52 and 66 and other applicable provisions, if any, of the Act and pursuant to the order of NCLT sanctioning this scheme and without further act or deed or instrument, but subject to the charges affecting the same as on the Appointed Date, be and stand automatically transferred to and vested in the Transferee Company as a going concern.

Provided that for the purpose of giving effect to the vesting order passed under sections 230 to 232 of the act in respect of this scheme, the Transferee Company shall at any time pursuant to the final approval and the relevant orders on this scheme, be entitled to get effected the change in the title and the legal right(s) upon the vesting of such properties (including immovable properties) of the Demerged Undertaking in accordance with the provisions of Section 230 to 232 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated, without any other order to this effect.

- 5.3. In respect of such of the assets and properties of the Demerged Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession or by endorsement and/or delivery, the same shall with effect from the Appointed Date stand so transferred by the Transferor Company upon coming into effect of the scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Transferee Company.
- 5.4. With effect from the Appointed Date, all consents, permissions, licenses, certificates, insurance covers, clearances, authorities, powers of attorney given by and issued to or executed in favour of the Transferor Company in relation to the Demerged Undertaking shall stand vested in or transferred automatically to the Transferee Company without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of the Transferee Company as if the same were originally given by or issued to or executed in favour of the Transferee Company and Transferee Company shall be bound by the terms thereof, the obligations and duties there under and the rights and benefits under the same shall be available to the Transferee Company. The benefit of all statutory and regulatory permissions including the statutory or other licenses, tax registrations, permits, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking shall automatically and without any other order to this effect vest into and become available to the Transferee Company pursuant to this Scheme.
- 5.5. The Transferor Company in relation to the Demerged Undertaking may be entitled to various incentive schemes and pursuant to this scheme, it is declared that the benefits under all such schemes and policies pertaining to the Demerged Undertaking shall be automatically transferred to and vested into the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including benefits under the income tax, excise, sales tax, service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the Demerged Undertaking to the extent statutorily available shall be claimed by the Transferee Company. The Transferee Company shall be entitled to get credit/claim refund regarding any tax paid and/or tax deduction at source certificates pertaining to Demerged Undertaking on or after the Appointed Date by the Transferor Company.
- 5.6. It is clarified that, upon the Effective Date and until the licences, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, rehabilitation schemes, special status are transferred, vested, recorded effected and or perfected, in the record of the relevant regulator/ authority, in favour of Transferee Company, the Transferee Company is authorised to carry on business in the name and style of the Transferor Company and under the relevant license and or approval as the case may be and the Transferee Company shall keep of record and or account of such transactions.

6. TRANSFERS OF LIABILITIES

- 6.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all liabilities including, debts, secured and unsecured loans, general or multi-purpose borrowings allocable, as per the provisions of Section 2(19AA) of the Income Tax Act, 1961, contingent liabilities, duties and obligations of every kind, nature and description attributable or allocable to the Demerged Undertaking, shall, without any further act or deed, be transferred to, or be deemed to be transferred to the Transferee Company, so as to become from the Appointed Date, the debts, liabilities, contingent liabilities, undertakings, duties and obligations of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same.
- 6.2. With effect from the Appointed Date and upon coming into effect of this Scheme, all loans raised and utilized and all debts, duties, undertakings, liabilities and contingent liabilities and all other debts, liabilities, duties, and obligations of the Transferor Company relating to the Demerged Undertaking which may accrue or arise after the Appointed Date but which related to the period up to the day of immediately preceding the Appointed Date, if any, whether quantified or not shall pursuant to the sanction of the scheme by NCLT and under the provisions of Sections 230 to 232 read with Sections 52 and 66 and other applicable provisions of the Act, without any further act, instrument or deed being required, be and shall stand automatically transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and further that it shall not be necessary to obtain the consent of any third party or person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 6.
- 6.3. In so far as any encumbrances in respect of the loans, borrowings, debts and liabilities of the Transferor Company in relation to or in connection with the Demerged Undertaking ("Transferred liabilities") are concerned, upon the coming into effect of this scheme and with effect from the Appointed Date, such encumbrance shall, without any further act, instrument or deed being required be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which may have been encumbered in respect of the Transferred Liabilities as transferred to the Transferee Company pursuant to this Scheme. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the remaining business are concerned, the encumbrance, if any, over such assets relating to the Transferred Liabilities, as and from the Appointed Date without any further act, instrument or deed being required be released and discharged from the obligations and encumbrances relating to the same. Further in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Transferee Company pursuant to this Scheme and which shall continue with the Transferor Company shall without any further act or deed be released from such encumbrance and shall no longer be available as

security in relation to such liabilities with effect from the Appointed Date and upon the coming into effect of this scheme.

Provided always that this Scheme shall not operate to enlarge the security from any loan deposit or facility created by the Transferor Company in relation to the Demerged Undertaking by virtue of this Scheme and the Transferee Company shall not be obliged to create any further or additional security therefore after the scheme has become operative.

- 6.4. Upon the effectiveness of the scheme, the Transferor Company and the Transferee Company shall execute any instrument or document and/ or do all such acts or deeds as may be required, including filing it necessary particulars and/or modification of the charge, if any, with the respective Registrar of Companies to give formal effect to the provisions of this Clause 6.
- 6.5. Where any of the liabilities pertaining to the Demerged Undertaking on the Appointed Date have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company.
- 6.6. Upon this Scheme becoming effective and with effect from the Appointed Date, all loans raised and used, and liabilities incurred, if any, by the Transferor Company after the Appointed Date, but prior to the Effective Date, for the Demerged Undertaking shall be deemed to be transferred to, and raised by the Transferee Company, without any further act or deed.
- 6.7. The Transferred Liabilities, if any, due or which may at any time in the future become due only inter-se the Demerged Undertaking of Transferor Company and the Transferee Company, shall stand discharged and there shall be no liability in that behalf on either company and corresponding effect shall be given in the books of account and records of the Transferee, in accordance with Part III of this Scheme.

7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS ETC.

- 7.1. Subject to the other provisions of this scheme and upon coming into effect of this scheme and with effect from the Effective Date all contracts, deeds, bonds, agreements, settlements, indemnities, arrangements, licenses, engagements and other instruments, if any, of whatsoever nature in relation to the Demerged Undertaking to which the Transferor Company is a party or to the benefit of which the Transferor Company is eligible and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect automatically against or in favour of the Transferee Company as the case may be and shall be binding on and be enforceable by or against the Transferee Company as fully and effectually as if instead of the Transferor Company the Transferee Company had been originally a party or beneficiary or oblige thereto or there under.
- 7.2. Without prejudice to the other provisions of this scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this scheme itself, the

Transferee Company may at any time after coming into effect of the scheme, take such actions and execute such deeds, writings or confirmations, novation or enter into arrangements with any party to any contract or arrangement to which the Transferor Company is a party in order to give formal effect to the provisions of this scheme, if so required. The Transferee Company shall be deemed to be competent and authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to perform or carry out all formalities or compliances required on the part of Transferor Company to give effect to the provisions of this scheme.

- 7.3. After the scheme becomes effective the Transferee Company shall in its own right be entitled to realize all monies and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking.
- 7.4. Upon this Scheme becoming effective, any and all Intellectual Property rights in relation to the Demerged Undertaking to which the Transferor Company is a party or to the benefit of which the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall stand vested and transferred to the Transferee Company and be and remain in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto. Trademarks or other intellectual property rights forming part of the Demerged Undertaking(including trademarks and copyrights as listed in the Annexure I), shall stand vested and transferred to the Transferee Company with effect from the Appointed Date. The Transferor Company and the Transferee Company shall execute all necessary deeds/documents/agreements to give effect to the assignment/transfer of all such trademarks to the Transferee Company.
- 7.5. Without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective and with effect from the Appointed Date, all consents, agreements, permissions, all Licenses, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company in relation to the Demerged Undertaking shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Transferor Company in relation to the Demerged Undertaking are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Transferee Company.
- 7.6. Upon this Scheme becoming effective, all the resolutions of the Board of Directors and shareholders, if any, of the Transferor Company which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company to the extent such resolutions pertain to

the Demerged Undertaking, and, if any such resolutions have an upper monetary or any other limits imposed under the provisions of the Act, then the said limits shall apply mutatis mutandis to such resolutions and shall constitute the aggregate of the said limits in the Transferee Company.

8. STAFF AND EMPLOYEES

8.1. Upon the coming into effect of this scheme:

- 8.1.1. All staff, and employees of the Transferor Company engaged in or in relation to the Demerged Undertaking and who are in such employment as on the Appointed Date shall be transferred to and become the employees of the Transferee Company with effect from the Appointed Date (the "Transferred Employees") on the same terms and conditions of employment on which they are engaged by the Transferor Company without any break or interruption in service for the purpose of calculating retirement benefits. The Transferee Company undertakes to continue to abide by any agreement/settlement entered into by the Transferor Company with any union/employee of the Transferor Company in relation to the Transferred Employees;
- 8.1.2. Subject to the Applicable Law, the existing balances standing to the credit of the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created by the Transferor Company for the Transferred Employees of the Demerged Undertaking, the interest thereon, if any, and investments made by such Funds (if any) shall be continued on the same terms and conditions; and
- 8.1.3. In so far as any provident fund, gratuity fund or any other fund or trusts created by the Transferor Company and existing for the benefit of the employees of the Transferor Company is concerned, the part of such funds relatable to the Transferred Employees shall be continued for the benefit of the Transferred Employees. The Transferee Company shall have the obligation to take all necessary steps to set up its own funds as soon as practicable. In the event the Transferee Company has set up its own funds and the amount in such fund with the Transferor Company in respect of contributions pertaining to the Transferred Employees shall subject to necessary approvals and permissions, if any required be transferred to the relevant funds created by the Transferee Company. Until such time that the Transferee Company creates its own funds and/or trust, the Transferee Company may, subject to necessary approvals and permissions that may be required continue to contribute in respect of the Transferred Employees to the relevant funds of the Transferor Company. At the time that the Transferee Company creates its own funds, the contributions pertaining to the Transferred Employees shall be transferred to the funds created by the Transferee Company.

9. LEGAL AND OTHER PROCEEDINGS

- 9.1. Upon the coming into effect of this scheme all suits, actions, administrative proceeding tribunals proceedings, show cause cases, demands and legal proceedings of whatsoever nature by or against the Transferor Company pending

and/or arising on or before the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of the scheme or by anything contained in this scheme but shall be continued and be forced by or against the Transferee Company with effect from the Appointed Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Except as otherwise provided herein the Transferor Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stand transferred to the Transferee Company. The Transferee Company shall be replaced/added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in cooperation with the Transferor Company and the liability of the Transferor Company shall consequently stand nullified.

- 9.2. If any proceedings are taken or demand is made by the relevant governmental authorities against the Transferor Company in respect of matters referred in Clause 9.1 above, it shall defend the same or deal with such demand in accordance with the advice of the Transferee Company and at the cost of the Transferee Company and the latter shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by or against the Transferor Company in respect thereof.
- 9.3. The Transferee Company undertakes to have all legal, taxation or other proceedings initiated by or against the Transferor Company referred in Clause 9.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company on priority. Both parties shall make relevant applications and take steps as may be required in this regard.
- 9.4. In the event of any difference or difficulty on whether any specific legal or other proceedings relates to the Demerged Undertaking or not, the decision of the Board of Directors of the Transferor in this regard shall be conclusive and binding on the Transferor and the Transferee.

10. TREATMENT OF TAXES

- 10.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes and duties payable or receivable by the Transferor Company, accruing and relating to the Demerged Undertaking from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source, or refunds and claims, as the case may be, of the Transferee Company.
- 10.2. Upon this Scheme becoming effective and with effect from the Appointed Date, all un-availed tax credits and exemptions, benefit of carried forward tax business losses, unabsorbed depreciation and other statutory benefits, including in respect of income tax (including tax deducted at source, tax collected at source, advance tax, etc.), CENVAT, customs, value added tax, sales tax, service tax etc. outstanding as

on the Appointed Date and relating to the Demerged Undertaking to which Transferor Company is entitled and shall be available to and vest in the Transferee Company, without any further act or deed.

- 10.3. Upon this Scheme becoming effective, Transferor Company and the Transferee Company are permitted to revise and file their respective income tax returns, withholding tax returns, including tax deducted at source certificates, sales tax/value added tax returns, service tax returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/credits, pursuant to the provisions of this Scheme.
- 10.4. The Board of Directors of the Transferor Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Demerged Undertaking and whether the same would be transferred to the Transferee Company.

11. BOOKS AND RECORDS

- 11.1. All books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Company pertaining to the Demerged Undertaking, to the extent possible and permitted under the Applicable Laws, be handed over by them to the Transferee Company.

12. CONSIDERATION

- 12.1. Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no new shares of the Transferee Company shall be issued to the shareholders of the Transferor Company, as the Transferee Company cannot issue shares to itself.
- 12.2. Pursuant to the demerger and upon coming into effect of the Scheme, the Transferor Company shall reduce and reorganise its paid-up equity share capital, securities premium and 0.01% optionally convertible redeemable preference shares in the manner described in Paragraph 13 of this Scheme
- 12.3. Pursuant to the demerger and upon coming into effect of the Scheme, the Transferee Company shall reorganise and adjust in its books the cost of equity shares and 0.01% optionally convertible redeemable preference shares held by it in the Transferor Company equivalent to the net assets of the Transferor Company remaining subsequent to the demerger on the Appointed Date.

13. REORGANIZATION AND REDUCTION OF SHARE CAPITAL OF THE TRANSFEROR COMPANY

- 13.1. The reduction of the paid-up equity share capital and 0.01% optionally convertible redeemable preference shares along with the consequent reduction in the securities premium account of Transferor Company shall be effected as an integral part of this Scheme itself in accordance with the provisions of Section 66 of the Companies Act, 2013 and Section 52 of the Companies Act, 2013 and any other applicable provisions of the Act and the order of NCLT sanctioning this Scheme shall be deemed to also be the order under Section 66 of the Companies Act, 2013 for the purpose of confirming the capital reduction. The capital reduction would not involve either the diminution of liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital and accordingly.
- 13.2. Notwithstanding the reduction in the share capital and securities premium of the Transferor Company, the Transferor Company shall not be required to add "And Reduced" as suffix to its name and the Transferor Company shall continue under its existing name.
- 13.3. It is hereby further clarified that the capital reduction and reorganization of the share capital and securities premium of the Transferor Company in the manner provided in this Scheme (i) shall not affect the authorised share capital of the Transferor Company and the unissued authorised share capital shall be available to Transferor Company for issue and allotment; and (ii) shall be effected upon the Scheme becoming effective with effect from Record Date.
- 13.4. An independent valuation expert has issued a report determining the number of equity shares, 0.01% optionally convertible redeemable preference shares and Securities Premium to be reduced and reorganised of the Transferor Company subsequent to the demerger and consequent number of equity shares, 0.01% optionally convertible redeemable preference shares and securities premium remaining in the Transferor Company.
- 13.5. Pursuant to the demerger, it is proposed to reduce and reorganise such number of equity shares, 0.01% optionally convertible redeemable preference shares and Securities Premium shares to reflect the value of the assets of the Remaining Business in the Transferor Company.
- 13.6. Pursuant to the demerger, the capital reduction and reorganisation of the capital and securities premium of the Transferor Company shall be effected in the following manner:
- 13.6.1. the issued, subscribed and paid-up equity share capital of the Transferor Company shall be reduced and reorganised by reducing the face value and paid up value of equity shares of Rs. 10(Rupees Ten only) each of the Transferor Company to Rs. 1.3(Rupees One and Thirty paise only) each. Simultaneously, the equity share capital of the Transferor Company shall be reorganized and consolidated and as a result, every shareholder of the Transferor Company holding 8(Eight) equity shares of face value and paid up value of Rs. 1.3(Rupees One and Thirty paise only) each

shall be issued 1(One) equity share of face value and paid up value of Rs. 10(Rupees Ten) each.

- 13.6.2. the issued, subscribed and 0.01% optionally convertible redeemable preference shares of the Transferor Company shall be reorganised by reducing the face value and paid up value of 0.01% optionally convertible redeemable preference shares of Rs. 10 (Rupees Ten only) each of the Transferor Company to Rs. 1.3 (Rupees One and Thirty paise only) each. Simultaneously, the 0.01% optionally convertible redeemable preference shares of the Transferor Company shall be reorganized and consolidated and as a result, preference shareholder of the Transferor Company holding 8 (Eight) 0.01% optionally convertible redeemable preference shares of face value and paid up value of Rs. 1.3 (Rupees One and Thirty paise only) each shall be issued 1 (One) 0.01% optionally convertible redeemable preference shares of face value and paid up value of Rs. 10 (Rupees Ten only) each.; and
- 13.6.3. To give the effect to the above, the securities premium account, as on the Appointed Date, shall stand reduced to an amount of Rs 10,57,09,500 (Rupees Ten Crore Fifty Seven Lacs Nine Thousand and Five Hundred only).
- 13.6.4. The Transferor Company shall reduce, from its books of accounts, its equity share capital, 0.01% optionally convertible redeemable preference share capital and the securities premium as mentioned in Clause 13.6.1 to 13.6.2 above and correspondingly adjust the balance in the Profit & Loss account as appearing in the Balance Sheet as on the Appointed Date.
- 13.7. It is hereby clarified that pursuant to the reduction and reorganisation of capital of the Transferor Company in the manner as provided under Paragraph 13.6 of this Scheme, no fractional equity shares or non-cumulative preference shares shall be issued by the Transferor and all fractional entitlements shall be rounded off to the nearest whole integer.
- 13.8. Further, any investments made by the Transferee in the share capital of the Transferor by subscribing to equity shares or preference shares, along with the securities premium on these shares post the Appointed Date and prior to the Record Date, shall also be reduced and reorganized in pursuance to the demerger and the transfer and vesting of the Demerged Undertaking in the Transferee, in the manner as provided in Paragraph 13.6 above.
- 13.9. The consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be consent of the shareholders of the Transferor Company for the purpose of effecting the reduction and reorganization of the share capital and securities premium of the Transferor Company pursuant to this Scheme under Sections 230 to 232 read with Sections 52 and 66 of the Companies Act, 2013.
- 13.10. Further, the share certificates of the Transferor Company, in relation to the equity shares and 0.01% optionally convertible redeemable preference shares held by the Transferee Company post the Scheme being effective, without any further application, act, instrument, of deed, be deemed to have been automatically modified pursuant to reorganisation of share capital contemplated above.

- 13.11. The reduction and reorganization of equity share capital, 0.01% optionally convertible redeemable preference shares and securities premium as envisaged above shall not have any adverse effect on the employees/workmen or any secured creditors, financial institutions or banks of the Transferor.
- 13.12. The reduction and reorganisation of the equity share capital, 0.01% optionally convertible redeemable preference share capital and securities premium will be for the benefit of the Transferor Company and its shareholders. Such reduction and reorganisation of capital will also not cause any prejudice to the creditors of the Transferor Company, Further, the reduction and reorganisation and the consequential adjustments shall not in any way adversely affect the ordinary business or operations of the Transferor Company or its ability to honour its commitments or to pay its debts in the ordinary course of business.

14. REDUCTION OF CAPITAL OF THE TRANSFeree COMPANY

- 14.1. The reduction of the securities premium account of Transferee Company shall be effected as an integral part of this Scheme itself in accordance with the provisions of Section 66 of the Companies Act, 2013 and Section 52 of the Companies Act, 2013 and any other applicable provisions of the Act and the order of NCLT sanctioning this Scheme shall be deemed to also be the order under Section 66 of the Companies Act, 2013 for the purpose of confirming the capital reduction. The capital reduction would not involve either the diminution of liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital and accordingly.
- 14.2. Notwithstanding the reduction in the securities premium of the Transferee Company, the Transferee Company shall not be required to add "And Reduced" as suffix to its name and the Transferee Company shall continue under its existing name.
- 14.3. It is hereby further clarified that the capital reduction and reorganization of the securities premium of the Transferee Company in the manner provided in this Scheme (i) shall not affect the authorised share capital of the Transferee Company and the unissued authorised share capital shall be available to Transferee Company for issue and allotment; and (ii) shall be effected upon the Scheme becoming effective with effect from Record Date.
- 14.4. Pursuant to the Scheme becoming effective, the securities premium account of the Transferee Company as on the Appointed Date shall be stand reduced by an amount of Rs 1,30,68,19,536 (Rupees One Hundred and Thirty Crores Sixty Eight Lacs Nineteen Thousand Five Hundred and Thirty Six). The corresponding adjustment shall be made in the balance of Profit & Loss account as appearing on the Appointed Date in the Balance Sheet of the Transferee Company.
- 14.5. The consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be consent of the shareholders of the Transferee Company for the purpose of effecting the reduction and reorganization of the securities premium of

the Transferee Company pursuant to this Scheme under Sections 230 to 232 read with Sections 52 and 66 of the Companies Act, 2013.

- 14.6. The reduction and reorganization of securities premium as envisaged above shall not have any adverse effect on the employees/workmen or any secured creditors, financial institutions or banks of the Transferee Company.
- 14.7. The reduction and reorganisation of the securities premium will be for the benefit of the Transferee Company and its shareholders. Such reduction and reorganisation of capital will also not cause any prejudice to the creditors of the Transferee Company, Further, the reduction and reorganisation and the consequential adjustments shall not in any way adversely affect the ordinary business or operations of the Transferee Company or its ability to honour its commitments or to pay its debts in the ordinary course of business.

15. **DIVIDENDS**

- 15.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice, or in the ordinary course.
- 15.2. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Transferor Company and/or Transferee Company to demand or claim any dividends which subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Transferor Company and Transferee Company respectively, subject to such approval of the Shareholders as may be required.

16. **REMAINING BUSINESS**

- 16.1. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and remain vested in and be managed by the Transferor Company.
- 16.2. All legal taxation and/or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter and relating to the Remaining Business of the Transferor Company (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced against the Transferor Company.
- 16.3. With effect from the Appointed Date and up to and including the Effective Date:
 - 16.3.1. The Transferor Company shall carry on and be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
 - 16.3.2. All profits accruing to the Transferor Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business

shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferor Company;

16.3.3. All assets and properties acquired by the Transferor Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Transferor Company; and

16.3.4. All liabilities (including contingent liabilities) loans, debts (secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Undertaking shall belong to and continue to remain to be vested in the Transferor Company.

17. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of the scheme, the transfer and vesting of the Demerged Undertaking and continuance of proceedings by or against the Transferee Company, as provided herein, shall not affect any transactions or proceedings already concluded by the Transferor Company before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Transferee Company.

18. CONDUCT OF THE BUSINESS OF THE DEMERGED UNDERTAKING

Upon filing the Scheme with NCLT and with effect from Appointed Date and up to and including the Effective Date:

18.1. The Transferor Company shall be deemed to have been carrying on and shall carry on business of the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold its assets with utmost prudence until the Effective Date.

18.2. The Transferor Company shall carry on the business and activities of the Demerged Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Transferee Company, alienate charge, mortgage, encumber or otherwise deal with or dispose of any business or part thereof.

18.3. With effect from the Appointed Date, all the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by Transferor Company, in relation to the Demerged Undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Transferee Company.

18.4. The Transferor Company shall not vary the terms and conditions of any agreements or contracts in relation to the Demerged Undertaking except in the ordinary course of

business or without the prior consent the Transferee Company or pursuant to any pre-existing obligation undertaken by them, as the case may be.

- 18.5. The Transferor Company and the Transferee Company shall be entitled, pending sanction of the scheme, to apply to the Central/ State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules for such consents, approvals and sanctions, which may be required pursuant to this scheme.

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PART-III

ACCOUNTING TREATMENT

19. In the books of the Transferor Company:
- 19.1. The Board of Directors of Transferor Company shall give effect to the Scheme in the books of account of the Transferor Company, as they deem fit, in accordance with the applicable accounting standards and Generally Accepted Accounting Principles.
- 19.2. The assets and liabilities of Demerged Undertaking, as depicted in Annexure II, being transferred to the Transferee Company shall be transferred at values appearing in the books of account of the Transferor Company as on the Appointed Date. The Transferor Company shall reduce the Book Value of assets and liabilities from its books of accounts at the values appearing as on the Appointed Date. The difference between the Book Value of assets and liabilities shall be debited/ credited to the Capital Reserve
- 19.3. The Transferor Company shall, in case of negative Capital Reserve created above, adjust the same against the securities Premium and in case of positive Capital Reserve created above, adjust against the profit and loss account
- 19.4. The Transferor Company shall reduce, from its books of accounts, its equity share capital, 0.01% optionally convertible redeemable preference share capital and the securities premium as mentioned in Clause 13 above and adjust the same against the balance in its Profit & Loss account in its Balance Sheet as on the Appointed Date.
20. In the books of the Transferee Company
- 20.1. The Board of Directors of Transferee Company shall give effect to the Scheme in the books of account of the Transferee Company, as they deem fit, in accordance with the applicable accounting standards and Generally Accepted Accounting Principles.
- 20.2. Upon this Scheme becoming effective and consequent to the transfer and vesting of the Demerged Undertaking in the Transferee Company, the Transferee Company shall:
- 20.2.1. record assets and liabilities pertaining to the Demerged Undertaking at the respective Book Values as appearing the books of the Transferor Company as on the Appointed Date;
- 20.2.2. to the extent of reorganization of share capital of the Transferor Company as stated in Clause 13 above, the investment in equity and 0.01% convertible redeemable preference share capital of Transferor Company as appearing in the books of account of Transferee Company shall stand cancelled;
- 20.2.3. Any deficit arising after recording the entries contained in Clause 20.2.1 and after giving effect to adjustment under Clause 20.2.2 above shall be recorded as goodwill

or in case of surplus of assets over liabilities, the same shall be credited to the capital reserve in the books of account of the Transferee Company.

- 20.2.4. The Transferee Company shall reduce, from its books of accounts the securities premium as mentioned in Clause 14 above and adjust the same against the balance of the Profit & Loss account as appearing in the Balance Sheet of the Transferee Company as on the Appointed Date.

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PART-IV

MISCELLANEOUS/GENERAL TERMS AND CONDITIONS

21. APPLICATIONS TO NCLT

The Transferor Company and the Transferee Company shall, within a reasonable time dispatch, make necessary applications under the provisions of Sections 230 to 232 read with Section 66 of Companies Act, 2013 and other applicable provisions, if any, of the Act to the respective NCLT interalia for convening/dispensing with the meetings of shareholders and creditors and sanction of this scheme and for other reliefs.

22. MODIFICATIONS OR AMENDMENTS TO OR IMPLEMENTATION OF THE SCHEME

22.1. The Transferor Company and the Transferee Company may assent from time to time on behalf of their respective creditors, employees and all persons concerned to any modification or amendment or additions to this scheme or to any conditions or limitations which either the Boards or a committee of the concerned Boards or any Authorised Signatory as authorised by the Boards of the Transferor Company and the Transferee Company may deem fit, or which NCLT or any other authorities under law may deem fit to approve of or impose.

22.2. The Transferor Company and the Transferee Company may in their discretion will resolve all doubts or difficulties that may arise for carrying out this scheme and to do and execute and perform all acts, deeds, matters and things necessary for bringing this scheme into effect or to review the position relating to the satisfaction of the conditions to this scheme and if necessary, to waive any of those for bringing this Scheme into effect.

22.3. In the event this scheme not being sanctioned by the NCLT or such other appropriate authority and/or order or orders not being passed as aforesaid this Scheme shall stand revoked, cancelled and be of no subject.

22.4. In the event of any inconsistency between any of the terms and conditions of an earlier arrangement between the Transferor Company and the Transferee Company and their respective shareholders and/or Creditors, and the terms and conditions of the scheme, the latter shall prevail.

22.5. Notwithstanding anything to the contrary contained in this Scheme, the Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorized representatives) may make or assent, from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they deem necessary and expedient or beneficial to the interests of the stakeholders and/or which the High Court, and/or which the shareholders and/or creditors of the respective the Transferor Company and the Transferee Company may recommend or impose.

- 22.6. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not approved by the majority of the respective shareholders or creditors of the Transferor Company and/or the Transferee Company and/or the High Court or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed; (b) any condition or modification imposed by the shareholders and/or the creditors of the Transferor Company and/or the Transferee Company, the High Court and/or any other authority is not acceptable; (c) the coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on the Transferor Company and/or the Transferee Company; or (d) for any other reason whatsoever, and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal of this Scheme, the Scheme shall be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.
- 22.7. In the event of withdrawal of the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Transferor Company and the Transferee Company, their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto and which shall be governed and be preserved or worked out in accordance with the applicable law.
- 22.8. For the purpose of giving effect to this scheme or to any modifications or amendments thereof or additions thereto, the Transferor Company and the Transferee Company or their Authorised Signatory may give and are authorised to determine and give all such directions as may be necessary including directions for settling or removing any question of doubt or difficulty that may arise on any account and between any persons including, such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this scheme.
- 22.9. If any part of this Scheme hereof is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve or the parties the benefits and obligations of the Scheme, including but not limited to such part.

- 22.10. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of Transferor Company and Transferee Company affect the validity or implementation of the other parts and/or provisions of this Scheme.

23. THE SCHEME IS CONDITIONAL ON AND SUBJECT TO:

- 23.1. The scheme being approved by the requisite majorities in number and value of such classes of persons including the members and/or creditors of the parties to the scheme as may be directed by NCLT or any other Appropriate Authority as may be applicable;
- 23.2. The sanction or approval of the Appropriate Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required; and
- 23.3. The sanction of NCLT, under sections 230 to 232 read with Sections 52 and 66, in favour of the Transferor Company and Transferee Company, being obtained.

24. RIGHT TO REVISE TAX RETURNS

Upon this Scheme becoming effective and with effect from the Appointed Date, the Transferor Company and the Transferee Company are expressly permitted to revise and file their income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, excise tax returns, sales tax and value added tax returns, as may be applicable and have expressly reserved the right to make such provisions in their returns and to claim refunds or credits etc., if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

25. COSTS, CHARGES AND EXPENSES

All costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively in relation to or in connection with this scheme and incidental to the completion of the Demerger in pursuance of this Scheme shall be borne and paid by the Transferee Company.

26. GOVERNING LAWS AND JURISDICTION

This Scheme shall be governed by and interpreted in accordance with the laws of India and the civil courts at New Delhi, shall have exclusive Jurisdiction to determine any question, issue, dispute or claim between the Transferor Company and the Transferee Company and/or any of their shareholders, directors, Creditors, employees and/or any other person concerned.

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF M/S TOLEXO ONLINE PRIVATE LIMITED AT ITS MEETING HELD ON MARCH 29, 2017 AT 7TH FLOOR, ADVANT NAVIS BUSINESS PARK, PLOT NO. 7, SECTOR-142, NOIDA, UTTAR PRADESH-201301 UNDER SECTION 232(2)(C) OF THE COMPANIES ACT, 2013

1. Background

The proposed Scheme of Arrangement between Tolexo Online Private Limited (“the Transferor Company”) and Indiamart Intermesh Limited (“the Transferee Company”) and their respective shareholders and creditors (“the Draft Scheme of Arrangement”) was approved by the Board of Directors of the Transferor Company via Board Resolution dated March 29, 2017.

As per Section 232(2)(c) of the Companies Act, 2013, report adopted by the Directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the, key features and effect of scheme, is required to be circulated to the shareholders and creditors along with the notice of convening the meeting.

The Draft Scheme of Arrangement along with all annexures, specifically the following, were placed before the Board:

- a. Unaudited Financial Statement of Online Business Segment and Offline Business Segment as on December 31, 2016
- b. Valuation Report dated March 29, 2017 prepared by M/s. Corporate Professionals Capital Pvt. Ltd. describing the methodology adopted by them in arriving valuation of Online Business Undertaking & Offline Business Undertaking of Tolexo Online Private Limited

2. Key features of the Scheme of Arrangement

- a. The Scheme of Arrangement envisages the demerger of the Online Business Division (“Demerged Undertaking”) of the Transferor Company and vesting of the same with the Transferee Company, on a going concern basis and consequent reorganization of the share capital and securities premium of the Transferor Company and reorganisation of the securities premium of the Transferee Company pursuant to the provisions of Sections 230 to 232 read with Section 52 and 66 of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions of the Companies Act, 2013 including the rules made thereunder and also read with Section 2(19AA) read with Section 72A(4) of the Income Tax Act, 1961, as applicable. This Scheme of Arrangement also provides for various other matters consequential.
- b. The Appointed Date for the Scheme of Arrangement is opening hours of January 1, 2017 or such other date as may be fixed by the National Company law Tribunal at New Delhi (“NCLT”) or any other concerned Authority of this Scheme of Arrangement.
- c. The Scheme of Arrangement is subject to the approval of Shareholders and Creditors of both Transferor Company and the Transferee Company and the sanction by the NCLT or any other concerned authority of this Scheme of Arrangement.
- d. The Scheme of Arrangement inter-alia also envisages the following:
 - i. Demerger of the Online Business Division of the Transferor Company, into the Transferee Company and consequent reorganization of the share capital and securities premium of the Transferor Company and reorganisation of the securities premium of the Transferee Company as below

- the issued, subscribed and paid-up equity share capital of the Transferor Company shall be reduced and reorganized by reducing the face value and paid up value of equity shares of Rs. 10 (Rupees Ten only) each of the Transferor Company to Rs. 1.3 (Rupees One and Thirty paisa Only) each. Simultaneously, the equity share capital of the Transferor Company shall be reorganized and consolidated and as a result, every shareholder of the Transferor Company holding 8 (Eight) equity shares of face value and paid up value of Rs. 1.3 Rupees One and Thirty paisa only) each shall be issued 1 (One) equity share of face value and paid up value of Rs. 10 (Rupees Ten) each.
 - the issued, subscribed and paid up 0.01% optionally convertible redeemable preference shares of the Transferor Company shall be reorganised by reducing the face value and paid up value of 0.01% optionally convertible redeemable preference shares of Rs. 10 (Rupees Ten only) each of the Transferor Company to Rs. 1.3 (Rupees One and Thirty paisa only) each. Simultaneously, the 0.01% optionally convertible redeemable preference shares of the Transferor Company shall be reorganized and consolidated and as a result, every shareholder of the Transferor Company holding 8 (Eight) 0.01% optionally convertible redeemable preference shares of face value and paid up value of Rs. 1.3 (Rupees One and Thirty paisa only) each shall be issued 1 (One) 0.01% optionally convertible redeemable preference shares of face value and paid up value of Rs. 10 (Rupees Ten only) each; and
 - To give the effect to the above, the securities premium account of the Transferor Company, shall stand reduced to an amount of Rs. 10,57,09,500 (Rupees Ten Crore Fifty Seven Lacs Nine Thousand and Five Hundred only)
- ii. Pursuant to the Scheme of Arrangement becoming effective, the securities premium account of the Transferee Company, shall stand reduced by an amount of Rs. 1,30,68,19,536 (Rupees One Hundred and Thirty Crores Sixty Eight Lacs Nineteen Thousand Five Hundred and Thirty Six Only). The corresponding adjustment shall be made in the balance of Profit & Loss account as appearing on the Appointed Date in the Balance Sheet of the Transferee Company.

3. Board Reviews on Scheme of Arrangement:

- a. Based on review of the Draft Scheme of Arrangement between the Transferor Company and the Transferee Company, Valuation Report dated March 29, 2017, issued by Corporate Professionals Capital Private Limited, (SEBI Registered Category-1 Merchant Banker) the Board observe that there are no issues or difficulties regarding the valuation and the arrangement.
- b. The Draft Scheme of Arrangement relates to transfer of the Online Business Division of the Transferor Company including its assets and liabilities on a going concern basis to the Transferee Company.
- c. The Draft Scheme of Arrangement does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group of the Transferor Company to any additional shares.

4. The effect of the Draft Scheme of Arrangement on the shareholders and creditors of the Transferor Company would be as follows.

The Draft Scheme of Arrangement does not have any effect on the key managerial personnel, directors, promoters, non-promoter members, depositors, creditors debenture holders, deposit trustee and debenture trustees and employees of the company, except as shareholders in general to the extent of the shares held by them in the Transferor Company or Transferee Company, if any.

In the opinion of the Board, the said Scheme of Arrangement will be of advantage and beneficial to the Transferor Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The same shall not, in any manner, be prejudicial to the interests of the shareholders, creditors or general public at large.

5. Share Exchange Ratio

Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no new shares of the Transferee Company shall be issued to the shareholders of the Transferor Company.

6. No special valuation difficulties were reported by the Valuer.

For Tolexo Online Private Limited

**Sd/-
Preeti Jain
Company Secretary
Membership No 19888**

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF M/S INDIAMART INTERMESH LIMITED AT ITS MEETING HELD ON MARCH 29, 2017 AT 7TH FLOOR, ADVANT NAVIS BUSINESS PARK, PLOT NO. 7, SECTOR-142, NOIDA, UTTAR PRADESH-201301 UNDER SECTION 232(2)(C) OF THE COMPANIES ACT, 2013

1. Background

The proposed Scheme of Arrangement between Tolexo Online Private Limited (“the Transferor Company”) and Indiamart Intermesh Limited (“the Transferee Company”) and their respective shareholders and creditors (“the Draft Scheme of Arrangement”) was approved by the Board of Directors of the Transferee Company via Board Resolution dated March 29, 2017.

As per Section 232(2)(c) of the Companies Act, 2013, report adopted by the Directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the, key features and effect of scheme, is required to be circulated to the shareholders and creditors along with the notice of convening the meeting.

The Draft Scheme of Arrangement along with all annexures, specifically the following, duly initialed by the Company Secretary were placed before the Board:

- a. Unaudited accounts of the Transferor Company and the Transferee Company as on December 31, 2016
- b. Valuation Report dated March 29, 2017 prepared by M/s. Corporate Professionals Capital Pvt. Ltd. describing the methodology adopted by them in arriving valuation of Online Business Undertaking & Offline Business Undertaking of Tolexo Online Private Limited

2. Key features of the Scheme of Arrangement

- a. The Scheme of Arrangement envisages the demerger of the Online Business Division (“Demerged Undertaking”) of the Transferor Company and vesting of the same with the Transferee Company, on a going concern basis and consequent reorganization of the share capital and securities premium of the Transferor Company and reorganisation of the securities premium of the Transferee Company pursuant to the provisions of Sections 230 to 232 read with Section 52 and 66 of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions of the Companies Act, 2013 including the rules made thereunder and also read with Section 2(19AA) read with Section 72A(4) of the Income Tax Act, 1961, as applicable. This Scheme of Arrangement also provides for various other matters consequential.
- b. The Appointed Date for the Scheme of Arrangement is opening hours of January 1, 2017 or such other date as may be fixed by the National Company law Tribunal at New Delhi (“NCLT”) or any other concerned Authority of this Scheme of Arrangement.
- c. The Scheme of Arrangement is subject to the approval of Shareholders and Creditors of both Transferor Company and the Transferee Company and the sanction by the NCLT or any other concerned authority of this Scheme of Arrangement.
- d. The Scheme of Arrangement inter-alia also envisages the following:
 - i. Demerger of the Online Business Division of the Transferor Company, into the Transferee Company and consequent reorganisation of the share capital and securities premium of the Transferor Company and reorganisation of the securities premium of the Transferee Company as below:

- the issued, subscribed and paid-up equity share capital of the Transferor Company shall be reduced and reorganized by reducing the face value and paid up value of equity shares of Rs. 10 (Rupees Ten only) each of the Transferor Company to Rs. 1.3 (Rupees One and Thirty paisa Only) each. Simultaneously, the equity share capital of the Transferor Company shall be reorganized and consolidated and as a result, every shareholder of the Transferor Company holding 8 (Eight) equity shares of face value and paid up value of Rs. 1.3 Rupees One and Thirty paisa only) each shall be issued 1 (One) equity share of face value and paid up value of Rs. 10 (Rupees Ten) each.
 - the issued, subscribed and paid up 0.01% optionally convertible redeemable preference shares of the Transferor Company shall be reorganised by reducing the face value and paid up value of 0.01% optionally convertible redeemable preference shares of Rs. 10 (Rupees Ten only) each of the Transferor Company to Rs. 1.3 (Rupees One and Thirty paisa only) each. Simultaneously, the 0.01% optionally convertible redeemable preference shares of the Transferor Company shall be reorganized and consolidated and as a result, every shareholder of the Transferor Company holding 8 (Eight) 0.01% optionally convertible redeemable preference shares of face value and paid up value of Rs. 1.3 (Rupees One and Thirty paisa only) each shall be issued 1 (One) 0.01% optionally convertible redeemable preference shares of face value and paid up value of Rs. 10 (Rupees Ten only) each; and
 - To give the effect to the above, the securities premium account of the Transferor Company, shall stand reduced to an amount of Rs. 10,57,09,500 (Rupees Ten Crore Fifty Seven Lacs Nine Thousand and Five Hundred only)
- ii. Pursuant to the Scheme of Arrangement becoming effective, the securities premium account of the Transferee Company shall stand reduced by an amount of Rs. 1,30,68,19,536 (Rupees One Hundred and Thirty Crores Sixty Eight Lacs Nineteen Thousand Five Hundred and Thirty Six Only). The corresponding adjustment shall be made in the balance of Profit & Loss account as appearing on the Appointed Date in the Balance Sheet of the Transferee Company.

3. Board Reviews on Scheme of Arrangement:

- a. Based on review of the Draft Scheme of Arrangement between the Transferor Company and the Transferee Company, Valuation Report dated March 29, 2017, issued by Corporate Professionals Capital Private Limited (SEBI Registered Category-1 Merchant Banker) the Board observe that there are no issues or difficulties regarding the valuation and the arrangement.
- b. The Draft Scheme of Arrangement relates to transfer of the Online Business Division of the Transferor Company including its assets and liabilities on a going concern basis to the Transferee Company.
- c. The Draft Scheme of Arrangement does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group of the Transferee Company to any additional shares.

4. The effect of the Draft Scheme of Arrangement on the shareholders and creditors of the Transferee Company would be as follows.

The Draft Scheme of Arrangement does not have any effect on the key managerial personnel, directors, promoters, non-promoter members, depositors, creditors debenture holders, deposit

trustee and debenture trustees and employees of the company, except as shareholders in general to the extent of the shares held by them in the Transferee Company or Transferor Company, if any

In the opinion of the Board, the said Scheme of Arrangement will be of advantage and beneficial to the Transferee Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The same shall not, in any manner, be prejudicial to the interests of the shareholders, creditors or general public at large.

5. Share Exchange Ratio

Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no new shares of the Transferee Company shall be issued to the shareholders of the Transferor Company.

6. No special valuation difficulties were reported by the Valuers

For Indiamart InterMesh Limited

**Sd/-
Anil Dwivedi
AVP- Company Secretary
ACS 18893**

VALUATION ANALYSIS **&** **SHARE ENTITLEMENT REPORT**

For
Scheme of Arrangement between
Tolexo Online Private Limited (Demerged / Transferor Company)
Into
Indiamart Intermesh Limited (Resulting / Transferee Company)

29th March, 2017



Strictly Private & Confidential

To,

The Board of Directors

Tolexo Online Private Limited

AND

Indiamart Intermesh Limited

Ref. No: CPC/MB/155/2016-17

SEBI Reg. No: INM00001143


Sub: Valuation Analysis of Business segments of "Tolexo Online Private Limited" for the purpose of Demerger of "Online Business Segment" into "Indiamart Intermesh Limited" pursuant to Scheme of Arrangement under Section 230 to 232 and 66 of Companies Act, 2013.

Dear Sirs,

We refer to our discussion held with your good self for carrying out the Valuation analysis of Online Business Segment and Offline Business Segment (here-in-after referred as "Business Segments") of Tolexo Online Private Limited (here-in-after referred as the "Company" or "Demerged Company") for the purpose of Demerger of "Online Business Segment" of the Company (here-in-after referred as "Demerged undertaking") into its parent Company Indiamart Intermesh Limited (here-in-after to as "Resulting Company") on going concern basis and consequently reduce and reorganize Share Capital and the Securities Premium of the Demerged Company and reorganization of securities premium of Transferee Company pursuant to Scheme of Arrangement under Section 230 to 232 and Section 66 of Companies Act, 2013. In accordance with the terms of the engagement, we are enclosing our report along with this letter. In attached report, we have summarized our Valuation Analysis of the business segments of Demerged Company as on 31st December, 2016 (hereinafter referred to as the "Valuation date") together with the description of methodologies used and limitations on our Scope of Work. This Valuation Analysis is confidential and has been prepared exclusively for certain regulatory compliance purpose. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited. Such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of certain statutory disclosures and we provide consent for the same. Trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,

For Corporate Professionals Capital Private Limited



Chander Sawhney
[Partner]



Maneesh Srivastava
[Associate Vice President]



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EXECUTIVE SUMMARY

As represented by the Management of the Company, we understand that the Management of Demerged Company wants to determine the value of Online Business Segment & Offline Business Segment of Demerged Company as on the valuation date for the purpose of demerger of Online Business Segment into Resulting Company on going concern basis and consequently reduce and reorganize Share Capital and the Securities Premium of the Demerged Company and reorganization of securities premium of Transferee Company pursuant to Scheme of Arrangement under Section 230 to 232 and Section 66 of Companies Act, 2013. Thus in this respect, we as a SEBI Registered (Category I) Merchant Banker have been appointed by the Company to determine the value of the businesses of Demerged Company.

TOLEXO ONLINE PRIVATE LIMITED:-

Tolexo Online Private Limited is a private limited company incorporated under the provisions of the Companies Act, 2013 as on 28th May, 2014. The Company is a wholly owned subsidiary of Indiamart Intermesh Limited. The Company is primarily engaged in the business or profession in India and abroad, of providing a platform, technology and/or other mechanism / service including through any future and known or unknown technology to facilitate and process internet and/or mobile and/or electronic and/or other existing and future technology based payments for transactions, commerce, electronic commerce, mobile commerce, any type of commerce whether by and between businesses, by and between individual consumers, or by and between businesses and individual consumers and the likes and incidental and ancillary activities thereto including without limitation displaying advertisement and promotions, through online and offline channels.

- **Online Business segment:** - Online Business undertaking of the Transfer Company is where the customer place their first order through electronic media i.e. website, mobile application etc. It also includes any order received as part of any promotion / cross sell done on these customers thereby any subsequent orders received from these customers.
- **Offline Business segment:** - Offline Business is where the customer place orders through traditional medium (FOS / Telephone) and have never placed orders on website / m site / mobile app on their own. Customers, who have placed the orders offline initially, however have subsequently placed the order online, such customers are grouped under offline business till the time they place an online order and have been grouped under the online business only from the time they have placed the order online.

INDIAMART INTERMESH LIMITED:-

Indiamart Intermesh Limited is a public limited company incorporated under the provisions of the Companies Act 1956 as on 13th September, 1999. The Company is primarily engaged in the business to design, develop, host, promote and maintain web pages and websites and to carry on business of Internet and web advertising, web content design and development, web publishing, networking, network integration, e-mail and messaging solution, web enabled automation systems and solutions, Intranet, Extranet, E-business, E-commerce, Electronic Data Interchange (EDI) solutions, Cyber Solutions and all other Internet related products and services.

RATIONALE OF THE SCHEME:-

The Management of Demerged Company feels desirable to demerge Online Business Segment and amalgamate it into its Holding Company to consolidate their resources and businesses. The proposed demerger as envisaged in the Scheme, is driven by the motive of ensuring provision of adequate and necessary financial support and managerial capabilities of the Resulting Company for the growth of Online Business Segment/Demerged Undertaking; consolidating Online Business Segment with the Resulting Company to achieve synergies in operations and optimal utilization of resources, thereby reducing operating costs of running the Demerged Undertaking and consolidation of businesses in a company and to reduce inter se transactions between the Demerged Company and the Resulting Company.



SCOPE & LIMITATIONS**SCOPE OF SERVICES:-**

This valuation report has been prepared by **M/s Corporate Professionals Capital Private Limited, SEBI Registered (Category – I), Merchant Banker** to determine the value of Business Segments of the Demerged Company.

SCOPE LIMITATIONS:-

This Valuation report has been prepared on the basis of the **Certified Assets & Liabilities statements of business segments as on 31.12.2016** provided by the Management of Demerged Company, along with discussion held with the Management.

The valuation exercise was carried out under the following limitations:

- The Valuation analysis of Online Business Segment and Offline Business Segment is based upon the assets & liabilities position of Business Segments provided to us by the Management, which is based upon various assumptions made by the Company relating to the operations of its business and any change in these assumptions may have an impact on the conclusion of this report.
- We presume that the Board of the Company has taken reasonable care to ensure that all relevant information which could have an impact over the Valuation has been duly disclosed & made available to us.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the Business Segments of the Company and have not conducted an audit or due diligence or reviewed/validated the financial data provided by the Management.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.



EXTRACT OF SCHEME AND VALUATION ANALYSIS

- **Demerger of "Online Business Segment"**

The Management of Demerged Company through Scheme of Arrangement wants to demerge its Online Business segment into Indiamart InterMesh Limited on-going concern basis as per Section 230 to 232 of Companies Act, 2013 read with Section 2(19AA) of Income Tax, Act 1961 and reduce / reorganize Share Capital and Securities Premium of the Demerged Company.

- **Clause 12.1, 12.2 and 12.3 of Draft Scheme of Arrangement:**

Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no new shares of the Transferee Company shall be issued to the shareholders of the Transferor Company, as the Transferee Company cannot issue shares to itself.

Pursuant to the demerger and upon coming into effect of the Scheme, the Transferor Company shall reduce and reorganise its paid-up equity share capital, securities premium and 0.01% optionally convertible redeemable preference shares in the manner described in Paragraph 13 of this Scheme

Pursuant to the demerger and upon coming into effect of the Scheme, the Transferee Company shall reorganise and adjust in its books the cost of equity shares and 0.01% optionally convertible redeemable preference shares held by it in the Transferor Company equivalent to the net assets of the Transferor Company remaining subsequent to the demerger on the Appointed Date.

On the basis of above;

Since no asset and liability is moving outside the group and main objective of the Scheme is consolidation of the identified business of the Demerged Company and the Resulting Company, we recommend value of **"Online Business Segment"** as **INR 130.18 Millions** and **"Offline Business segment"** as **INR 18.21 Millions** as per values appearing in certified assets & liabilities statement as on 31st December, 2016 as provided to us by the management of Demerged Company.

Thus based on our valuation analysis the Networth of the Demerged Company allocable between the Online Business Segment and the Offline Business Segment comes in the percentage ratio of **87.73%:12.27%**.

- **Reduction/Reorganization Share Capital and Securities Premium of Demerged Company**

As per clause 13.6.1 to 13.6.3 of the draft scheme of arrangement:

- The issued, subscribed and paid-up equity share capital of the Transferor Company shall be reduced and reorganized by reducing the face value and paid up value of equity shares of INR 10 (Rupees Ten only) each of the Transferor Company to INR 1.3 (Rupees One and Thirty paise only) each. Simultaneously, the equity share capital of the Transferor Company shall be



reorganized and consolidated and as a result, every shareholder of the Transferor Company holding 8 (Eight) equity shares of face value and paid up value of INR 1.3 (Rupees One and Thirty paise only) each shall be issued 1(One) equity share of face value and paid up value of INR 10 (Rupees Ten) each.

- The issued, subscribed and 0.01% optionally convertible redeemable preference shares of the Transferor Company shall be reorganised by reducing the face value and paid up value of 0.01% optionally convertible redeemable preference shares of INR 10 (Rupees Ten only) each of the Transferor Company to INR 1.3 (Rupees One and Thirty paise only) each. Simultaneously, the 0.01% optionally convertible redeemable preference shares of the Transferor Company shall be reorganized and consolidated and as a result, preference shareholder of the Transferor Company holding 8 (Eight) 0.01% optionally convertible redeemable preference shares of face value and paid up value of INR 1.3 (Rupees One and Thirty paise only) each shall be issued 1 (One) 0.01% optionally convertible redeemable preference shares of face value and paid up value of INR 10 (Rupees Ten only) each.; and
- To give the effect to the above, the securities premium account, as on the Appointed Date, shall stand reduced to an amount of INR 10,57,09,500 (Rupees Ten Crore Fifty Seven Lacs Nine Thousand and Five Hundred only).



CAVEATS

- This Report has been issued on the specific request of 'Demerged Company' to ascertain the fair value of Online & Offline business segments of Tolexo Online Private Limited for Demerger of Online business segment into Indiamart Intermesh Limited. This Report is prepared exclusively for the above stated purpose and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any other party. Neither this nor its content may be used for any other purpose without prior written consent of **M/s Corporate Professionals Capital Private Limited**.
- The Valuation analysis of businesses is based upon the certified assets & liabilities statement as on 31st December, 2016 of business segments of Demerged Company provided to us, which is based upon various assumptions made by Company relating to the operations of its business and any change in these assumptions may have an impact on the conclusion of this report.
- No Investigation of the Company's claim to title of assets has been made for the purpose of this Report and the Company's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in accounts. Therefore, no responsibility is assumed for matter of legal nature.
- In Accordance with the customary approach adopted in Valuation exercise. We have summarized the Valuation Analysis of business segments of the Demerged Company based on the information as was provided to us by the management of the Company both written, verbal and other publically available information. We do not assume any responsibility for the accuracy or reliability of such documents on which we have relied upon in forming our opinion.
- This Report does not look into the business/commercial reasons behind the transaction nor the likely benefits arising out of the same. In addition we express no opinion or recommendation, and the shareholders are expected to exercise their own discretion.
- We have no present or planned future interest in the Company and the fee for this Valuation analysis is not contingent upon the values reported herein. The Valuation Analysis contained herein is not intended to represent the value at any time other than the date that is specifically stated in this Report.
- We have not carried out Valuation of land and building of the Company and solely relied upon the information provided to us by the management of the Company.
- We and our affiliates in the past might have provided or in the future may provide consulting services on a professional capacity and disclaim holding any interest in the Company.



- The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- In no circumstances shall the liability of a valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Valuation report shall exceed the amount paid to such valuer in respect of the fees charged by it for these services.
- We have given opportunity to the management of Tolexo Online Private Limited to read our report (without the conclusion) and they have given their consent that the facts mentioned in the report are true and correct.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted herein, which might be relevant in the context of the transaction and which a wider scope might uncover.
- Our Valuation report should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.





ANNEXURES

Assets & Liabilities statement of Online Business Segment as on 31st December, 2016

Particulars	All Amount in INR Million
Fixed Assets	
Tangible Assets	5.04
Intangible Assets	2.26
Long-term loans and advances	7.10
Total Non-Current Assets	14.40
Cash and bank balances	87.07
Loans and advances	83.74
Other current assets	2.14
Total Current Assets	172.95
TOTAL ASSETS (A)	187.35
Trade Payables	40.74
Other Current Liabilities	8.84
Short term provisions	7.59
Total Current Liabilities	57.17
TOTAL LIABILITIES (B)	57.17
Book value/Networth (A-B)	130.18

Assets & Liabilities statement of Offline Business Segment as on 31st December, 2016

Particulars	All Amount in INR Millions
Fixed Assets	
Tangible Assets	1.34
Intangible Assets	0.34
Long-term loans and advances	0.95
Total Non-Current Assets	2.64
Cash and bank balances	9.59
Loans and advances	16.70
Other current assets	0.52
Total Current Assets	26.81
TOTAL ASSETS (A)	29.45
Trade Payables	8.34
Other Current Liabilities	1.89
Short term provisions	1.02
Total Current Liabilities	11.24
TOTAL LIABILITIES (B)	11.24
Book value/Networth (A-B)	18.21

Auditor's Certificate on proposed accounting treatment of Scheme of Arrangement

The Board of Directors,
Tolexo Online Private Limited
H- 150, Sector - 63
Noida (UP)

1. This Certificate is issued in accordance with the terms of our service scope letter dated March 29, 2017 and master engagement agreement dated January 22, 2016 with Tolexo Online Private Limited (hereinafter referred to as the "Company").
2. We, S.R. Batliboi and Associates LLP the statutory auditors of the Company, have been requested by the Company to furnish certificate on the proposed accounting treatment specified in para 19 of the draft Scheme of Arrangement ('the draft Scheme') between Tolexo Online Private Limited and Indiamart Intermesh Limited and their respective shareholders and creditors in terms of the provisions of sections 230-232 and 66 of the Companies Act, 2013 (the "Act") with reference to its conformity with the Accounting Standards prescribed under section 133 of the Act, 2013, read with the rules made there under and other General Accepted Accounting Principles.

Management's Responsibility

3. The responsibility for the preparation of the draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved.

Auditor's Responsibility

4. Pursuant to the requirements of Section 230(7) of the Act, our responsibility is to provide a reasonable assurance whether the accounting treatment contained in the draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

7. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria. Accordingly, we have performed the following procedures in relation to the Certificate:
- Read and understand the draft Scheme and the proposed accounting treatment specified in paragraph 19 therein.
 - Our examination did not extend to any aspects of a legal or propriety nature of the draft Scheme and other compliance thereof.

Opinion

8. Based on our examination and according to the information and explanation given to us by the management, we are of the opinion that there is no specific accounting treatment in respect of demergers in accounting standards prescribed under Section 133 of the Act read with rules made thereunder. Accordingly, we confirm that the accounting treatment contained in the aforesaid draft scheme is not in violation with applicable accounting standards as prescribed in Section 133 of the Act read with rules thereunder and other recognized accounting practices prevalent in India.

Restriction on Use

9. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose to comply with requirement of Section 230(7) of the Act for onward submission to the National Company Law Tribunal. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

For S.R. Batliboi and Associates. LLP

Chartered Accountants

Firm Registration Number: 101049W/E300004



per Yogesh Midha

Partner

Membership Number: 094941



Place: Gurgaon.

Dated: 20/3/17

Auditor's Certificate on proposed accounting treatment of Scheme of Arrangement

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

1. This Certificate is issued in accordance with the terms of our service scope letter dated March 29, 2017 and master engagement agreement dated January 30, 2015 with Indiamart Intermesh Limited (hereinafter referred to as the "Company").
2. We, S.R. Batliboi and Associates LLP the statutory auditors of the Company, have been requested by the Company to furnish certificate on the proposed accounting treatment specified in para 20 of the draft Scheme of Arrangement ('the draft Scheme') between Indiamart Intermesh Limited and Tolexo Online Private Limited and their respective shareholders and creditors in terms of the provisions of sections 230-232 and 66 of the Companies Act, 2013 (the "Act") with reference to its conformity with the Accounting Standards prescribed under section 133 of the Act, 2013, read with the rules made there under and other General Accepted Accounting Principles.

Management's Responsibility

3. The responsibility for the preparation of the draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved.

Auditor's Responsibility

4. Pursuant to the requirements of Section 230(7) of the Act, our responsibility is to provide a reasonable assurance whether the accounting treatment contained in the draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

7. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria. Accordingly, we have performed the following procedures in relation to the Certificate:
- Read and understand the draft Scheme and the proposed accounting treatment specified in paragraph 20 therein.
 - Our examination did not extend to any aspects of a legal or propriety nature of the draft Scheme and other compliance thereof.

Opinion

8. Based on our examination and according to the information and explanation given to us by the management, we are of the opinion that there is no specific accounting treatment in respect of demergers in accounting standards prescribed under Section 133 of the Act read with the rules made thereunder. Accordingly, we confirm that the accounting treatment contained in the aforesaid draft scheme is not in violation with applicable accounting standards as prescribed in Section 133 of the Act read with rules made thereunder and other recognized accounting practices prevalent in India.

Restriction on Use

9. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose to comply with requirement of Section 230(7) of the Act for onward submission to the National Company Law Tribunal. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

For S.R. Batliboi and Associates. LLP

Chartered Accountants

Firm Registration Number: 101049W/E300004



per Yogesh Midha

Partner

Membership Number: 094941



Place: Gurgaon.

Dated: 30/3/18

TOLEXO ONLINE PRIVATE LIMITED

Balance sheet as at 31 December 2016

CIN: U72200DL2014PTC267665

	Notes	31 March 2016 (Amount in Rs.)	31 December 2016 (Amount in Rs.)
Equity and liabilities			
Shareholders' funds			
Share capital	3	622,450,000	686,450,000
Share application money		-	-
Reserves and surplus	4	(621,238,044)	(538,058,869)
		1,211,956	148,391,131
Current liabilities			
Trade payables	5	140,813,965	49,071,523
(a) Total outstanding dues of Micro Enterprises and Small enterprises		-	-
(b) Total outstanding dues of creditors other than Micro Enterprises and Small enterprises		140,813,965	49,071,523
Other current liabilities	5	15,987,303	10,733,171
Short-term provisions	6	5,487,130	8,604,173
		162,288,398	68,408,867
Total		163,500,354	216,799,998
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	9,587,607	6,381,729
Intangible assets	8	2,136,437	2,609,078
Loans and advances	9	1,080,000	8,052,000
		12,804,044	17,042,807
Current assets			
Cash and bank balances	11	68,344,832	96,657,759
Loans and advances	9	74,955,685	100,443,059
Other current assets	10	7,395,793	2,656,373
		150,696,310	199,757,191
Total		163,500,354	216,799,998
		-	-

For Tolexo Online Private Limited

Sd/-

Brijesh Agrawal

(Director & Chief Executive Officer)

DIN 00191760

TOLEXO ONLINE PRIVATE LIMITED**Statement of profit and loss for the nine months ended 31 December 2016**

CIN: U72200DL2014PTC267665

		For the year ended	For the nine months ended
	Notes	31 March 2016	31 December 2016
		(Amount in Rs.)	(Amount in Rs.)
Income			
Revenue from operations	12	46,915,378	48,277,719
Other income	13	778,810	3,813,723
Total revenue		47,694,188	52,091,442
Expenses			
Employee benefits expense	14	262,065,545	254,334,955
Depreciation and amortization expenses	15	10,419,962	5,753,336
Financial costs	16	178,845	80,130
Other expenses	17	504,266,221	284,743,846
Loss before tax and extraordinary expenses		(729,236,385)	(492,820,825)
Extraordinary expenses			
Loss before tax		(729,236,385)	(492,820,825)
Proportion			
Tax expenses			
Current Tax		-	-
Total tax expenses		-	-
Loss for the year		(729,236,385)	(492,820,825)

For Tolexo Online Private Limited

Sd/-

Brijesh Agrawal

(Director & Chief Executive Officer)

DIN 00191760

TOLEXO ONLINE PRIVATE LIMITED
Notes to financial statements for the nine months ended
31 December 2016

3. Share Capital

	31 March 2016 (Amount in Rs.)	31 December 2016 (Amount in Rs.)
Authorized shares		
55,000,000 (31 March 2016: 55,000,000) equity shares of Rs. 10 each	550,000,000	550,000,000
25,000,000 (31 March 2016: 15,000,000) 0.01% Optionally convertible redeemable preference share of Rs. 10 each	150,000,000	250,000,000
	700,000,000	800,000,000
Issued shares		
53,860,000 (31 March 2016: 8,010,000 equity shares) equity shares of Rs. 10 each	538,600,000	538,600,000
130,85,000 (31 March 2016: 85,85,000) 0.01% Optionally convertible redeemable preference share of Rs. 10 each	83,850,000	147,850,000
	622,450,000	686,450,000
Subscribed and paid-up shares		
53,860,000 (31 March 2016: 8,010,000 equity shares) equity shares of Rs. 10 each	538,600,000	538,600,000
13,085,000 (31 March 2016: 8,385,000) 0.01% Optionally convertible redeemable preference share of Rs. 10 each	83,850,000	147,850,000
	622,450,000	686,450,000
Share Application Money	-	-

TOLEXO ONLINE PRIVATE LIMITED
Notes to financial statements for the nine months ended
31 December 2016

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31 March 2016		31 December 2016	
	No.	(Amount in Rs.)	No.	(Amount in Rs.)
At the beginning of the year	8,010,000	80,100,000	53,860,000	538,600,000
Issued during the period	45,850,000	458,500,000	-	-
Outstanding at the end of the period	53,860,000	538,600,000	53,860,000	538,600,000

Preference shares

	31 March 2016		31 December 2016	
	No.	(Amount in Rs.)	No.	(Amount in Rs.)
At the beginning of the year	-	-	8,385,000	83,850,000
Issued during the period	8,385,000	83,850,000	6,400,000	64,000,000
Outstanding at the end of the period	8,385,000	83,850,000	14,785,000	147,850,000

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. Each holder of equity is entitled to one vote per share.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Terms of conversion/ redemption of 0.01% Optionally convertible redeemable preference share (OCRPS)

The company has only one class of preference shares having a par value of Rs.10 each. Preference shares carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital; the shareholders are entitled to dividend, if declared by the Board of Directors, on cumulative basis. The shareholders have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Companies Act 2013;

Each holder of CCPS can opt to convert its preference shares into equity share of the Company at par/issued price including premium or at Fair Market Value at the time of conversion at the option of holder. The OCRPS will be convertible/redeemable (in whole or in part) either at the option of the Company or at the option of the holder of the OCRPS after the expiry of 5 years from the date of allotment but before any time within 20 years from the date of allotment of OCRPS at par/premium.

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

	31 March 2016		31 December 2016	
	No.	% Holding	No.	% Holding
Equity shares of Rs. 10 each fully paid				
Indiamart Intermesh Limited	53,859,998	100.00%	53,859,998	100.00%
Preference shares of Rs. 10 each fully paid				
Indiamart Intermesh Limited	8,385,000	100.00%	14,785,000	100.00%

4. Reserves and surplus

	31 March 2016 (Amount in Rs.)	31 December 2016 (Amount in Rs.)
Securities Premium Account		
Balance as per last financial statements	-	237,150,000
Add: premium on issue of OCRPS	237,150,000	576,000,000
Closing balance	237,150,000	813,150,000
 Deficit in the statement of profit and loss		
Balance as per last financial statements	(129,151,659)	(858,388,044)
Loss for the year	(729,236,385)	(492,820,825)
Total deficit in the statement of profit and loss	(858,388,044)	(1,351,208,869)
 Total reserves and surplus	(621,238,044)	(538,058,869)

5. Other current liabilities

	31 March 2016 (Amount in Rs.)	31 December 2016 (Amount in Rs.)
Trade payables (refer note 23; for details of dues to micro and small enterprises)		
(a) Total outstanding dues of Micro Enterprises and Small enterprises	-	-
(b) Total outstanding dues of creditors other than Micro Enterprises and Small enterprises	140,813,965	49,071,523
	140,813,965	49,071,523
Other liabilities		
Advances from customers	7,429,349	7,919,089
Creditors for capital goods	-	-
Others		
Tax deducted at source payable	8,137,284	2068354
Contribution to provident fund payable	420,670	350920
Service Tax Payable	-	394808
	15,987,303	10,733,171
	156,801,268	59,804,694

6. Short-term provisions

	31 March 2016 (Amount in Rs.)	31 December 2016 (Amount in Rs.)
Provision for employee benefit		
Provision for gratuity (note 19)	752,742	1,220,298.00
Provision for leave encashment	4,734,388	7,383,875.00
	5,487,130	8,604,173

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TOLEXO ONLINE PRIVATE LIMITED
Notes to financial statements for the nine months ended 31 December 2016

7. Tangible Assets

	(Amount in Rs.)		
	Computers	Office Equipment	Total
Cost			
At 31 March 2016	17,456,364	2,281,217	19,737,581
Additions	23,950	1,270,652	1,294,602
Disposals	-	-	-
At 30 June 2016	17,480,314	3,551,869	21,032,183
Additions	-	217,705	217,705
Disposals	-	-	-
At 30 Sep 2016	17,480,314	3,769,574	21,249,888
Additions	16,074	180,601	196,675
Disposals	-	-	-
At 31 Dec 2016	17,496,388	3,950,175	21,446,563
Depreciation			
At 31 March 2016	9,222,998	926,976	10,149,974
Charge for the year	2,729,107	333,322	3,062,429
Disposals	-	-	-
At 30 June 2016	11,952,105	1,260,298	13,212,403
Charge for the year	1,298,850	219,774	1,518,624
Disposals	-	-	-
At 30 Sep 2016	13,250,955	1,480,072	14,731,027
Charge for the year	101,149	232,658	333,807
Disposals	-	-	-
At 31 Dec 2016	13,352,104	1,712,730	14,731,027
Net Block			
At 31 March 2016	8,233,366	1,354,241	9,587,607
At 30 June 2016	5,528,209	2,291,571	7,819,780
At 30 Sep 2016	4,229,359	2,289,502	6,518,861
At 31 Dec 2016	4,144,284	2,237,445	6,381,729

8. Intangible assets

	(Amount in Rs.)	
	Software	Total
Gross Block		
At 31 March 2016	2,700,827	2,700,827
Purchase	765,975	765,975
Disposals	-	-
At 30 June 2016	3,466,802	3,466,802
Purchase	-	-
Disposals	-	-
At 30 Sep 2016	3,466,802	3,466,802
Purchase	545,140	545,140
Disposals	-	-
At 31 Dec 2016	4,011,942	4,011,942
Amortization		
At 31 March 2016	564,390	564,390
Charge for the year	-	-
Disposals	271,395	271,395
At 30 June 2016	835,785	835,785
Charge for the year	-	-
Disposals	215,585	215,585
At 30 Sep 2016	1,051,370	1,051,370
Charge for the year	351,494	351,494
Disposals	-	-
At 31 Dec 2016	1,402,864	1,402,864
Net Block		
At 31 March 2016	2,136,437	2,136,437
At 30 June 2016	2,631,017	2,631,017
At 30 Sep 2016	2,415,432	2,415,432
At 31 Dec 2016	2,609,078	2,609,078

TOLEXO ONLINE PRIVATE LIMITED

Notes to financial statements for the nine months ended 31 December 2016

9. Loans and advances

	Non- Current	Non- Current	Current	Current
	31 March 2016 (Amount in Rs.)	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)	31 December 2016 (Amount in Rs.)
Security deposit				
Unsecured considered good	1,080,000	8,052,000	1,346,875	169,639
Doubtful	-	-	-	-
	1,080,000	8,052,000	1,346,875	169,639
Provision for doubtful security deposit	-	-	-	-
	1,080,000	8,052,000	1,346,875	169,639
Loan and advances to related parties (note 27(b))				
Unsecured considered good	-	-	-	-
	-	-	-	-
Advances recoverable in cash or kind or for value to				
Unsecured considered good	-	-	6,210,991	665,373
Doubtful	-	-	433,551	-
	-	-	6,644,542	665,373
Provision for doubtful advances	-	-	(433,551)	-
	-	-	6,210,991	665,373
Other loan and advances				
Advance tax/Tax deducted at source	-	-	947,102	699,310
Loan to employees	-	-	190,000	3,373,000
Prepaid expenses	-	-	1,918,793	2,476,118
Balances with statutory/ government authorities	-	-	64,341,924	93,059,619
	-	-	67,397,819	99,608,047
Total	1,080,000	8,052,000	74,955,685	100,443,059

TOLEXO ONLINE PRIVATE LIMITED

Notes to financial statements for the nine months ended 31 December 2016

10. Other Current Assets

	31 March 2016	31 December 2016
	(Amount in Rs.)	(Amount in Rs.)
Interest accrued on fixed deposits	210,946	-
Unbilled receivables	458,148	
Receivable from partners and payment gateways	6,726,699	2,656,373
	7,395,793	2,656,373

11. Cash and bank balances

	31 March 2016	31 December 2016
	(Amount in Rs.)	(Amount in Rs.)
Cash and cash equivalents		
Cash in hand		50,000
Balances with banks:		-
On current accounts	987,871	2,478,163
On nodal accounts	2,316,961	17,749,596
Other Bank Balances		
Deposits with original maturity for more than 3 months	65,040,000	76,380,000
	68,344,832	96,657,759

TOLEXO ONLINE PRIVATE LIMITED**Notes to financial statements for the nine months ended 31 December 2016****12. Revenue from operations**

	For the nine months ended	
	31 March 2016	31 December 2016
	(Amount in Rs.)	(Amount in Rs.)
Income from Marketing Fees	46,915,378	48,277,719
	46,915,378	48,277,719

13. Other income

	For the year ended	For the nine months ended
	31 March 2016	31 December 2016
	(Amount in Rs.)	(Amount in Rs.)
Interest		
Bank deposits	768,690	3,725,039
Interest on income tax refund	10,120	88,684
	778,810	3,813,723

14. Employee benefit expense

	For the year ended	For the nine months ended
	31 March 2016	31 December 2016
	(Amount in Rs.)	(Amount in Rs.)
Salaries, wages and bonus	254,974,332	249,834,771
Contribution to provident and other funds	1,608,073	1,436,807
Gratuity expenses (note 19)	484,522	467,556
Staff welfare expenses	4,998,618	2,595,821
	262,065,545	254,334,955

15. Depreciation and amortization expenses

	For the year ended	For the nine months ended
	31 March 2016	31 December 2016
	(Amount in Rs.)	(Amount in Rs.)
Depreciation of tangible assets	9,860,331	4,914,862
Amortization of intangible assets	559,631	838,474
	10,419,962	5,753,336

TOLEXO ONLINE PRIVATE LIMITED**Notes to financial statements for the nine months ended 31 December 2016****16. Finance costs**

	For the year ended	For the nine months ended
	31 March 2016	31 December 2016
	(Amount in Rs.)	(Amount in Rs.)
Interest	-	
Bank charges	178,845	80,130
	178,845	80,130

17. Other expenses

	For the year ended	For the nine months ended
	31 March 2016	31 December 2016
	(Amount in Rs.)	(Amount in Rs.)
Content development expenses	16,290,855	3,726,634
Outsourced sales cost	50,644,371	38,176,294
Customer support expenses	19,643,254	15,518,018
Warehouse Facilitation charges	21,241,455	14,662,094
Internet and other online expenses (Zoho Exp)	33,975,017	15,973,452
Freight, Cartage and payment collection charges	141,474,325	64,020,187
Packaging charges	7,593,107	4,732,235
Rent	7,222,500	15,570,351
Rates & taxes	8,469,176	4,550,417
Communication costs	2,678,930	2,257,821
Advertisement expenses	164,864,773	94,056,321
Sales Promotion Expenses	8,815,663	941,315
Power and fuel	3,147,368	2,072,030
Printing and stationery	1,644,423	402,727
Repairs and maintenance :		
- Plant and machinery	613,169	241,411
- Others	2,538,972	2,259,920
Travelling and conveyance	1,741,559	1,090,209
Recruitment and training expenses	5,391,058	82,978
Legal and professional fees	3,243,003	910,802
Directors' sitting fees	30,000	190,000
Payment to auditor (refer details below)	850,000	1,432,329
Insurance expenses	1,626,528	1,732,029
Provision for doubtful advances	433,551	-
Exchange differences(net)	93,164	144,272
	504,266,221	284,743,846

	For the year ended	For the nine months ended
	31 March 2016	31 December 2016
	(Amount in Rs.)	(Amount in Rs.)
Payment to auditor		
As auditor:		
Audit fees	800,000	1,430,378
Reimbursement of expenses	50,000	1,951
	850,000	1,432,329

TOLEXO ONLINE PRIVATE LIMITED

Balance sheet as at 31 December 2016

CIN: U72200DL2014PTC267665

	Notes	31 December 2016 (Amount in Rs.)	Offline (Amount in Rs.)	Online (Amount in Rs.)
Equity and liabilities				
Shareholders' funds				
Share capital	3	686,450,000	88,156,250	598,293,750
Share application money		-		
Reserves and surplus	4	(538,058,869)	(69,947,653)	(468,111,216)
		148,391,131	18,208,597	130,182,534
Current liabilities				
Trade payables	5	49,071,523	8,335,998	40,735,525
(a) Total outstanding dues of Micro Enterprises and Small enterprises				
(b) Total outstanding dues of creditors other than Micro Enterprises and Small enterprises		49,071,523	8,335,998	40,735,525
Other current liabilities	5	10,733,171	1,889,593	8,843,578
Short-term provisions	6	8,604,173	1,018,103	7,586,070
		68,408,867	11,243,694	57,165,173
Total		216,799,998	29,452,291	187,347,707
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	7	6,381,729	1,341,101	5,040,628
Intangible assets	8	2,609,078	344,664	2,264,414
Loans and advances	9	8,052,000	952,766	7,099,234
		17,042,807	2,638,531	14,404,276
Current assets				
Cash and bank balances	11	96,657,759	9,588,465	87,069,294
Loans and advances	9	100,443,059	16,704,627	83,738,432
Other current assets	10	2,656,373	520,668	2,135,705
		199,757,191	26,813,760	172,943,431
Total		216,799,998	29,452,291	187,347,707
		-	-	-

For Tolexo Online Private Limited

Sd/-

Brijesh Agrawal

(Director & Chief Executive Officer)

DIN 00191760

TOLEXO ONLINE PRIVATE LIMITED**Statement of profit and loss for the nine months ended 31 December 2016****CIN: U72200DL2014PTC267665**

		For the nine months ended		
	Notes	31 December 2016	Offline	Online
		(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Income				
Revenue from operations	12	48,277,719	7,378,514	40,899,205
Other income	13	3,813,723	658,630	3,155,093
Total revenue		52,091,442	8,037,144	44,054,298
Expenses				
Employee benefits expense	14	254,334,955	37,099,464	217,235,491
Depreciation and amortization expenses	15	5,753,336	1,025,132	4,728,204
Financial costs	16	80,130	13,838	66,292
Other expenses	17	284,743,846	35,959,041	248,784,805
Loss before tax and extraordinary expenses		(492,820,825)	(66,060,331)	(426,760,494)
Extraordinary expenses				
Loss before tax		(492,820,825)	(66,060,331)	(426,760,494)
Tax expenses				
Current Tax		-		
Total tax expenses		-		
Loss for the year		(492,820,825)	(66,060,331)	(426,760,494)

For Tolexo Online Private Limited

Sd/-

Brijesh Agrawal

(Director & Chief Executive Officer)

DIN 00191760

TOLEXO ONLINE PRIVATE LIMITED
Notes to financial statements for the nine months ended
31 December 2016

3. Share Capital

	31 December 2016
	(Amount in Rs.)
Authorized shares	
55,000,000 (31 March 2016: 55,000,000) equity shares of Rs. 10 each	550,000,000
25,000,000 (31 March 2016: 15,000,000) 0.01% Optionally convertible redeemable preference share of Rs. 10 each	250,000,000
	800,000,000
Issued shares	
53,860,000 (31 March 2016: 8,010,000 equity shares) equity shares of Rs. 10 each	538,600,000
130,85,000 (31 March 2016: 85,85,000) 0.01% Optionally convertible redeemable preference share of Rs. 10 each	147,850,000
	686,450,000
Subscribed and paid-up shares	
53,860,000 (31 March 2016: 8,010,000 equity shares) equity shares of Rs. 10 each	538,600,000
13,085,000 (31 March 2016: 8,385,000) 0.01% Optionally convertible redeemable preference share of Rs. 10 each	147,850,000
	686,450,000
Share Application Money	-

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	31 December 2016
	No. (Amount in Rs.)
At the beginning of the year	53,860,000 538,600,000
Issued during the period	- -
Outstanding at the end of the period	53,860,000 538,600,000

Preference shares

	31 December 2016
	No. (Amount in Rs.)
At the beginning of the year	8,385,000 83,850,000
Issued during the period	6,400,000 64,000,000
Outstanding at the end of the period	14,785,000 147,850,000

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. Each holder of equity is entitled to one vote per share.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Terms of conversion/ redemption of 0.01% Optionally convertible redeemable preference share

The company has only one class of preference shares having a par value of Rs.10 each. Preference shares carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital; the shareholders are entitled to dividend, if declared by the Board of Directors, on cumulative basis. The shareholders have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Companies Act 2013;

Each holder of CCPS can opt to convert its preference shares into equity share of the Company at par/issued price including premium or at Fair Market Value at the time of conversion at the option of holder. The OCRPS will be convertible/redeemable (in whole or in part) either at the option of the Company or at the option of the holder of the OCRPS after the expiry of 5 years from the date of allotment but before any time within 20 years from the date of allotment of OCRPS at par/premium.

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

	31 December 2016	
	No.	% Holding
Equity shares of Rs. 10 each fully paid		
Indiamart InterMesh Limited	53,859,998	100.00%
Preference shares of Rs. 10 each fully paid		
Indiamart InterMesh Limited	14,785,000	100.00%

4. Reserves and surplus

	31 December 2016	Offline	Online
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Securities Premium Account			
Balance as per last financial statements	237,150,000	30,829,500	206,320,500
Add: premium on issue of OCRPS	576,000,000	74,880,000	501,120,000
Closing balance	813,150,000	105,709,500	707,440,500
 Deficit in the statement of profit and loss			
Balance as per last financial statements	(858,388,044)	(111,590,446)	(746,797,598)
Loss for the year	(492,820,825)	(64,066,707)	(428,754,118)
Total deficit in the statement of profit and loss	(1,351,208,869)	(175,657,153)	(1,175,551,716)
 Total reserves and surplus	(538,058,869)	(69,947,653)	(468,111,216)

5. Other current liabilities

	31 December 2016	Offline	Online
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Trade payables (refer note 23; for details of dues to micro and small enterprises)			
(a) Total outstanding dues of Micro Enterprises and Small enterprises	-	-	-
(b) Total outstanding dues of creditors other than Micro Enterprises and Small enterprises	49,071,523	8,335,998	40,735,525
	49,071,523	8,335,998	40,735,525
Other liabilities			
Advances from customers	7,919,089	1,468,605	6,450,484
Creditors for capital goods		-	-
Others			
Tax deducted at source payable	2,068,354	379,465	1,688,889
Contribution to provident fund payable	350,920	41,523	309,397
Service Tax Payable	394,808	-	394,808
	10,733,171	1,889,593	8,843,578
	59,804,694	10,225,591	49,579,103

6. Short-term provisions

	31 December 2016	Offline	Online
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Provision for employee benefit			
Provision for gratuity (note 19)	1,220,298	144,394	1,075,904
Provision for leave encashment	7,383,875	873,709	6,510,166
	8,604,173	1,018,103	7,586,070

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TOLEXO ONLINE PRIVATE LIMITED
Notes to financial statements for the nine months ended 31 December 2016

7. Tangible Assets

	(Amount in Rs.)		
	Computers	Office Equipment	Total
Cost			
At 31 March 2016	17,456,364	2,281,217	19,737,581
Additions	23,950	1,270,652	1,294,602
Disposals	-	-	-
At 30 June 2016	17,480,314	3,551,869	21,032,183
Additions	-	217,705	217,705
Disposals	-	-	-
At 30 Sep 2016	17,480,314	3,769,574	21,249,888
Additions	16,074	180,601	196,675
Disposals	-	-	-
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Disposals	-	-	-
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Disposals	-	-	-
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Net Block			
At 31 March 2016	8,233,366	1,354,241	9,587,607
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At 30 Sep 2016	4,229,359	2,289,502	6,518,861
At 31 Dec 2016	4,144,284	2,237,445	6,381,729

8. Intangible assets

	(Amount in Rs.)	
	Software	Total
Gross Block		
At 31 March 2016	2,700,827	2,700,827
Purchase	765,975	765,975
Disposals	-	-
At 30 June 2016	3,466,802	3,466,802
Purchase	-	-
Disposals	-	-
At 30 Sep 2016	3,466,802	3,466,802
Purchase	545,140	545,140
Disposals	-	-
At 31 Dec 2016	4,011,942	4,011,942
Amortization		
At 31 March 2016	564,390	564,390
Charge for the year	-	-
Disposals	271,395	271,395
At 30 June 2016	835,785	835,785
Charge for the year	-	-
Disposals	215,585	215,585
At 30 Sep 2016	1,051,370	1,051,370
Charge for the year	351,494	351,494
Disposals	-	-
At 31 Dec 2016	1,402,864	1,402,864
Net Block		
At 31 March 2016	2,136,437	2,136,437
At 30 June 2016	2,631,017	2,631,017
At 30 Sep 2016	2,415,432	2,415,432
At 31 Dec 2016	2,609,078	2,609,078

TOLEXO ONLINE PRIVATE LIMITED
Notes to financial statements for the nine months ended 31 December 2016

9. Loans and advances

	Non- Current 31 December 2016 (Amount in Rs.)	Non- Current Offline (Amount in Rs.)	Non- Current Online (Amount in Rs.)	Current 31 December 2016 (Amount in Rs.)	Current Offline (Amount in Rs.)	Current Online (Amount in Rs.)
Security deposit						
Unsecured considered good	8,052,000	952,766	7,099,234	169,639	20,073	149,566
Doubtful						
	8,052,000	952,766	7,099,234	169,639	20,073	149,566
Provision for doubtful security deposit						
	8,052,000	952,766	7,099,234	169,639	20,073	149,566
Loan and advances to related parties (note 27(b))						
Unsecured considered good	-	-	-	-	-	-
	-	-	-	-	-	-
Advances recoverable in cash or kind or for value to be received						
Unsecured considered good	-	-	-	665,373	665,373	-
Doubtful	-	-	-	-	-	-
	-	-	-	665,373	665,373	-
Provision for doubtful advances	-	-	-	-	-	-
	-	-	-	665,373	665,373	-
Other loan and advances						
Advance tax/Tax deducted at source	-	-	-	699,310	-	699,310
Loan to employees				3,373,000	3,373,000	-
Prepaid expenses				2,476,118	548,431	1,927,687
Balances with statutory/ government authorities	-	-	-	93,059,619	12,097,750	80,961,869
	-	-	-	99,608,047	16,019,181	83,588,866
Total	8,052,000	952,766	7,099,234	100,443,059	16,704,627	83,738,432

TOLEXO ONLINE PRIVATE LIMITED
Notes to financial statements for the nine months ended 31 December 2016
10. Other Current Assets

	31 December 2016	Offline	Online
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Interest accrued on fixed deposits	-	-	-
Unbilled receivables	2,656,373	520,668	2,135,705
Receivable from partners and payment gateways	2,656,373	520,668	2,135,705

11. Cash and bank balances

	31 December 2016	Offline	Online
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Cash and cash equivalents			
Cash in hand	50,000	50,000	-
Balances with banks:	-	-	-
On current accounts	2,478,163	1,538,465	939,698
On nodal accounts	17,749,596	-	17,749,596
Other Bank Balances			
Deposits with original maturity for more than 3 months but less than 12 months	76,380,000	8,000,000	68,380,000
	96,657,759	9,588,465	87,069,294

TOLEXO ONLINE PRIVATE LIMITED
Notes to financial statements for the nine months ended 31 December 2016
12. Revenue from operations

	For the nine months ended		
	31 December 2016	Offline	Online
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Income from Marketing Fees	48,277,719	7,378,514	40,899,205
	48,277,719	7,378,514	40,899,205

13. Other income

	For the nine months ended		
	31 December 2016	Offline	Online
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Interest			
Bank deposits	3,725,039	643,314	3,081,725
Interest on income tax refund	88,684	15,316	73,368
	3,813,723	658,630	3,155,093

14. Employee benefit expense

	For the nine months ended		
	31 December 2016	Offline	Online
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Salaries, wages and bonus	249,834,771	36,566,973	213,267,798
Contribution to provident and other funds	1,436,807	170,012	1,266,795
Gratuity expenses (note 19)	467,556	55,324	412,232
Staff welfare expenses	2,595,821	307,155	2,288,666
	254,334,955	37,099,464	217,235,491

15. Depreciation and amortization expenses

	For the nine months ended		
	31 December 2016	Offline	Online
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Depreciation of tangible assets	4,914,862	876,454	4,038,408
Amortization of intangible assets	838,474	148,678	689,796
	5,753,336	1,025,132	4,728,204

TOLEXO ONLINE PRIVATE LIMITED
Notes to financial statements for the nine months ended 31 December 2016
16. Finance costs

	For the nine months ended		
	31 December 2016	Offline	Online
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Interest		-	-
Bank charges	80,130	13,838	66,292
	80,130	13,838	66,292

17. Other expenses

	For the nine months ended		
	31 December 2016	Offline	Online
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Content development expenses	3,726,634	643,590	3,083,044
Outsourced sales cost	38,176,294	11,534,971	26,641,323
Customer support expenses	15,518,018	-	15,518,018
Warehouse Facilitation charges	14,662,094	2,532,144	12,129,950
Internet and other online expenses (Zoho Exp)	15,973,452	1,890,084	14,083,368
Freight, Cartage and payment collection charges	64,020,187	9,055,298	54,964,889
Packaging charges	4,732,235	817,257	3,914,978
Rent	15,570,351	1,842,386	13,727,965
Rates & taxes	4,550,417	538,435	4,011,982
Communication costs	2,257,821	267,160	1,990,661
Advertisement expenses	94,056,321	5,394,240	88,662,081
Sales Promotion Expenses	941,315	48,520	892,795
Power and fuel	2,072,030	245,176	1,826,854
Printing and stationery	402,727	47,653	355,074
Repairs and maintenance :		-	
- Plant and machinery	241,411	28,565	212,846
- Others	2,259,920	267,409	1,992,511
Travelling and conveyance	1,090,209	129,001	961,208
Recruitment and training expenses	82,978	9,819	73,159
Legal and professional fees	910,802	157,296	753,506
Directors' sitting fees	190,000	32,813	157,187
Payment to auditor (refer details below)	1,432,329	247,363	1,184,966
Insurance expenses	1,732,029	204,945	1,527,084
Provision for doubtful advances	-	-	-
Exchange differences(net)	144,272	24,916	119,356
	284,743,846	35,959,041	248,784,805

	For the nine months ended		
Payment to auditor	31 December 2016	Offline	Online
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
As auditor:			
Audit fees	1,430,378	247,026	1,183,352
Reimbursement of expenses	1,951	337	1,614
	1,432,329	247,363	1,184,966

INDIAMART INTERMESH LIMITED**Balance sheet as at 31 December 2016****CIN: U74899DL1999PLC101534**

	Notes	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
EQUITY AND LIABILITIES			
Equity			
Share capital	3	753,894,774	753,894,774
Reserves and surplus	4	(638,437,908)	(670,739,463)
		115,456,866	83,155,311
Non-current liabilities			
Trade payables	5	7,728,143	6,663,893
Other long-term liabilities	5	992,209,889	794,993,248
		999,938,032	801,657,141
Current liabilities			
Trade payables	6		
• Total outstanding dues of micro enterprises and small enterprises		-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises		268,130,856	237,666,950
Other current liabilities	6	1,565,387,800	1,446,317,962
Short-term provisions	7	44,901,907	33,912,595
		1,878,420,563	1,717,897,507
		2,993,815,461	2,602,709,959
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	71,886,983	81,145,763
Intangible assets	9	4,349,758	6,120,917
Capital work-in-progress		1,772,136	1,772,136
Non-current investments	10	1,515,400,000	860,200,000
Loans and advances	11	56,175,929	51,647,352
Other non-current assets	12	-	113,524,280
		1,649,584,806	1,114,410,448
Current assets			
Current investments	13	963,059,901	1,250,877,957
Trade receivables	14	2,798,897	5,043,859
Cash and bank balances	15	225,749,474	115,196,889
Loans and advances	11	135,863,929	107,783,596
Other current assets	12	16,758,455	9,397,210
		1,344,230,655	1,488,299,511
		2,993,815,461	2,602,709,959

For Indiamart Intermesh Limited

Sd/-

Brijesh Agrawal

(Director)

DIN 00191760

INDIAMART INTERMESH LIMITED
Statement of profit and loss for the period ended 31 December 2016
CIN: U74899DL1999PLC101534

	Notes	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Income			
Revenue from operations	16	2,308,615,579	2,462,452,255
Other income	17	33,215,623	46,533,360
Total revenue		2,341,831,203	2,508,985,615
Expenses			
Employee benefits expense	18	1,331,304,410	1,532,171,967
Depreciation and amortization expenses	19	28,349,910	26,209,474
Financial costs	20	7,117,278	10,168,800
Other expenses	21	942,758,048	1,368,235,934
Profit/(Loss) before tax		32,301,555	(427,800,560)
Tax expenses			
Current tax		-	-
Tax expense for earlier periods		-	3,707,480
Profit/(Loss) for the period		32,301,555	(431,508,040)
Earnings per equity share			
[nominal value of share Rs. 10 (31 March 2016: Rs. 10)]	22		
Basic/ diluted earnings (loss) per equity share computed on the basis of total loss for the period		3.52	(47.06)

For Indiamart Intermesh Limited

Sd/-

Brijesh Agrawal

(Director)

DIN 00191760

INDIAMART INTERMESH LIMITED
Cash flow statement for the period ended 31 December 2016
CIN: U74899DL1999PLC101534

	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Cash flow from operating activities		
Profit(Loss) before tax	32,301,555	(427,800,560)
Adjustment to reconcile loss before tax to net cash flows		
Depreciation and amortization	28,349,910	26,209,474
Excess provision written back	(1,431,502)	-
Provision for diminution in value of Investment	102,000	1,431,502
(Gain)/loss on sale of fixed assets	(6,704)	-
Profit on sale of fixed assets		
Net (gain) on sale of current investments	(21,684,664)	(33,986,176)
Interest expenses	-	28,730
Interest income	(7,994,667)	(11,352,043)
Operating loss before working capital changes	29,635,929	(445,469,073)
Movement in working capital :		
Increase in other long-term liabilities	197,216,641	259,637,375
Increase in trade payables	31,528,156	42,281,269
Increase in other current liabilities	119,069,838	344,970,726
Increase/ (decrease) in short-term provisions	10,989,312	(10,046,215)
Increase in other current assets	(7,361,245)	(9,397,210)
Decrease / (Increase) in trade receivables	2,244,962	(741,729)
Increase in loans & advances	(39,799,620)	(46,528,438)
Cash generated from operations	343,523,974	134,706,705
Direct taxes paid (net of refund)	10,296,848	17,839,468
Net cash from operating activities (A)	353,820,822	152,546,173
Cash flow from investing activities		
Purchase of fixed assets including capital work in progress and capital advance	(20,426,114)	(60,596,069)
Purchase of current investments	(1,077,661,834)	(2,359,089,796)
Investment in subsidiary company	(655,302,000)	(779,500,000)
Interest (income)	7,994,667	11,352,043
Proceeds from sale/maturity of current investments	1,388,596,061	1,740,849,888
Investments in bank deposits (having original maturity of more than three months)	-	(8,994,714)
Net cash used in investing activities (B)	(356,792,516)	(1,455,978,648)
Cash flows from financing activities		
Proceeds from issuance of share capital	-	1,325,999,290
Repayment of short term borrowings	-	(569,318)
Interest paid	-	(28,730)
Net cash from/ (used in) financing activities (C)	-	1,325,401,242
Net increase in cash and cash equivalents (A+B+C)	(2,971,695)	21,968,767
Cash and cash equivalents at the beginning of the period	228,721,169	206,752,402
Cash and cash equivalents at end of the period	225,749,474	228,721,169
Components of cash and cash equivalents		
Cash on hand	250,407	16,145
Cheques on hand	37,358,525	94,454,422
With banks - on current account	67,422,093	20,726,322
With banks - As term deposit	120,718,449	113,524,280
Total cash and cash equivalents (note 15)	225,749,474	228,721,169

3. Share Capital

	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Authorized shares		
20,000,000 (31 March 2016: 20,000,000) equity shares of Rs. 10 each	200,000,000	200,000,000
1,493,903 (31 March 2016: 1,493,903) 0.01% Series A cumulative convertible preference shares (CCPS) of Rs. 328 each.	490,000,184	490,000,184
1,722,047 (31 March 2016: 1,722,047) 0.01% Series B compulsory convertible preference shares (CCPS) of Rs. 100 each	172,204,700	172,204,700
	862,204,884	862,204,884
Issued, subscribed and fully paid-up shares		
9,168,989 (31 March 2016: 9,168,989 equity shares) equity shares of Rs. 10 each	91,689,890	91,689,890
1,493,903 (31 March 2016: 1,493,903) 0.01% Series A CCPS of Rs. 328 each	490,000,184	490,000,184
1,722,047 (31 March 2016: 1,722,047) 0.01% Series B CCPS of Rs. 100 each	172,204,700	172,204,700
	753,894,774	753,894,774

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	31 December 2016		31 March 2016	
	No.	(Amount in Rs.)	No.	(Amount in Rs.)
At the beginning of the year	9,168,989	91,689,890	9,168,959	91,689,590
Issued during the year	-	-	30	300
Outstanding at the end of the year	9,168,989	91,689,890	9,168,989	91,689,890

Preference shares Series A

	31 December 2016		31 March 2016	
	No.	(Amount in Rs.)	No.	(Amount in Rs.)
At the beginning of the year	1,493,903	490,000,184	1,493,903	490,000,184
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,493,903	490,000,184	1,493,903	490,000,184

Preference shares Series B

	31 December 2016		31 March 2016	
	No.	(Amount in Rs.)	No.	(Amount in Rs.)
At the beginning of the year	1,722,047	172,204,700	-	-
Issued during the year	-	-	1,722,047	172,204,700
Outstanding at the end of the year	1,722,047	172,204,700	1,722,047	172,204,700

b) Terms/ rights attached to equity shares

- 1) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share.
- 2) In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Terms of conversion/ redemption of Series A -CCPS

- 1) Each Series A CCPS holder is entitled to participate pari-passu in any dividends paid to the holders of the shares of any other class (including Equity Shares) or series on a pro-rata, as if converted basis.
- 2) Each Series A CCPS may be converted into equity shares at any time at the option of the holder of the Series A preference share.
- 3) Subject to compliance with applicable laws, each Series A Preference share shall automatically be converted at the Series A Conversion Price (Rs. 293.86 subject to prescribed adjustments) into equity shares upon the earlier of (i) December 31, 2027; or (ii) immediately prior to the IPO for the purpose of enabling the listing of the shares in accordance with the requirement under the applicable law.
- 4) In the event of liquidation, each holder of Series A Preference Shares shall be entitled to receive an amount, per Series A Preference Share equal to the Original Series A Share Issue Price plus any arrears of declared and accrued but unpaid dividends calculated to the date of such payment (the "Series A Preference Amount"), which shall rank pari passu with the Series B Preference Amount and upon receipt of such Series A Preference Amount by the holders of the Series A Preference Shares and upon receipt of the Series B Preference Amount by the holders of the Series B Preference Shares, any assets or funds remaining and distributable to the shareholders of the Company shall be distributed pari passu among the holders of the outstanding Series A Preference Shares, Series B Preference Shares, and Equity Shares on a pro-rata, as if converted basis.
- 5) Subject to Applicable Laws, the holders of the Series A Preference Shares shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the shareholders of the Company (including the holders of Equity Shares).

d) Terms of conversion/ redemption of Series B -CCPS

- 1) Each Series B CCPS holder is entitled to participate pari-passu in any dividends paid to the holders of the shares of any other class (including Equity Shares) or series on a pro-rata, as if converted basis.
- 2) Each Series B CCPS may be converted into equity shares at any time at the option of the holder of the Series B preference share.
- 3) Subject to compliance with applicable laws, each Series B Preference share shall automatically be converted at a conversion price (then in effect) subject to prescribed adjustment, into Equity Shares upon the earlier of (i) 20 (twenty) years from the date of their issuance, or (ii) immediately prior to the IPO for the purpose of enabling the listing of the shares in accordance with the requirement under the applicable law.
- 4) In the event of liquidation, each holder of Series B Preference Shares shall be entitled to receive an amount per Series B Preference Share equal to the Original Series B Share Issue Price plus any arrears of accumulated but unpaid dividends calculated to the date of such payment (the "Series B Preference Amount"), which shall rank pari passu with the Series A Preference Amount and upon receipt of such Series B Preference Amount by the holders of the Series B Preference Shares and upon receipt of the Series A Preference Amount by the holders of the Series A Preference Shares, any assets or funds remaining and distributable to the shareholders of the Company shall be distributed pari passu among the holders of the outstanding Series A Preference Shares, Series B Preference Shares, Equity Shares on a pro-rata, as if converted basis. However the amount so payable shall not exceed an amount that is higher of 3 (Three) times the Original Series B Share Issue Price plus any arrears of declared & accrued but unpaid dividend calculated to the date of such payment or the percentage of the proceeds from such deemed liquidation that is equal to the percentage of the share capital of the company on a fully diluted basis represented by each Series B Preference Share plus any arrears of declared & accrued but unpaid dividend calculated to the date of such payment.
- 5) Subject to Applicable Laws, the holders of the Series B Preference Shares shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the shareholders of the Company (including the holders of Equity Shares).

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

	31 December 2016		31 March 2016	
	No.	% Holding	No.	% Holding
Equity shares of Rs. 10 each fully paid				
Dinesh Agarwal	4,741,600	51.71%	4,741,600	51.71%
Brijesh Agrawal	3,213,100	35.04%	3,213,100	35.04%

	31 December 2016		31 March 2016	
	No.	% Holding	No.	% Holding
CCPS of Rs. 328 each fully paid				
Intel Capital (Mauritius) Limited	1,493,903	100%	1,493,903	100%

	31 December 2016		31 March 2016	
	No.	% Holding	No.	% Holding
CCCPs of Rs. 100 each fully paid				
Amadeus IV DPF Limited	516,613	30%	516,613	30%
Westbridge Crossover Fund LLC	430,509	25%	430,509	25%
Accion Frontier Inclusion Mauritius	516,613	30%	516,613	30%
Intel Capital (Mauritius) Limited	258,312	15%	258,312	15%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company.

For details of shares reserved for issue on conversion of CCPS, please refer note 3 (c) and (d) regarding terms of conversion/ redemption of preference shares.

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4. Reserves and surplus

	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Securities Premium Account		
Balance as per last financial statements	1,306,819,536	153,025,246
Add: premium on issue of shares	-	1,153,794,290
Closing balance	1,306,819,536	1,306,819,536
Employee stock options outstanding	17,661,012	17,661,012
General Reserve	8,451,995	8,451,995
Deficit in the statement of profit and loss		
Balance as per last financial statements	(2,003,672,006)	(1,572,163,966)
Loss for the year	32,301,555	(431,508,040)
Total deficit in the statement of profit and loss	(1,971,370,451)	(2,003,672,006)
Total reserves and surplus	(638,437,908)	(670,739,463)

5. Other long term liabilities

	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Trade payables	7,728,143	6,663,893
Others		
Deferred Revenue	992,209,889	794,993,248
	999,938,032	801,657,141

6. Other current liabilities

	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Trade payables		
• total outstanding dues of micro enterprises and small enterprises	-	-
• total outstanding dues of creditors other than micro enterprises and small enterprises	268,130,856	237,666,950
Other liabilities		
Current maturities of long-term borrowings	-	-
Advances from customers	184,033,024	201,892,750
Deferred Revenue	1,330,222,743	1,224,178,122
Payable to employees (against insurance claims)	1,461,669	32,856
Security deposits	136,501	136,501
Others		
Tax deducted at source payable	12,148,610	15,885,095
Contribution to provident fund payable	2,158,453	1,978,900
Contribution to ESI payable	77,451	135,445
Service Tax Payable	34,875,709	1,844,409
Professional tax payable	225,783	213,084
Payable for Labour Welfare Fund	47,857	20,800
	1,565,387,800	1,446,317,962
	1,833,518,656	1,683,984,912

7. Short-term provisions

	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Provision for employee benefit		
Provision for gratuity	20,992,952	12,432,153
Provision for leave encashment	23,908,955	21,480,442
	44,901,907	33,912,595

INDIAMART INTERMESH LIMITED
Notes to financial statements for the period ended

8. Tangible Assets

	Leasehold Land	Computers	Office Equipments	Furniture & Fittings	Motor Vehicles	Leasehold Improvements	(Amount in Rs.) Total
Gross block							
At 31 March 2015	33,385,926	88,715,729	27,199,581	25,784,074	2,829,568	27,015,264	204,930,142
Additions	-	44,483,494	11,374,679	2,228,233	42,824	-	58,129,230
Disposals	-	-	-	-	-	-	-
At 31 March 2016	33,385,926	133,199,223	38,574,260	28,012,307	2,872,392	27,015,264	263,059,372
Additions	-	12,689,198	4,072,505	453,063	-	-	17,214,766
Disposals	-	-	-	-	-	-	-
Asset Written off	-	-	-	-	-	-	-
At 31 December 2016	33,385,926	145,888,421	42,646,765	28,465,370	2,872,392	27,015,264	280,274,138
Depreciation							
At 31 March 2015	3,338,593	85,938,414	18,947,917	23,050,642	1,464,605	27,015,264	159,755,435
Charge for the year	370,955	13,785,264	6,349,315	1,250,768	401,873	-	22,158,175
Disposals	-	-	-	-	-	-	-
At 31 March 2016	3,709,548	99,723,678	25,297,232	24,301,410	1,866,478	27,015,264	181,913,610
Charge for the year	278,216	19,551,247	5,508,173	919,204	216,703	-	26,473,544
Disposals	-	-	-	-	-	-	-
Asset Written off	-	-	-	-	-	-	-
At 31 December 2016	3,987,764	119,274,925	30,805,405	25,220,614	2,083,181	27,015,264	208,387,154
Net block							
At 31 March 2016	29,676,378	33,475,545	13,277,028	3,710,897	1,005,914	-	81,145,762
At 31 December 2016	29,398,162	26,613,496	11,841,360	3,244,756	789,211	-	71,886,983

Note: The Company entered into a lease agreement with Noida authority on 5 October 2006 for a land situated at Sector- 73, Noida. The covenants of the lease deed provided that the Company shall construct within 5 years from the execution of lease deed. This covenant was not complied with but management has obtained time extension from Noida authority for completion of construction upto October 5, 2016.

9. Intangible assets

	Web Portals	Software	Unique telephone numbers	(Amount in Rs.) Total
Gross block				
At 31 March 2015	96,036,052	22,559,602	10,500,000	129,095,654
Additions	-	146,322	-	146,322
Disposals	-	-	-	-
At 31 March 2016	96,036,052	22,705,924	10,500,000	129,241,976
Additions	-	105,210	-	105,210
Disposals	-	-	-	-
At 31 December 2016	96,036,052	22,811,134	10,500,000	129,347,186
Amortization				
At 31 March 2015	96,036,052	20,381,655	2,652,055	119,069,762
Charge for the year	-	903,520	3,147,779	4,051,299
Disposals	-	-	-	-
At 31 March 2016	96,036,052	21,285,175	5,799,834	123,121,061
Charge for the year	-	459,878	1,416,489	1,876,367
Disposals	-	-	-	-
At 31 December 2016	96,036,052	21,745,053	7,216,323	124,997,428
Net Block				
At 31 March 2016	-	1,420,749	4,700,166	6,120,915
At 31 December 2016	-	1,066,081	3,283,677	4,349,758

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10. Non- current investments

	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Trade investment (valued at cost unless stated otherwise)		
<i>Unquoted equity instruments</i>		
Investment in subsidiaries		
110,000 (31 March 2016: 109,900) equity shares of Rs. 10 each in Tradezeal International Private Limited	1,100,000	1,099,000
500,000 (31 March 2016: Nil) redeemable Preference shares of Rs. 10 each in Tradezeal International Private Limited	5,000,000	-
Investment as share application money in Tradezeal International Private Limited	10,200,000	-
20,000 (31 March 2016: 9,900) equity shares of Rs. 10 each in HelloTrade Online Private Limited	200,000	99,000
60,000 (31 March 2016: 60,000) equity shares of Rs. 10 each in Ten Times Online Private Limited	600,000	600,000
53,860,000 (31 March 2016: 53,860,000) equity shares of Rs. 10 each in Tolexo Online Private Limited	538,600,000	538,600,000
5,750,000 (31 March 2016: 5,750,000) Optionally Convertible Redeemable Preference Shares of Rs. 10 each in Tolexo Online Private Limited	57,500,000	57,500,000
9,035,000 (31 March 2016: 2,635,000) Optionally Convertible Redeemable Preference Shares of Rs. 10 each (including premium of Rs. 90 each) in Tolexo Online Private Limited	903,500,000	263,500,000
	1,516,700,000	861,398,000
Less: Provision for diminution in value of Investment in subsidiaries		
- Tradezeal International Private Limited	1,200,000	1,099,000
- HelloTrade Online Private Limited	100,000	99,000
	1,515,400,000	860,200,000

11. Loans and advances

	Non- Current		Current	
	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Capital advances				
Unsecured, considered good	5,426,655	2,320,517	-	-
	5,426,655	2,320,517	-	-
Security deposit				
Unsecured, considered good	49,527,048	47,191,380	-	-
	49,527,048	47,191,380	-	-
Advances recoverable in cash or kind or for value to be received				
Unsecured considered good	-	-	13,798,134	9,031,983
	-	-	13,798,134	9,031,983
Other loan and advances				
Advance tax/Tax deducted at source	-	-	82,512,190	72,215,342
Loan to employees*	65,000	330,522	13,099,633	9,427,369
Prepaid expenses	1,157,226	1,804,933	24,538,588	13,652,558
Balances with statutory/ government authorities	-	-	1,915,383	3,456,344
	1,222,226	2,135,455	122,065,795	98,751,613
Total	56,175,929	51,647,352	135,863,929	107,783,596

*Represents interest free loans to employees, which is recoverable in maximum 24 monthly instalments.

12. Other assets

	Non- current		Current	
	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Accrued Income			2,855,015	-
Amount recoverable from Payment Gateway banks	-	-	13,903,440	9,397,210
	-	-	16,758,455	9,397,210

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13. Current investments

	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Non-trade investments (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted investment		
76,447 Units (31 March 2016 : 56,749 units) of Rs. 10 each of HDFC Prudence Fund - Growth	28,504,272	20,704,274
123,434 Units (31 March 2016 : 67,033 units) of Rs. 10 each of HDFC Top 200 Fund - Growth	41,000,563	21,500,567
18,005 Units (31 March 2016 : 18,085 units) of Rs. 10 each of HDFC Liquid Fund-Growth	56,571,431	53,777,659
886,338 Units (March 2016 : 695,136 units) of Rs. 10 each of IDFC Premier Equity Fund -Growth	51,587,039	37,369,338
392 Units (31 March 2016 : 14,882 units) of Rs. 10 each of Birla Sun Life Cash Plus-Growth-Regular Plan	99,257	3,592,684
458,237 Units (31 March 2016 : 320,768 units) of Rs. 10 each of Birla Sunlife Frontline Equity Fund-Growth Regular Plan	68,244,142	44,600,000
3,008,967 Units (31 March 2016 :3,008,967 units) of Rs. 10 each of Birla Sunlife Short Term Plan-Growth Regular Plan	70,000,000	70,000,000
391,447 Units (31 March 2016: 391,447 units) HDFC Short Term Plan- Growth	10,739,654	10,739,654
153,956 Units (31 March 2016: 123,203 units) IDFC Money Manager – Treasury Plan	3,813,542	2,882,732
Nil (31 March 2016: 8,678,191 units) HDFC Floating Rate Income Fund	-	223,000,000
1,074,783 Units (31 March 2016: 1,074,783 units) Birla Sun Life Treasury Plan-Grow-Direct Plan	200,000,000	200,000,000
4,272,145 Units (31 March 2016: 4,272,145 units) IDFC ultra short term fund	90,000,000	90,000,000
5,468,770 Units (31 March 2016: 5,468,770 units) IDFC Super Saver Income Fund - Short Term Plan	170,000,000	170,000,000
10,359,979 Units (31 March 2016: 10,359,979 units) HDFC Short Term Opportunities Fund-Direct Growth Plan	170,000,000	170,000,000
Nil (31 March 2016: 183,633 units) Birla Sun Life Treasury Cash Plus-Grow-Direct Plan	-	44,142,551
Nil (31 March 2016: 449,425 units) Birla Sun Life Floating Rate Fund Short Term Plan Growth	-	90,000,000
89,767 Units (31 March 2016: Nil) Icici Prudential Balanced Advantage Fund	2,500,000	-
	963,059,901	1,252,309,459
Less: Provision for diminution in value of Investment in Mutual Funds	-	1,431,502
	963,059,901	1,250,877,957

14. Trade receivables and other assets

	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables		
Unsecured, considered good	2,798,897	1,735,682
Amount recoverable from related party	-	3,308,177
	2,798,897	5,043,859

15. Cash and bank balances

	Non- current		Current	
	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)	31 December 2016 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	67,422,093	20,726,322
As term deposit	-	-	120,718,449	113,524,280
Cheques on hand	-	-	37,358,525	94,454,422
Cash on hand	-	-	250,407	16,145
	-	-	225,749,474	228,721,169

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16. Revenue from operations

	31 December 2016	31 March 2016
	(Amount in Rs.)	(Amount in Rs.)
Income from web services	2,308,615,579	2,462,452,255
	2,308,615,579	2,462,452,255

17. Other income

	31 December 2016	31 March 2016
	(Amount in Rs.)	(Amount in Rs.)
Interest		
Others	2,098,086	1,195,141
Bank deposits	7,994,667	11,352,043
Net gain on sale of current investments	21,684,664	33,986,176
Profit on sale of Assets	6,704	-
Excess provision written back	1,431,502	-
	33,215,623	46,533,360

18. Employee benefit expense

	31 December 2016	31 March 2016
	(Amount in Rs.)	(Amount in Rs.)
Salaries, wages and bonus	1,262,097,206	1,443,465,097
Contribution to provident and other funds	8,985,190	11,925,449
Gratuity expenses	8,812,728	13,046,852
Staff welfare expenses	51,409,287	63,734,569
	1,331,304,410	1,532,171,967

19. Depreciation and amortization expenses

	31 December 2016	31 March 2016
	(Amount in Rs.)	(Amount in Rs.)
Depreciation of tangible assets	26,473,544	22,158,175
Amortization of intangible assets	1,876,367	4,051,299
	28,349,910	26,209,474

20. Finance expenses

	31 December 2016	31 March 2016
	(Amount in Rs.)	(Amount in Rs.)
Interest	-	28,730
Bank charges	7,117,278	10,140,070
	7,117,278	10,168,800

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21. Other expenses

	31 December 2016	31 March 2016
	(Amount in Rs.)	(Amount in Rs.)
Content development expenses	156,898,536	211,920,813
Buyer Engagement Expenses	95,609,123	117,417,427
Customer Support Expenses	131,681,999	175,023,783
Outsourced sales cost	112,592,926	141,849,390
Internet and other online expenses	58,625,881	63,014,456
Rent	111,446,024	127,717,973
Rates & taxes	4,819,826	8,213,705
Communication costs	8,036,808	10,717,338
Outsourced support cost	6,775,274	-
Outsourced manpower cost	29,315,352	-
Advertisement expenses	48,874,735	294,348,736
Exhibition expenses	-	6,100
Power and fuel	21,033,980	25,797,332
Printing and stationery	8,096,780	10,231,258
Repairs and maintenance :		
- Plant and machinery	7,587,125	10,539,904
- Others	45,429,316	51,708,291
Travelling and conveyance	30,979,591	22,885,377
Recruitment and training expenses	19,882,109	39,595,442
Legal and professional fees	28,158,863	44,301,228
Directors' sitting fees	1,250,000	1,660,000
Payment to auditor (refer details below)	1,560,003	1,802,008
Insurance expenses	11,106,398	7,395,472
Provision for diminution in value of Investment	102,000	1,431,502
Document management expenses	2,354,142	-
General expenses	541,258	658,399
	942,758,048	1,368,235,934

Payment to auditor

As auditor:		
Audit fees	1,297,503	1,430,000
Tax audit fees	262,500	300,000
Reimbursement of expenses	-	72,008
	1,560,003	1,802,008

22. Earnings per share (EPS)

Net loss after tax for calculation of Basic EPS and Diluted EPS	32,301,555	(431,508,040)
Weighted average number of equity shares in calculating basic EPS	9,168,989	9,168,966
Basic/ diluted earnings (loss) per equity share	3.52	(47.06)

There are potential equity shares as on 31 December 2016 and 31 March 2016 in the form of CCPS and stock options granted to employees. As these are anti dilutive, they are ignored in the calculation of diluted earning/(loss) per share and accordingly the diluted earning/(loss) per share is the same as basic earnings/(loss) per share.

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SHAREHOLDING PATTERN OF TOLEXO ONLINE PRIVATE LIMITED ("TRANSFEROR COMPANY") PRE AND POST DEMERGER BASED ON ITS CAPITAL STRUCTURE AS ON APPOINTED DATE IS AS FOLLOWS:

EQUITY SHAREHOLDERS

Sl.no.	Name of the Shareholder	Pre Demerger		Post Demerger	
		Total shares held	% of equity	Total shares held	% of equity
1	Promoters and Promoter Group	5,38,60,000	100.00	67,32,500	100.00
2.	Individuals Non Promoters	-	-	-	-
3.	Other institutional Investors	-	-	-	-
	GRAND TOTAL	5,38,60,000	100.00	67,32,500	100.00

0.01% OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES

Sl.no.	Name of the Shareholder	Pre Demerger		Post Demerger	
		Total shares held	% of equity	Total shares held	% of equity
1	Indiamart InterMesh Limited	1,47,85,000	100.00	18,48,125	100.00
	GRAND TOTAL	1,47,85,000	100.00	18,48,125	100.00

SHAREHOLDING PATTERN OF TOLEXO ONLINE PRIVATE LIMITED ("TRANSFEROR COMPANY") PRE AND POST DEMERGER BASED ON ITS CAPITAL STRUCTURE AS ON DATE OF NOTICE IS AS FOLLOWS:

EQUITY SHAREHOLDERS

Sl.no.	Name of the Shareholder	Pre Demerger		Post Demerger	
		Total shares held	% of equity	Total shares held	% of equity
1	Promoters and Promoter Group	5,38,60,000	100.00	67,32,498	100.00
2.	Individuals Non Promoters	-	-	-	-
3.	Other institutional Investors	-	-	-	-

	GRAND TOTAL	5,38,60,000	100.00	67,32,498	100.00
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0.01% OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES

Sl.no.	Name of the Shareholder	Pre Demerger		Post Demerger	
		Total shares held	% of equity	Total shares held	% of equity
1	IndiaMART InterMESH Limited	1,57,35,000	100.00	19,66,875	100.00
	GRAND TOTAL	1,57,35,000	100.00	19,66,875	100.00

SHAREHOLDING PATTERN OF INDIAMART INTERMESH LIMITED ("TRANSFEREE COMPANY") PRE AND POST DEMERGER BASED ON ITS CAPITAL STRUCTURE AS ON THE APPOINTED DATE IS AS FOLLOWS:

EQUITY SHAREHOLDERS

Sl.no.	Name of the Shareholder	Pre Demerger		Post Demerger	
		Total shares held	% of equity	Total shares held	% of equity
1	Promoters and Promoter Group	83,09,600	90.63	83,09,600	90.63
2.	Individuals Non Promoters	2,19,600	2.39	2,19,600	2.39
3.	Other institutional Investors	6,39,789	6.98	6,39,789	6.98
	GRAND TOTAL	91,68,989	100.00	91,68,989	100.00

0.01% COMPULSORILY CONVERTIBLE PREFERENCE SHARES (SERIES A)

S.No.	Name of the Share Holder	Pre Demerger		Post Demerger	
		Total Shares held	% of Shares	Total Shares held	% of Shares
1	Intel Capital (Mauritius) Ltd.	14,93,903	100.00	14,93,903	100.00
	GRAND TOTAL	14,93,903	100.00	14,93,903	100.00

0.01% COMPULSORILY CONVERTIBLE PREFERENCE SHARES (SERIES B)

S. No.	Name of the shareholder	Pre Demerger		Post Demerger	
		Total Shares held	% of Shares	Total Shares held	% of Shares
1	Amadeus IV DPF Limited	5,16,613	30.00	5,16,613	30.00
2	Accion Frontier Inclusion Mauritius	5,16,613	30.00	5,16,613	30.00

3	Westbridge Crossover Fund LLC	4,30,509	25.00	4,30,509	25.00
4	Intel Capital (Mauritius) Ltd.	2,58,312	15.00	2,58,312	15.00
Grand total		17,22,047	100.00	17,22,047	100.00

SHAREHOLDING PATTERN OF INDIAMART INTERMESH LIMITED ("TRANSFEREE COMPANY") PRE AND POST DEMERGER BASED ON ITS CAPITAL STRUCTURE AS ON THE DATE OF NOTICE IS AS FOLLOWS:

EQUITY SHAREHOLDERS

Sl.no.	Name of the Shareholder	Pre Demerger		Post Demerger	
		Total shares held	% of equity	Total shares held	% of equity
1	Promoters and Promoter Group	83,09,600	90.63	83,09,600	90.63
2.	Individuals Non Promoters	2,19,600	2.39	2,19,600	2.39
3.	Other institutional Investors	6,39,789	6.98	6,39,789	6.98
	GRAND TOTAL	91,68,989	100.00	91,68,989	100.00

0.01% COMPULSORILY CONVERTIBLE PREFERENCE SHARES (SERIES A)

S.No.	Name of the Share Holder	Pre Demerger		Post Demerger	
		Total Shares held	% of Shares	Total Shares held	% of Shares
1	Intel Capital (Mauritius) Ltd.	14,93,903	100.00	1,493,903	100.00
	GRAND TOTAL	14,93,903	100.00	14,93,903	100.00

0.01% COMPULSORILY CONVERTIBLE PREFERENCE SHARES (SERIES B)

S. No.	Name of the shareholder	Pre Demerger	Post Demerger
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		Total Shares held	% of Shares	Total Shares held	% of Shares
1	Amadeus IV DPF Limited	5,16,613	30.00	5,16,613	30.00
2	Accion Frontier Inclusion Mauritius	5,16,613	30.00	5,16,613	30.00
3	Westbridge Crossover Fund LLC	4,30,509	25.00	4,30,509	25.00
4	Intel Capital (Mauritius) Ltd.	2,58,312	15.00	2,58,312	15.00
Grand total		17,22,047	100.00	17,22,047	100.00

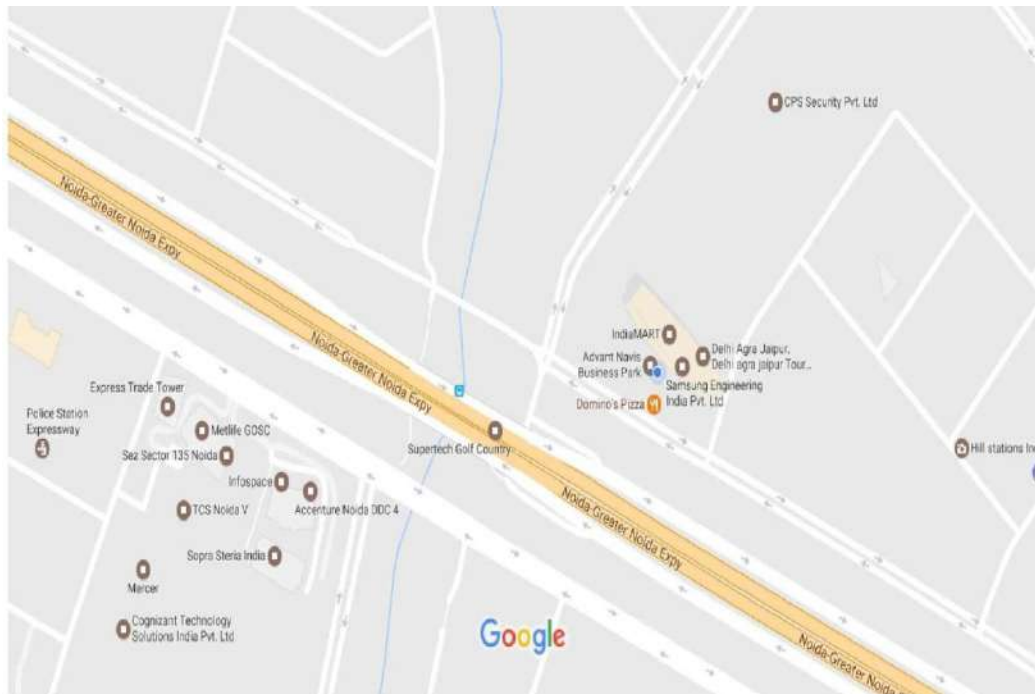
0.01% COMPULSORILY CONVERTIBLE PREFERENCE SHARES (SERIES B1)

S. No.	Name of the shareholder	Pre Demerger		Post Demerger	
		Total Shares held	% of Shares	Total Shares held	% of Shares
1	Amadeus IV DPF Limited	51,662	54.55	51,662	54.55
2	Westbridge Crossover Fund LLC	43,051	45.45	43,051	45.45
Grand total		94,713	100.00	94,713	100.00

Route Map

Tolexo Online Private Limited

7th Floor, Tower A, AdvantNavis Business Park, Plot No.7, Sector-142, Noida, Uttar Pradesh-201301



Proxy form

TOLEXO ONLINE PRIVATE LIMITED
REGISTERED OFFICE: - 1st Floor, 29- DARYAGANJ, NETAJI SUBHASH MARG, NEW DELHI- 110002
CIN NO.: U72200DL2014PTC267665, Email Id :support@tolexo.com
NATIONAL COMPANY LAW TRIBUNAL ("NCLT") CONVENED MEETING OF UNSECURED CREDITORS OF
TOLEXO ONLINE PRIVATE LIMITED ON FRIDAY, JULY 14, 2017 AT 02:00 PM

Name of Unsecured Creditor	
Registered Address	
Email Id.	
Total amount	

I/We _____ the undersigned, being the Unsecured Creditors of Tolexo Online Private Limited ("Transferor Company") do hereby appoint:

1) Name :Email Id.:.....

Address :

Signature :Or failing him/her.....

2) Name :Email Id.:.....

Address :

Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the NCLT Convened Meeting of Unsecured Creditors of the Transferor Company, to be held 7th Floor, Advant Navis Business Park, Plot No. 7, Sector-142, Noida, Uttar Pradesh-201301 on July 14, 2017 at 02:00 PM or at any adjournment thereof in respect of such resolution as are indicated below:

Item No.	RESOLUTIONS SPECIAL BUSINESS	FOR	AGAINST
1	For approving, with or without modifications, the proposed Scheme of Arrangement between Tolexo Online Pvt. Ltd. and Indiamart InterMesh Ltd. and their respective Shareholders and Creditors ("Scheme of Arrangement ") under Section 230-232 and other applicable provisions of the Companies Act, 2013		

Signed this..... day of..... 2017

Affix
Re. 1/-
Revenue
Stamp

Signature of the Unsecured Creditors

Signature of the Proxy Holder

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'FOR' and 'AGAINST' column blank against Resolution, your Proxy will be entitled to vote in the manner as he / she think appropriate.
4. A Proxy need not be Creditor of the Transferor Company.
5. A Proxy should not be a minor
6. Please complete all details in above box before submission.
7. Proxy should carry a valid proof of identity like PAN card, Aadhar card, Driving License, Passport, etc.
8. Proxy authorised by an Unsecured Creditor which is a body corporate should carry either copy of the Resolution passed by the Board of Directors or Power of Attorney or Authority Letter. Such Resolution or Power of Attorney or Authority Letter should be lodged with the Transferor Company at its registered office not later than 48 hours before the time scheduled / fixed for the said Meeting.
9. In case of multiple Proxies, the Proxy later in time shall be accepted.

TOLEXO ONLINE PRIVATE LIMITED.
CIN No. U72200DL2014PTC267665
Registered Office at 1st Floor, 29-Daryaganj,
Netaji Subhash Marg, New Delhi- 110002
Telephone: 011-30272100
Email: support@tolexo.com
website: www.tolexo.com

ATTENDANCE SLIP

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE
ENTRANCE OF THE MEETING HALL**

In the matter of the Companies Act, 2013;

And

**In the matter of Sections 230 to 232 and other relevant provisions of the
Companies Act, 2013;**

And

**In the matter of Scheme of Arrangement between Tolexo Online Private Limited
and Indiamart Intermesh Limited and their respective shareholders and creditors;**

Name of the Unsecured Creditor	:	
Registered address	:	
Email ID	:	
Amount Outstanding	:	

I/We hereby record my/our presence at the meeting of the Unsecured Creditors of Tolexo Online Private Limited, in our capacity/ capacity as a proxy/ capacity of a representative, convened pursuant to the Order dated May 19, 2017 of the Principal Bench of the National Company Law Tribunal at 7th Floor, Advant Navis Business Park, Plot No 7, Sector 142, Noida 201301 on Friday, 14th day of July, 2017 at 2:00 PM.

Name and sign of Unsecured Creditors / Proxy / Authorised Representative

