



PANKAJ PRITI & ASSOCIATES
CHARTERED ACCOUNTANTS

1027, 10TH FLOOR, ROOTS TOWER

LAXMI NAGAR, DELHI-110092

PH.- 011-43026850, 43026851, 9811211929

Email: capankajpriti@yahoo.com, capankajpriti@gmail.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Tolexo Online Private Limited

Opinion

We have audited the condensed standalone interim financial statements of **Tolexo Online Private Limited** ("the Company"), which comprise the condensed standalone balance sheet as at 30 September 2020, and the condensed standalone statement of profit and loss (including other comprehensive income) for the quarter and year-to-date period then ended, condensed standalone statement of changes in equity and condensed standalone statement of cash flows for the year-to-date period then ended, and notes to the condensed standalone interim financial statements, including a summary of the significant accounting policies and other explanatory information, as required by Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" and other accounting principles generally accepted in India

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed standalone interim financial statements give a true and fair view in conformity with Ind AS 34 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 30 September 2020, and profit/loss and other comprehensive income for the quarter and year-to-date period then ended, changes in equity and its cash flows for the year-to-date period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Condensed Standalone Interim Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the condensed standalone interim financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Condensed Standalone Interim Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these condensed standalone interim financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS 34 prescribed under section 133 of the Act and other accounting principles

generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the condensed standalone interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the condensed standalone interim financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Condensed Standalone Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the condensed standalone interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these condensed standalone interim financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the condensed standalone interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed standalone interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

- obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the condensed standalone interim financial statements, including the disclosures, and whether the condensed standalone interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

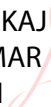
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Pankaj Priti and Associates

Chartered Accountants

(Firm's Registration No. 016461N)

PANKAJ
KUMAR
JAIN



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by PANKAJ
KUMAR JAIN
Date: 2020.11.07
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Signature

Pankaj Jain

Partner

Place: Delhi

Date: 07/11/2020

(Membership No. 095412)

Tolexo Online Private Limited
Condensed Interim Balance Sheet as at 30 September 2020
(Amounts in INR "Thousands", unless otherwise stated)

	Notes	As at 30 September 2020	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	4	1,353	1,945
Intangible assets	5	92	173
Other financial assets	6	314	314
Non-current tax assets (net)	16	214	166
Other non-current assets	7	16,846	16,779
Total non-current assets		18,819	19,377
Current assets			
Financial assets			
(i) Cash and cash equivalents	8	3,751	22,911
(ii) Trade receivables	6	29	-
(iii) Loans	6	1,073	1,254
Current tax assets (net)	16	1,665	1,702
Other current assets	7	194	677
Total current assets		6,712	26,544
Total assets		25,531	45,921
Equity and liabilities			
Equity			
Equity share capital	9	70,018	70,018
Other equity	10	(2,73,349)	(2,37,814)
Total equity		(2,03,331)	(1,67,796)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	11	2,19,509	2,04,129
Provisions	14	2,593	2,352
Contract Liabilities	15	442	73
Total non-current liabilities		2,22,544	2,06,554
Current liabilities			
Financial liabilities			
(i) Trade payables	12	-	-
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		351	405
(ii) Other financial liabilities	13	1,672	2,478
Provisions	14	719	245
Contract Liabilities	15	3,358	3,707
Other current liabilities	15	217	328
Total current liabilities		6,317	7,163
Total liabilities		2,28,862	2,13,717
Total equity and liabilities		25,531	45,921
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the condensed interim financial statements

As per our report of even date

For Pankaj Priti & Associates
ICAI Firm Registration No. 016461N
Chartered Accountants
PANKAJ KUMAR Digitally signed by PANKAJ KUMAR JAIN
Date: 2020.11.07 11:02:26 +05'30'
JAIN
per Pankaj Jain
Partner
Membership No.: 095412

For and on behalf of the Board of Directors of
Tolexo Online Private Limited
Brijesh Kumar Agrawal Digitally signed by Brijesh Kumar Agrawal
Date: 2020.11.07 10:45:48 +05'30'
Brijesh Kumar Agrawal
(Director & Chief Executive Officer)
DIN: 00191760
RAHUL LUTHRA Digitally signed by RAHUL LUTHRA
Date: 2020.11.07 10:27:23 +05'30'
Rahul Luthra
(Company Secretary)

Prateek Chandra Digitally signed by Prateek Chandra
Date: 2020.11.07 10:13:18 +05'30'
Prateek Chandra
(Director & Chief Financial Officer)
DIN: 00356853

Place: New Delhi
Date : 07 November 2020

Place: Noida
Date : 07 November 2020

Tolexo Online Private Limited
Condensed Interim Statement of profit and loss for the period ended 30 September 2020
(Amounts in INR "Thousands", unless otherwise stated)

		For the quarter ended		For the period ended	
	Notes	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Income:					
Revenue from operations	17	1,270	493	2,323	1,139
Other income	18	54	42	169	92
Total income		1,324	534	2,492	1,231
Expenses:					
Employee benefits expense	19	9,886	8,904	19,152	15,279
Finance costs	20	7,732	4,133	15,380	8,201
Depreciation, amortization and impairment expenses	21	474	142	794	240
Other expense	22	1,618	2,117	2,691	4,176
Total expenses		19,710	15,296	38,017	27,896
Loss before tax		(18,386)	(14,762)	(35,525)	(26,666)
Loss for the period		(18,386)	(14,762)	(35,525)	(26,666)
Other comprehensive income (OCI)					
Items that will not be reclassified to profit or loss in subsequent period					
Re-measurement gain (losses) on defined benefit plans		65	(69)	(10)	(88)
Income tax effect		-	-	-	-
		65	(69)	(10)	(88)
Other comprehensive income for the period net of tax		65	(69)	(10)	(88)
Total comprehensive expense for the period		(18,321)	(14,830)	(35,535)	(26,754)
Earnings per equity share :	23				
Basic earnings per equity share (INR) - face value of Rs. 10 each		(2.63)	(2.11)	(5.07)	(3.81)
Diluted earnings per equity share (INR) - face value of Rs. 10 each		(2.63)	(2.11)	(5.07)	(3.81)
Summary of significant accounting policies	2				

The accompanying notes are an integral part of the condensed interim financial statements

As per our report of even date

For Pankaj Priti & Associates
ICAI Firm Registration No. 016461N
Chartered Accountants
PANKAJ KUMAR JAIN
Digitally signed by PANKAJ KUMAR JAIN
Date: 2020.11.07 11:03:01 +05'30'
per Pankaj Jain
Partner
Membership No.: 095412

Place: New Delhi
Date : 07 November 2020

For and on behalf of the Board of Directors of
Tolexo Online Private Limited

Brijesh Kumar Agrawal
Digitally signed by Brijesh Kumar Agrawal
Date: 2020.11.07 10:46:49 +05'30'

Brijesh Kumar Agrawal
(Director & Chief Executive Officer)
DIN: 00191760

RAHUL LUTHRA
Digitally signed by RAHUL LUTHRA
Date: 2020.11.07 10:27:52 +05'30'

Rahul Luthra
(Company Secretary)

Place: Noida
Date : 07 November 2020

Prateek Chandra
Digitally signed by Prateek Chandra
Date: 2020.11.07 10:13:52 +05'30'
Prateek Chandra
(Director & Chief Financial Officer)
DIN: 00356853

Particulars	For the period ended 30 September 2020	For the period ended 30 September 2019
Loss before tax	(35,525)	(26,666)
<i>Adjustments to reconcile loss before tax to net cash flows:</i>		
Depreciation/ impairment of property, plant and equipment	708	219
Amortisation of intangible assets	86	21
Allowances for doubtful debts and advances	-	123
Finance income	(169)	(92)
Interest expense on financial liability measured at amortised cost	15,380	8,201
Operating loss before working capital changes	(19,520)	(18,193)
Movement in working capital		
(Increase) in trade receivables	(29)	-
(Increase) in other financial assets	-	(25)
(Increase)/ decrease in other assets	597	(1,451)
(Increase)/decrease in other non-current financial assets	(804)	2,878
(decrease) in trade payables	(55)	(1,563)
(decrease) in other liabilities	(115)	(141)
Increase in provisions	706	353
Increase in contract liabilities	21	960
Cash generated from operations	(19,200)	(17,182)
Income tax paid/ (refund)	11	107
Net cash generated/(used) in operating activities	(19,211)	(17,289)
Cash flow from investing activities		
Purchase of property, plant and equipments	(118)	(949)
Interest received	169	92
Net cash flows generated /(used) in investing activities	51	(858)
Cash flow from financing activities		
Proceeds from issuance of Optionally convertible cumulative redeemable preference share	-	13,000
Net cash generated from financing activities	-	13,000
Net (decrease) / increase in cash and cash equivalents	(19,160)	(5,146)
Cash and cash equivalents at the beginning of the period	22,911	14,765
Cash and cash equivalents at the end of the period (Note 8)	3,751	9,619
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	3,751	9,618
Total cash and cash equivalents (Note 8)	3,751	9,618

The accompanying notes are an integral part of the condensed interim financial statements

As per our report of even date

For Pankaj Priti & Associates

ICAI Firm Registration No. 016461N
Chartered Accountants

PANKAJ KUMAR JAIN
per Pankaj Jain
Partner
Membership No.: 095412

Digitally signed by
PANKAJ KUMAR JAIN
Date: 2020.11.07
11:03:39 +05'30'

For and on behalf of the Board of Directors of
Tolexo Online Private Limited

Brijesh Kumar Agrawal
Digitally signed by
Brijesh Kumar Agrawal
Date: 2020.11.07
10:47:18 +05'30'

Brijesh Kumar Agrawal
(Director & Chief Executive Officer)
DIN: 00191760

RAHUL LUTHRA
Digitally signed by
RAHUL LUTHRA
Date: 2020.11.07
10:28:17 +05'30'

Rahul Luthra
(Company Secretary)

Place: Noida
Date : 07 November 2020

Prateek Chandra
Digitally signed by
Prateek Chandra
Date: 2020.11.07
10:14:16 +05'30'

Prateek Chandra
(Director & Chief Financial Officer)
DIN: 00356853

Place: New Delhi
Date : 07 November 2020

Tolexo Online Private Limited
Condensed Interim Statement of changes in equity for the year ended 30 September 2020
(Amounts in INR "Thousands", unless otherwise stated)

(a) Equity share capital (refer note 9)

Equity shares of INR 10 each issued, subscribed and fully paid up	Amount
As at 01 April 2019	70,018.00
Changes in equity share capital during the year	-
As at 30 September 2019	70,018.00
As at 01 April 2020	70,018.00
Changes in equity share capital during the period	-
As at 30 September 2020	70,018.00

(b) Other equity (refer note 10)

Particulars	Equity portion of OCCRPS	Retained earnings	Total other equity
Balance as at 1 April 2019	1,00,858	(2,61,820)	(1,60,962)
Loss for the period	-	(26,666)	(26,666)
Other comprehensive loss for the period	-	(88)	(88)
Equity contribution	(1,055)	-	(1,055)
Total comprehensive loss	(1,055)	(26,754)	(27,809)
Balance as at 30 September 2019	99,803	(2,88,574)	(1,88,771)
Balance as at 1 April 2020	93,068	(3,30,882)	(2,37,814)
Loss for the period	-	(35,525)	(35,525)
Other comprehensive income/ (loss) for the period	-	(10)	(10)
Total comprehensive loss	-	(35,535)	(35,535)
Balance as at 30 September 2020	93,068	(3,66,417)	(2,73,349)

The accompanying notes are an integral part of the condensed interim financial statements.

As per our report of even date

For Pankaj Priti & Associates
ICAI Firm Registration No. 016461N
Chartered Accountants

PANKAJ KUMAR JAIN
Digitally signed by PANKAJ KUMAR JAIN
Date: 2020.11.07 11:03:58 +05'30'

per Pankaj Jain
Partner
Membership No.: 095412

For and on behalf of the Board of Directors of
Tolexo Online Private Limited

Brijesh Kumar Agrawal
Digitally signed by Brijesh Kumar Agrawal
Date: 2020.11.07 10:47:41 +05'30'

Brijesh Kumar Agrawal
(Director & Chief Executive Officer)
DIN: 00191760

RAHUL LUTHRA
Digitally signed by RAHUL LUTHRA
Date: 2020.11.07 10:28:50 +05'30'

Rahul Luthra
(Company Secretary)

Place: Noida
Date : 07 November 2020

Prateek Chandra
Digitally signed by Prateek Chandra
Date: 2020.11.07 10:14:36 +05'30'

Prateek Chandra
(Director & Chief Financial Officer)
DIN: 00356853

Place: New Delhi
Date : 07 November 2020

Tolexo Online Private Limited**Notes to the condensed financial statements for the period ended 30th September 2020**(Amounts in “Thousands”)

1. Corporate Information

Tolexo Online Private Limited (“the Company”) is a private limited company domiciled in India and was incorporated on May 28, 2014 under the provisions of the Companies Act applicable in India. The Company is engaged in the business of building cloud-based solutions for SME businesses to help and manage their business with increased efficiency. The registered office of the Company is located at 1st Floor, 29-Daryagang, Netaji Subash Marg New Delhi-110002, India.

The condensed interim financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on November 7, 2020.

2. Significant accounting policies**Basis of preparation**

The condensed interim financial statements of the Company for the period ended 30th September 2020 have been prepared in accordance with Indian Accounting Standard (‘Ind AS’) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs (“MCA”).

These condensed interim financial statements must be read in conjunction with the company’s last annual financial statements as at and for the year ended March 31, 2020. They do include all the information required for complete set of Ind AS financial statements. However, selected explanatory notes are included to explain events and transaction that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual statements.

All amounts disclosed in the condensed interim financial statements and notes have been rounded off to the nearest INR thousand as per the requirement of Schedule III, unless otherwise stated.

3. Significant accounting estimates and assumptions

The preparation of condensed interim financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates.

Fair value measurement

The Company measures financial instruments, such as separable embedded derivative financial liability component of optionally convertible cumulative redeemable preference shares (OCCRPS), at fair value at each balance sheet date.

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

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

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

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

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

Tolexo Online Private Limited**Notes to the condensed financial statements for the period ended 30th September 2020**

(Amounts in “Thousands”)

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

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

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 — inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 — Unobservable inputs for the asset or liability reflecting Company’s assumptions about pricing by market participants

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods and quantitative disclosure of fair value measurement hierarchy (Note 25)

4 Property, plant and equipment

	Computers	Office equipments	Total Property, Plant and Equipment
Gross carrying amount			
As at 1 April 2019	1,026	859	1,885
Additions for the year	2,252	52	2,304
As at 31 March 2020	3,278	911	4,189
Additions for the period	112	6	118
As at 30 September 2020	3,390	917	4,307
Accumulated depreciation			
As at 1 April 2019	760	634	1,394
Charge/Adjustment for the period	751	99	850
As at 31 March 2020	1,511	733	2,244
Charge/Adjustment for the period	588	121	709
As at 30 September 2020	2,099	854	2,953
Net book value			
As at 1 April 2019	265	226	491
As at 31 March 2020	1,767	178	1,945
As at 30 September 2020	1,291	63	1,353

Tolexo Online Private Limited**Notes to Condensed Interim Financial Statements for the period ended 30 September 2020**

(Amounts in INR "Thousands", unless otherwise stated)

5 Intangible assets

	Softwares	Total
Gross carrying amount		
As at 1 April 2019	635	635
Additions for the year	127	127
As at 31 March 2020	762	762
Additions for the period	5	5
As at 30 September 2020	767	767
Accumulated amortisation		
As at 1 April 2019	528	528
Amortisation/adjustment for the period	61	61
As at 31 March 2020	589	589
Amortisation/adjustment for the period	86	86
As at 30 September 2020	675	675
Net book value		
As at 1 April 2019	107	107
As at 31 March 2020	173	173
As at 30 September 2020	92	92

	As at 30 September 2020	As at 31 March 2020
6 Financial assets		
a) Non-current (unsecured, considered good unless stated otherwise)		
Other financial assets		
Security deposits	314	314
Total other financial assets	314	314
b) Loans		
Loans to employees		
considered good- Unsecured	1,073	1,254
	1,073	1,254
	As at 30 September 2020	As at 31 March 2020
c) Trade receivables		
Considered good- Unsecured	29	-
	29	-
7 Other assets (Unsecured, considered good unless otherwise stated)	As at 30 September 2020	As at 31 March 2020
Non-current		
Indirect taxes recoverable	16,846	16,779
	16,846	16,779
Current		
Advances recoverable in cash or kind	8	114
Prepaid expenses	186	563
Total	194	677
8 Cash and cash equivalents	As at 30 September 2020	As at 31 March 2020
Balance with bank		
- On current accounts	3,751	22,911
Total Cash and cash equivalents	3,751	22,911

Notes:

(i) Cash and cash equivalents for the purpose of cash flow statement comprise cash and cash equivalents as shown above.

9 Share Capital

Authorised equity share capital

	Number of shares	Amount
As at 1 April 2019	5,50,00,000	5,50,000
As at 31 March 2020	5,50,00,000	5,50,000
As at 30 September 2020	5,50,00,000	5,50,000

Issued equity share capital (subscribed and fully paid up)

	Number of shares	Amount
As at 1 April 2019	70,01,800	70,018
As at 31 March 2020	70,01,800	70,018
As at 30 September 2020	70,01,800	70,018

a) Terms/ rights attached to equity shares:

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

b) Shares held by holding company

	As at 30 September 2020		As at 31 March 2020	
	Number	Percentage	Number	Percentage
Equity shares of INR 10 each fully paid				
Indiamart Intermesh Limited (one-one shares held by Brijesh Kumar Agarwal & Dinesh Chandra Agarwal as Nominee of IndiaMART InterMESH Limited)	70,01,800	100%	70,01,800	100%

c) Details of shareholders holding more than 5% shares in the Company

	As at 30 September 2020		As at 31 March 2020	
	Number	Percentage	Number	Percentage
Equity shares of INR 10 each fully paid				
Indiamart Intermesh Limited (one-one shares held by Brijesh Kumar Agarwal & Dinesh Chandra Agarwal as Nominee of IndiaMART InterMESH Limited)	70,01,800	100%	70,01,800	100%

10 Other equity

	As at 30 September 2020	As at 31 March 2020
Equity portion of OCCRPS	93,068	93,068
Retained earnings	(3,66,417)	(3,30,882)
Total other equity	(2,73,349)	(2,37,814)

11 Borrowings

	As at 30 September 2020		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
<i>Measured at amortised cost</i>				
Non-current				
Optionally convertible cumulative redeemable preference shares (unsecured)	1,52,76,325	2,19,509	1,52,76,325	2,04,129
Total	1,52,76,325	2,19,509	1,52,76,325	2,04,129

Notes:

The Company had issued certain Optionally convertible redeemable preference shares (OCRPS). These OCRPS will be optionally convertible into equity shares of the Company at issued price including premium or at fair market value at the time of conversion at the option of holder. The OCRPS will be 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. Based on these terms, the OCRPS have been bifurcated into a host non-derivative financial liability component and a separable embedded derivative component (i.e. holders option to convert the OCRPS either at issue price or fair market value at the time of conversion). The non-derivative financial liability component is measured at amortised cost using effective interest rate (EIR) method. The EIR represents the discount rate used to compute the fair value of the non-derivative financial liability component. The separable embedded derivative financial liability is measured at fair value on initial recognition with subsequent changes in fair value recognised through Statement of Profit and Loss and is disclosed under "Net (gain)/loss on derivative financial liability measured at amortised cost".

With effect from 22 February 2019, the Company has changed its terms of OCRPS to Optionally convertible cumulative redeemable preference shares (OCCRPS) to fix the tenure to 31 December 2025 and amount of redemption of preference shares to Rs. 30 per share including Rs 20 per share for premium on redemption and conversion ratio is fixed for 1:1 per OCCRPS to equity share.

Authorised preference share capital

	Number of shares	Amount
As at 31 March 2019	2,50,00,000	2,50,000
As at 31 March 2020	2,50,00,000	2,50,000
Increase during the period	-	-
As at 30 September 2020	2,50,00,000	2,50,000

Issued preference share capital (subscribed and fully paid up)

	Number of shares	Amount
As at 1 April 2019	94,76,325	94,763
Increase during the year	58,00,000	58,000
As at 31 March 2020	1,52,76,325	1,52,763
Increase during the period	-	-
As at 30 September 2020	1,52,76,325	1,52,763

a) Shares held by holding company

	As at 30 September 2020		As at 31 March 2020	
	Number	Percentage	Number	Percentage

0.01% Optionally Convertible Cumulative Redeemable Preference Shares of INR 10 each fully paid

Indiamart Intermesh Limited	1,52,76,325	100%	1,52,76,325	100%
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b) Details of shareholders holding more than 5% shares in the Company

0.01% Optionally Convertible Cumulative Redeemable Preference Shares of INR 10 each fully paid

Indiamart Intermesh Limited	1,52,76,325	100%	1,52,76,325	100%
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c) Terms/rights attached to 0.01% Optionally convertible cumulative redeemable preference share (OCCRPS)

The Company has issued only one class of preference shares i.e. 0.01% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS). The OCCRPS shall 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; the OCCRPS shall be participating in the surplus funds; the OCCRPS shall be participating in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid; (The OCCRPS will be entitled to dividend, if declared by the Board of Directors, on cumulative basis). The OCCRPS holders have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Companies Act 2013.

The OCCRPS will be optionally convertible into one is to one equity share of the Company at price of Rs 30 per share including premium of Rs 20 per share. These OCCRPS will be redeemable (in whole or in part) at the option of the holder of the OCCRPS on 31 December 2025.

12 Trade payables

	As at 30 September 2020	As at 31 March 2020
Payable to micro, small and medium enterprises	-	-
Other trade payables		
Other	351	405
Total	351	405

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

13 Other financial liabilities**Current**

Payable to employees

As at 30 September 2020	As at 31 March 2020
1,672	2,478
1,672	2,478

14 Provisions**Non-current**

Provision for employees benefits*

Provision for gratuity

Provision for leave encashment

As at 30 September 2020	As at 31 March 2020
1,823	1,513
770	839
2,593	2,352

Current

Provision for employees benefits*

Provision for gratuity

Provision for leave encashment

Total

246	106
473	139
719	245

*Refer note 24.

15 Contract and other liabilities**(a) Contract Liabilities*****Non-current**

Deferred revenue

As at 30 September 2020	As at 31 March 2020
442	73
442	73

Current

Deferred revenue

Advances from customers

2,532	3,680
826	27
3,358	3,707

Total

3,801	3,780
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(b) Other liabilities

Professional Tax payable

Tax deducted at source payable

Contribution to provident fund payable

Contribution to ESI payable

Total

2	5
159	253
52	66
4	4
217	328

* Contract liabilities includes consideration received in advance to render services in future periods.

16 Current tax assets and liabilities**Current tax assets (net of provisions)**

Current

Non current

As at 30 September 2020	As at 31 March 2020
1,665	1,702
214	166
1,879	1,868

	For the quarter ended		For the period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
17 Revenue from operations				
Sale of services				
Income from web services	1,270	493	2,323	1,139
Total	1,270	493	2,323	1,139

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligation that are unsatisfied (or partially unsatisfied) at the reporting date:

	For the period ended 30 September 2020		For the period ended 30 September 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Income from web services	3,358	442	1,978	-
	3,358	442	1,978	-

No consideration from contracts with customers is excluded from the amounts presented above.

The Company applies practical expedient in Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Contract liability (deferred revenue)

	As at 30 September 2020	As at 30 September 2019
Income from web services	3,801	1,978
	3,801	1,978
Non-current	442	-
Current	3,358	1,978
	3,801	1,978

Significant changes in the contract liability balances during the year are as follows:

	For the quarter ended		For the period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Opening balance at the beginning of the period	3,271	1,470	3,781	1,018
Less: Revenue recognised from contract liability balance at the beginning of the period	864	215	1,787	625
Add: Amount received from customers during the period (net of Refund)	1,799	1,001	2,342	2,099
Less: Revenue recognised from amount received during the period	405	278	535	514
Closing balance at the end of the period	3,801	1,978	3,801	1,978

18 Other income

	For the quarter ended		For the period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Interest income on fixed deposit with banks	54	42	169	92
Total	54	42	169	92

19 Employee benefits expense

	For the quarter ended		For the period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Salaries, wages and bonus	9,286	8,465	18,175	14,658
Gratuity expense (refer note 24)	327	137	440	224
Leave encashment expense (refer note 24)	160	228	312	235
Contribution to provident and other funds	113	37	233	75
Staff welfare expenses	-	37	(8)	87
Total	9,886	8,904	19,152	15,279

20 Finance costs

	For the quarter ended		For the period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Interest expense on financial liability measured at amortised cost	7,732	4,133	15,380	8,201
Total	7,732	4,133	15,380	8,201

21 Depreciation, amortization and impairment expenses

	For the quarter ended		For the period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Depreciation/ Impairment of property, plant and equipment (refer note 4)	405	131	708	219
Amortisation of intangible assets (refer note 5)	69	11	86	21
Total	474	142	794	240

22 Other expenses

	For the quarter ended		For the period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Internet and other online expenses	474	530	917	1,071
Rent	136	762	232	1,393
Rates and taxes	4	17	25	29
Communication costs	14	7	25	12
Advertisement expenses	423	-	423	-
Printing and stationery	-	8	21	8
Repair and maintenance:				
-Plant and machinery	11	28	23	34
Travelling and conveyance	10	37	54	67
Legal and professional fees	291	478	502	1,142
Brokerage and commission	-	-	-	11
Auditor's remuneration	15	15	30	30
Insurance expenses	214	89	413	168
Collection charges	1	0	1	0
Allowances for doubtful debts and advances	-	123	-	123
Recruitment and training expenses	25	21	25	85
Miscellaneous expenses	0	2	(0)	3
Total	1,618	2,117	2,691	4,176

23 Earnings per share

Basic EPS amounts are calculated by dividing the loss for the period attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the period.

Diluted EPS are calculated by dividing the loss for the period attributable to the equity holders of the Company by weighted average number of Equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares. The following reflects the income and share data used in the basic and diluted EPS computations:

	For the quarter ended		For the period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Basic earning per share				
Loss for the period	(18,386)	(14,762)	(35,525)	(26,666)
Weighted average number of equity shares in calculating basic EPS	70,01,800	70,01,800	70,01,800	70,01,800
Basic earning per share	(2.63)	(2.11)	(5.07)	(3.81)
Diluted earning per share				
Loss for the period for basic earnings per share	(18,385.54)	(14,761.63)	(35,525)	(26,665.68)
Interest expense on convertible preference shares	7,731.88	4,133.15	15,380	8,201.22
Adjusted Loss for the period	(10,653.66)	(10,628.47)	(20,145)	(18,464.45)
Weighted average number of equity shares in calculating basic EPS	70,01,800	70,01,800	70,01,800	70,01,800
Potential equity shares in the form of convertible preference shares	1,52,76,325.00	94,90,611	1,52,76,325	94,90,611
Total no. of shares outstanding (including dilution)	2,22,78,125	1,64,92,411	2,22,78,125	1,64,92,411
Diluted earning per share	(2.63)	(2.11)	(5.07)	(3.81)

There are potential equity shares which are anti-dilutive, hence they are ignored in the calculation of diluted loss per share and accordingly the diluted loss per share is the same as basic loss per share.

24 Defined benefit plan and other long term employee benefit plan

The Company has a defined benefit gratuity plan. Every employee who will complete statutory required period of service, will gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. This defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and salary risk.

The amount included in the balance sheet arising from the company's obligation in respect of its gratuity plan and leave encashment is as follows:

Gratuity - defined benefit plan

	As at 31 September 2020	As at 31 March 2020
Present value of unfunded defined benefit obligation	2,069	1,619
	2,069	1,619

Leave encashment - other long term employee benefit plan

	As at 31 September 2020	As at 31 March 2020
Present value of other long term employee benefit plan	1,243	978
	1,243	978

25 Fair value measurements

- a) Category wise details as to carrying value, fair value and the level of fair value measurement hierarchy of the Company's financial instruments are as follows:

	Level	As at 30 September 2020	As at 31 March 2020
Financial liabilities			
Measured at Amortised cost			
- Borrowings	Level 3	2,19,509	2,04,129
- Trade payables		2,023	2,884
		<u>2,21,532</u>	<u>2,07,013</u>
Total financial liabilities		<u>2,21,532</u>	<u>2,07,013</u>

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

- i) The carrying value of cash and cash equivalents, loan to employees, trade payables, security deposits and other financial assets and financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments.
ii) The fair value of non current borrowings are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the use of unobservable input, including own credit risk
c) During the period ended 30 September 2020 and 30 September 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

26 Capital management

The Company manages its capital to ensure that the company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company is not subject to any externally imposed capital requirements.

The Company reviews the capital structure on a regular basis. As part of this review, the Company considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

27 Related party transactions
i) Names of related parties and related party relationship

a) Holding Company	Indiamart Intermesh Limited
b) Key Management Personnel (KMP)	
Director & CEO	Brijesh Kumar Agrawal
Director & CFO	Prateek Chandra
Director	Manoj Bhargava
Company Secretary	Rahul Luthra

Terms and conditions of transactions with related parties
The transactions with related parties are entered on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

28 Contingent Liabilities

Particulars	As at 30 September 2020	As at 31 March 2020
Income-tax demand (Assessment year 2016-17) Demand was raised for addition of income relating to receipts of securities premium against share allotment made to IndiaMART InterMESH Limited and accordingly the losses to be carried forward by the Company are demanded to be reduced from INR 719,220 to INR 482,070. The matter is pending with CIT(Appeals). The Company is contesting the demand and the management believe that its position is possible to be upheld in the appellate process. No tax expense has been accrued in the financial statements for tax demand raised	59,691	59,691
Income-tax demand (Assessment year 2017-18) Demand of INR 2,42,994 was raised on Tolexo Online Private limited due to addition of income relating to receipts of securities premium against share allotment made to IndiaMART InterMESH Limited . The Company is contesting the demand and the management believe that its position is possible to be upheld in the appellate process. No tax expense has been accrued in the financial statements for tax demand raised.	2,42,994	2,42,994

29 Going concern
The parent company shall provide financial support to the Company, so as to meet its liabilities and commitments as and when the same is required.

30 Figures for the previous periods have been regrouped/reclassified to conform to the classification of the current period.

The accompanying notes are an integral part of the condensed interim financial statements

As per our report of even date

For Pankaj Priti & Associates
ICAI Firm Registration No. 016461N
Chartered Accountants
PANKAJ KUMAR JAIN
per Pankaj Jain
Partner
Membership No.: 095412

Place: New Delhi
Date : 07 November 2020

For and on behalf of the Board of Directors of
Tolexo Online Private Limited
Brijesh Kumar Agrawal
Brijesh Kumar Agrawal
(Director & Chief Executive Officer)
DIN: 00191760
RAHUL LUTHRA
Rahul Luthra
(Company Secretary)

Place: Noida
Date : 07 November 2020

Prateek Chandra
Prateek Chandra
(Director & Chief Financial Officer)
DIN: 00356853