



PANKAJ PRITI & ASSOCIATES
CHARTERED ACCOUNTANTS

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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 2023 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 2023, 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 22 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.

Place: Delhi
Date: 25 Oct 2023

For Pankaj Priti and Associates
Chartered Accountants
(Firm's Registration No. 016461N)

**PANKAJ
KUMAR JAIN**

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Date: 2023.10.25
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Pankaj Jain
Partner
(Membership No. 095412)

UDIN:23095412BGXDCI7327

Tolexo Online Private Limited
Condensed Interim Balance Sheet as at 30 September 2023
(Amounts in INR "Thousands", unless otherwise stated)

	Notes	As at 30 September 2023	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	4	146	153
Intangible assets	5	26	32
Non-current tax assets (net)	15	1,992	1,896
Other non-current assets	7	14,129	14,613
Total non-current assets		16,293	16,694
Current assets			
Financial assets			
(i) Cash and cash equivalents	8	951	2,691
(ii) Bank balances other than cash & cash equivalent	8	9,462	6,129
(iii) Other financial assets	6	-	195
Other current assets	7	167	441
Total current assets		10,580	9,456
Total assets		26,873	26,150
Equity and liabilities			
Equity			
Equity share capital	9	70,018	70,018
Other equity	10	(5,06,789)	(4,70,532)
Total equity		(4,36,771)	(4,00,514)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	11	4,59,300	4,20,311
Contract Liabilities	14	2,598	1,020
Provisions	13	413	682
Total non-current liabilities		4,62,311	4,22,013
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		282	414
Contract Liabilities	14	915	4,060
Other current liabilities	14	17	58
Provisions	13	119	119
Total current liabilities		1,333	4,651
Total liabilities		4,63,644	4,26,664
Total equity and liabilities		26,873	26,150

Summary of material 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

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Date: 2023.10.25 15:47:14 +05'30'

Pankaj Jain
Partner
Membership No.: 095412

For and on behalf of the Board of Directors of
Tolexo Online Private Limited
CIN : U72200DL2014PTC267665

BRIJESH KUMAR AGRAWAL
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Date: 2023.10.25 14:38:10 +05'30'

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

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

Place: New Delhi
Date : 25-Oct-2023

Place: Noida
Date : 25-Oct-2023

Place: Noida
Date : 25-Oct-2023

Tolexo Online Private Limited
Condensed Interim Statement of profit and loss for the period ended 30 September 2023
(Amounts in INR "Thousands", unless otherwise stated)

		For the quarter ended		For the period ended	
	Notes	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Income:					
Revenue from operations	16	2,790	2,700	5,451	5,417
Other income	17	145	133	256	182
Total income		2,935	2,833	5,707	5,599
Expenses:					
Employee benefits expense	18	715	2,773	1,592	5,487
Finance costs	19	19,601	16,344	38,989	32,511
Depreciation, amortization and impairment expenses	20	6	46	13	94
Other expense	21	611	1,215	1,370	2,751
Total expenses		20,933	20,378	41,964	40,843
Loss before tax		(17,998)	(17,545)	(36,257)	(35,244)
Loss for the period		(17,998)	(17,545)	(36,257)	(35,244)
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		-	278	-	278
Income tax effect		-	-	-	-
		-	278	-	278
Other comprehensive income for the period net of tax		-	278	-	278
Total comprehensive expense for the period		(17,998)	(17,267)	(36,257)	(34,966)
Loss per equity share :	22				
Basic loss per equity share (INR) - face value of Rs. 10 each		(2.57)	(2.51)	(5.18)	(5.03)
Diluted loss per equity share (INR) - face value of Rs. 10 each		(2.57)	(2.51)	(5.18)	(5.03)
Summary of material 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
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Date: 2023.10.25 15:48:03 +05'30'

Pankaj Jain
Partner

Membership No.: 095412

For and on behalf of the Board of Directors of
Tolexo Online Private Limited
CIN : U72200DL2014PTC267665

BRIJESH KUMAR AGRAWAL
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Date: 2023.10.25 14:38:57 +05'30'
Brijesh Kumar Agrawal
(Director & Chief Executive Officer)

DIN: 00191760

Place: Noida
Date : 25-Oct-2023

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Prateek Chandra
(Director & Chief Financial Officer)

DIN: 00356853

Place: Noida
Date : 25-Oct-2023

Place: New Delhi
Date : 25-Oct-2023

Tolexo Online Private Limited**Condensed Interim Statement of changes in equity for the period ended 30 September 2023**

(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 2022	70,018
As at 30 September 2022	70,018
As at 01 April 2023	70,018
Changes in equity share capital during the period	-
As at 30 September 2023	70,018

(b) Other equity (refer note 10)

Particulars	Equity portion of OCCRPS (refer note 10)	Retained earnings	Total other equity
Balance as at 01 April 2022	93,952	(4,97,606)	(4,03,654)
Loss for the period	-	(35,244)	(35,244)
Other comprehensive income for the period	-	278	278
Total comprehensive loss	-	(34,966)	(34,966)
Balance as at 30 September 2022	93,952	(5,32,572)	(4,38,620)
Balance as at 01 April 2023	93,952	(5,64,483)	(4,70,532)
Loss for the period	-	(36,257)	(36,257)
Total comprehensive loss	-	(36,257)	(36,257)
Balance as at 30 September 2023	93,952	(6,00,740)	(5,06,789)

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

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PANKAJ KUMAR JAIN
Date: 2023.10.25
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Pankaj Jain**Partner****Membership No.: 095412**

For and on behalf of the Board of Directors of
Tolexo Online Private Limited
CIN : U72200DL2014PTC267665

BRIJESH
KUMAR
AGRAWAL

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

PRATEEK
CHANDRA

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Date: 2023.10.25
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Prateek Chandra**(Director & Chief Financial Officer)****DIN: 00356853**

Place: New Delhi
Date : 25-Oct-2023

Place: Noida
Date : 25-Oct-2023

Place: Noida
Date : 25-Oct-2023

Tolexo Online Private Limited**Condensed Interim Statement of Cash Flows for the period ended 30 September 2023**

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

Particulars	For the period ended 30 September 2023	For the period ended 30 September 2022
Loss before tax	(36,257)	(35,244)
<i>Adjustments -</i>		
Depreciation of property, plant and equipment	7	84
Amortisation of intangible assets	6	10
Gain on disposal of assets	-	(20)
Finance income	(256)	(182)
Interest expense on financial liability measured at amortised cost	38,989	32,511
Operating loss before working capital changes	2,489	(2,840)
Net changes in:		
Other assets	953	1,477
Other current financial liabilities	-	(7,185)
Trade payables	(132)	8
Other liabilities	(40)	(695)
Provisions	(269)	(3,533)
Contract liabilities	(1,567)	(131)
Cash generated from operations	1,433	(12,899)
Income tax paid (net)	(96)	(93)
Net cash generated/(used) in operating activities	1,337	(12,992)
Cash flow from investing activities		
Interest received	256	182
Proceeds/(Investment) from/in FD	(3,333)	1,521
Net cash flows generated / (used) in investing activities	(3,078)	1,703
Cash flow from financing activities	-	-
Net (decrease) / increase in cash and cash equivalents	(1,740)	(11,289)
Cash and cash equivalents at the beginning of the year	2,691	11,675
Cash and cash equivalents at the end of the period (Note 8)	951	386
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	951	386
Total cash and cash equivalents (Note 8)	951	386

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**Pankaj Jain KUMAR JAIN**
Partner

Membership No.: 095412

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Date: 2023.10.25
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For and on behalf of the Board of Directors of

Tolexo Online Private Limited

CIN : U72200DL2014PTC267665

BRIJESH KUMAR
AGRAWAL
Brijesh Kumar Agrawal
(Director & Chief Executive Officer)
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KUMAR AGRAWAL
Date: 2023.10.25 14:39:42
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CHANDRA**Prateek Chandra**
(Director & Chief Financial Officer)
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PRATEEK CHANDRA
Date: 2023.10.25
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Date : 25-Oct-2023Place: Noida
Date : 25-Oct-2023Place: Noida
Date : 25-Oct-2023

Tolexo Online Private Limited**Notes to the financial statements for the period ended 30 September 2023**(Amounts in “Thousands”)

1. Corporate Information

Tolexo Online Private Limited (“the Company”) is a private 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 financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on 25 October’ 2023.

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

The financial statements of the Company for the period ended 30 September, 2023 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 financial statements must be read in conjunction with the company’s last annual financial statements as at and for the year ended March 31, 2023. 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 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 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 financial statements for the period ended 30 September 2023**(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 financial statements are categorised within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

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

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

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 01 April 2022	3,366	930	4,296
Additions / (deletion) for the year	(59)	-	(59)
As at 31 March 2023	3,307	930	4,237
Additions / (deletion) for the period	-	-	-
As at 30 September 2023	3,307	930	4,237
Accumulated depreciation			
As at 01 April 2022	3,084	889	3,973
Charge/impairment for the year	151	14	165
Deletion during the year	(54)	-	(54)
As at 31 March 2023	3,181	903	4,084
Charge/impairment for the period	2	5	7
As at 30 September 2023	3,183	908	4,091
Net book value			
As at 01 April 2022	282	41	323
As at 31 March 2023	126	27	153
As at 30 September 2023	124	22	146

5 Intangible assets

	Softwares	Total
Gross carrying amount		
As at 01 April 2022	784	784
Additions for the year	-	-
As at 31 March 2023	784	784
Additions for the period	-	-
As at 30 September 2023	784	784
Accumulated amortisation		
As at 01 April 2022	731	731
Amortisation for the year	21	21
As at 31 March 2023	752	752
Amortisation for the period	6	6
As at 30 September 2023	758	758
Net book value		
As at 01 April 2022	53	53
As at 31 March 2023	32	32
As at 30 September 2023	26	26

Tolexo Online Private Limited
Condensed Interim Notes to Financial Statements for the period ended 30 September 2023

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

	As at 30 September 2023	As at 31 March 2023
6 Financial assets		
Current (unsecured, considered good unless stated otherwise)		
Other financial assets		
Security deposits	-	195
Total other financial assets	-	195
7 Other assets (Unsecured, considered good unless otherwise stated)	As at 30 September 2023	As at 31 March 2023
Non-current		
Indirect taxes recoverable	14,129	14,613
	14,129	14,613
Current		
Balances with Government Authorities	26	15
Advances recoverable in cash or kind	14	225
Prepaid expenses	127	201
Total	167	441
8 Cash and cash equivalents	As at 30 September 2023	As at 31 March 2023
a) At amortised cost		
Balance with bank		
- On current accounts	951	2,691
Total	951	2,691
Notes:		
b) Bank balances other than cash & cash equivalent		
Deposits with bank	9,462	6,129
Total	9,462	6,129

9 Share Capital

<u>Authorised equity share capital</u>	<u>Number of shares</u>	<u>Amount</u>
As at 01 April 2022	1,00,00,000	1,00,000
Increase/(decrease) during the year	-	-
As at 31 March 2023	1,00,00,000	1,00,000
Increase/(decrease) during the period	-	-
As at 30 September 2023	1,00,00,000	1,00,000
 Issued equity share capital (subscribed and fully paid up)	 Number of shares	 Amount
As at 01 April 2022	70,01,800	70,018
Shares issued during the year	-	-
As at 31 March 2023	70,01,800	70,018
Shares issued during the Period	-	-
As at 30 September 2023	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

	<u>As at</u> <u>30 September 2023</u>		<u>As at</u> <u>31 March 2023</u>	
	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
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

	<u>As at</u> <u>30 September</u>	<u>As at</u> <u>31 March 2023</u>
Equity portion of OCCRP	93,952	93,952
Retained earnings	(6,00,740)	(5,64,483)
Total other equity	(5,06,788)	(4,70,532)

11 Borrowings

	As at 30 September 2023		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
<i>Measured at amortised cost</i>				
Non-current				
Optionally convertible cumulative redeemable preference shares (unsecured)	2,24,76,325	4,59,300	2,24,76,325	4,20,311
Total	2,24,76,325	4,59,300	2,24,76,325	4,20,311

Notes:

The Company has 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 01 April 2022	7,00,00,000	7,00,000
Increase/(decrease) during the year	-	-
As at 31 March 2023	7,00,00,000	7,00,000
Increase/(decrease) during the period	-	-
As at 30 September 2023	7,00,00,000	7,00,000

Issued preference share capital (subscribed and fully paid up)

	Number of shares	Amount
As at 01 April 2022	2,24,76,325	2,24,763
Increase/(decrease) during the year	-	-
As at 31 March 2023	2,24,76,325	2,24,763
Increase/(decrease) during the period	-	-
As at 30 September 2023	2,24,76,325	2,24,763

a) Shares held by holding company

	As at 30 September 2023		As at 31 March 2023	
	Number	Percentage	Number	Percentage
0.01% Optionally Convertible Cumulative Redeemable Preference Shares of INR 10 each fully paid				
Indiamart Intermesh Limited	2,24,76,325	100%	2,24,76,325	100%

b) 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.

Tolexo Online Private Limited
Condensed Interim Notes to Financial Statements for the period ended 30 September 2023
(Amounts in INR "Thousands", unless otherwise stated)

12 Trade payables

	As at 30 September 2023	As at 31 March 2023
- Outstanding dues to others	7	118
- Accrued Expenses	275	296
Total	282	414

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

13 Provisions

	As at 30 September 2023	As at 31 March 2023
Non-current		
Provision for employees benefits*		
Provision for gratuity	320	515
Provision for leave encashment	93	167
	413	682
Current		
Provision for employees benefits*		
Provision for gratuity	39	39
Provision for leave encashment	80	80
Total	119	119

*Refer note 23.

14 Contract and other liabilities

	As at 30 September 2023	As at 31 March 2023
(a) Contract Liabilities*		
Non-current		
Deferred revenue	2,598	1,020
	2,598	1,020
Current		
Deferred revenue	915	4,060
	915	4,060
Total	3,513	5,080
(b) Other liabilities		
GST payable	4	1
Tax deducted at source payable	12	55
Others	1	2
Total	17	58

* Contract liabilities includes consideration received in advance to render services in future period. Refer Note 27 for outstanding balances pertaining to related parties.

15 Tax assets and liabilities

	As at 30 September 2023	As at 31 March 2023
Non-Current tax assets (net of provisions)		
Non current	1,992	1,896
Total	1,992	1,896

	For the quarter ended		For the period ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
16 Revenue from operations				
Sale of services				
Income from services	2,790	2,700	5,451	5,417
Total	2,790	2,700	5,451	5,417
Significant changes in the contract liability balances during the period are as follows:				
Opening balance at the beginning of the period	4,043	4,247	5,080	4,410
Less: Revenue recognised from contract liability balance at the beginning of the period	(1,334)	(1,262)	(2,472)	(2,210)
Add: Amount received from customers during the period	2,260	2,732	3,883	5,286
Less: Revenue recognised from amount received during the period	(1,456)	(1,438)	(2,979)	(3,207)
Closing balance at the end of the period	3,513	4,279	3,512	4,279
17 Other income				
Interest income on fixed deposit with banks	145	75	256	182
Total	145	133	256	182
18 Employee benefits expense				
Salaries, wages and bonus	696	2,395	1,547	4,934
Gratuity expense	-	301	-	344
Leave encashment expense	-	-	-	24
Contribution to provident and other funds	19	65	45	142
Staff welfare expenses	-	12	-	43
Total	715	2,773	1,592	5,487
19 Finance costs				
Interest expense on financial liability measured at amortised cost	19,601	16,344	38,989	32,511
	19,601	16,344	38,989	32,511
20 Depreciation, amortization and impairment expenses				
Depreciation/ Impairment of property, plant and equipment (refer note 4)	3	41	7	84
Amortisation/ Impairment of intangible assets (refer note 5)	3	5	6	10
Total	6	46	13	94
21 Other expenses				
Internet and other online expenses	56	470	449	950
Rent	102	96	50	289
Rates and taxes	3	28	10	84
Communication costs	38	28	77	92
Advertisement expenses	-	-	28	69
Repairs to plant and machinery	2	-	2	62
Travelling and conveyance	-	52	-	64
Legal and professional fees	352	358	680	717
Auditor's remuneration	10	17	20	35
Insurance expenses	32	166	37	387
Sales commission	8	-	8	-
Bank Charges	0	-	1	2
Miscellaneous expenses	8	-	8	-
Total	611	1,215	1,370	2,751

22 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 2023	30 September 2022	30 September 2023	30 September 2022
Basic earning per share				
Loss for the period	(17,998)	(17,545)	(36,257)	(35,244)
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	(2.57)	(2.51)	(5.18)	(5.03)
Diluted earning per share				
Loss for the period for basic earnings per share	(17,998)	(17,545)	(36,257)	(35,244)
Interest expense on convertible preference shares	19,601	16,344	38,989	32,511
Adjusted Loss for the year	1,603	(1,201)	2,732	(2,733)
Weighted average number of equity shares in calculating basic EPS				
70,01,800	70,01,800	70,01,800	70,01,800	70,01,800
Potential equity shares in the form of convertible preference shares	2,24,76,325	2,24,76,325	2,24,76,325	2,24,76,325
Total no. of shares outstanding (including dilution)	2,94,78,125	2,94,78,125	2,94,78,125	2,94,78,125
Diluted earning per share	(2.57)	(2.51)	(5.18)	(5.03)

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.

23 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 year 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 30 September 2023	As at 31 March 2023
Present value of unfunded defined benefit obligation	359	554
	359	554

Leave encashment - other long term employee benefit plan

	As at 30 September 2023	As at 31 March 2023
Present value of other long term employee benefit plan	172	246
	172	246

24 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:

	As at 30 September 2023	As at 31 March 2023
Financial assets		
- Cash and cash equivalents	951	2,691
- Security deposits	-	195
Total financial assets	951	2,886
Financial liabilities		
Measured at Amortised cost		
- Borrowings	4,59,300	4,20,311
- Trade payables	282	414
Total financial liabilities	4,59,582	4,20,725

- 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 2023 and 31 March 2023, 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.

25 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.

26 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has only one operating segment which is software services, which acts as a single operating segment based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. Hence the company falls within a single operating segment "Software services".

Information about geographical areas:

The company's revenue from continuing operations from external customers by location of operations and information of its non-current assets by location of assets are detailed below:

	Revenue from external customers			
	For the quarter ended		For the period ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
India	2,790	2,700	5,451	5,360
Others	-	-	-	57
Total	2,790	2,700	5,451	5,417

	Non-current assets*	
	As at 30 September 2023	As at 31 March 2023
India	14,301	14,798
Total	14,301	14,798

* Non-current assets exclude financial assets and tax assets.

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

c) **Entities under common control under the group*** : Busy Infotech Private Limited

*With whom the company had transactions during the reporting period have been mentioned here.

ii) The following table provides the total amount of transactions that have been entered into with the related parties for the relevant period:

Particulars	For the quarter ended		For the period ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Fellow subsidiary Busy Infotech Private Limited Sale of software service	15	-	30	-

iii) Balance as at period ended:

Particulars	As at 30 September 2023	As at 31 March 2023
Fellow subsidiary Busy Infotech Private Limited Deferred revenue balance	10	40
IndiaMart InterMesh Limited Balance of Optionally convertible cumulative redeemable preference share (OCCRPS)	459	420

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 period-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 , capital and other commitments

The company has following contingent liabilities as on 30th septemeber 2023-

Particulars	As at 30 September 2023	As at 31 March 2023
In respect of 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
In respect of 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

The company has nil capital commitments and other commitments as on 30th september 2023.

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 period 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 Jain PANKAJ KUMAR JAIN
Partner JAIN
Membership No.: 095412

Digitally signed by
PANKAJ KUMAR
JAIN
Date: 2023.10.25
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For and on behalf of the Board of Directors of
Tolexo Online Private Limited

CIN : U72200DL2014PTC267665
BRIJESH KUMAR AGRAWAL
Brijesh Kumar Agrawal

(Director & Chief Executive Officer)
DIN: 00191760

Place: Noida
Date : 25-Oct-2023

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

Digitally signed by
PRATEEK CHANDRA
Date: 2023.10.25
14:11:10 +05'30'

Place: Noida
Date : 25-Oct-2023

Place: New Delhi
Date : 25-Oct-2023