INDIA EXPOSITION MART LTD

Registered Office: Plot No. 1, 210, Atlantic Plaza, 2nd Floor,
Local Shopping Centre, Mayur Vihar, Phase-1, Delhi – 110 091
CIN: U99999DL2001PLC110396
Tel No.: 011-22711497, Website: www.indiexpomart.com

NOTICE

NOTICE is hereby given that the 9th Extra Ordinary General Meeting of the Members of India Exposition Mart Limited will be held on Wednesday, December 7, 2016 at 10 A.M. at Govt. Servants Co-operative House Building Society Ltd., Kalyan Kendra, 9, Paschimi Marg, Vasant Vihar, New Delhi - 110057, to transact the following business:

SPECIAL BUSINESS

ITEM NO. 1- ISSUE OF SWEAT EQUITY SHARES

To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to section 54, Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and subject to such other approvals, permissions, sanctions, as may be appropriate, the consent of the members of the company, be and is hereby accorded to the Board of directors to issue and allot of 500,000 (Five Lakh) sweat equity shares at Rs. 10/- per share (for providing know how and making available rights in the nature of intellectual rights or value additions, by whatever name called) to Mr. Rakesh Kumar, Director of the company as per the terms laid before the members.

RESOLVED FURTHER THAT such Equity shares, upon allotment shall rank pari passu with the existing equity shares of the company in all respects.

RESOLVED FURTHER THAT the Board of Directors shall take all necessary actions in this respect to give effect to this resolution and ensure guidelines as prescribed under the Act."

By order of the Board

New Delhi
November 10, 2016

Anupam Sharma
(Company Secretary)

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('Act') in respect of the Special Business under Item No. 1 of the notice, is annexed hereto.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll on his/her behalf and the proxy need not be a member of the company.

   A person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies etc., must be supported by an appropriate resolution / authority, as applicable.

3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the company, authorizing their representative to attend and vote on their behalf at the meeting.

4. Members are requested to address all their correspondence including change of address, share transfer etc., at the Company's Registered Office situated at Plot No. 1, 210, Atlantic Plaza, 2nd Floor, Local Shopping Centre, Mayur Vihar Phase-I, Delhi – 110 091 or email at cs@indiaexpocentre.com or acs@indiaexpocentre.com.

5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, companies can serve Notices, Annual Reports and other communications through electronic mode to those Members who have registered their email address with the Company. To support the 'Green Initiative', Members who have not registered their email address with the Company are requested to register the same by submitting a duly filled-in 'E-communication Registration Form' available on the website of the Company, www.indiaexpomart.com. The notice along with the explanatory statement and a valuation report is being sent to all the members, whose names appeared in the Register of members as on November 10, 2016. The notice is also posted on the website of the company, www.indiaexpomart.com and is also available for inspection at the Company's Registered Office and Corporate Office during specified office hours. The Notice of EGM along with necessary enclosures, Proxy form and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company, unless the Members have registered their request for the hard copy of the same. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.

6. Members who have received the Notice of the EGM, proxy form and attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the EGM. Proxies attending the meeting on behalf of members are also requested to submit a duly filled in Attendance Slip at the Registration Counter at the EGM.

7. All documents specifically stated to be open for inspection in the Explanatory Statement are open for inspection at the Company's Registered Office and Corporate Office between 12 noon and 3 p.m on all working days (except Saturdays, Sundays and National Holidays) up to the date of the 9th Extra Ordinary General Meeting. Such documents shall also be available for inspection at the venue till the conclusion of the Ninth Extra Ordinary General Meeting.

8. **Remote E-voting**

   Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014 substituted by Companies (Management & Administration) Amendment, Rules, 2015, the company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at EGM by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the EGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

9. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence on Friday, December 2, 2016 at 10 a.m. and will end on December 6, 2016, Tuesday at 5 p.m. The remote e-voting facility shall be disabled by NSDL for voting thereafter. In addition, the facility for voting through electronic voting system or polling paper, shall also be made available at the EGM and the Members attending the EGM who have not cast their vote by remote e-voting shall be eligible to vote at the EGM. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast vote again.

10. The Company has appointed Mr. Vaibhav Jain, Practicing Chartered Accountant of M/s Vinod Kumar & Associates (M.No. 515700), to act as the Scrutinizer for providing facility to the members of the company, to scrutinize the entire voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

11. In case of joint holders, attending the meeting, only such joint holder who is higher/first in the order of names, will be entitled to vote at the Meeting.

12. Members whose names are recorded in the Register of Members with the company as on the Cut-off date i.e. November 30, 2016, (Wednesday) shall be entitled to avail the facility of remote e-voting or voting facility available at the meeting, as the case may be.

PROCEDURE FOR REMOTE EVOTING

13. The instructions for remote e-voting are as under:

(a) In case of Members receiving an e-mail from NSDL (for members whose email addresses are registered with the company):

i. Open the email and also open PDF file, namely “IEML remote e-Voting.pdf” attached to the e-mail, using your Folio No. as password. The said PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an ‘Initial Password’.

ii. Open the internet browser and type the following URL https://www.evoting.nsdl.com

iii. Click on Shareholder - Login.

iv. Put ‘User ID’ and ‘Initial Password’ as noted in step (i) above and click on ‘Login’.

v. Password change menu will appear on your screen. Change the Password with a new Password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your Password with any other person and take utmost care to keep it confidential.

vi. Once the Home page of e-voting opens, Click on Remote e-Voting: Active Voting Cycles.

vii. Select ‘EVEN’ (E-Voting event number) of India Exposition Mart Ltd.

viii. Now you are ready for remote e-voting as ‘Cast Vote’ page opens.

ix. Cast your vote by selecting appropriate option and click on ‘Submit’ and also ‘Confirm’ when prompted.

x. Upon confirmation, the message ‘Vote cast successfully’ will be displayed.

xi. Once you have confirmed your vote on the resolution, you cannot modify your vote.

xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at vaibhavjain@inmacs.com with a copy marked to evoting@nsdl.co.in.

(b) In case of members receiving physical copy of the Notice of EGM (for members whose email addresses are not registered with the company or requesting physical copy)

i. Initial Password is mentioned, as follows, in the cover letter:

USER ID	PASSWORD
_	_

ii. Please follow all steps from Sr. No. (i) to Sr. No. (xii) mentioned above in (a), to cast vote.

14. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'remote e-voting user manual' available in downloads section of NSDL's e-voting website https://evoting.nsdl.com. In case of any grievances, you may contact Ms. Pallavi Mhatre, Assistant Manager of NSDL at 022-24994545 or call on Toll free number 1800-222-990; email: pallavid@nsdl.co.in or evoting@nsdl.co.in who will also address grievances connected with the voting by electronic means.

15. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Wednesday, November 30, 2016, and as per the Register of members of the Company. A person who is not a member as on the cut-off date should treat this notice for information only.

16. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of the 9th Extra Ordinary General Meeting and holding shares as of the cut-off date i.e. November 30, 2016, Wednesday, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or the company. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.

17. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

18. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the EGM and prior to the Cut-off date i.e. Wednesday, November 30, 2016, shall be entitled to exercise his/her vote through remote e-voting as well as voting at the EGM through the facility made available at the EGM.

19. The facility for voting, either through electronic voting system or polling paper, shall be made available at the meeting and the members attending the EGM who have not already cast their votes by remote e-voting or members whose email ids / links face unexpected errors, if any, shall be able to exercise their right at the EGM. Members who have cast their votes by remote e-voting prior to the EGM may also attend the EGM but shall not be entitled to cast their votes again.

20. At the 9th Extra Ordinary General Meeting, at the end of the discussion of the resolutions on which voting is to be held, the Chairman shall with the assistance of the Scrutinizer order voting for all those members who are present but have not cast their vote electronically using the remote e-voting facility.

21. The Scrutinizer shall immediately after the conclusion of voting at the 9th Extra Ordinary General Meeting, first count the votes at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

22. The Chairman or a person authorised by him in writing shall declare the result of voting forthwith.

23. The results of the electronic voting shall be declared after the EGM. The results along with the Scrutinizer's Report, shall also be placed on the company's website www.indiaexpomart.com and on the website of NSDL www.evoting.nsdl.com.

24. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection at the General Meeting.

Contact details

Company	: India Exposition Mart Ltd Regd. office: Plot No. 1; 210 - Atlantic Plaza, 2nd Floor, Local Shopping Centre Mayur Vihar Phase-I, Delhi - 110091 CIN: U99999DL2001PLC110396 Email: acs@indiaexpocentre.com M: 9717790687
E-voting agency	: National Securities Depositories Ltd https://evoting.nsdl.com contact on Toll free number 1800-222-990
Scrutiniser	: Mr. Vaibhav Jain Practicing Chartered Accountant M/s Vinod Kumar & Associates Email: vaibhavjain@inmacs.com

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") and the Rules made there under, sets out all material facts relating to business mentioned in the accompanying Notice dated November 10, 2016

ITEM NO. 1

ISSUE OF SWEAT EQUITY SHARES

Pursuant to section 54 of the Companies Act, 2013 and Rule 8 of Companies (Share Capital and Debentures) Rules 2014 and other applicable provisions, if any, of the Companies Act, 2013, Board of Directors have proposed an issue of 500,000 (Five Lakh) sweat equity shares to the Director of the company as specified below.

S.No	Name of Director	No of Sweat equity shares to be issued
1	Mr. Rakesh Kumar	500,000

In terms of the resolutions of Board of Directors passed on October 27, 2016, the Company has agreed to grant/ issue 500,000 equity shares as sweat equity shares at a value of Rs. 10 each (Fair value of Rs. 22.63) towards his contribution, making available rights in the nature (intellectual property rights or value additions, by whatever name called) and know-how provided by Mr. Rakesh Kumar to the Company and valued by M/s Corporate Professionals Capitals Pvt. Ltd. vide their Valuation Report enclosed with this notice.

Information as required under Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014:

1. **The date of the Board meeting at which the proposal for issue of sweat equity shares was approved**: October 27, 2016

2. **The reasons or justification for the issue**: To recognize the value addition and know-how of Mr. Rakesh Kumar to the company, the proposal for issue of sweat equity of shares is being submitted for approval of the members.

   Highlights on the Contribution made by Mr. Rakesh Kumar to IEML are as follows:

   a) Strategizing and conceptualizing a novel Mart cum Exhibition Centre, being one of its kind in India, comprising a good mix of industry participation from its conceptualization process initiated in year 1999 and setting up the company in 2001;

   b) Being a high profiled and connective person with the core exhibition industry group, he served as President of Indian Exhibitions Industries Association ('IEIA'), by virtue of which IEML had been able to enhance its core activities of business promotion and introduction to major clients and developed brand in the exhibition industry;

   c) Having taken no involvement of equity from the government, IEML was able to source its funding mainly from the trade industry along with MSME sector due to his connectivity and high integrity with his vision and efforts

   d) Nonetheless, Mr. Kumar took all possible steps in converting the entire exhibition complex into the friendliest venue, capable of holding various largest and prestigious exhibitions and conferences within the vicinity i.e. Auto Expo, bC Expo, Annual Meeting of Asian Development Bank, Petrotech, RCEP conference and many others

e) Mr. Kumar took immediate steps in implementation of the company's expansion plans in a record time of 6 months that added an area of approx. 4 lakh square feet with another unique financial model of involving third party user funds

f) Strategized the funding plans for expansion and prepared & got implemented the necessary plans to avail funding from Government as Grant-in-Aid thereby reducing the financial gaps for specific projects.

g) Made business plans for aggressive promotion of Marts that included setting up of a Mart Promotion Bureau and making the marts lively and active in defining their own path for success

h) Directing strategy on various other matters which ultimately added a value for the growth of the company.

Mr. Rakesh Kumar, had been contributing his endless efforts and dedication, even though his guidance had been pivotal in setting up the venue, its management, marketing and various trade fairs that were being held at the venue from time to time.

Mr. Kumar had also received Lifetime achievement award for Exhibition industry and with his guidance as a Director, expertise and technical know-how provided, his involvement in the company in the capacity of Non-retiring Director, IEML could derive various economic benefits.

Mr. Kumar has been awarded PATWA award in individual capacity by Safari India and Patwa (Pacific Area Travel Writers Association) as Best professional in MICE tourism towards his contribution to conceive, implement and successfully running the state of the art exhibition centre.

3. **The class of shares under which sweat equity shares are intended to be issued**: Equity shares

4. **The total number of shares to be issued as sweat equity**: 500,000 (Five Lakh)

5. **The class or classes of directors or employees to whom such equity shares are to be issued**: Sweaty equity shares are being proposed to be issued to Mr. Rakesh Kumar, Non-retiring Director and Non-Executive Chairman of the company & basis of valuation is contained in the valuation report by M/s Corporate Professionals Capital Pvt Ltd.

6. **The principal terms and conditions on which sweat equity shares are to be issued, including basis of valuation**: Price has been arrived on the basis of valuation report issued by an Independent valuer, i.e. M/s Corporate Professionals Capital Pvt Ld. The terms and conditions are as under:

   a) Equity shares shall be under a lock-in-period of 3 years from the date of allotment
   b) The Sweat equity shares are being proposed to be issued for a cash consideration of Rs. 10 per share
   c) The Sweat equity contribution / Net Value addition of Mr. Rakesh Kumar is Rs. 7.64 Million detailed in the valuation report

7. **The time period of association of such person with the company**: Since incorporation of the company i.e. April 12, 2001 (15 years, 7 months)

8. **The names of the directors or employees to whom the sweat equity shares will be issued and their relationship with the promoter or/and Key Managerial Personnel**: Sweat equity of 500,000 shares are being proposed for issue to Mr. Rakesh Kumar, Non-Retiring Director and Non-Executive Chairman of the company. He has been the subscriber to the MOA/AOA and has conceptualized and strategized the inception of the company and presently the Non-Executive Chairman of the company.

   He has no relations with the promoters or Key Management Person of the company.

9. **The price at which the sweat equity shares are proposed to be issued**: Sweat equity shares are being proposed for issue at Rs. 10 per share.

10. **The consideration including consideration other than cash, if any to be received for the sweat equity**: The Sweat equity shares are being proposed to be issued for a cash consideration of Rs. 10

per share as per point 9 above. The Sweat equity contribution / Net Value addition of Mr. Rakesh Kumar is Rs. 7.64 Million detailed in the valuation report.

11. **The ceiling on managerial remuneration, if any, be breached by issuance of such sweat equity and how it is proposed to be dealt with**: There will not be any breach on ceiling of managerial remuneration.

12. **A statement to the effect that the company shall conform to the applicable accounting standards**: The Board guarantees that it will confirm to the applicable accounting standards.

13. **Diluted Earnings Per Share pursuant to the issue of sweat equity shares, calculated in accordance with the applicable accounting standards**: 2.44

Information as required Mr. Rakesh Kumar, Non-Executive Chairman of the company, to be furnished as per Secretarial Standard 2

a) Age: 58 years

b) Qualifications: A Post Graduate in Public Administration and International Foreign Trade

c) Experience: Mr. Kumar, has more than 27 years wide experience of working with SME's especially export promotion enterprises. Mr. Kumar started world renowned Indian Handicrafts & Gifts Fair (organized by Export Promotion Council for Handicrafts) in 1994 in his capacity as Executive Director EPCH which is visited by about 5,000 overseas volume business buyers for sourcing and about 2,000 exhibitors from all over India participate in the same. He is also instrumental in organizing Product specific shows like Home Expo comprising - Indian Furniture & Accessories Show, Indian Furnishings, Floorings & Textiles Show and Indian Houseware & Decoratives show and Indian Fashion Jewellery & Accessories Show (IFJAS) at India Expo Centre, Greater Noida. These shows are eagerly awaited by the buyers from all across the globe.

d) Remuneration last drawn: 1. Mr. Rakesh Kumar has not drawn any remuneration since November 2008 except sitting fees

2. Remuneration in November 2008 was Rs. 3,10,560 p.m.

e) Date of first appointment: 12th April, 2001

f) Shareholding details: 1100 equity shares (0.003%)

g) Relationship with other Directors/ KMP: Nil

h) Number of Board meetings attended during the year and other directorships: All 3 Board meetings attended held in the financial year 2016-17

Other Directorships

1. Director – Handicrafts Mega Cluster Mission
2. Subscriber Member & Director – Uttar Pradesh Export Promotion Council

i) Membership / Chairmanship of committees of other Boards

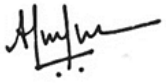
1. Founder member, Governing Body - Handicraft and Carpet Sector Skill Council ('HCSSC')
2. President - Buying Agents Association of India
3. Executive Member & Founder Secretary - National Centre for Design and Product Development (NCDPD)
4. Member, Governing Board - Network for Certification and Conservation of Forests (NCCF)
5. Trustee – Artisan Welfare Trust

A copy of the Memorandum and Articles of Association of the Company will be available for inspection at the registered office of the Company on any working day and will also be available for inspection at the Extra-ordinary General Meeting.

The company has complied with the conditions specified in section 54 of the Companies Act, 2013 and Rule 8 of Companies (Share Capital and Debentures) Rules 2014. The Board recommends the above-mentioned resolution to be passed as a Special Resolution.

Mr. Rakesh Kumar, Non-Executive Chairman is deemed to be concerned or interested in the above said resolution. None of the other Directors of the Company, nor the Key Managerial Personnel of the Company nor their respective relatives are in any way concerned or interested, financially or otherwise in this Resolution.

By order of the Board



New Delhi
November 10, 2016

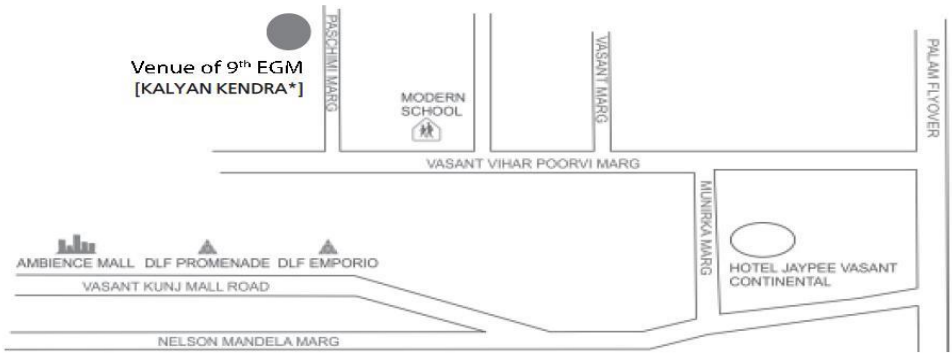
Anupam Sharma
(Company Secretary)

ROUTE MAP OF VENUE OF 9TH EXTRA ORDINARY GENERAL MEETING OF INDIA EXPOSITION MART LTD

CIN: U99999DL2001PLC110396

Venue of 9th EGM - Location and Route Map

India Exposition Mart Ltd.
CIN - U99999DL2001PLC110396



***Address of Venue:**
Govt. Servants Cooperative Housing Building Society Ltd.
Kalyan Kendra, 9, Paschimi Marg, Vasant Vihar, New Delhi-110057

Nearest Landmark:
Modern School, Vasant Vihar, New Delhi-110057

INDIA EXPOSITION MART LIMITED

CIN: U99999DL2001PLC110396
Regd. Office: Plot No. 1, 210, Atlantic Plaza, 2nd Floor,
Local Shopping Centre, Mayur Vihar Phase-I, Delhi – 110091
Tel No.: 011-22711497, Website: www.indiexpomart.com

9th Extra Ordinary General Meeting: December 7, 2016

ATTENDANCE SLIP

Full name of the Member in Block Letters: ……

Folio No.:
No. of Shares held:

I, hereby record my presence at the 9th Extra Ordinary General Meeting of India Exposition Mart Limited, held on Wednesday, the 7th day of December, 2016, at "10 A.M" at Govt. Servants Co-operative House Building Society Ltd., Kalyan Kendra, 9, Paschimi Marg, Vasant Vihar, New Delhi - 110057.

Signature of the Member/ Proxyholder

Note: Only Member of the Company or their Proxies will be allowed to attend the Meeting. Please complete this attendance slip and hand it over at the entrance of the meeting hall.

INDIA EXPOSITION MART LIMITED

CIN: U99999DL2001PLC110396
Regd. Office: Plot No. 1, 210, Atlantic Plaza, 2nd Floor,
Local Shopping Centre, Mayur Vihar Phase-I, Delhi – 110091
Tel No.: 011-22711497, Website: www.indiexpomart.com

9th Extra Ordinary General Meeting: December 7, 2016

PROXY FORM (Form No. MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): …….
Registered Address: ……
……
Email ID: ……..
Folio No.: ……

I/We, being the member (s) of ……. shares of the above-named company, hereby appoint

1. Name: ……..
   Address: …… E-mail ID: ……
   ……Signature: or failing him/her

2. Name: ……..
   Address: …… E-mail ID: ……
   ……Signature: or failing him/her

3. Name: ……..
   Address: …… E-mail ID: ……
   ……Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9th Extra Ordinary General Meeting of the Company, to be held on Wednesday, the 7th day of December, 2016 at 10 a.m. at Govt. Servants Co-operative House Building Society Ltd., Kalyan Kendra, 9, Paschimi Marg, Vasant Vihar, New Delhi - 110057 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution
Special Business	
1	Issue of Sweat Equity shares

Signed this ……day of ……..2016.

_____
(Signature of Shareholder across the revenue stamp)

_____
(Signature of the proxy holder(s)

AFFIX Rs. 1/- REVENUE STAMP

Note: 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

Valuation Analysis for Issue of Sweat Equity Shares of India Exposition Mart Limited

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26th October, 2016

Strictly Private & Confidential

Corporate Professionals

To

The Board of Directors

India Exposition Mart Limited

Plot No. 1, 210 Atlantic Plaza, Local Shopping Centre

Mayur Vihar Phase-1 Delhi-110091

Ref. No: CPC/MB/97A/2016-17

SEBI Reg. No: INM000011435

Dear Sir,

Sub: Valuation analysis for issue of sweat equity shares of India Exposition Mart Limited.

We refer to the discussion held with your good self for carrying out the Valuation analysis for issue of sweat equity shares of India Exposition Mart Limited (here-in-after referred as "Company"/"Indiaexpo"/"Mart"/"IEML") to Mr. Rakesh Kumar (Non-Executive Chairman). In accordance with the terms of the engagement, we are enclosing our Valuation Report along with this letter. In attached report, we have summarized the Valuation analysis for issue of sweat equity shares for the Company as on 30th September, 2016 together with the description of methodologies used and limitation on our Scope of Work .This Valuation Analysis is confidential and has been prepared exclusively for the Management of the Company to assist them in ascertaining the value-additions that can be attributed to the efforts and leadership of Mr. Rakesh Kumar (Non-Executive Chairman) for the purpose of issue of sweat equity shares. It should not be used, reproduced or circulated to any other person or for any other purpose, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited. Such consent will only be given after looking for the context & purpose at that time. We believe the above meets your requirements. However we understand that the Company may use this report for certain regulatory purpose and we give consent for that.

Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,

For Corporate Professionals Capital Private Limited

Sd/-

Chander Sawhney

[Partner & Head – Valuation & Deals]

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EXECUTIVE SUMMARY & VALUE RECOMMENDATION

BACKGROUND:-

India Exposition Mart Limited was incorporated in 12th April, 2001, is engaged in operating an exhibition and convention centre (named India Expo Centre & Mart) in Greater Noida, NCR Delhi. India Expo Centre & Mart was conceptualized for the promotion of carpets, handloom, silk, jute products and handicrafts manufactured in India. The complex has about 1800 Marts and several gigantic exhibition halls to provide event based space to exhibitors. The entire complex is centrally air conditioned and provides a world class ambience for international exposition fairs. The shares of the Company are not listed on any Stock Exchange.

Company achieved top line of INR 69.68 Cr and Bottom line of INR 8.62 Cr in FY 2015-16 in comparison with INR 55.60 Cr and INR 9.07 Cr in FY 2014-15.

We have been represented by the management that the Company wants to derive the fair value of the efforts and contributions of Mr. Rakesh Kumar (Non-Executive Chairman) who helped the Company to gain various tangible & intangible benefits paving the way for the Company for its growth and prosperity. Thus, in this respect, we as a SEBI Registered (Category I) Merchant Banker have been appointed by Company to determine the value of value-additions that can be attributed to the efforts and leadership for the purpose of issue of sweat equity shares pursuant to **Rule 8(6)&(7) of Companies (Share Capital and Debentures) Rules, 2014 and Clause (vi) of Sub-section (2) of Section 17 of the Indian Income Tax Act, 1961 read with Notification no. 94/2009 dated 18.12.2009 issued by CBDT.**

This Valuation analysis and result relies upon the information pertaining to the Company substantially contained herein and which inter alia has been provided to us by the key management of the Company as well as the information available in public domain till the valuation date only. Any new information after the valuation date may impact the value recommendation significantly and we cannot comment on the same.

It is pertinent to mention that the accurate quantification of the intangible gains made by the Company consequent to the contribution of Mr. Rakesh Kumar is difficult to be ascertained in absolute numerical terms and involves careful consideration and review of various parameters that directly and / or indirectly contribute to business expansion with consequent accretion in value. These include the general economic outlook as well as the current and expected conditions in the business environment and the industry's relationship with the economy, the competitive environment prevailing within the industry, the

relative competitive advantages of the business in terms of its service capability, management capabilities and the quality of the clients of the entity, the management of the Company, the historical financial and operational performance of the business, etc.

Valuation Methodologies Adopted:-

The following is the summary with respect to use of methodology considered by us to calculate valuation of the value-additions to the Company. All other popular methods of valuation were considered inappropriate or suboptimal for current analysis.

Discounted Free Cash Flow (DFCF) Methodology: - We have considered DFCF method in our valuation analysis on the basis of the Management certified projected financial statements of the Company (with and without Contribution of Mr. Rakesh Kumar) provided to us factoring in the Projected Capital expenditure and Revenue plan of the next four financial years and 6 months starting from 1st October 2016 and ending 31st March 2021. We have further made necessary adjustments in derived equity value to calculate Net Value Additions solely due to efforts of Mr. Rakesh Kumar.

Based on our Analysis of the Company and subject to our comments and caveats as further detailed in this report, we have arrived at the value of the value-additions made by **Mr. Rakesh Kumar (Non-Executive Chairman) in his personal capacity to the Company over and a*bove the remuneration paid to him as Salary (which was last drawn in November 2008) (apart from sitting fees) is*** **INR 7.64 Million.**

Please note that our Value Recommendation should not be construed as an Investment Advice and specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.

PURPOSE OF VALUATION, SCOPE & LIMITATIONS

ABOUT THE TRANSACTION:-

Based on the discussions held with the Management and Key Managerial Personnel (KMP's), we understand that the Company believes that the efforts and contributions of Mr. Rakesh Kumar a Post Graduate in Public Administration and International Foreign Trade who had conceptualized and commissioned India's first state of the art infrastructure - India Exposition Mart Ltd for promotion of Indian Handicrafts & the cottage sector and helped the Company to gain various intangible benefits over and above the tangible benefits which paved the way for the Company for its growth and prosperity. Thus, in this respect, we as a SEBI Registered (Category I) Merchant Banker have been appointed by Company to determine the value of value-additions that can be attributed to the efforts and leadership of Mr. Rakesh Kumar **pursuant to Rule 8(6)&(7) of Companies (Share Capital and Debentures) Rules, 2014 and Clause (vi) of Sub-section (2) of Section 17 of the Indian Income Tax Act, 1961 read with Notification no. 94/2009 dated 18.12.2009 issued by CBDT.**

BRIEF PROFILE OF MR. RAKESH KUMAR:-

Mr. Rakesh Kumar has more than 27 years of experience of working with SME's especially export promotion enterprises.

Mr. Kumar started world renowned Indian Handicrafts & Gifts Fair {organized by Export Promotion Council for Handicrafts (EPCH)} in 1994 in his capacity as Executive Director of EPCH which is visited by above 5,000 overseas volume business buyers for sourcing and about 2,000 exhibitors from all over India participate in the same. He is also instrumental in organizing Product specific shows like Home Expo comprising - Indian Furniture & Accessories Show, Indian Furnishings, Floorings & Textiles Show and Indian Housewares &Decorative show and Indian Fashion Jewelry & Accessories Show (IFJAS) at India Expo Centre, Greater Noida. These shows are eagerly awaited by the buyers from all across the globe.

Mr. Kumar has commendable expertise in the exhibition industry and has served in various professional associations in the field of Indian Handicraft Exports besides being the Executive Director of most premier Export Promotion Trade Organization in India that has membership of more than 7000 member exporters and the former President of Indian Exhibition Industry Association (IEIA) and also presently President of Buying Agents Association of India serving as Director/ Executive Member in various organization of repute such as NCDPD ('National Centre for Design and Product Development'), Handicraft and Carpet Sector Skill Council ('HCSSC') and conceptualizing the setting up of Moradabad Artisan Welfare Society and Gautam Budha Society for Social Welfare.

Mr. Kumar started conceptualizing Mart since 1999 and worked towards its setting up till April 2001. Mr. Kumar has been one of the permanent Directors of the mart and has held the position of Managing Director since inception i.e. from 26th April, 2001 till June 25, 2009 at the mart.

Mr. Rakesh Kumar was appointed as Non-Executive Chairman of IEML unanimously by the Board of Directors for a term of 2 years on November 13, 2014 and has been re-elected as Non-Executive Chairman on 27th October 2016 without any remuneration except sitting fees.

AWARDS AND RECOGNISTION OF MR. RAKESH KUMAR:-

- Mr. Kumar has also been declared SUPER ACHIEVER for his contribution to the Handicrafts sector by Indiasgreatest.com. Mr. Rakesh Kumar, had been contributing his endless efforts and dedication without any remuneration, even though his guidance had been pivotal in setting up the venue, its management, marketing and various trade fairs that are being held at the venue from time to time.
- In recognition of his services as instrumental in establishing & enhancing trade with Japan, the Japanese Government conferred JETRO'S COMMENDATION AWARD for International exposure to Japan and Mr. Kumar was 1st Indian to receive this distinction
- Mr. Kumar had also received Lifetime achievement award for Exhibition industry and with his guidance as a Director, IEML had could derive various economic benefits with the expertise and technical know-how provided by Mr. Kumar and his involvement in the company in the capacity of Non-retiring Director and the man who conceptualized the formation of the structure.
- Mr. Kumar has been awarded PATWA award in individual capacity by Safari India and Patwa (Pacific Area Travel Writers Association) as Best professional in MICE tourism towards his contribution to conceive, implement and successfully running the state of the art exhibition centre.

CONTRIBUTION MADE BY MR. RAKESH KUMAR TO INDIAEXPO ARE AS FOLLOWS:-

- Strategizing and conceptualizing a novel Mart cum Exhibition Centre, being one of its kind in India, comprising a good mix of industry participation from its conceptualization process initiated in year 1999 and setting up the company in 2001;
- Being a high profiled and well connected person with the core exhibition industry group, he served as President of Indian Exhibitions Industries Association ('IEIA'), by virtue of which IEML had been able to enhance its core activities of business promotion and introduction to major clients and developed brand in the exhibition industry;

- Having taken no involvement of equity from the government, IEML was able to source its funding mainly from the trade industry along with MSME sector due to his connectivity and high integrity with his vision and efforts
- Nonetheless, Mr. Kumar took all possible steps in converting the entire exhibition complex into the friendliest venue, capable of holding various largest and prestigious exhibitions and conferences within the vicinity i.e. Auto Expo, bC Expo, Annual Meeting of Asian Development Bank, Petrotech, RCEP conference and many others
- Mr. Kumar took immediate steps in implementation of the company's expansion plans in a record time of 6 months that added an area of approx. 4 lakh square feet with another unique financial model of involving third party user funds
- Strategized the funding plans for expansion and prepared & got implemented the necessary plans to avail funding from Government as Grant-in-Aid thereby reducing the financial gap for specific projects
- Made business plans for aggressive promotion of Marts that included setting up of a Mart Promotion Bureau and making the marts lively and active in defining their own path for success
- Directing strategy on various other matters which ultimately added a value to the growth of the company

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 value-additions that can be attributed to the efforts and leadership of Mr. Rakesh Kumar.

SOURCES OF INFORMATION RELIED UPON:-

Review and analysis of corporate documents including but not limited to;

a) Discussions with KMP's of the Company;
b) Provisional Balance Sheet of the Company as on 30th September, 2016;
c) Projections of the Company (with and without contribution of Mr. Rakesh Kumar) for 4 financial years and 6 months starting 1st October, 2016 till 31st March, 2021;
d) Management Representation Letter provided to us;
e) Capitaline Database and other information in public domain.

LIMITATION OF REPORT:-

The Valuation exercise was carried out under the following limitations:

- This valuation report has been prepared on the basis of the projections (with and without contribution of Mr. Rakesh Kumar) for 4 financial years and 6 months starting 1st October, 2016 till 31st March, 2021
- The Valuation analysis of equity shares is based upon the values appearing in the provisional Financial Statement for the period ended 30.09.2016 and 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.
- Our Valuation & Analysis and the conclusions drawn there are further based on number of factors which are largely dependent upon the prevailing business and Industry conditions as on the valuation date and explanations provided by the Management. We presume that the Board of 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 solely relied on the information provided by the management in respect of its past activities and future business plans.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the Company.
- 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.

VALUATION METHODOLOGIES, APPROACH AND ANALYSIS

It is pertinent to mention that the accurate quantification of the intangible gains made by the Company consequent to the contribution of Mr. Rakesh Kumar is difficult to be ascertained in absolute numerical terms and involves careful consideration and review of various parameters that directly and / or indirectly contribute to business expansion with consequent accretion in value. These include:

- The general economic outlook as well as the current and expected conditions in the business environment and the industry's relationship with the economy.
- The competitive environment prevailing within the industry.
- The relative competitive advantages of the business in terms of its service capability.
- Management capabilities and the quality of the clients of the entity.
- The management of the Company.
- The historical financial and operational performance of the business, etc.

METHODOLOGYCONSIDERED FOR VALUATION ANALYSIS

- Discounted Free Cash Flow (DFCF) Methodology

The DFCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The value of the firm is arrived at by estimating the Free Cash Flows (FCF) to Firm and discounting the same with Weighted Average cost of capital (WACC). The DFCF method using the FCF, values Company as an overall. This is estimated by forecasting the free cash flows available for the Company (which are derived on the basis of likely future earnings of the companies) and discounting these cash flows to their present value at the WACC. The DFCF methodology is considered to be the most appropriate basis for determining the earning capability of a business. It expresses the value of a business as a function of expected future cash

earnings in present value terms. In the DFCF approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and necessary investments in working capital and Capex is being met. As this methodology is focused at finding the value of the Firm so the interest charges (post tax) should be added back.

We have been provided the projected financial statements considering business plan of the company based on which, we have calculated the Enterprise value of the company under DFCF and then derived the Equity value by adjusting debts and cash balance as on the date of valuation.

The following box provides generalized steps for using discounted free cash flows to estimate the value of the firm and then to derive the value of equity shareholders of the Company.

STEPS FOR FINDING FCF TO VALUE EQUITY SHARES				
		Profit before tax		Step 1:Arrive at Profit Before Tax
	-	Taxes		Step 2: Less tax.
	=	Profit after tax		
	+	Non-cash costs		Step 3: Add back non-cash costs (already subtracted in step 1).
	-	Capital expenditures		Step 4: Subtract capital expenditures.
	-	Increase in NCWC		Step 5: Subtract Increases in non-cash working capital.
	+	Interest Tax (Post Tax)		Step 6: Adding Interest cost (post Tax)
	+	Terminal Value		Step 7: Add the terminal value accruing in the final year.
	=	Free Cash Flow to Firm		
	=	DFCF		Step 8: Discount the FCF for each year with WACC
	=	Enterprise Value		Step 9: Value of the Firm
	+	Cash as on Valuation Date		Step10: Adding Cash
	-	Debt as on Valuation Date		Step11:Substract Debt
	=	Equity Value		Step12:Value to equity share holders

For the purpose of valuation of equity shares in this transaction through DFCF methodology, we have relied upon the projections provided by the management for 4 financial years and 6 months starting 1st October 2016 and ending 31st March 2021 duly supplemented by its Terminal Value based on the Gordon Model and extrapolating the adjusted free cash flows for last year at an annual growth rate of 4.00 percent to perpetuity. To arrive at Cost of capital (WACC), we have calculated the cost of equity Ke to be 18.36 % after considering appropriate risk premium. (WACC) after considering Debt equity ratio comes out to be 15.22%. Since the Company's shares are not listed, hence for the purpose of valuation we have considered Beta as 1.

Discounted Free Cash Flow of India Exposition Mart Limited (With Contribution of Mr. Rakesh Kumar)						
						Amount In INR Million
FY	**2017 (6M)**	**2018**	**2019**	**2020**	**2021**	**Terminal**
PARTICULARS						
Turnover	**332.76**	**712.50**	**641.25**	**801.56**	**721.41**	
PBT	39.51	140.99	126.89	205.90	185.31	
Less : Direct Taxes Paid	13.04	46.53	41.87	67.95	61.15	
PAT	**26.47**	**94.46**	**85.02**	**137.95**	**124.16**	
Add : Depreciation	90.98	150.11	135.10	121.59	109.43	
Less :Capital Expenditure	-	-	-	-	-	
Add : Interest (post Tax)	16.81	11.99	7.18	2.36	-	
Less: NWC	76.25	159.96	162.22	172.70	210.84	
Free Cash Flows	**58.01**	**96.61**	**65.07**	**89.20**	**22.75**	**1,543.67**
Discounting Factor	0.93	0.81	0.70	0.61	0.53	**0.53**
Present value of Cash flow	**54.04**	**78.11**	**45.66**	**54.33**	**12.03**	**815.95**
Cumulative present value of Cash Flows	1,060.11					
Enterprise Value	**1,060.11**					
Cash & Non-Current Investment as on 30.09.2016	**75.15**					
Debt as on 30.09.2016	**343.15**					
Equity Value	**792.12**					

Discounted Free Cash Flow of India Exposition Mart Limited (Without Contribution of Mr. Rakesh Kumar)						
						Amount In INR Million
FY	**2017 (6M)**	**2018**	**2019**	**2020**	**2021**	**Terminal**
PARTICULARS						
Turnover	**278.45**	**599.12**	**551.49**	**673.57**	**623.31**	
PBT	29.22	100.84	95.90	157.78	159.10	
Less : Direct Taxes Paid	9.64	33.28	31.65	52.07	52.50	
PAT	**19.57**	**67.56**	**64.26**	**105.71**	**106.59**	
Add : Depreciation	90.98	150.11	135.10	121.59	109.43	
Less :Capital Expenditure	-	-	-	-	-	
Add : Interest (post Tax)	16.81	11.99	7.18	2.36	-	
Less: NWC	79.90	136.69	138.51	145.24	189.54	
Discounting Factor	0.93	0.81	0.70	0.61	0.53	**0.53**
Present value of Cash flow	**44.22**	**75.18**	**47.74**	**51.42**	**14.00**	**769.20**
Cumulative present value of Cash Flows	1,001.75					
Enterprise Value	**1,001.75**					
Cash & Non-Current Investment as on 30.09.2016	**75.15**					
Debt as on 30.09.2016	**343.15**					
Equity Value	**733.76**					

The valuation of Sweat Equity is summarized below-

Particulars	Amount INR Millions
Equity Value of the Company as per DFCF Methodology (With Contribution of Mr. Rakesh Kumar)	792.12
Equity Value of the Company as per DFCF Methodology (Without induction of Mr. Rakesh Kumar)	733.76
Incremental value by Mr. Rakesh Kumar and team members	**58.36**
Less: 60 % being attributable to team members & company branding	35.02
Net Value Additions or sweat contribution of Mr. Rakesh Kumar	**23.34**
Less: Remuneration as Salary paid from 15th October 2004 to 30th November 2008 to Mr. Rakesh Kumar	15.70
Net Value Additions or sweat contribution of Mr. Rakesh Kumar and above the remuneration as Salary	**7.64**

Notes:

1. ***Apart from nominal sitting fees, till date, Mr. Rakesh Kumar has been remunerated at salary being the Managing Director of the company (from the period starting from 15th October 2004 till 30th November 2008) INR 15.70 Million is the salary amount which has been duly adjusted by us.***
2. ***Mr. Rakesh Kumar was appointed as Non-Executive Chairman of India Expo unanimously by the Board of Directors for a term of 2 years on November 13, 2014 and has been re-elected as Non-Executive Chairman on October 27, 2016. He has not drawn any remuneration during his tenure as Non-Executive Chairman except sitting fees***

***Based on our Analysis of the Company and subject to our comments and caveats as further detailed in this report, we have arrived at the value of the value-additions made by* Mr. Rakesh Kumar (Non-Executive Chairman) in his personal capacity to the Company over and a*bove the remuneration paid to him as Salary (apart from sitting fees) is* INR 7.64 Million.**

CAVEATS

- This Report has been issued on the specific request of 'India Exposition Mart Limited' to ascertain the value equity shares of the Company for the purpose of issue of sweat equity shares. 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**.**
- Based on our scope of work, the objective of this exercise is to arrive at the Business Valuation and Value attributable for Sweat Equity purposes, physical Investigation of the Company's claim to title of assets was neither required nor has been made 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 Equity Shares of the 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.

- Based on our scope of work, the objective of this exercise is to arrive at the Business Valuation and Value attributable for Sweat Equity purposes, we were not required to carry out the Valuation of land and building of the Company as the business is valued as a going concern and we understand that it is not intention of the Management to sell any of its Fixed Assets.
- We and our affiliates in the past might have provided or in the future may provide Investment Banking or 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 IEML 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 the proposed transaction.

ANNEXURE: FINANCIAL STATEMENTS

Provisional Balance Sheet as on 30th September, 2016

Particulars	(All Amount in INR Million)
	As on 30.09.2016
Share Capital	350.00
Reserve and surplus	490.70
Non-Current Liabilities	279.86
Current liabilities	316.04
Total Equity and Liabilities	**1,436.61**
ASSETS	
Non-Current Assets	1,081.61
Current Assets	355.00
Total Assets	**1,436.61**

Provisional Profit & Loss Account for the period ended 30th September, 2016

For the Period Ended	Audited (All Amount in INR Million)
Revenue from Operations	**223.24**
Other Income	**14.00**
Total Revenue	**237.24**
Total Expenses	210.66
Profit Before Tax (PBT)	**26.58**
Tax	8.77
Profit After Tax (PAT)	**17.81**