

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Members of **NET AVENUE TECHNOLOGIES PRIVATE LIMITED** will be held on Thursday, the 30th September, 2021 at 3.00 p.m. at the Registered Office of the Company at No. 5, Egmore High Road, Egmore, Chennai – 600 008, to transact the following business:


ORDINARY BUSINESS:

1. (a). To receive, consider and adopt the Standalone Audited Financial Statements of the Company as at 31st March, 2021 and the Reports of Directors and Independent Auditors thereon.

(b). To receive, consider and adopt the Consolidated Audited Financial Statements of the Company as at 31st March, 2021 and Independent Auditors thereon.

By order of the Board,
For **NET AVENUE TECHNOLOGIES PRIVATE LIMITED**

Place: Chennai
Date : 30.09.2021


(K. RITESH KATARIYA)

Director

DIN: 01019455

No. 5, Egmore High Road,

Egmore,

Chennai – 600 008.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The proxy form, in order to be effective, must be deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting. The blank proxy form is annexed as *Annexure-1* hereto.

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

2. A corporate member or trust shall be deemed to be personally present only if it is represented in accordance with the provisions of section 113(1)(a) of the Companies Act, 2013, i.e., only if the corporate member or trust sends certified true copy of the resolution passed by its Board of Directors or governing council authorising the representative to attend and vote at the Annual General Meeting.
3. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company atleast seven days before the date of Annual General Meeting to enable the Company to keep the information ready at the meeting.
4. All documents referred to in the above notice are open for inspection at the Registered Office of the Company on all working days other than Saturdays, Sundays, Public and National Holidays upto the date of Annual General Meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under section 189 of the Companies Act, 2013, will be made available for inspection by the members at the Annual General Meeting.
6. As the Annual General Meeting is being held at a shorter notice than that prescribed under section 101(1) of the Companies Act, 2013, the members are requested to provide their respective consent to hold the Annual General Meeting at a shorter notice.
7. The route map for reaching to the venue of the Annual General Meeting is annexed to this notice.

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 20th Annual Report of the business and operations of the Company together with the audited statement of accounts for the year ended 31st March, 2021.

1. STATE OF COMPANY'S AFFAIRS:

(A). Financial summary or highlights:

	(in Rs.)	
<i>Particulars</i>	<i>2020-21</i>	<i>2019-20</i>
Total Income	145082318	205938559
Total expenditure	145115339	201963844
Profit before interest, depreciation and tax	1106607	5113618
Finance cost	720660	411406
Depreciation	418968	727497
Profit (Loss) before Exceptional & Extra-ordinary items and tax	(33021)	3974715
Exceptional & Extra-ordinary items	-	-
Profit (Loss) after Exceptional & Extra-ordinary items & before tax	(33021)	3974715
Provision for taxation (Net of deferred tax)	-	-
Profit (Loss) after tax	(33021)	3974715
Amount available for appropriation	(33021)	3974715
Appropriations:		
Transfer to General Reserve	-	-
Proposed dividend	-	-
Tax on proposed dividend	-	-
Balance carried to Balance Sheet	(33021)	3974715

(B). Operations:

The Company has achieved a turnover of Rs.13.22 Crores during the financial year 2020-21 as compared to Rs.18.93 Crores during the financial year 2019-20. The operations of your Company under review has been satisfactory in comparison to market situations.

2. EXTRACT OF ANNUAL RETURN (FORM MGT-9):

Pursuant to the deletion of rule 12 in the Companies (Management and Administration) Rules, 2014 with effect from March 5, 2021, your Company is now not required to attach the Extract of Annual Return with this report. Further, the Company also does not have a separate website to display the said Annual Return in pursuance of sub-section (3) of section 92 of the Companies Act, 2013.

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

3. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

The Board met six times during the financial year, the details of which are given hereunder. During the period of disruptions caused by Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 11/2020 dated March 24, 2020 had relaxed the compliance of not holding the Board meeting with a gap of more than 120 days by a further period of 60 days for the first two quarters of the financial year. Except this, the maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

<i>Quarter</i>	<i>Date of Board Meeting</i>
1 st April, 2020 to 30 th June, 2020	18.06.2020
1 st July, 2020 to 30 th September, 2020	16.07.2020
	30.09.2020
1 st October, 2020 to 31 st December, 2020	22.10.2020
1 st January, 2021 to 31 st March, 2021	21.01.2021
	25.03.2021

4. COMPLIANCE WITH SECRETARIAL STANDARDS:

During the year under review, the Company has followed applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’ respectively issued by the Institute of Company Secretaries of India.

5. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 134(5) of the Companies Act, 2013, the Board hereby submits its Responsibility Statement:

- (a) In the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

(d) The Company's performance has been impacted by failure to achieve anticipated sales volumes, lack of liquidity due to non-settlement of advances / receivables requiring approval under Foreign Exchange Management Act, 1999 and regulations thereunder resulting in extension of working capital cycle etc., and consequential erosion of the net worth of the Company. These events or conditions along with other matters as set forth therein indicate that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern.

(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

6. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLOSURES MADE BY THE AUDITORS:

The Statutory Auditors of the Company in their report and notes forming part of the financial statements for the year ended 31st March, 2021 have stated that:

Standalone Financial Statements:

1. Auditors Comment:

Material Uncertainty Related to Going Concern

Without qualifying our opinion we draw reference to Note 2.1 to the standalone financial statements relating to the going concern, the Company's performance has been impacted by failure to achieve anticipated sales volumes, lack of liquidity due to non-settlement of advances / receivables requiring approval under Foreign Exchange Management Act, 1999 and regulations thereunder resulting in extension of working capital cycle etc., and consequential erosion of the net worth of the Company. These events or conditions along with other matters as set forth therein indicate that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Note 2.1

As at 31 March 2021, the Company has accumulated losses of INR 48,01,22,215 as against the share capital (along with the securities premium, stock option and general reserve) of INR 45,04,41,395. The Company's performance has been impacted by failure to achieve anticipated sales volume, provision for its long standing advances / receivables, delays in recovery of certain long pending balances resulting in extended working capital cycle etc., resulting erosion of the net worth of the Company.

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

The Company has initiated various steps to improve its operational performance, liquidity, net worth by raising fresh capital through improved business plans (i.e., in terms of delivery and pricing of products), cost reduction to bring operational efficiencies, new strategic business alliances with e-Commerce Companies, proposed increase in capital by way of equity infusion from its existing shareholders and other prospective private equity investors (including fresh foreign direct investment) which would require the Company to continue to comply with the Foreign Direct Investment Policy ('FDI'), FEMA regulations.

Also in view of the continued support by the promoters ("Ritesh Katariya" and "Rajesh Nahar") through short-term loans etc., negotiations with e-Commerce Companies for strategic business alliances, vendors for improved commercial terms, better credit and banking credit facilities, the Company believes that it would be able to realize its assets and settle its liabilities in the normal course at their carrying values and no adjustments would be required in respect of the carrying value of assets and liabilities as at 31 March 2021.

Directors' Reply:

The observations made by the auditors, being detailed and self explanatory in nature, does not call for any further information from your Directors.

The Directors would further like to assure the shareholders that with the best efforts of their employees, the Company would be able to reflect profits in the years to come.

2. Auditors Comment:

Emphasis of Matter:

Attention is drawn to Note 38 to the standalone financial statements regarding the delay in remittances/collections of certain overdue balances to/from its wholly-owned subsidiaries. We understand from management that the Company is in the process of settling the payable balances to its wholly owned subsidiaries in the due course, and obtaining such consents / approvals / condonations as may be required from the authorized dealers and other statutory authorities. Our opinion is not modified in respect of this matter.

Note 38:

Payables/receivables to/from subsidiaries:

As at 31 March, 2021, the Company has certain long-outstanding foreign currency payable and receivable balances to/from its wholly-owned subsidiaries. These balances relate to inter-company transactions with its subsidiaries towards procurement of services, reimbursement of expenses, collections made by the subsidiary companies on behalf of the Company etc., in the past and the current year. Owing to operational difficulties, the Company was unable to settle the aforesaid balances within the stipulated time period resulting in delays in remittances /

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

collections of such overdue balances in accordance with the provisions of the Foreign Exchange Management Act, 1999 and the regulations thereunder ('the Act') from the subsidiaries. In this regard, the Company is in the process of obtaining the consent of the authorized dealer for netting off such overdue credits with long outstanding receivables and seek necessary approvals / condonation for the delayed remittances / collections in accordance with the provisions of the Act. The Company has parallelly started paying the outstanding to subsidiaries.

Directors' Reply:

The observation made by the auditors, being detailed and self explanatory in nature, does not call for any further information from your Directors.

Consolidated Financial Statements:

1. Auditors Comment:

Material Uncertainty Related to Going Concern

Without qualifying our opinion we draw reference to Note 2.1 to the consolidated financial statements relating to the going concern, the Holding Company's performance has been impacted by failure to achieve anticipated sales volumes, lack of liquidity due to non-settlement of advances / receivables requiring approval under Foreign Exchange Management Act, 1999 and regulations thereunder resulting in extension of working capital cycle etc and consequential erosion of the net worth of the Holding Company. These events or conditions along with other matters as set forth therein indicate that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Note 2.1

As at 31 March 2021, the group has accumulated losses of INR 47,68,90,329 as against the share capital (along with the securities premium, stock option, capital reserve and general reserve) of INR 45,14,27,818. The Holding Company's performance has been impacted by failure to achieve anticipated sales volume, provision for its long standing advances / receivables, delays in recovery of certain long pending balances resulting in extended working capital cycle etc., resulting erosion of the net worth of the group.

The Holding Company has initiated various steps to improve its operational performance, liquidity, net worth by raising fresh capital through improved business plans (i.e., in terms of delivery and pricing of products), cost reduction to bring operational efficiencies, new strategic business alliances with e-Commerce Companies, proposed increase in capital by way of equity infusion from its existing shareholders and other prospective private equity investors (including fresh foreign direct investment) which would require the Holding Company to continue to comply with the Foreign Direct Investment Policy ('FDI'), FEMA regulations.

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

Also in view of the continued support by the promoters ("Ritesh Katariya" and "Rajesh Nahar") through short-term loans etc., negotiations with other e-Commerce Companies for strategic business alliances, vendors for improved commercial terms, better credit and banking credit facilities, the group believes that it would be able to realize its assets and settle its liabilities in the normal course at their carrying values and no adjustments would be required in respect of the carrying value of assets and liabilities as at 31 March 2021.

Directors' Reply:

The observation made by the auditors, being detailed and self explanatory in nature, does not call for any further information from your Directors.

The Directors would further like to assure the shareholders that with the best efforts of their employees, the Company would be able to reflect profits in the years to come.

2. Auditors Comment:

Emphasis of Matter:

Attention is drawn to Note 37 to the consolidated financial statements regarding the delay in remittances / collections of certain overdue balances to / from its wholly owned subsidiaries. We understand from management that the Holding Company is in the process of settling the payable balances to its wholly owned subsidiaries in the due course and obtaining such consents / approvals / condonations as may be required from the authorized dealers and other statutory authorities.

Note 37:

Payables / receivables to/from subsidiaries:

As at 31 March 2021, the Holding Company has long-outstanding foreign currency payable and receivable balances to/from its wholly-owned subsidiaries. These balances relate to inter-company transactions with its subsidiaries towards procurement of services, reimbursement of expenses, collections made by the subsidiary companies on behalf of the Holding Company etc. in the past and the current year. Owing to operational difficulties, the Holding Company was unable to settle the aforesaid balances within the stipulated time period resulting in delays in remittances / collections of such overdue balances in accordance with the provisions of the Foreign Exchange Management Act, 1999 and the regulations thereunder ('the Act') from the subsidiaries. In this regard, the Holding Company is in the process of obtaining the consent of the authorized dealer for netting off such overdue credits with long outstanding receivables and seek necessary approvals / condonation for the delayed remittances / collections in accordance with the provisions of the Act. The Company has parallelly started paying the outstanding to subsidiaries.

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

Directors' Reply:

The observation made by the auditors, being detailed and self explanatory in nature, does not call for any further information from your Directors.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company has continued the loans, advances and investments made in bodies corporate and other persons during the financial year. Your Directors would like to draw your attention to the notes to the financial statements which sets out the details of loans and investments made.

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. The Company presents a statement of all related party transactions before the Board of Directors of the Company for their approval. During the financial year, the Company has entered into transactions with the related parties. Your Directors would like to draw your attention to the notes to the financial statements which sets out related party disclosures. A statement in Form AOC-2 pursuant to the provisions of clause (h) of sub-section (3) of section 134 of the Act read with sub-rule (2) of rule 8 of the Companies (Accounts) Rules, 2014 is furnished in *Annexure-2* and is attached to this report.

9. DETAILS OF AMOUNTS TRANSFERRED TO RESERVES:

The Company has proposed to transfer the following amounts to reserves during the financial year:

Particulars	As at	
	31 March 2021	31 March 2020
I. General reserve		
Balance at the beginning of the year	4,918,541	4,628,517
Add: Transfer from employee stock option outstanding	111,188	290,024
Balance at the end of the year	5,029,729	4,918,541

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

Particulars	As at	
	31 March 2021	31 March 2020
II. Employee stock option outstanding		
Balance at the beginning of the year	16,444,688	14,346,578
Add: Options granted during the year	1,078,466	2,388,134
Less: Options exercised during the year	-	-
Less: Amount transferred to general reserve on account of forfeiture	111,188	290,024
Balance at the end of the year	17,411,965	16,444,688

10. DIVIDEND:

In view of inadequacy of profits, your Directors do not recommend any dividend for the financial year ended 31st March, 2021.

11. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company was not required to transfer any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.

12. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT (01/04/2021 to 30/09/2021):

The “Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2)”, generally known as COVID-19, which was declared as a pandemic by the WHO on March 11, 2020, continues to spread across India and there is an unprecedented level of disruption on socio-economic front across the country. There is a high level of uncertainty about the duration of the lockdown and the time required for things to get normal. The extent to which COVID-19 pandemic will impact the Company's operation and financial results is dependent on the future developments, which are highly uncertain.

Except this, there were no material changes and commitments affecting the financial position of the Company between the period 1st April, 2021 to 30th September, 2021.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

In terms of clause (m) of sub-section (3) of section 134 of the Companies Act, 2013 and the rules framed there under, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is given below:

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

1). CONSERVATION OF ENERGY:

(i) the steps taken or impact on conservation of energy;	Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However, adequate measures are always taken to ensure optimum utilization and maximum possible saving of energy.
(ii) the steps taken by the Company for utilising alternate sources of energy;	
(iii) the capital investment on energy conservation equipments;	

2). TECHNOLOGY ABSORPTION:

(i) the efforts made towards technology absorption;	The Company has no activity relating to technology absorption.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - (a) the details of technology imported; (b) the year of import; (c) whether the technology has been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof, and	
(iv) the expenditure incurred on Research and Development.	

3). FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Amount in Rs.)

<i>Particulars</i>	<i>2020-21</i>	<i>2019-20</i>
Value of exports calculated on FOB basis	106613480	171099251
Shipping Charges	5767066	8737315
Value of Imports calculated on CIF basis:		
Raw Materials	-	-
Components and Spare parts	-	-
Capital Goods	-	-

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

Expenditure in Foreign Currency:		
Travel	-	-
Others	10671429	18096701

14. DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company during the financial year.

15. CHANGES IN DIRECTORS AND KEY MANGERIAL PERSONNEL:

There were no changes in Directors of the Company during the financial year.

16. DECLARATION BY INDEPENDENT DIRECTORS:

The Company was not required to appoint Independent Directors under the provisions of sub-section (4) of section 149 of the Companies Act, 2013 read with rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence no declaration was obtained.

17. COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:

The Company was not required to constitute a Nomination and Remuneration Committee under the provisions of sub-section (1) of section 178 of the Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Stakeholders Relationship Committee under the provisions of sub-section (5) of section 178 of the Companies Act, 2013.

18. SUBSIDIARY:

The statement containing the salient features of the financial statements of the Company's subsidiaries, namely, **M/s. Pioneer Tradings Limited**, United Kingdom and **M/s. Cbazaar.com Inc**, United States of America and the Company's associate Company, namely **M/s. Ethnoserve Bespoke Services Private Limited** pursuant to the first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014 is furnished in *Annexure-3* and is attached to this report.

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

19. INTERNAL FINANCIAL CONTROLS:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation were observed.

20. DEPOSITS:

Your Company has neither accepted nor renewed any deposits from public within the meaning of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

21. MATERIAL ORDERS PASSED BY REGULATORY AUTHORITIES:

There are no significant and material orders passed by the regulators or courts or tribunals during the year, impacting the going concern status and Company's operations in future.

22. RISK MANAGEMENT POLICY:

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk Management is a structured approach to manage uncertainty. Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate the probability and / or impact of unfortunate events or to maximize the realization of opportunities. Although the Company does not have a formal risk management policy but a formal enterprise-wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. The Company has laid down a comprehensive risk assessment and minimization procedure which is reviewed by the board from time to time. These procedures are reviewed to ensure that executive management controls risks through means of a properly defined framework. Key business risks and their mitigation are also considered in the annual / strategic business plans and in periodic management reviews.

23. DETAILS OF REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements of the Company during the financial year.

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

24. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

25. SHARES AND SHARE CAPITAL:

a. CAPITAL STRUCTURE:

The Authorised Share Capital of your Company is Rs.3600000/- comprising of 2499980 Equity Shares of Re.1/- each, 10 Series 'A' Equity Shares of Re.1/- each, 10 Series 'B' Equity Shares of Re.1/- each, 500000 Series 'A' Preference Shares of Re.1/- each and 600000 Series 'B' Preference Shares of Re.1/- each.

The Paid-up Share Capital is Rs.2251154/- comprising of 1238420 Equity Shares of Re.1/- each, 6 Series 'A' Equity Shares of Re.1/- each, 468614 Series 'A' Preference Shares of Re.1/- each and 544114 Series 'B' Preference Shares of Re.1/- each.

b. BUY-BACK OF SHARES:

The Company has not bought back any of its securities during the financial year.

c. SWEAT EQUITY:

The Company has not issued any Sweat Equity Shares during the financial year.

d. BONUS SHARES:

No Bonus Shares were issued during the financial year.

e. EMPLOYEES STOCK OPTION PLAN:

(i). Employee share-based payment plans:

During the year ended 31 March 2014, the Company had formed an ESOP trust, "Net Avenue Technologies Private Limited Employees Welfare Trust". The Company had framed the guidelines on issue of shares to its employees. The ESOP trust has purchased 46,980 shares from the shareholders and subscribed additionally for 38,420 shares issued by the Company at a premium of Rs.232 per share for the purpose of issuing it to the employees. Share premium of Rs.8913440 on these shares has been since reversed from securities premium account. Similarly, 38420 shares (Rs.38,420) have been reduced from share capital as consideration not received. The Company had accounted for the ESOP Trust in accordance with Guidance Note on Accounting for Employee Share Based Payments. Accordingly, the loan given to the ESOP trust has been disclosed as "Amount recoverable from Net Avenue Technologies Private Limited

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

Employees Welfare Trust" in the balance sheet and the shares are shown as a part of the share capital.

The management believes that the amount of loan receivable from the ESOP trust is fully recoverable based on budgeted plan and hence no provision is made in the books.

(ii). Details of the shares reserved for issue under options

The Company issued options under the Employees stock option policy 2013 ("2013 Plan") in the financial year 2013-2014. The 2013 Plan covers all employees on the permanent rolls of the Organisation and who can be assigned eligibility scores using an ESOP Scoring Matrix 2013. The objective of this 2013 Plan is to encourage ownership of the Company's equity by its employees on an ongoing basis. The 2013 Plan is intended to reward the employees for their contribution to the successful operation of the Company and to provide an incentive to continue contributing to the success of the Company.

The scheme provides that these options would be vested in tranches as follows

Period within which the option will vest unto the participant	% of options that will vest
One Year from the date of acceptance of offer	30%
Two Years from the date of acceptance of offer	30%
Three Years from the date of acceptance of offer	20%
Four Years from the date of acceptance of offer	20%

Presumptions used in fair value computations:

Grant date	15-Oct-13	1-Jul-14	Various dates in 2014-15	Various dates in 2015-16	1-Jul-16	1-Jul-17	1-Jul-18
Options Granted	23400	1500	2599	13600	3700	50616	3500
Number of Personnel	76	3	1	32	17	10	5
Options forfeited	3	39	-	6	19	12	17
Vesting period	1 to 4 years	1 to 4 years	1 to 4 years	1 to 4 years	1 to 4 years	1 to 4 years	1 to 4 years
Expected option life	2.3 years	6.3 years	6.3 years	6.3 years	6.3 years	6.3 years	6.3 years
Risk free rate	8.80%	8.80%	8.80%	8.80%	8.80%	8.80%	8.80%
Share price at grant date (Rs / share)	233	233	487.52	430	543.10	414.19	414.19

The fair value of stock options has been determined using the Black Scholes option pricing model.

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

Summary of the status of options granted under 2013 Plan to employees as at 31 March 2021 and 31 March 2020 is presented below :

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Options granted and outstanding at the beginning of the year	61,866	63,616
Add: Options granted during the year	-	-
Less: Exercised during the year	-	-
Less: Expired during the year	-	-
Less: Forfeited during the year	300	1,750
Options granted and outstanding at the end of the year	61,566	61,866
Exercisable options at the end of the year	60,701	39,705

26. STATUTORY AUDITORS:

M/s. PKF SRIDHAR & SANTHANAM LLP (Firm: 0039905 / S200018), Chartered Accountants, Chennai were appointed for a period of 5 (five) consecutive years from the conclusion of the Eighteenth Annual General Meeting held in the calendar year 2019 till the conclusion of the 23rd Annual General Meeting to be held in the calendar year 2024.

27. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company does not have a formal Anti Sexual Harassment policy in place but has adequate measures including checks and corrections in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed off during the financial year:

- | | |
|---|------------------|
| - No. of Complaints received | : NIL |
| - No. of Complaints disposed off | : NIL |
| - No. of cases pending for more than 90 days | : NIL |
| - No. of workshops / awareness programmes carried out | : ONE |
| - Nature of action taken by the employer / DO | : Not Applicable |

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: No. 5, Egmore High Road, Egmore,

CHENNAI – 600 008.

Tel: 044 – 6604 0000 e-mail ID: accounts@cbazaar.com

28. ACKNOWLEDGEMENTS:

Your Directors wish to acknowledge all their stakeholders and are grateful for the excellent support received from the shareholders, bankers, financial institutions, government authorities, esteemed clients, customers and other business associates. Your Directors recognize and appreciate the hard work and efforts put in by all the employees of the Company and their contribution to the growth of the Company in a very challenging environment.

For and on behalf of the Board,



(S. RAJESH NAHAR)

Managing Director

DIN: 01015059

No. 2E, Prince Paradise,
No. 75, Jermiah Road, Vepery,
Chennai – 600 007.



(K. RITESH KATARIYA)

Director

DIN: 01019455

No. 5, Egmore High Road,
Egmore,
Chennai – 600 008.

Place: Chennai
Date : 30.09.2021

INDEPENDENT AUDITOR'S REPORT

To the members of Net Avenue Technologies Private Limited

REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Net Avenue Technologies Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021 and the Statement of Profit and Loss for the year then ended and the Statement of Cash Flows for the year then ended including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and loss and its cash flows for the year 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Material uncertainty related to Going concern

Without qualifying our opinion, we draw reference to Note 2.1 to the standalone financial statements relating to the going concern, the Company's performance has been impacted by failure to achieve anticipated sales volumes, lack of liquidity due to non-settlement of advances / receivables requiring approval under Foreign Exchange Management Act, 1999 and regulations thereunder resulting in extension of working capital cycle etc and consequential erosion of the net worth of the Company. These events or conditions along with other matters as set forth therein indicate that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern.

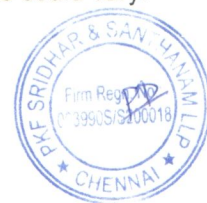
Our opinion is not modified in respect of this matter.

Emphasis of Matter

Attention is drawn to Note 38 to the standalone financial statements regarding the delay in remittances/ collections of certain overdue balances to/from its wholly owned subsidiaries. We understand from management that the Company is in the process of settling the payable balances to its wholly owned subsidiaries in the due course and obtaining such consents / approvals / condonations as may be required from the authorized dealers and other statutory authorities.

Attention is drawn to Note 42 to the financial statements, regarding the management's impairment assessment of property, plant and equipment, intangible assets, trade receivables, inventories as at 31 March 2021 being considered as unimpaired /recoverable based on the future operations plans and cash flows wherein projections are made based on the various judgments and estimates related to inflation, discount rates, and implications expected to arise from COVID-19 pandemic, wherein actual results could vary.

Our opinion is not modified in respect of this matter.



Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report / the management report but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Management and those charged with Governance for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is 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.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 but not for the purpose of expressing our opinion under section 143(3)(i) of the Companies Act, 2013 on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) At this juncture, we are unable to comment whether the matter described in the Emphasis of Matter paragraph above, may have an adverse effect on the functioning of the Company
 - (f) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) Pursuant to MCA notification dated 13th June 2017, reporting on adequacy of the internal financial controls over financial reporting is exempted for this company
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the standalone financial statements.
 2. The Company does not have long term contracts including derivative contracts on which any material foreseeable losses needed to be provided.
 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. The Company being a private limited company, provisions of section 197(16) read with Schedule V of the Act are not applicable to the Company.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

P. Devi

Devi P
Partner
Membership No:223137



Place of Signature: Chennai
Date: 30th September 2021

UDIN: 21223137AAAADD40A2

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Net Avenue Technologies Private Limited ("the Company") on the standalone financial statements as of and for the year ended 31st March 2021

- (i)
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Company has a regular program of verifying fixed assets which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Fixed assets have been physically verified by the management during the year. As informed, no discrepancies were noticed on such verification.
 - (c) According to information and explanation given to us, there are no immovable properties held in the name of the Company.
- (ii) The Company has conducted physical verification of inventories at reasonable intervals. No material discrepancies were noticed.
- (iii) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not made any investments, granted any loans or given any security or guarantee for which provisions of section 185 and 186 of the Act are applicable.
- (iv) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under.
- (v) The central government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any products sold by the Company.
- (vi)
- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Services Tax (GST), VAT, cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), VAT, cess and any other statutory dues were in arrears, as at 31 March 2021 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanation given to us, there were no statutory dues, which have not been deposited on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans to banks. The company has neither taken any loans or borrowings from any financial institution or government during the year nor has it issued any debentures.
- (ix) The Company has not raised money by way of IPO (Initial Public Offer) or FPO (Further Public Offer) and hence clause (ix) is not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such cases by the Management.



- (xi) Being a private limited company, provisions of section 197 read with Schedule V of the Act regarding Managerial remuneration is not applicable to the Company.
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us and the records of the Company examined by us, we were given to understand that there were no transactions that require approvals in accordance with section 188 of the Act and the details have been disclosed in note XX to the financial statements as required by the applicable accounting standard. Section 177 is not applicable to the Company, and hence the related reporting requirement under the Order is not commented upon.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence this clause is not applicable.
- (xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No. **003990S/S200018**

P. Devi

Devi P
Partner
Membership No:223137



Place of Signature: Chennai
Date: 30th September 2021

UDIN: 21223137 AAAADD4072

Net Avenue Technologies Private Limited

Balance Sheet as at 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

	Note	As at 31 March 2021	As at 31 March 2020
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	22,12,734	22,12,734
Reserves and surplus	4	(3,18,93,554)	(3,29,38,998)
		<u>(2,96,80,820)</u>	<u>(3,07,26,264)</u>
Non-current liabilities			
Long-term borrowings	5	-	-
Long-term provisions	6	46,01,860	45,52,707
		<u>46,01,860</u>	<u>45,52,707</u>
Current liabilities			
Short-term borrowings	7	1,91,06,802	50,94,537
Trade payables	8		
- Dues to micro and small enterprises		5,80,009	8,41,749
- Total outstanding dues to creditors other than micro and small enterprises		4,05,24,839	4,59,21,697
Other current liabilities	9	30,24,09,173	29,34,76,543
Short-term provisions	6	10,55,682	6,66,981
		<u>36,36,76,505</u>	<u>34,60,01,507</u>
TOTAL		<u><u>33,85,97,545</u></u>	<u><u>31,98,27,950</u></u>
ASSETS			
Non-current assets			
Property, plant and equipment			
a) Tangible assets	10	11,05,356	13,19,399
b) Intangible fixed assets	11	5,11,309	5,41,125
Non-current investments	12	-	-
Deferred tax asset	13	-	-
Amount recoverable from Net Avenue Technologies Private Limited	39	1,09,60,434	1,09,60,434
Employees Welfare Trust (net)			
Long-term loans and advances	14	6,06,086	6,06,086
		<u>1,31,83,185</u>	<u>1,34,27,044</u>
Current assets			
Inventories	15	2,68,89,921	2,58,22,042
Trade receivables	16	70,79,807	1,70,66,709
Cash and bank balances	17	1,12,43,597	54,02,448
Short-term loans and advances	14	1,17,31,162	1,01,67,644
Other current assets	18	26,84,69,873	24,79,42,062
		<u>32,54,14,360</u>	<u>30,64,00,906</u>
TOTAL		<u><u>33,85,97,545</u></u>	<u><u>31,98,27,950</u></u>

Significant accounting policies

2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Registration No.: 003990S/S200018



P Devi

Partner

Membership No. 223137

Place : Chennai

Date : 30.09.2021

for and on behalf of the Board of Directors of

Net Avenue Technologies Private Limited

CIN : U72900TN2001PTC047220



Ritesh Katariya

Director

DIN: 01019455

Place : Chennai

Date : 30.09.2021

Rajesh Nahar

Director

DIN: 01015059

Place : Chennai

Date : 30.09.2021

Net Avenue Technologies Private Limited

Statement of Profit and Loss for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	19	13,80,02,929	19,79,92,881
Other income	20	70,79,389	79,45,678
Total revenue		14,50,82,318	20,59,38,559
Expenses			
Cost of materials consumed	21	1,47,10,334	7,36,08,721
Purchases of stock-in-trade	22	4,30,10,260	1,78,37,622
Changes in inventory of work-in-progress and stock-in-trade	23	(36,32,206)	(85,53,460)
Employee benefits expense	24	2,85,86,368	4,25,08,338
Finance cost	25	7,20,660	4,11,406
Depreciation and amortisation	26	4,18,968	7,27,497
Other expenses	27	6,13,00,955	7,54,23,720
Total expenses		14,51,15,339	20,19,63,844
Profit/ (loss) before tax		(33,021)	39,74,715
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
Profit/ (loss) for the year		(33,021)	39,74,715
Earnings per share			
Basic	37	(0.03)	3.31
Diluted	37	(0.03)	1.77
Nominal value of equity share		1.00	1.00

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Registration No. 003990/S/200018

P. Devi

P Devi

Partner

Membership No. 223137

Place : Chennai

Date : 30.09.2021



for and on behalf of the Board of Directors of

Net Avenue Technologies Private Limited

CIN : U72900TN2001PTC047220

Ritesh Katariya

Ritesh Katariya

Director

DIN: 01019455

Place : Chennai

Date : 30.09.2021



Rajesh Nahar

Rajesh Nahar

Director

DIN: 01015059

Place : Chennai

Date : 30.09.2021

Net Avenue Technologies Private Limited

Cash flow statement for the year ended March 31, 2021

(All amounts are in Indian Rupees except share data or as stated)

	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit before tax	(33,021)	39,74,715
Adjustments:		
Depreciation and amortisation	4,18,968	7,27,497
Finance cost	7,20,660	4,11,406
Interest income	(4,77,084)	(3,04,632)
Employee stock compensation expense	10,78,466	23,88,134
Provision for advances and other current assets		3,80,496
Provision for doubtful debts	68,03,290	-
Provision for non-moving inventory	28,89,376	-
Profit on sale of property, plant and equipment	(16,133)	(47,884)
Bad Debts written off	7,97,696	22,72,641
Unrealized foreign exchange (gain) / loss	(10,29,881)	(18,67,187)
Provision no longer required written back	(36,02,075)	(52,41,524)
Operating cash flow before working capital changes	75,50,262	26,93,661
(Increase)/Decrease in trade receivables	23,85,916	(76,33,135)
(Increase)/Decrease in inventories	(39,57,254)	(1,28,34,365)
(Increase)/Decrease in loans and advances and other assets	(2,10,61,448)	(1,44,46,080)
Increase/(Decrease) in trade payables, other liabilities and provisions	73,13,960	3,25,66,701
Cash generated from operations	(77,68,564)	3,46,782
Income taxes paid	-	(41,279)
Net cash used by operating activities (A)	(77,68,564)	3,05,504
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible fixed assets	(1,75,109)	(6,69,721)
Proceeds from sale of property, plant and equipment	16,133	59,749
Bank deposits (having original maturity more than three months)	(52,80,614)	(3,12,253)
Interest received	4,77,084	3,46,134
Net cash provided by investing activities (B)	(49,62,506)	(5,76,092)
Cash flow from financing activities		
Proceeds from borrowings	1,40,12,265	1,64,449
Finance costs paid	(7,20,660)	(2,78,878)
Net cash used by financing activities (C)	1,32,91,605	(1,14,429)
Net decrease in cash and cash equivalents (A+B+C)	5,60,535	(3,85,017)
Cash and cash equivalents at the beginning of year	5,40,571	9,25,588
Cash and cash equivalents at the end of the year	11,01,106	5,40,571

< This space has been intentionally left blank >

Notes to cash flow statement

	As at March 31, 2021	As at March 31, 2020
Components of cash and cash equivalents:		
Cash on hand	48,455	46,608
Balances with banks		
- On current accounts	10,52,651	4,93,963
Total	11,01,106	5,40,571

Significant accounting policies

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Registration No. 003990/S/200018

P Devi

Partner

Membership No. 223137

Place : Chennai

Date : 30.09.2021



for and on behalf of Board of Directors of
Net Avenue Technologies Private Limited
CIN : U72900TN2001012047220

Ritesh Katariya
Director
DIN: 01019455
Place : Chennai
Date : 30.09.2021



Rajesh Nahar
Director
DIN: 01015059
Place : Chennai
Date : 30.09.2021

Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

1 Background

Net Avenue Technologies Private Limited ("the Company") was incorporated on 7 June 2001. The Company is engaged in the sale of Indian designer clothes and accessories online. The Company has its own portal "Cbazaar.com" in the Indian fashion e-tail space.

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these standalone financial statements.

2.1 Basis of preparation of standalone financial statements

The standalone financial statements have been prepared and presented in accordance with the generally accepted accounting principles in India ("Indian GAAP"). The standalone financial statements have been prepared to comply in all material respects with the Accounting Standards ("AS") notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of Companies Act, 2013 as applicable. The standalone financial statements have been prepared on accrual basis under the historical cost convention.

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

All assets and liabilities have been classified into current or non-current as per the normal operating cycle of the Company and other criteria as set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

As at 31 March 2021, the Company has accumulated losses of INR 48,01,22,215 as against the share capital (along with the securities premium, stock option and general reserve) of INR 45,04,41,395. The Company's performance has been impacted by failure to achieve anticipated sales volume, provision for its long standing advances / receivables, delays in recovery of certain long pending balances resulting in extended working capital cycle etc. resulting erosion of the net worth of the company.

The Company has initiated various steps to improve the operational performance, liquidity, net worth by raising fresh capital through improved business plans (i.e., in terms of delivery and pricing of products), cost reduction to bring operational efficiencies, new strategic business alliances with other e-Commerce Companies, proposed increase in capital by way of equity infusion from its existing shareholders and other prospective private equity investors (including fresh foreign direct investment) which would require the Company to continue to comply with the Foreign Direct Investment Policy ('FDI'), FEMA regulations.

Also, in view of the continued support by the promoters ("Ritesh Katariya" and "Rajesh Nahar") through short-term loans, etc., negotiations with other e-commerce Companies for strategic business alliances, vendors for improved commercial terms, better credit and banking credit facilities, the Company believes that it would be able to realize its assets and settle its liabilities in the normal course at their carrying values and no adjustments would be required in respect of the carrying value of assets and liabilities as at 31 March 2021.

In connection with the preparation of the financial statements for the year ended March 31, 2021, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by/ on behalf of the Company and the resultant revenue earned/ expenses incurred arising out of the same after reviewing the levels of authorisation, the documentary evidences and the overall control environment including compliance with all FDI, FEMA and other legal requirements of operating the business. Further, the Board of Directors have also reviewed the realizable/ carrying value of all the current/ non-current assets of the Company. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on 30 September, 2021.

Accordingly, the financial statements have been prepared on a going concern basis.



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

2.2 Use of estimates

The preparation of standalone financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the standalone financial statements and reported amounts of income and expenses during the period. Actual figures may differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after

Current assets include the current portion of non-current assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

2.4 Property, plant and equipment and depreciation

The cost of property, plant and equipment includes freight, duties and taxes and other incidental expenses related to the acquisition, but exclude duties and taxes that are recoverable subsequently from tax authorities. Borrowing costs directly attributable to acquisition of those property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use are capitalized. Depreciation is provided on written down value method over the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013. Pursuant to the above, the useful life of the assets are as below:

Category of asset	Useful life
Computers	3 years
Office equipments	5 years
Plant and machinery	15 years
Furniture and fittings	10 years
Vehicle	10 years

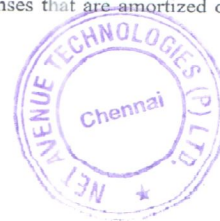
Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Leasehold improvements are amortised using straight line method over the lease period.

Advances paid towards acquisition of property, plant and equipment and the cost of assets not ready to be put to use before the year end are disclosed under long-term loans and advances, and capital work in progress respectively.

2.5 Intangible fixed assets and amortisation

Intangible fixed assets are recorded at the consideration paid for acquisition including any import duties and other taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), and any directly attributable expenditure in making the asset ready for its intended use. Intangible assets comprise primarily of software licenses that are amortized over their estimated useful life of 3 years.



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

2.6 Impairment

The Company assesses at each balance sheet whether there is an indication that an asset may be impaired. If any such condition exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciated historical cost.

2.7 Inventories

Inventories which comprise raw materials, work in-progress, finished goods and stock-in-trade are carried at the lower of cost and net realisable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of inventories comprises of purchase costs, costs of conversion, and other costs incurred in bringing the inventories to their present condition and location. In determining the cost, specific identification method is used.

2.8 Income from operations and other income

Revenue from sale of goods including shipping charges is recognised on delivery of goods to customers, which generally coincides with the transfer of all significant risks and rewards of ownership to the buyer. Sale value of goods is exclusive of sales tax, returns, and inclusive of price adjustments and quantity discounts.

Dividend income is recognized when the shareholders' right to receive payment is established by the balance sheet date.

Interest income is recognized on time proportion basis.

MEIS income is recognized when there is reasonable certainty on the amount and its realization.

2.9 Investments

Investments are either classified as current or long-term based on the management's intention. Current investments are carried at the lower of cost and fair value. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value. Long-term investments are carried at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment.

2.10 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the day of the respective transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date. Exchange differences arising on foreign currency transactions during the year and on restatement of monetary assets and liabilities are recognized in the statement of profit and loss of the year.

Integral foreign operations are those which carry on their business as if they were an extension of the Company's operations.

The financial statements of an integral foreign operation are translated into Indian rupees as if the transactions of the foreign operation were those of the Company itself.

2.11 Earnings per share

Basic earnings per share amounts are computed by dividing net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit after tax attributable to the equity shareholders for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

In computing diluted earnings per share, only potential equity shares that are dilutive and that reduce profit / loss per share are included.

2.12 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at the fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the period of the lease.



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

2.13 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plan:

Provident Fund: A defined contribution plan is a post employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards employee provident fund and pension to Government administered provident fund scheme and pension scheme which is a defined contribution plan. The Company has no further obligations under the plan beyond its monthly contributions. The company's contribution is recognized as an expense in the Statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plan:

Gratuity: The company's gratuity benefit scheme is the defined benefit plan. The company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the company's obligation is performed by a qualified actuary using the projected unit credit method. The Companies gratuity scheme is administered by Life Insurance Corporation of India.

The company recognizes all actuarial gains and losses arising from the defined benefit plan immediately in the statement of profit and loss. All expenses related to defined benefit plans are recognized in employee benefits expense in the statement of profit and loss. When the benefits of the plan are improved, the portion of the increased benefit related to past service by employees is recognized in the statement of profit and loss on a straight line basis over the average period until the benefits become vested. The company recognizes gains and losses on the curtailment or settlement of the plan when the curtailment or settlement occurs.

Compensated absences: The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method as at the balance sheet date.

2.14 Taxation

Income-tax expense comprise current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

2.15 Provisions, contingent liabilities and contingent assets

Provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. A disclosure of contingent liability is made when there is possible obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the standalone financial statements.



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

2.16 Employee stock option based compensation

The Company calculates the compensation cost based on the fair value method, wherein the excess of the fair value of the underlying equity share as on the date of the grant of the option over the exercise price of the option given to the employees under the employee stock option scheme of the Company is amortised over the vesting period on a straight line basis. The Company follows the Guidance note on accounting for employee share based payments issued by Institute of Chartered Accountants of India for accounting for employee stock options.

2.17 Cash and cash equivalent

Cash and cash equivalents comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.18 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit or loss before tax is adjusted for the effects of transactions of non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

< This space has been intentionally left blank >



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

3 Share capital

Particulars	As at	
	31 March 2021	31 March 2020
Authorised:		
I. Equity shares		
2,499,980 (31 March 2020 : 2,499,980) equity shares of INR 1 each	24,99,980	24,99,980
II. Series A equity shares		
10 (31 March 2020 : 10) Series A equity shares of INR. 1 each	10	10
III. Series B equity shares		
10 (31 March 2020 : 10) Series B equity shares of INR. 1 each	10	10
IV. 0.01% compulsorily convertible and non cumulative Series A preference shares		
500,000 (31 March 2020: 500,000) preference shares of INR. 1 each	5,00,000	5,00,000
V. 0.01% compulsorily convertible and non cumulative Series B preference shares		
600,000 (31 March 2020: 600,000) preference shares of INR. 1 each	6,00,000	6,00,000
Issued, subscribed and paid up (*) :		
I. Equity shares		
1,238,420 (31 March 2020 : 1,238,420) equity shares of INR. 1 each	12,38,420	12,38,420
Less : Amount recoverable from Net Avenue Technologies Private Limited Employees Welfare Trust - Face value of 38,420 shares (31 March 2020 : 38,420) allotted to the trust	(38,420)	(38,420)
	12,00,000	12,00,000
II. Series A equity shares		
6 (31 March 2020 : 6) Series A equity shares of INR. 1 each	6	6
III. 0.01% compulsorily convertible and non cumulative Series A preference shares		
468,614 (31 March 2020: 468,614) preference shares of INR. 1 each	4,68,614	4,68,614
IV. 0.01% compulsorily convertible and non cumulative Series B preference shares		
544,114 (31 March 2020: 544,114) preference shares of INR. 1 each	5,44,114	5,44,114
	22,12,734	22,12,734

(*) The Company is in the process of updating the Ministry of Company Affairs ('MCA') in relation to resolution of the differences between the paid up capital as per the records of the Company and the MCA.

< This space has been intentionally left blank >



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

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

Particulars	As at		As at	
	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
I. Equity shares				
At the beginning and end of the year (face value INR 1 each)	12,38,420	12,38,420	12,38,420	12,38,420
II. Series A equity shares				
At the beginning and end of the year (face value INR 1 each)	6	6	6	6
III. 0.01% compulsorily convertible and non cumulative Series A preference shares				
At the beginning and end of the year (face value INR 1 each)	4,68,614	4,68,614	4,68,614	4,68,614
IV. 0.01% compulsorily convertible and non cumulative Series B preference shares (face value INR. 1 each)				
At the beginning of the year	5,44,114	5,44,114	5,44,114	5,44,114
Add: Issued during the year	-	-	-	-
At the end of the year	5,44,114	5,44,114	5,44,114	5,44,114

(b) Reconciliation of the number of shares outstanding with Net Avenue Technologies Private Limited Employees Welfare Trust

Particulars	As at		As at	
	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	38,420	38,420	38,420	38,420
Less: Adjustments	-	-	-	-
At the end of the year	38,420	38,420	38,420	38,420

(c) Terms/rights attached to equity shares

As at the balance sheet date, the Company has three classes of equity shares - equity shares, Series A equity shares and Series B equity shares, having a par value of Re.1 per share each respectively.

Each holder of equity shares shall have one vote per share, each holder of the Series A equity shares shall have 233,332 votes per share and each holder of the Series B equity shares shall have 1 vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

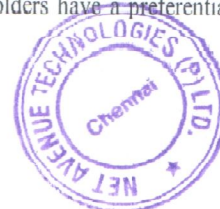
In the event of liquidation, the equity shareholders are entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in the proportion to the number of equity shares held by the shareholders.

Terms/rights attached to preference shares

Compulsorily convertible and non cumulative Series A preference shares were issued at par on 28 April 2012 and each share is convertible into one equity share of Re.1 each upon the earlier of (i) 1 April 2032 or (ii) the occurrence of a strategic sale or (iii) one day prior to the filing of a red herring prospectus in connection with a qualified IPO of the Company.

Compulsorily convertible and non cumulative Series B preference shares were issued at par on 21 November 2014 and 15 December 2015 and each share is convertible into one equity share of Rs.1 each upon the earlier of (i) 21 November 2034 / 15 December 2034 or (ii) the occurrence of a strategic sale or (iii) one day prior to the filing of a red herring prospectus in connection with a qualified IPO of the Company; or (iv) as desired by the concerned Investor.

Preference share holders are entitled to a fixed preferential and non-cumulative dividend per such preference shares at the higher of zero point zero one percent (0.01%) or the pro-rata dividend declared and payable on the equity shares, on a fully-diluted basis. Preference shareholders carry a preferential right as to dividend over equity shareholders. In the event of liquidation, the preference shareholders have a preferential right over equity shareholders to be repaid to the extent of the paid up capital.



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

(d) **Details of shareholders holding more than 5% shares of a class of shares of the Company**

The shareholders, individually, holding more than 5% shares of a class of shares of the Company are as under :

Particulars	As at		As at	
	31 March 2021		31 March 2020	
	No. of shares	% holding	No. of shares	% holding
I. Equity shares				
Rajesh Nahar	4,35,000	35.13%	4,35,000	35.13%
Ritesh Katariya	5,10,000	41.18%	5,10,000	41.18%
Net Avenue Technologies Private Limited Employees Welfare Trust	85,400	6.90%	85,400	6.90%
Sarala Nahar	75,000	6.06%	75,000	6.06%
II. Series A equity shares				
Inventus Capital Partners (Mauritius) Ltd	2	33.33%	2	33.33%
Nadathur Estates Pvt. Ltd. for and on behalf of Ojas Partners	2	33.33%	2	33.33%
Forum Synergies India Trust	1	16.67%	1	16.67%
Chayadeep Ventures LLP	1	16.67%	1	16.67%
III. 0.01% compulsorily convertible and non cumulative Series A preference shares				
Inventus Capital Partners (Mauritius) Ltd	2,35,282	50.21%	2,35,282	50.21%
Nadathur Estates Pvt. Ltd. for and on behalf of Ojas Partners	2,33,332	49.79%	2,33,332	49.79%
IV. 0.01% compulsorily convertible and non cumulative Series B preference shares				
Inventus Capital Partners (Mauritius) Ltd	74,993	13.79%	74,993	13.79%
Nadathur Estates Pvt. Ltd. for and on behalf of Ojas Partners	74,371	13.67%	74,371	13.67%
Forum Synergies India Trust	1,97,375	36.27%	1,97,375	36.27%
Chayadeep Ventures LLP	1,97,375	36.27%	1,97,375	36.27%

< This space has been intentionally left blank >



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

4 Reserves and surplus

Particulars	As at	
	31 March 2021	31 March 2020
I. General reserve		
Balance at the beginning of the year	49,18,541	46,28,517
Add: Transfer from employee stock option outstanding	1,11,188	2,90,024
Balance at the end of the year	50,29,729	49,18,541
II. Securities premium account		
Balance at the beginning and end of the year	42,57,86,967	42,57,86,967
	42,57,86,967	42,57,86,967
Note : The securities premium account balance is net of INR 89,13,440/- recoverable from the Net Avenue Technologies Private Limited Employees Welfare Trust.		
III. Employee stock option outstanding		
Balance at the beginning of the year	1,64,44,688	1,43,46,578
Add: Options granted during the year	10,78,466	23,88,134
Less: Options exercised during the year	-	-
Less: Amount transferred to general reserve on account of forfeiture	(1,11,188)	(2,90,024)
Balance at the end of the year	1,74,11,965	1,64,44,688
IV. Surplus / (Deficit) in the statement of profit and loss		
Balance at the beginning of the year	(48,00,89,194)	(48,40,63,909)
Profit/ (loss) for the year	(33,021)	39,74,715
Balance at the end of the year	(48,01,22,215)	(48,00,89,194)
Total reserve and surplus	(3,18,93,554)	(3,29,38,998)

5 Long-term borrowings

Particulars	As at	
	31 March 2021	31 March 2020
Unsecured loans		
- Employees	-	-
- Related parties	-	-
	-	-

6 Provisions

Particulars	Long-term		Short-term	
	As at		As at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Provision for employee benefits:				
- for gratuity (refer note 34)	44,05,361	43,82,334	9,05,464	2,19,759
- for compensated absences	1,96,499	1,70,373	1,50,218	1,43,471
Provision for sales return allowance	-	-	-	3,03,751
	46,01,860	45,52,707	10,55,682	6,66,981



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

Additional disclosures relating to provision for sales return allowance

Particulars	As at	
	31 March 2021	31 March 2020
At the commencement of the year	3,03,751	2,43,032
Provision made/ (reversed) during the year	-	3,03,751
Provision utilised (net) during the year	(3,03,751)	(2,43,032)
At the end of the year	-	3,03,751

7 Short-term borrowings

Particulars	As at	
	31 March 2021	31 March 2020
Overdraft facility from bank (secured)	71,60,597	5,43,537
Unsecured Loans		
- Employees	7,51,000	7,51,000
- Related parties	1,11,95,205	38,00,000
	1,91,06,802	50,94,537

a) The overdraft balance represents facility availed from IDFC Bank Limited and IndusInd bank which carries interest rate at 7.75% and 8.5% per annum respectively and are repayable on demand. The facility is secured against the fixed deposits of the Company.

b) The loan is repayable on demand. The loan is received from director and the same is unsecured..

8 Trade payables

Particulars	As at	
	31 March 2021	31 March 2020
- Dues to micro and small enterprises (refer note 32)	5,80,009	8,41,749
- Dues to creditors other than micro and small enterprises	4,05,24,839	4,59,21,697
	4,11,04,848	4,67,63,446

9 Other current liabilities

Particulars	As at	
	31 March 2021	31 March 2020
Interest accrued and due on borrowings	40,433	2,08,213
Deferred income	6,23,212	26,03,713
Advance from customers	1,47,65,138	95,35,262
Accrued Expenses	41,64,950	1,30,86,892
Other statutory dues payable	7,56,555	6,32,993
Employee benefits payable	1,41,18,347	1,58,78,413
Payable to subsidiaries	26,78,08,177	25,13,98,696
Payable to Related party	27,361	27,361
Others	1,05,000	1,05,000
	30,24,09,173	29,34,76,543

< This space has been intentionally left blank >



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees except share data or as stated)

Property, plant and equipment

10 Tangible Fixed Assets

Particulars	Leasehold improvements	Plant and Machinery	Office equipments	Furniture and fittings	Computers	Vehicle	Total
Gross block							
Balance as at 1 April 2019	1,97,423	4,89,384	22,75,973	26,16,132	67,48,087	61,255	1,23,88,254
Additions	-	29,837	35,997	2,71,949	2,72,798	32,000	6,42,581
Deletions / write off	-	-	59,450	5,246	2,50,783	-	3,15,478
Balance as at 31 March 2020	1,97,423	5,19,221	22,52,520	28,82,835	67,70,102	93,255	1,27,15,357
Additions	-	72,664	3,599	1,01,481	2,000	-	1,79,744
Deletions / write off	-	20,000	-	-	18,210	-	38,210
Balance as at 31 March 2021	1,97,423	5,71,885	22,56,119	29,84,316	67,53,892	93,255	1,28,56,891
Accumulated depreciation							
Balance as at 1 April 2019	1,38,444	2,56,553	21,39,257	21,62,007	63,51,851	47,525	1,10,95,637
Additions	37,685	55,203	77,822	1,80,160	2,41,198	11,868	6,03,935
Deletions / write off	-	-	51,291	3,574	2,48,748	-	3,03,614
Balance as at 31 March 2020	1,76,129	3,11,756	21,65,787	23,38,593	63,44,301	59,393	1,13,95,959
Additions	12,777	42,285	29,781	1,70,127	1,30,198	8,618	3,93,787
Deletions / write off	-	20,000	-	-	18,210	-	38,210
Balance as at 31 March 2021	1,88,906	3,34,040	21,95,569	25,08,720	64,56,288	68,011	1,17,51,535
Net block							
As at 31 March 2020	21,294	2,07,465	86,733	5,44,243	4,25,801	33,862	13,19,399
As at 31 March 2021	8,517	2,37,845	60,551	4,75,596	2,97,604	25,244	11,05,356

11 Intangible Fixed Assets

Particulars	Computer software
Gross block	
Balance as at 1 April 2019	97,35,876
Additions	27,140
Deletions / write off	-
Balance as at 31 March 2020	97,63,016
Additions	-
Deletions / write off	-
Balance as at 31 March 2021	97,63,016
Accumulated ammortization	
Balance as at 1 April 2019	91,02,964
Additions	1,23,561
Deletions / write off	-
Balance as at 31 March 2020	92,26,525
Additions	25,181
Deletions / write off	-
Balance as at 31 March 2021	92,51,707
Net block	
As at 31 March 2020	5,36,491
As at 31 March 2021	5,11,309



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

12 Non-current investments

Particulars	As at	
	31 March 2021	31 March 2020
Trade investments (unquoted)		
<i>Investment in equity shares</i>		
100 (31 March 2020 : 100) equity shares of Pioneer Tradings Limited, a subsidiary, of GBP 1 each, fully paid up	9,061	9,061
1,000 (31 March 2020 : 1,000) equity shares of Cbazaar.Com Inc a subsidiary, of USD 1 each, fully paid up	63,472	63,472
29,412 (31 March 2020 : 29,412) equity shares of Ethnoserve Bespoke Services Private Limited, an associate, of Re 1 each, fully paid up	2,48,962	2,48,962
Less: Impairment in value of investments	(3,21,495)	(3,21,495)
	-	-

13 Deferred tax assets

The Company has unabsorbed losses as per taxation laws. Since the Company does not have virtual certainty of future profits, the deferred tax assets have not been recognized.

< This space has been intentionally left blank >



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees except share data or as stated)

14 Loans and advances

Particulars	Long-term		Short-term	
	As at		As at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
To parties other than related parties	-	-	-	-
Deposits (unsecured, considered good)				
Security deposit	6,06,086	6,06,086	-	-
	6,06,086	6,06,086	-	-
Others (unsecured, considered good)				
Prepayments	-	-	2,68,635	4,03,368
Balances with Income Tax authorities including refund receivable	-	-	41,279	41,279
Advances to employees	-	-	27,195	1,03,727
Advances to suppliers	-	-	47,59,125	36,24,426
Balance with government authorities	-	-	65,65,608	62,02,298
	-	-	1,16,07,452	1,01,67,644
Others (unsecured, considered doubtful)				
Security deposit	30,000	30,000	-	-
Balances with Income Tax authorities including refund receivable	-	-	9,42,111	8,18,401
Advances to suppliers	-	-	5,71,074	5,71,074
Advances to employees	-	-	1,00,000	1,00,000
Less: Provision for advances	(30,000)	(30,000)	(14,89,475)	(14,89,475)
	-	-	1,23,710	-
	6,06,086	6,06,086	1,17,31,162	1,01,67,644

15 Inventories

(Valued at the lower of cost and net realisable value)

Particulars	As at	
	31 March 2021	31 March 2020
Raw materials and components	1,04,30,675	1,01,05,626
Work-in-progress	44,74,591	23,75,552
Finished goods (goods in transit amounts to INR 14,01,484; PY INR 3,39,473)	1,16,21,364	73,73,145
Stock-in-trade (goods in transit amount to INR 4,02,094; PY INR 1,66,779)	1,10,37,423	1,37,52,476
	3,75,64,053	3,36,06,799
Less : Provision for non-moving inventory	(1,06,74,133)	(77,84,757)
	2,68,89,921	2,58,22,042

16 Trade receivables

Particulars	As at	
	31 March 2021	31 March 2020
Receivables outstanding for a period exceeding six months from the date they became due for payment		
-Secured, considered good	-	-
-Unsecured, considered good	-	83,13,602
-Considered doubtful	12,49,454	24,43,957
Less: Provision for doubtful receivables	(12,49,454)	(24,43,957)
	-	83,13,602
Other receivables		
-Secured, considered good	-	-
-Unsecured, considered good	1,39,88,425	87,53,107
Less: Provision for doubtful receivables	(69,08,618)	-
	70,79,807	87,53,107
	70,79,807	1,70,66,709



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

17 Cash and bank balances

Particulars	As at	
	31 March 2021	31 March 2020
Cash and cash equivalents		
Cash on hand	48,455	46,608
Balances with banks		
On current accounts	10,52,651	4,93,963
Other bank balances		
Deposits with original maturity of more than 3 months and less than 12 months	3,10,786	2,87,664
Deposits	98,31,705	45,74,213
	1,12,43,597	54,02,448
Details of bank balances / deposits		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	10,52,651	4,93,963
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	1,01,42,491	48,61,877

18 Other current assets

Particulars	As at	
	31 March 2021	31 March 2020
Unsecured, considered good		
Receivable from subsidiaries	26,77,07,890	24,77,99,025
Others	2,18,921	49,562
Unsecured, considered doubtful		
Receivable from subsidiaries	1,37,27,311	1,37,27,311
Less: Provision for doubtful receivables	(1,37,27,311)	(1,37,27,311)
Others	10,22,590	7,35,212
Less: Provision for doubtful receivables	(7,35,212)	(7,35,212)
To parties other than related parties		
Unsecured, considered good		
Interest accrued on deposit with bank	2,55,684	93,475
	26,84,69,873	24,79,42,062

< This space has been intentionally left blank >



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

19 Revenue from operations

Particulars	Year ended	
	31 March 2021	31 March 2020
Sale of products	13,22,35,863	18,92,55,566
Other operating revenue	57,67,066	87,37,315
	13,80,02,929	19,79,92,881

20 Other income

Particulars	Year ended	
	31 March 2021	31 March 2020
Interest income on bank deposits	4,77,084	3,04,632
Interest on IT Refunds	-	18,271
Foreign exchange fluctuation gain (net)	7,37,062	12,10,519
Discount received from vendor	2,48,885	1,50,483
Provision no longer required written back / vendor write back	36,02,075	52,41,524
Profit on sale of property, plant and equipment	16,133	47,884
MEIS Income	-	5,56,378
Other Non Operating income	19,98,150	4,15,987
	70,79,389	79,45,678

21 Cost of materials consumed (Fabrics)

Particulars	Year ended	
	31 March 2021	31 March 2020
Inventory of raw materials at the beginning of the year	1,01,05,626	58,24,722
Add: Purchases during the year	1,50,35,383	7,78,89,624
Less : Inventory of raw materials at the end of the year	(1,04,30,675)	(1,01,05,626)
	1,47,10,334	7,36,08,721

22 Purchases of stock in trade

Particulars	Year ended	
	31 March 2021	31 March 2020
Apparels	4,30,10,260	1,68,12,513
Accessories	-	10,25,109
	4,30,10,260	1,78,37,622

< This space has been intentionally left blank >



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

23 Changes in inventory of work-in-progress and stock-in-trade

Particulars	Year ended	
	31 March 2021	31 March 2020
Inventories at the beginning of the year		
Work-in-progress	23,75,552	35,95,580
Finished goods	73,73,145	33,73,555
Stock-in-trade	1,37,52,476	79,78,576
Inventories of stock in trade at the end of the year		
Work-in-progress	(44,74,591)	(23,75,552)
Finished goods	(1,16,21,364)	(73,73,145)
Stock-in-trade	(1,10,37,423)	(1,37,52,476)
	(36,32,206)	(85,53,460)

Details of inventory of work-in-progress

Particulars	Year ended	
	31 March 2021	31 March 2020
Apparels	44,74,591	23,66,846
Accessories	-	8,706
	44,74,591	23,75,552

Details of inventory of finished goods

Particulars	Year ended	
	31 March 2021	31 March 2020
Apparels	1,16,21,364	73,73,145
	1,16,21,364	73,73,145

Details of inventory of stock-in-trade

Particulars	Year ended	
	31 March 2021	31 March 2020
Apparels	1,10,37,423	1,35,88,533
Accessories	-	1,63,943
	1,10,37,423	1,37,52,476

24 Employee benefits expense

Particulars	Year ended	
	31 March 2021	31 March 2020
Salaries, wages and bonus	2,56,68,477	3,69,70,453
Contribution to provident and other funds	15,48,764	25,99,088
Employee stock compensation expenses	10,78,466	23,88,134
Staff welfare expenses	2,90,661	5,50,663
	2,85,86,368	4,25,08,338

25 Finance cost

Particulars	Year ended	
	31 March 2021	31 March 2020
Interest		
- to banks	2,22,040	1,82,362
- to related parties	4,98,620	2,29,044
	7,20,660	4,11,406



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

26 Depreciation and amortisation

Particulars	Year ended	
	31 March 2021	31 March 2020
Depreciation on property, plant and equipment (refer note 10)	3,93,787	6,03,936
Amortisation of intangible assets (refer note 11)	25,181	1,23,561
	4,18,968	7,27,497

27 Other expenses

Particulars	Year ended	
	31 March 2021	31 March 2020
Fabric conversion & Redesign charges	1,49,26,853	1,70,02,732
Internet banking and other charges	47,55,752	66,13,349
Marketing expenses	26,90,528	13,42,547
Advertisement and business promotion expenses	37,04,143	84,13,349
Power and fuel	8,89,195	12,07,333
Printing and stationery	1,24,770	3,28,848
Repairs and maintenance		
- Computers	21,777	1,19,189
- Others	1,46,217	6,91,632
Insurance	2,95,265	4,11,713
Office expenses	4,36,484	9,32,047
Rates and taxes	42,569	1,72,308
Rent	20,65,419	31,63,125
Professional and technical fees (refer note 31)	44,94,225	65,57,379
Travelling and conveyance	1,18,818	5,03,751
Freight and handling charges	1,53,53,343	2,42,30,355
Communication expenses	2,76,561	6,56,243
Provision for non moving inventory	28,89,376	-
Provision for advances and other current assets	-	3,80,496
Bad Debts written off	1,53,235	1,07,475
Write off of debit balances in payables	6,44,461	21,65,166
Provision for doubtful debts	68,03,290	-
Bank charges	1,18,987	1,79,163
Miscellaneous expenses	3,49,687	2,45,520
	6,13,00,955	7,54,23,720

< This space has been intentionally left blank >



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

28 Contingent liabilities and commitments

a) Contingent liabilities

The Company has appointed Pioneer Trading Limited, UK("PTL") and Cbazaar.com.Inc, USA ("CB INC") as a Business Associate who shall assist and accept orders from various customers and also collect payment from these customers on behalf of the Company, for which the Company pays commission charges to PTL/CB INC. The Company also reimburses certain expenditures like marketing, internet banking and other charges which are incurred on its behalf to PTL/CB INC. The Company based on a legal opinion believes that service tax/goods and services tax is not applicable on such transactions and accordingly, no provision has been made for service tax/Goods and Services Tax in these financial statements.

b) Commitments

Particulars	As at	
	31 March 2021	31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Guarantees given	-	-
Total	-	-

29 Earnings in foreign currency (on accrual basis)

Particulars	Year ended	
	31 March 2021	31 March 2020
FOB value of exports	10,66,13,480	17,10,99,251
Shipping charges	57,67,066	87,37,315
Total	11,23,80,546	17,98,36,566

30 Expenditure in foreign currency (on accrual basis)

Particulars	Year ended	
	31 March 2021	31 March 2020
Advertisement, Marketing and business promotion expenses	44,31,065	89,49,107
Internet banking and other charges	35,09,449	42,95,941
Professional and technical fees	22,50,267	38,37,840
Rent	-	(41,592)
Communication expenses	1,17,805	2,76,469
Travelling and conveyance	-	-
Others	3,62,843	7,78,938
Total	1,06,71,429	1,80,96,701

31 Payment to auditors (excluding service tax / goods service tax)

Particulars	Year ended	
	31 March 2021	31 March 2020
As auditor		
Statutory audit	3,20,000	3,20,000
Others	40,000	40,000
Reimbursement of expenses	-	-
Total	3,60,000	3,60,000



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

32 Micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at	
	31 March 2021	31 March 2020
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	5,80,009	6,60,282
Interest on the above, remaining unpaid at the end of the accounting year	1,85,160	1,81,467
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	24,62,704
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	3,693	68,130
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	1,13,337

33 Particulars of un-hedged foreign currency exposures as at the balance sheet date

The Company does not use any derivative instruments to hedge its foreign currency assets / liabilities. The details of foreign currency balance which are not hedged are as follows:

Particulars	As at	
	31 March 2021	31 March 2020
Receivable		
Foreign currency equivalent (GBP)	11,93,264	11,93,264
Indian Rupee equivalent	12,02,87,821	11,03,52,618
Foreign currency equivalent (USD)	22,08,695	20,30,692
Indian Rupee equivalent	16,17,54,495	15,17,80,833
Payable		
Foreign currency equivalent (GBP)	11,11,011	11,11,011
Indian Rupee equivalent	11,19,96,221	10,27,45,866
Foreign currency equivalent (USD)	21,27,714	19,88,842
Indian Rupee equivalent	15,58,11,956	14,86,52,830



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

34 Employee benefits

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to INR 13,60,153 (previous year : INR 21,96,466)

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under this plan is performed annually by a qualified actuary using the projected unit credit method. The gratuity plan entitles regular employee, who has rendered atleast five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit.

Disclosure requirements under Revised Accounting Standard 15 (Revised) on employee benefits

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Discount rate	4.85%	5.40%
Salary escalation	5.00%	5.00%
Attrition rate	20%- 40%	20%- 40%

35 Leases

The Company has entered into operating lease arrangements for the lease of office premises. The lease payments recognised in the statement of profit and loss for the year ended 31 March 2021 amounts to INR 20,65,419 (31 March 2020: INR 31,63,125)

< This space has been intentionally left blank >



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

36 Related party transactions

(a) Names and nature of relationship with related parties

Key management personnel	Mr. Rajesh Nahar (Director) Mr. Ritesh Kataria (Director)
Relatives of key management personnel	Ms. Kasturi Devi Mr. Sardarmal Nahar Ms. Manju Shree Ms. Sarala Nahar
Subsidiaries	Pioneer Tradings Limited, United Kingdom Cbazaar.com Inc, United States of America
Enterprise over which the Company exercise a significant influence	Ethnoserve Bespoke Services Private Limited
Enterprises owned or significantly influenced by key managerial personnel or their relatives	Net Avenue Technologies Private Limited Employees Welfare Trust

(b) Related party transactions

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
I. Remuneration paid		
Mr. Rajesh Nahar	42,00,000	42,00,000
Mr. Ritesh Kataria	42,00,000	42,00,000
II. Marketing, internet banking and other expense		
Pioneer Tradings Limited	-	-
Cbazaar.com Inc	1,03,85,790	1,49,80,018
III. Collections received on behalf of the Company		
Pioneer Tradings Limited	-	-
Cbazaar.Com Inc	9,94,50,695	13,39,61,736
IV. Payments received out of collections received on behalf of the Company		
Pioneer Tradings Limited	-	18,491
Cbazaar.Com Inc	(7,87,62,183)	(10,95,18,876)
V. Sale of property, plant and equipment:		
Ethnoserve Bespoke Services Private Limited	-	-
VI. Loans availed from key management personnel		
Mr. Ritesh Kataria	38,23,442	16,00,000
Mr. Rajesh Nahar	22,52,864	5,00,000
VII. Interest on loan paid/payable to relatives of key management personnel		
Ms. Kasturi Devi	61,435	50,992
Mr. Sardarmal Nahar	-	12,164
Ms. Manju Shree	84,143	60,000
Ms. Sarala Nahar	39,136	45,879
VIII. Business Facilitation Fees:		
Cbazaar.Com Inc	4,34,565	5,95,470

< This space has been intentionally left blank >



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

(c) Balances as at the year end:

Particulars	As at 31 March 2021	As at 31 March 2020
A. Cbazaar.com Inc		
Receivable	16,11,47,381	15,11,73,719
Payable	15,58,11,956	14,86,52,830
B. Pioneer Tradings Limited		
Receivable	12,02,87,821	11,03,52,618
Payable	11,19,96,221	10,27,45,866
C. Ethnoserve Bespoke Services Private Limited		
Receivable	-	-
Payable	27,361	27,361
D. Amount receivable from Net Avenue Technologies Private Limited Employees Welfare Trust (Net)	1,09,60,434	1,09,60,434
E. Balance payable to key managerial personnel / relatives of key managerial personnel - Unsecured loans		
Ms. Kasturi Devi	6,55,533	6,00,000
Mr. Sardarmal Nahar	-	-
Ms. Manju Shree	11,99,125	5,00,000
Ms. R Sarala Nahar	11,72,241	6,00,000
Mr. Rajesh Nahar	27,52,864	5,00,000
Mr. Ritesh Kataria	54,23,442	16,00,000

37 Earnings per share (EPS)

Basic and diluted earnings per share (INR.)

Particulars	31 March 2021	31 March 2020
Earnings		
Profit/ (loss) for the year	(33,021)	39,74,715
Less: Dividends on preference shares and tax thereon	-	-
Net profit/ (loss) attributable to equity shareholders for calculation of basic EPS (i)	(33,021)	39,74,715
Outstanding number of shares		
Number of shares at the beginning of the year	12,00,000	12,00,000
Series A Equity shares	6	6
Weighted average number shares for basic earnings per share (ii)	12,00,006	12,00,006
Effect of potential equity shares	38,420	38,420
Compulsorily convertible Series A preference shares	4,68,614	4,68,614
Compulsorily convertible Series B preference shares	5,44,114	5,44,114
Weighted average number shares for diluted earnings per share (iii)	22,51,154	22,51,154
Basic earnings per share (i) / (ii)	(0.03)	3.31
Diluted earnings per share (i) / (iii)	(0.01)	1.77

* Since the company has incurred loss for the current year, Diluted EPS is retained as Basic in Statement of Profit or loss as it would become anti dilutive



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

38 Payables/receivables to/from subsidiaries

As at 31 March 2021, the Company has long-outstanding foreign currency payable and receivable balances to/from its wholly-owned subsidiaries. (Refer Note 36) .These balances relate to inter-company transactions with its subsidiaries towards procurement of services, reimbursement of expenses, collections made by the subsidiary companies on behalf of the Company etc. in the past and the current year. Owing to operational difficulties, the Company was unable to settle the aforesaid balances within the stipulated time period resulting in delays in remittances / collections of such overdue balances in accordance with the provisions of the Foreign Exchange Management Act, 1999 and the regulations thereunder ('the Act') from the subsidiaries. In this regard, the Company is in the process of obtaining the consent of the authorised dealer for netting off such overdue credits with long outstanding receivables and seek necessary approvals / condonation for the delayed remittances / collections in accordance with the provisions of the Act. The Company has parallely started paying the outstanding to subsidiaries.

< This space has been intentionally left blank >



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees except share data or as stated)

39 Employee share-based payment plans

(a)

During the year ended 31 March 2014, the Company had formed an ESOP trust, "Net Avenue Technologies Private Limited Employees Welfare Trust". The Company had framed the guidelines on issue of shares to its employees. The ESOP trust has purchased 46,980 shares from the shareholders and subscribed additionally for 38,420 shares issued by the Company at a premium of Rs 232 per share for the purpose of issuing it to the employees. Share premium of Rs 89,13,440 on these shares has been since reversed from Securities premium account. Similarly 38,420 shares (Rs 38,420) have been reduced from share capital as consideration not received. The Company had accounted for the ESOP in accordance with Guidance Note on Accounting for Employee Share Based Payments. Accordingly, the loan given to the ESOP trust has been disclosed as "Amount recoverable from Net Avenue Technologies Private Limited Employees Welfare Trust" in the balance sheet and the shares purchased out of the loan are shown as a part of the share capital.

The management believes that the amount of loan receivable from the ESOP trust is fully recoverable based on budgeted plan and hence no provision is made in the books.

(b) Details of the shares reserved for issue under options

The Company issued options under the Employees stock option policy 2013 ("2013 Plan") in the financial year 2013-2014. The 2013 Plan covers all employees on the permanent rolls of the Organisation and who can be assigned eligibility scores using an ESOP Scoring Matrix 2013. The objective of this 2013 Plan is to encourage ownership of the Company's equity by its employees on an ongoing basis. The 2013 Plan is intended to reward the employees for their contribution to the successful operation of the Company and to provide an incentive to continue contributing to the success of the company.

The scheme provides that these options would be vested in tranches as follows

Period within which the option will vest unto the participant	% of options that will vest
One Year from the date of acceptance of offer	30%
Two Years from the date of acceptance of offer	30%
Three Years from the date of acceptance of offer	20%
Four Years from the date of acceptance of offer	20%

Presumptions used in fair value computations:

Grant date	15-Oct-13	01-Jul-14	Various dates in 2014-15	Various dates in 2015-16	01-Jul-16	01-Jul-17	01-Jul-18
Options granted	23400	1500	2500	13600	3700	50616	3500
Number of personnel	76	3	1	32	17	10	5
Options forfeited	3	39	-	6	19	12	17
Vesting period	1 to 4 years	1 to 4 years	1 to 4 years	1 to 4 years	1 to 4 years	1 to 4 years	1 to 4 years
Expected option life	2.3 years	6.3 years	6.3 years	6.3 years	6.3 years	6.3 years	6.3 years
Risk free rate	8.80%	8.80%	8.80%	8.80%	8.80%	8.80%	8.80%
Share price at grant date (INR/share)	233	233	487.52	430	543.1	414.19	414.19

The fair value of stock options has been determined using the Black Scholes option pricing model.

Summary of the status of options granted under 2013 Plan to employees as at 31 March 2021 and 31 March 2020 is presented

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Options granted and outstanding at the beginning of the year	61,866	63,616
Add: Options granted during the year	-	-
Less: Exercised during the year	-	-
Less: Expired during the year	-	-
Less: Forfeited during the year	(300)	(1,750)
Options granted and outstanding at the end of the year	61,566	61,866
Exercisable options at the end of the year	60,701	39,705



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees except share data or as stated)

40 Transfer pricing

The Holding Company has international transactions with related parties. For the year ended 31 March 2020, the Holding Company has obtained the Accountant's Report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the financial year ending 31 March 2021, the management confirms that it maintains documents as prescribed by the Income-tax Act, to prove that these International transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

41 Prior year comparatives

Prior year comparatives have been regrouped / reclassified wherever necessary to conform with current year's classification.

42 Impact of COVID-19

The company has been affected by the impact of Covid-19, with a drop in sales inevitably resulting from the global downturn. The directors have taken appropriate action in order to ensure the safety of all employees and to mitigate the impact on the company. This has included closing the office temporarily etc. The ongoing impact of the current situation is as yet unknown, therefore the operating budget for the coming financial year has been rewritten based on information currently available and cash flow is being closely monitored to ensure that the company is able to pay both staff and supplier obligations as they become due.

Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of property, plant & equipment, intangible assets, receivables, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company expects to recover the carrying amount of assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Registration No.: 003990/S/200018

P. Devi

P Devi
Partner

Membership No. 223137

Place : Chennai

Date : 30.09.2021



for and on behalf of the Board of Directors of
Net Avenue Technologies Private Limited
CIN : U72900TN2001PT10047228

Ritesh Katariya
Ritesh Katariya
Director
DIN: 01019455
Place: Chennai
Date : 30.09.2021

Rajesh Nahar
Rajesh Nahar
Director
DIN: 01015059
Place : Chennai
Date : 30.09.2021

