

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: New No.16, Old No.13, 1st Floor, Prithvi Avenue, Alwarpet,
CHENNAI – 600 018.

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

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of **NET AVENUE TECHNOLOGIES PRIVATE LIMITED** will be held on Monday, the 14th August, 2023 at 3.00 p.m. at the Registered Office of the Company at **New No.16, Old No.13, 1st Floor, Prithvi Avenue, Alwarpet, Chennai – 600 018**, to transact the following business:

ORDINARY BUSINESS:

1. (a). To receive, consider and adopt the Audited Standalone Financial Statements of the Company as at 31st March, 2023 and the Reports of Directors and Independent Auditors thereon.

(b). To receive, consider and adopt the Audited Consolidated Financial Statements of the Company as at 31st March, 2023 and the reports of Independent Auditors thereon.

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

Place: Chennai
Date : 14.08.2023



(S. RAJESH NAHAR)
Managing Director
DIN: 01015059
No. 2E, Prince Paradise,
No. 75, Jermiah Road,
Vepery,
Chennai – 600 007.

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.

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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.

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DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 22nd Annual Report of the business and operations of the Company together with the audited statement of accounts for the year ended 31st March, 2023.

1. STATE OF COMPANY'S AFFAIRS:**(A). Financial summary or highlights:**

<i>Particulars</i>	<i>(Rs. in '000')</i>	
	<i>2022-23</i>	<i>2021-22</i>
Total Income	362983	327115
Total expenditure	344252	298650
Profit before interest, depreciation and tax	21101	29874
Finance cost	709	379
Depreciation	1661	1030
Profit before Exceptional & Extra-ordinary items and tax	18731	28465
Exceptional & Extra-ordinary items	-	-
Profit after Exceptional & Extra-ordinary items & before tax	18731	28465
Provision for taxation (Net of deferred tax)	-	-
Profit after tax	18731	28465
Amount available for appropriation	18731	28465
Appropriations:		
Transfer to General Reserve	-	-
Proposed dividend	-	-
Tax on proposed dividend	-	-
Balance carried to Balance Sheet	18731	28465

(B). Operations:

The Company has achieved a turnover of Rs.31.10 Crores during the financial year 2022-23 as compared to Rs. 29.39 Crores during the financial year 2021-22. The operations of your Company during the period under review has been satisfactory in comparison to market situations.

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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.

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

The Board met seven times during the financial year, the details of which are given hereunder. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

<i>Quarter</i>	<i>Date of Board Meeting</i>
1 st April, 2022 to 30 th June, 2022	12.05.2022
	08.06.2022
1 st July, 2022 to 30 th September, 2022	14.07.2022
	30.09.2022
1 st October, 2022 to 31 st December, 2022	20.10.2022
	19.01.2023
1 st January, 2023 to 31 st March, 2023	23.03.2023

4. COMPLIANCE WITH SECRETARIAL STANDARDS:

During the year under review, the Company has followed applicable Secretarial Standards 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, 2023, 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;

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(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;

(d) The Directors had prepared the annual accounts on a going concern basis;

(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 STATUTORY AUDITORS:

The statutory auditors of the Company in their report and notes forming part of the financial statements for the year ended 31st March, 2023 have stated that:

Standalone Financial Statements:

1. 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 2023, 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 previous 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. The Company has already started paying the outstanding to subsidiaries and collecting the dues from subsidiaries.

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Board's Reply:

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

2. Auditors Comment:

According to the information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident fund, employee's state insurance, Income tax, Sales tax, Service tax, duty of customs, duty of excise, Value added tax, cess and any other material statutory dues as applicable with the appropriate authorities except in the following cases:

Nature of the Statute	Nature of the Dues	Amount	Period to which it relates	Due date	Date of Payment
Employee's Provident Fund Act	Provident Fund	1,557	FY 22-23	15-Nov-22	13-Dec-22
Employee's Provident Fund Act	Provident Fund	2,494	FY 22-23	15-Feb-23	18-Feb-23
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Jul-22	Not Paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Aug-22	Not Paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Sep-22	Not Paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Oct-22	Not Paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Nov-22	Not Paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Dec-22	Not Paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Jan-23	Not Paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Feb-23	Not Paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Mar-23	Not Paid

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 Goods and Service Tax, Provident fund, employee's state insurance, Income tax, Sales tax, Service tax, duty of customs, duty of

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excise, Value added tax, cess and any other statutory dues were in arrears, as at 31 March, 2023 for a period of more than six months from the date they became payable except as follows:

<i>Nature of the Statute</i>	<i>Nature of the Dues</i>	<i>Amount</i>	<i>Period to which it relates</i>	<i>Due date</i>	<i>Date of Payment</i>
<i>Employee's Provident Fund Act</i>	<i>Provident Fund</i>	<i>2,656</i>	<i>FY 22-23</i>	<i>15-Jul-22</i>	<i>Not Paid</i>
<i>Employee's Provident Fund Act</i>	<i>Provident Fund</i>	<i>2,656</i>	<i>FY 22-23</i>	<i>15-Aug-22</i>	<i>Not Paid</i>
<i>Employee's Provident Fund Act</i>	<i>Provident Fund</i>	<i>2,656</i>	<i>FY 22-23</i>	<i>15 Sep 22</i>	<i>Not Paid</i>

Board's Reply:

The amount not paid is pertaining to one employee and the company was not able to deposit the amount as there was a mismatch in the name of the employee in the Aadhar. This was subsequently rectified by the employee and the company deposited the pending due amount on 4th Aug 2023.

3. Auditors Comment:

Based on our audit procedures and according to the information and explanation given to us, the Company has incurred cash losses of Rs.72 (in Rs.1000's) in the financial year. However in the immediately preceding financial year there was no loss.

Board's Reply:

The cash loss mentioned is due to the way the inventory was accounted. During the year we had written off inventory instead of creating provisions worth 1.67 Cr (part of the expenses) and accordingly the reduction in provisions compared to previous year was reversed (part of income). In the P&L, the net effect of this treatment is NIL whereas in the cash profit calculation, the reversal of provision is excluded (part of income) whereas the written off of inventory is considered as an expense.

The other observations made by the auditors in their report and notes to the accounts referred to in the Auditors Report are self-explanatory.

Consolidated Financial Statements:***1. Auditors Comment:******Emphasis of Matter:***

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Attention is drawn to Note 38 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. Our opinion is not modified in respect of this matter.

Note 38:

Payables / receivables to/from subsidiaries:

As at 31 March 2023, 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 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. The Company has parallelly started paying the outstanding to subsidiaries and collecting the dues from subsidiaries.

Board's 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 other observations made by the auditors in their report and notes to the accounts referred to in the Auditors Report are self-explanatory.

7. REPORTING OF FRAUD BY THE AUDITORS:

The statutory auditors have not reported any frauds under sub-section (12) of section 143 of the Companies Act, 2013. Accordingly, the Company is not required to make any disclosures under Section 134(3)(ca) of the Companies Act, 2013.

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

During the year under review, the Company was not required to appoint Secretarial Auditors under the provisions of section 204 of the Companies Act, 2013.

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

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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.

10. 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.

11. DETAILS OF AMOUNTS TRANSFERRED TO RESERVES:

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

Particulars	(Rs. in '000')	
	As at	
	31 March 2023	31 March 2022
I. General reserve:		
Balance at the beginning of the year	6299	5030
Add: Transfer from employee stock option outstanding	-	1269
Balance at the end of the year	<u>6299</u>	<u>6299</u>

Particulars	(Rs. in '000')	
	As at	
	31 March 2023	31 March 2022
II. Employee stock option outstanding		
Balance at the beginning of the year	17083	17411
Add: Options granted during the year	1457	943
Less: Options exercised during the year	-	-
Less: Amount transferred to general reserve on account of forfeiture	-	(1269)
Balance at the end of the year	<u>18540</u>	<u>17083</u>

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(Rs. in '000')

Particulars	As at	
	31 March 2023	31 March 2022
III. Surplus / (Deficit) in the statement of profit and loss		
Balance at the beginning of the year	(451655)	(480120)
Add: Profit / (loss) for the year	18731	28465
Balance at the end of the year	(432924)	(451655)

12. DIVIDEND:

In view of requirement of working capital, your Directors do not recommend any dividend for the financial year ended 31st March, 2023.

13. 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.

14. 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 (01/04/2023 to 14/08/2023):

There were no material changes and commitments affecting the financial position of the Company between the period from 1st April, 2023 to 14th August, 2023.

15. 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:

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
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(ii) the steps taken by the Company for utilising alternate sources of energy;	are not energy intensive. However, adequate measures are always taken to ensure optimum utilization and maximum possible saving 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:*(Rs. in '000')*

<i>Particulars</i>	2022-23	2021-22
Value of exports calculated on FOB basis	246999	230676
Shipping Charges	23369	18406
Value of Imports calculated on CIF basis:		
Raw Materials	-	-
Components and Spare parts	-	-
Capital Goods	-	-
Expenditure in Foreign Currency:		
Travel	-	-
Others	53202	44983

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16. 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.

17. CHANGES IN DIRECTORS AND KEY MANGERIAL PERSONNEL:

There were no changes in Directors of the Company d0uring the financial year.

18. 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. Accordingly, the Board is not required to opine with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year.

19. 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.

20. 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.

21. 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.

22. MAINTENANCE OF COST RECORDS:

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The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

23. DEPOSITS:

In terms of sub-section (3) of section 134 of the Companies Act, 2013 and the rules framed thereunder, the particulars relating to deposits is given below:

(a) accepted during the year;	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.
(b) remained unpaid or unclaimed as at the end of the year;	
(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-	
(i) at the beginning of the year;	
(ii) maximum during the year;	
(iii) at the end of the year;	

24. 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.

25. 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.

26. DETAILS OF REVISION OF FINANCIAL STATEMENTS:

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

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27. 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.

28. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

The Company has not made any application nor any application or proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the financial year.

29. ONE TIME SETTLEMENT WITH THE BANKS OR FINANCIAL INSTITUTIONS:

The Company has not entered into any one time settlement with the Banks or financial institutions. Accordingly, the reporting on the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof does not arise.

30. 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.

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

(CIN: U72900TN2001PTC047220)

Regd. Off.: New No.16, Old No.13, 1st Floor, Prithvi Avenue, Alwarpet,

CHENNAI – 600 018.

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

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.89,13,440 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 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%

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

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	1-Oct-21
Options Granted	23400	1500	2500	13600	3700	50616	3500	21450
Number of Personnel	76	3	1	32	17	10	5	70
Options forfeited	3	39	-	6	19	12	17	0
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	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	6.3 years
Risk free rate	8.80%	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	211.58

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 2023 and 31 March 2022 is presented below:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Options granted and outstanding at the beginning of the year	78,416	61,566
Add: Options granted during the year	-	21450
Less: Exercised during the year	-	-
Less: Expired during the year	-	-
Less: Forfeited during the year	-	4600
Options granted and outstanding at the end of the year	78,416	78416

31. STATUTORY AUDITORS:

M/s. PKF SRIDHAR & SANTHANAM LLP (FRN: 0039905 / 5200018), 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, as required under Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

NET AVENUE TECHNOLOGIES PRIVATE LIMITED

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32. PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors would like to state that the Company does not have any employees drawing remuneration in excess of the limits set out in the said rules.

33. 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 Committee (IC) 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)

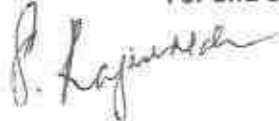
Regd. Off.: New No.16, Old No.13, 1st Floor, Prithvi Avenue, Alwarpet,
CHENNAI – 600 018.

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

34. 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

E-1104, Jolly Residency,
Surat City,
Surat – 395 007.

Place: Chennai

Date : 04.08.2023

PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

Independent Auditors' 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 31 March 2023, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the standalone financial statements, 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 31 March 2023, and profit/ 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 SAs 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements

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.

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

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's Directors 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 standalone financial statements or our knowledge obtained during 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.

Responsibilities of the Management and Board of Directors for Standalone Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/loss 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

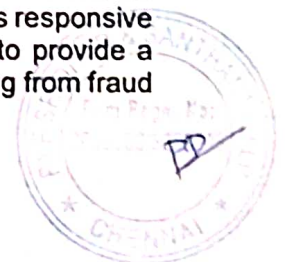
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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

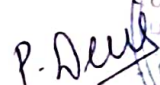


- (c) The Balance Sheet, the Statement of Profit and Loss and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- (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 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference to the financial statements is exempted for this company.
- (h) With respect to the other matters to be included in the Auditors' 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:
- i. The Company does not have any pending litigations as at 31 March 2023 which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023; and
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries



- (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (c) Based on such audit procedures that the we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The Company has not paid/declared any dividend during the financial year. Accordingly, reporting on compliance with the provisions of Section 123 of the Act is not applicable.
3. The Company being a private limited company, the 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



Signature

Devi P

Partner

Membership No. 223137

UDIN : 23223137B94LR47748

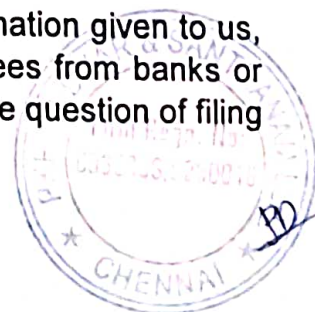
Place of Signature: Chennai

Date: 04th August 2023

Annexure A

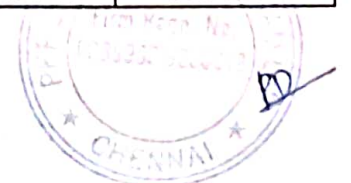
Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Net Avenue Technologies Private Limited ("the Company") on the standalone financial statements as of and for the year ended 31 March 2023.

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, we were informed that No Property, Plant and Equipment were physically verified by the management during the year as the next verification is due only in FY 2023-24.
- (c) The Company does not have any immovable property. In respect of immovable properties of land and building that have been taken on lease ,the lease agreements are in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment and intangible assets during the year and hence this clause is not applicable to the Company .
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. In our opinion, the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on verification between the physical stocks and the book records are not 10% or more in the aggregate for each class of inventory.
- b) Based on our audit procedures & according to the information and explanation given to us, the Company has not been sanctioned loan in excess of five crore rupees from banks or financial institution on the basis of security of current assets and hence the question of filing



- quarterly returns or statements by the company with such banks or financial institutions does not arise. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company.
- (iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) (a) to (f) of the Order is not applicable to the Company.
- (iv) Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees and security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore paragraph 3(iv) of the Order is not applicable to the Company.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii)
- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as applicable with the appropriate authorities except in the following cases:

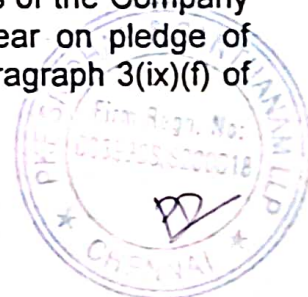
Nature of the Statute	Nature of the Dues	Amount	Period to which it relates	Due date	Date of payment
Employee's Provident Fund Act	Provident Fund	1,557	FY 22-23	15-Nov-22	13-Dec-22
Employee's Provident Fund Act	Provident Fund	2,494	FY 22-23	15-Feb-23	18-Feb-23
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Jul-22	Not paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Aug-22	Not paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Sep-22	Not paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Oct-22	Not paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Nov-22	Not paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Dec-22	Not paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Jan-23	Not Paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Feb-23	Not Paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Mar-23	Not Paid



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 Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31 March 2023 for a period of more than six months from the date they became payable except as follows

Nature of the Statute	Nature of the Dues	Amount	Period to which it relates	Due date	Date of payment
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Jul-22	Not Paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Aug-22	Not Paid
Employee's Provident Fund Act	Provident Fund	2,656	FY 22-23	15-Sep-22	Not Paid

- (b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.
- (ix)
- (a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender, except as stated below.
- (b) According to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us and the records of the Company examined by us, there were no term loans taken by the Company and hence the question of the amount of loan so diverted and the purpose for which it is used does not arise. Accordingly, paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and the records of the Company examined by us, no funds raised on short term basis have been utilized for long term purposes.
- (e) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, or associate company. Accordingly, paragraph 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any loans during the year on pledge of securities held in its subsidiaries, or associate company. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company.



(x)

- (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the question of whether the requirements of section 42 and section 62 of the Act have been complied with and the funds raised have been used for the purposes for which the funds were raised does not arise. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi)

- (a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government
- (c) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no whistle blower complaints were received during the year by the Company.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the accounting standard Related Party Disclosures (AS 18)

(xiv)

(a) In our Opinion and based on our examination, the Company does not have an Internal Audit system and is also not required to have an Internal Audit System as per Companies Act 2013.

(b) The Company did not have an internal audit system for the period under audit.

(xv) On the basis of the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



(xvi)

- (a) 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 (2 of 1934).
- (b) Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.
- (c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.¹
- (d) Based on our audit procedures and according to the information and explanations given to us, none of the group companies are Core Investment Company (CIC) and hence the question of number of CICs which are part of the Group does not arise. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) Based on our audit procedures and according to the information and explanations given to us, the Company has incurred cash losses of Rs.72(In Rs.1000's) in the financial year. However in the immediately preceding financial year, there was no cash loss.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.



- (xx) Based on our audit procedures and according to the information and explanations given to us, the company is not required to spend the amount for corporate social responsibilities and Accordingly, paragraph 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

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

P Devi
Signature
Devi P
Partner
Membership No. 223137
UDIN: 23223137 BQYLR47748



Place of Signature: *Chennai*
Date: 04th August 2023.

Net Avenue Technologies Private Limited

Balance Sheet as at 31 March 2023

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

	Note	As at 31 March 2023	As at 31 March 2022
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,213	2,213
Reserves and surplus	4	17,701	(2,486)
		<u>19,914</u>	<u>(273)</u>
Non-current liabilities			
Long-term borrowings	5	-	-
Long-term provisions	6	3,620	3,503
		<u>3,620</u>	<u>3,503</u>
Current liabilities			
Short-term borrowings	7	27,622	8,424
Trade payables	8	-	-
- Dues to micro and small enterprises		713	763
- Total outstanding dues to creditors other than micro and small enterprises		44,734	51,278
Other current liabilities	9	1,18,594	2,11,417
Short-term provisions	6	11,601	4,709
		<u>2,03,264</u>	<u>2,76,591</u>
TOTAL		<u>2,26,798</u>	<u>2,79,821</u>
ASSETS			
Non-current assets			
Property, plant and equipment & Intangibles			
a) Tangible assets	10	4,100	2,746
b) Intangible fixed assets	11	338	32
Non-current investments	12	-	-
Deferred tax asset	13	-	-
Amount recoverable from Net Avenue Technologies Private Limited		-	-
Employees Welfare Trust (net)	39	10,960	10,960
Long-term loans and advances	14	1,556	1,087
		<u>16,954</u>	<u>14,825</u>
Current assets			
Inventories	15	72,271	56,847
Trade receivables	16	12,783	5,749
Cash and bank balances	17	18,398	26,692
Short-term loans and advances	14	12,420	16,009
Other current assets	18	93,972	1,59,699
		<u>2,09,844</u>	<u>2,64,996</u>
TOTAL		<u>2,26,798</u>	<u>2,79,821</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 : 04.08.2023



for and on behalf of the Board of Directors of

Net Avenue Technologies Private Limited

CIN: U72900TN2001PTC047220

Rajesh Katariya

Director

DIN: 01019455

Place : Chennai

Date : 04.08.2023

Rajesh Nahar

Director

DIN: 01015059

Place : Chennai

Date : 04.08.2023



Net Avenue Technologies Private Limited

Statement of Profit and Loss for the year ended 31 March 2023

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

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	19	3,34,355	3,12,335
Other income	20	28,628	14,780
Total revenue		3,62,983	3,27,115
Expenses			
Cost of materials consumed	21	55,838	25,254
Purchases of stock-in-trade	22	70,239	82,882
Changes in inventory of work-in-progress and stock-in-trade	23	(8,313)	(22,329)
Employee benefits expense	24	48,722	40,869
Finance cost	25	709	379
Depreciation and amortisation	26	1,661	1,030
Other expenses	27	1,75,396	1,70,565
Total expenses		3,44,252	2,98,650
Profit/ (loss) before tax		18,731	28,465
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
Profit/ (loss) for the year		18,731	28,465
Earnings per share			
Basic	37	15.61	23.72
Diluted	37	8.32	12.64
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. 003990S/S200018

P Devi
Partner
Membership No. 223137
Place : Chennai
Date : 04.08.2023

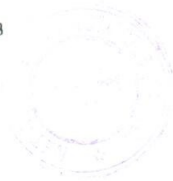


for and on behalf of the Board of Directors of
Net Avenue Technologies Private Limited
CIN : U72900TN2001PTC047220

Ritesh Katariya
Director
DIN: 01019455
Place : Chennai
Date : 04.08.2023

Rajesh Nahar

Rajesh Nahar
Director
DIN: 01015059
Place : Chennai
Date : 04.08.2023



Net Avenue Technologies Private Limited

Cash flow statement for the year ended March 31, 2023

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

	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from operating activities		
Profit / (loss) before tax	18,731	28,465
Adjustments:		
Depreciation and amortisation	1,661	1,030
Finance cost	709	379
Interest income	(1,023)	(1,008)
Employee stock compensation expense	1,458	943
Provision for advances and other current assets	-	-
Provision for doubtful debts	-	2,640
Provision for non-moving inventory	-	17,065
Profit on sale of property, plant and equipment	-	(2)
Bad Debts written off	-	10,797
Unrealized foreign exchange (gain) / loss	(310)	(655)
Provision no longer required written back	(21,611)	(11,736)
Operating cash flow before working capital changes	(385)	47,919
(Increase)/Decrease in trade receivables	(7,034)	(12,106)
(Increase)/Decrease in inventories	(15,424)	(47,022)
(Increase)/Decrease in loans and advances and other assets	69,161	1,04,667
Increase (Decrease) in trade payables, other liabilities and provisions	(51,606)	(76,448)
Cash generated from operations	(5,288)	17,009
Income taxes paid	-	-
Net cash used by operating activities	(A) (5,288)	17,009
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible fixed assets	(3,321)	(2,190)
Proceeds from sale of property, plant and equipment	-	-
Bank deposits (having original maturity more than three months)	(1,135)	(6,530)
Interest received	1,023	1,008
Net cash provided by investing activities	(B) (3,433)	(7,712)
Cash flow from financing activities		
Proceeds from borrowings	-	-
Finance costs paid	(709)	(379)
Net cash used by financing activities	(C) (709)	(379)
Net decrease in cash and cash equivalents	(A+B+C) (9,430)	8,918
Cash and cash equivalents at the beginning of year	10,019	1,101
Cash and cash equivalents at the end of the year	589	10,019

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Notes to cash flow statement

Components of cash and cash equivalents:

	As at March 31, 2022	As at March 31, 2021
Cash on hand	39	23
Balances with banks	-	-
- On current accounts	550	9,996
Total	589	10,019

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. 30039908/S200018

P. Devi

Partner

Membership No. 223137

Place : Chennai

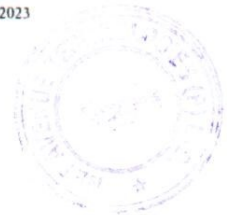
Date : 04.08.2023



for and on behalf of Board of Directors of
Net Avenue Technologies Private Limited
CIN : U72900TN2001PTC047220

Ritesh Katariya
Director
DIN: 01019455
Place : Chennai
Date : 04.08.2023

Rajesh Nahar
Director
DIN: 01015059
Place : Chennai
Date : 04.08.2023



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in thousands 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 2023, the Company has accumulated losses of INR 432,958K, as against the share capital (along with the securities premium, stock option and general reserve) of INR 452,839K.

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 2023.

In connection with the preparation of the financial statements for the year ended March 31, 2023, 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 4th August 2023.

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 2023

(All amounts are in thousands 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.

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 2023

(All amounts are in thousands 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 2023

(All amounts are in thousands 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.

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Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

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

3 Share capital

Particulars	As at	
	31 March 2023	31 March 2022
Authorised:		
I. Equity shares		
2,499,980 (31 March 2021 : 2,499,980) equity shares of INR. 1 each	2,500	2,500
II. Series A equity shares		
10 (31 March 2021 : 10) Series A equity shares of INR. 1 each	10	10
III. Series B equity shares		
10 (31 March 2021 : 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 2021: 500,000) preference shares of INR. 1 each	500	500
V. 0.01% compulsorily convertible and non cumulative Series B preference shares		
600,000 (31 March 2021: 600,000) preference shares of INR. 1 each	600	600
Issued, subscribed and paid up :		
I. Equity shares		
1,238,420 (31 March 2021 : 1,238,420) equity shares of INR. 1 each	1,238	1,238
Less : Amount recoverable from Net Avenue Technologies Private Limited Employees Welfare Trust - Face value of 38,420 shares (31 March 2021 : 38,420) allotted to the trust	(38)	(38)
	1,200	1,200
II. Series A equity shares		
6 (31 March 2021 : 6) Series A equity shares of INR. 1 each	0	0
III. 0.01% compulsorily convertible and non cumulative Series A preference shares		
468,614 (31 March 2021: 468,614) preference shares of INR. 1 each	469	469
IV. 0.01% compulsorily convertible and non cumulative Series B preference shares		
544,114 (31 March 2021: 544,114) preference shares of INR. 1 each	544	544
	2,213	2,213

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Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in thousands 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 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
I. Equity shares				
At the beginning and end of the year (face value INR 1 each)	1,238	1,238	1,238	1,238
Add: Issued during the year	-	-	-	-
At the end of the year	1,238	1,238	1,238	1,238
II. Series A equity shares				
At the beginning and end of the year (face value INR 1 each)	0	0	0	0
Add: Issued during the year	-	-	-	-
At the end of the year	0	0	0	0
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)	469	469	469	469
Add: Issued during the year	-	-	-	-
At the end of the year	469	469	469	469
IV. 0.01% compulsorily convertible and non cumulative Series B preference shares (face value INR. 1 each)				
At the beginning of the year	544	544	544	544
Add: Issued during the year	-	-	-	-
At the end of the year	544	544	544	544

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

Particulars	As at		As at	
	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	38	38	38	38
Less: Adjustments	-	-	-	-
At the end of the year	38	38	38	38

(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. 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 2023

(All amounts are in thousands 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 2023		31 March 2022	
	No. of shares	% holding	No. of shares	% holding
I. Equity shares				
Rajesh Nahar	435,000	35.13%	435,000	35.13%
Ritesh Katariya	510,000	41.18%	510,000	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	235,282	50.21%	235,282	50.21%
Nadathur Estates Pvt. Ltd. for and on behalf of Ojas Partners	233,332	49.79%	233,332	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	197,375	36.27%	197,375	36.27%
Chayadeep Ventures LLP	197,375	36.27%	197,375	36.27%

(e) **Shares held by promoters at the end of the year**

S. No	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	Rajesh Nahar	435,000	35.13%	No change
2	Ritesh Katariya	510,000	41.18%	No change
	TOTAL	945,000	76.31%	

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Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in thousands except share data or as stated)

4 Reserves and surplus

Particulars	As at	
	31 March 2023	31 March 2022
I. General reserve		
Balance at the beginning of the year		5,030
Add: Transfer from employee stock option outstanding	6,299	-
Balance at the end of the year	6,299	1,269
II. Securities premium account		
Balance at the beginning and end of the year	425,787	425,787
	425,787	425,787
III. Employee stock option outstanding		
Balance at the beginning of the year		17,411
Add: Options granted during the year	17,083	-
Less: Options exercised during the year	1,457	943
Less: Amount transferred to general reserve on account of forfeiture	-	-
Balance at the end of the year	18,540	(1,269)
IV. Surplus / (Deficit) in the statement of profit and loss		
Balance at the beginning of the year		(480,120)
Profit/ (loss) for the year	(451,655)	18,731
Balance at the end of the year	(432,924)	(451,655)
Total reserve and surplus	17,701	(2,486)

Note : The securities premium account balance is net of INR 89,13,440/- recoverable from the Net Avenue Technologies Private Limited Employees Welfare Trust.

5 Long-term borrowings

Particulars	As at	
	31 March 2023	31 March 2022
Unsecured loans		
- Employees	-	-
- Related parties	-	-
	-	-

6 Provisions

	Long-term		Short-term	
	As at		As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Provision for employee benefits:				
- for gratuity (refer note 34)	3,409	3,284	2,306	2,070
- for compensated absences	211	219	195	181
Provision for sales return allowance	-	-	9,100	2,458
	3,620	3,503	11,601	4,709



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in thousands except share data or as stated)

7 Short-term borrowings

Particulars	As at	
	31 March 2023	31 March 2022
Overdraft facility from bank (secured) *		
Unsecured Loans	15,064	39
- Employees		
- Related parties **	652	652
	11,906	7,733
	<u>27,622</u>	<u>8,424</u>

* The overdraft balance represents facility availed from IDFC Bank Limited and IndusInd bank which carries interest rate at 7.15% and 7.375% per annum respectively and are repayable on demand. The facility is secured against the fixed deposits of the Company.

** The loan is repayable on demand. The loan is received from director and their relatives and is unsecured..

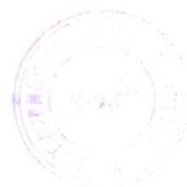
8 Trade payables

Particulars	As at	
	31 March 2023	31 March 2022
- Dues to micro and small enterprises (refer note 32)	713	763
- Dues to creditors other than micro and small enterprises	44,734	51,278
Trade Payables ageing schedule (refer note 42)	<u>45,447</u>	<u>52,041</u>

9 Other current liabilities

Particulars	As at	
	31 March 2023	31 March 2022
Interest accrued and due on borrowings	602	227
Deferred income	785	1,355
Advance from customers	15,672	32,213
Accrued Expenses	5,551	7,643
Other statutory dues payable	2,475	2,264
Employee benefits payable	5,312	8,932
Payable to subsidiaries	88,170	158,756
Payable to Related party	27	27
	<u>118,594</u>	<u>211,417</u>

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Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

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

Property, plant and equipment & Intangibles

10 Tangible Assets

Particulars	Leasehold improvements	Plant and Machinery	Office equipments	Furniture and fittings	Computers	Vehicle	Total
Gross block							
Balance as at 1 April 2021	197	572	2,256	2,984	6,754	93	12,857
Additions	32	452	121	756	606	226	2,192
Deletions / write off	-	-	-	-	16	-	16
Balance as at 31 March 2022	229	1,024	2,377	3,740	7,344	319	15,033
Additions	-	1,060	230	688	954	-	2,931
Deletions / write off	-	-	-	-	-	-	-
Balance as at 31 March 2023	229	2,083	2,607	4,428	8,297	319	17,964
Accumulated depreciation							
Balance as at 1 April 2021	189	334	2,196	2,509	6,456	68	11,752
Additions	11	67	50	152	253	17	551
Deletions / write off	-	-	-	-	16	-	16
Balance as at 31 March 2022	200	401	2,246	2,661	6,694	85	12,286
Additions	-	264	119	412	720	62	1,577
Deletions / write off	-	-	-	-	-	-	-
Balance as at 31 March 2023	200	665	2,365	3,073	7,414	147	13,864
Net block							
As at 31 March 2022	30	622	131	1,079	650	234	2,746
As at 31 March 2023	30	1,418	242	1,355	883	173	4,100

Note:

None of the assets have been revalued during the year

11 Intangible Assets

Particulars	Computer software
Gross block	
Balance as at 1 April 2021	9,763
Additions	-
Deletions / write off	-
Balance as at 31 March 2022	9,763
Additions	390
Deletions / write off	-
Balance as at 31 March 2023	10,153
Accumulated amortization	
Balance as at 1 April 2021	9,252
Additions	479
Deletions / write off	-
Balance as at 31 March 2022	9,731
Additions	84
Deletions / write off	-
Balance as at 31 March 2023	9,815
Net block	
As at 31 March 2022	32
As at 31 March 2023	338



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in thousands except share data or as stated)

12 Non-current investments

Particulars	As at	
	31 March 2023	31 March 2022
Trade investments (unquoted)		
Investment in equity shares		
100 (31 March 2021 : 100) equity shares of Pioneer Tradings Limited, a subsidiary, of GBP 1 each, fully paid up	9	9
1,000 (31 March 2021 : 1,000) equity shares of Cbazaar.Com Inc a subsidiary, of USD 1 each, fully paid up	63	63
29,412 (31 March 2021 : 29,412) equity shares of Ethnoserve Bespoke Services Private Limited, an associate, of Re 1 each, fully paid up	249	249
Less: Impairment in value of investments	(321)	(321)
	-	-

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.

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14 Loans and advances

Particulars	Long-term		Short-term	
	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
To parties other than related parties				
Deposits (unsecured, considered good)				
Security deposit	1,556	1,087	-	-
	1,556	1,087	-	-
Others (unsecured, considered good)				
Prepayments	-	-	668	332
Balances with Income Tax authorities including refund receivable	-	-	-	-
Advances to employees	-	-	1,373	732
Advances to suppliers	-	-	-	3,611
Balance with government authorities	-	-	8,920	10,859
	-	-	10,961	15,534
Others (unsecured, considered doubtful)				
Security deposit	30	30	-	-
Balances with Income Tax authorities including refund receivable	-	-	1,852	1,659
Advances to suppliers	-	-	191	191
Advances to employees	-	-	115	114
Less: Provision for deposits, advances	(30)	(30)	(699)	(1,489)
	-	-	1,459	475
	1,556	1,087	12,420	16,009

15 Inventories

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

Particulars	As at	
	March 31, 2023	March 31, 2022
Raw materials and components	25,070	35,124
Work-in-progress	10,610	9,012
Finished goods (goods in transit amounts to INR 1001K ; PY INR 1272K)	33,709	23,935
Stock-in-trade (goods in transit amount to INR 324K ; PY INR 996K)	13,456	16,515
	82,845	84,587
Less : Provision for non-moving inventory	(10,574)	(27,739)
	72,271	56,847



Net Avenue Technologies Private Limited
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in thousands except share data or as stated)

16 Trade receivables

Particulars	As at	
	March 31, 2023	March 31, 2022
Receivables outstanding for a period exceeding six months from the date they became due for payment		
-Secured, considered good	-	-
-Unsecured, considered good	-	-
-Considered doubtful	-	-
Less: Provision for doubtful receivables	-	-
Other receivables		
-Secured, considered good	-	-
-Unsecured, considered good	12,783	5,749
Less: Provision for doubtful receivables	-	-
	12,783	5,749
Trade Receivables ageing schedule (refer note 43)	12,783	5,749

17 Cash and bank balances

Particulars	As at	
	March 31, 2023	March 31, 2022
Cash and cash equivalents		
Cash on hand		
Balances with banks	39	23
On current accounts	550	9,996
Other bank balances		
Deposits with original maturity of more than 3 months and less than 12 months	226	338
Deposits (held as security against borrowings/guarantee)	17,583	16,335
	18,398	26,692
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'	550	9,996
Bank deposits having original maturity of 3 to 12 months	17,809	16,674

18 Other current assets

Particulars	As at	
	March 31, 2023	March 31, 2022
Unsecured, considered good		
Receivable from subsidiaries		
Others	90,990	158,507
	1,095	219
Unsecured, considered doubtful		
Receivable from subsidiaries		
Less: Provision for doubtful receivables	10,395	13,727
	(10,395)	(13,727)
Others		
Less: Provision for doubtful receivables	2,405	1,555
	(633)	(736)
To parties other than related parties		
Unsecured, considered good		
Interest accrued on deposit with bank	115	154
	93,972	159,699

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Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

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

19 Revenue from operations

Particulars	Year ended	
	31 March 2023	31 March 2022
Sale of products	310,986	293,929
Other operating revenue	23,369	18,406
	<u>334,355</u>	<u>312,335</u>

20 Other income

Particulars	Year ended	
	31 March 2023	31 March 2022
Interest income on bank deposits	1,023	1,008
Foreign exchange fluctuation gain (net)	-	275
Discount received from vendor	2,127	1,625
Provision no longer required written back / vendor write back	21,611	11,736
Profit on sale of property, plant and equipment	-	2
Other Non Operating income	3,387	134
Prior period Income	480	-
	<u>28,628</u>	<u>14,780</u>

21 Cost of materials consumed (Fabrics)

Particulars	Year ended	
	31 March 2023	31 March 2022
Inventory of raw materials at the beginning of the year	35,124	10,433
Add: Purchases during the year	45,784	49,946
Less : Inventory of raw materials at the end of the year	(25,070)	(35,124)
	<u>55,838</u>	<u>25,254</u>

22 Purchases of stock in trade

Particulars	Year ended	
	31 March 2023	31 March 2022
Apparels	70,239	82,882
	<u>70,239</u>	<u>82,882</u>

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Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

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

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

Particulars	Year ended	
	31 March 2023	31 March 2022
Inventories at the beginning of the year		
Work-in-progress	9,012	4,475
Finished goods	23,935	11,621
Stock-in-trade	16,515	11,037
Inventories of stock in trade at the end of the year		
Work-in-progress	(10,610)	(9,012)
Finished goods	(33,709)	(23,935)
Stock-in-trade	(13,456)	(16,515)
	(8,313)	(22,329)

Details of inventory of work-in-progress

Particulars	Year ended	
	31 March 2023	31 March 2022
Apparels	10,610	9,012
	10,610	9,012

Details of inventory of finished goods

Particulars	Year ended	
	31 March 2023	31 March 2022
Apparels	33,709	23,935
	33,709	23,935

Details of inventory of stock-in-trade

Particulars	Year ended	
	31 March 2023	31 March 2022
Apparels	13,456	16,515
	13,456	16,515

24 Employee benefits expense

Particulars	Year ended	
	31 March 2023	31 March 2022
Salaries, wages and bonus *	43,746	37,411
Contribution to provident and other funds	2,465	2,107
Employee stock compensation expenses	1,458	943
Staff welfare expenses	1,053	408
	48,722	40,869

* Related party (refer note 36)

25 Finance cost

Particulars	Year ended	
	31 March 2023	31 March 2022
Interest		
- to banks	292	-
- to related parties	417	379
	709	379



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

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

26 Depreciation and amortisation

Particulars	Year ended	
	31 March 2023	31 March 2022
Depreciation on property, plant and equipment (refer note 10)	1,577	551
Amortisation of intangible assets (refer note 11)	84	479
	<u>1,661</u>	<u>1,030</u>

27 Other expenses

Particulars	Year ended	
	31 March 2023	31 March 2022
Fabric conversion & Redesign charges	39,804	31,361
Internet banking and other charges	11,207	10,380
Marketing expenses	14,678	13,763
Advertisement and business promotion expenses	37,926	29,760
Power and fuel	1,180	980
Printing and stationery	855	851
Repairs and maintenance		
- Computers	589	157
- Others	1,904	358
Insurance	543	706
Office expenses	1,547	529
Rates and taxes	406	186
Rent	3,350	2,508
Professional and technical fees (refer note 31)	8,345	8,515
Travelling and conveyance	1,073	910
Freight and handling charges	49,081	35,358
Communication expenses	181	802
Provision for non moving inventory	-	17,065
Foreign exchange fluctuation Loss (net)	5	-
Provision for advances and other current assets	-	-
Bad Debts written off	-	10,797
Write off of debit balances in payables	-	2,323
Provision for doubtful debts	-	2,640
Bank charges	231	245
Miscellaneous expenses	2,491	370
	<u>175,396</u>	<u>170,565</u>

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Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

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

28 Contingent liabilities and commitments

a) Contingent liabilities

1. 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 of 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.

2. Demand Raised for Rs.10,36,180/- by Income tax authorities for AY 2020-21, the reason being inconsistency between tax audit report and ITR

b) Commitments

Particulars	As at	
	31 March 2023	31 March 2022
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 2023	31 March 2022
FOB value of exports	246,999	230,676
Shipping charges	23,369	18,406
Total	270,368	249,082

30 Expenditure in foreign currency (on accrual basis)

Particulars	Year ended	
	31 March 2023	31 March 2022
Advertisement, Marketing and business promotion expenses	37,402	32,531
Internet banking and other charges	8,925	6,973
Professional and technical fees	4,839	5,013
Communication expenses	68	466
Others	1,968	-
Total	53,202	44,983

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

Particulars	Year ended	
	31 March 2023	31 March 2022
As auditor		
Statutory audit	320	320
Others	40	40
Total	360	360



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in thousands 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 2022 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 2023	31 March 2022
(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	713	763
Interest on the above, remaining unpaid at the end of the accounting year	155	185
(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;	-	-
(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	-	-
(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.	-	-

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 2023	31 March 2022
Receivable		
Foreign currency equivalent (GBP)	81	1,193
Indian Rupee equivalent	8,224	118,344
Foreign currency equivalent (USD)	1,134	713
Indian Rupee equivalent	93,161	53,890
Payable		
Foreign currency equivalent (GBP)	-	1,111
Indian Rupee equivalent	0.0	110,186
Foreign currency equivalent (USD)	1,073	642
Indian Rupee equivalent	88,170	48,570



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in thousands 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 2,357K (previous year : INR 2107K)

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.

Gratuity		
Particulars (Changes in the Present Value of Obligation)	Mar'23	Mar'22
Present Value of Obligation as at the beginning	6,557	6,349
Interest Cost	364	308
Current Service Cost	503	440
Benefits Paid	(245)	(466)
Actuarial (Gain) / Loss on the Obligation	(248)	(73)
Present Value of Obligation as at the end	6,931	6,557

Gratuity		
Particulars (Changes in the Fair Value of Plan Assets)	Mar'23	Mar'22
Fair Value of Plan Assets as at the beginning	1,203	1,038
Expected Return on Plan Assets	67	50
Employer's Contributions	184	569
Benefits Paid	(245)	(466)
Actuarial Gain / (Loss) on the Plan Assets	7	12
Fair Value of Plan Assets as at the end	1,216	1,203

Gratuity		
Particulars (Expense recognised in P&L)	Mar'23	Mar'22
Current Service Cost	503	440
Interest Cost	364	308
Expected Return on Plan Assets	(67)	(50)
Net Actuarial (Gain) / Loss recognised in the period	(254)	(85)
Expenses Recognised in statement of Profit and Loss	546	612

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

Particulars	Year ended	Year ended
	31 March 2023	31 March 2022
Discount rate	7.20%	5.55%
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 2023 amounts to INR 3350K (31 March 2022: INR 2508K)

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Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in thousands 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 2023	Year ended 31 March 2022
I. Remuneration paid		
Mr. Rajesh Nahar	6,516	6,458
Mr. Ritesh Kataria	6,501	6,458
II. Marketing, internet banking and other expense		
Pioneer Tradings Limited		
Cbazaar.com Inc	57,116	44,983
III. Collections received on behalf of the Company		
Pioneer Tradings Limited	-	
Cbazaar.Com Inc	224,110	212,256
IV. Payments received out of collections received on behalf of the Company		
Pioneer Tradings Limited	(109,781)	
Cbazaar.Com Inc	(167,739)	(309,102)
V. Sale of property, plant and equipment:		
Ethnoserve Bespoke Services Private Limited	-	-
VI. Loans availed from key management personnel (KMP) and relative of KMP		
Mr. Ritesh Kataria	2,575	-
Mr. Rajesh Nahar	500	-
VII. Interest on loan paid/payable key management personnel (KMP) and relatives of KMP		
Ms. Kasturi Devi	132	79
Mr. Sardarmal Nahar		
Ms. Manju Shree	240	122
Ms. Sarala Nahar	142	107
Mr. Ritesh	92	71
VIII. Business Facilitation Fees:		
Cbazaar.Com Inc	473	437

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Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

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

(c) **Balances as at the year end:**

Particulars	As at	As at
	31 March 2023	31 March 2022
A. Cbazaar.com Inc		
Receivable	93,161	53,890
Payable	88,170	48,570
B. Pioneer Tradings Limited		
Receivable	8,224	118,344
Payable	0	110,186
C. Ethnoserve Bespoke Services Private Limited		
Receivable	-	-
Payable	27	27
D. Amount receivable from Net Avenue Technologies Private Limited Employees Welfare Trust (Net)	10,960	10,960
E. Balance payable to key managerial personnel / relatives of key managerial personnel - Unsecured loans		
Ms. Kasturi Devi	656	656
Mr. Sardarmal Nahar	-	-
Ms. Manju Shree	2,400	899
Ms. R Sarala Nahar	570	672
Mr. Rajesh Nahar	3,253	2,753
Mr. Ritesh Kataria	5,028	2,753

37 **Earnings per share (EPS)**

Basic and diluted earnings per share (INR.)

Particulars	31 March 2023	31 March 2022
Earnings		
Profit/ (loss) for the year	18,731	28,465
Less: Dividends on preference shares and tax thereon	-	-
Net profit/ (loss) attributable to equity shareholders for calculation of basic EPS (i)	18,731	28,465
Outstanding number of shares		
Number of shares at the beginning of the year	1,200	1,200
Series A Equity shares	0	0
Weighted average number shares for basic earnings per share (ii)	1,200	1,200
Effect of potential equity shares	38	38
Compulsorily convertible Series A preference shares	469	469
Compulsorily convertible Series B preference shares	544	544
Weighted average number shares for diluted earnings per share (iii)	2,251	2,251
Basic earnings per share (i) / (ii)	15.61	23.72
Diluted earnings per share (i) / (iii)	8.32	12.64



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

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

38 Payables/receivables to/from subsidiaries

As at 31 March 2023, 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 previous 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. The Company has already started paying the outstanding to subsidiaries and collecting the dues from subsidiaries.

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Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in thousands 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 into 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	1-Oct-21
Options granted	23400	1500	2500	13000	3700	50616	3500	21450
Number of personnel	76	3	1	32	17	10	5	20
Options forfeited	3	39	-	6	19	12	17	0
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	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	6.3 years
Risk free rate	8.80%	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	211.58

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Options granted and outstanding at the beginning of the year	78,416	61,566
Add: Options granted during the year	-	21,450
Less: Exercised during the year	-	-
Less: Expired during the year	-	-
Less: Forfeited during the year	-	(4,600)
Options granted and outstanding at the end of the year	78,416	78,416

40 Transfer pricing

The Holding Company has international transactions with related parties. For the year ended 31 March 2022, 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 2023, 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.



Net Avenue Technologies Private Limited
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in thousands except share data or as stated)

42 Trade Payables ageing schedule

Particulars	Outstanding for following periods from invoice date*				
	Less than 1 year	1-2 years	2-3 Years	More than 3 Years	Total
(i)MSME	697	16	-	-	713
(ii)Others	40,128	4,606	-	-	44,734
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
As at 31 March 2023	40,826	4,621	-	-	45,447
(i)MSME	650	113	-	-	763
(ii)Others	48,829	2,449	-	-	51,278
As at 31 March 2022	49,479	2,562	-	-	52,041

*Represents Outstanding taken from the date of invoice.

43 Trade Receivables ageing schedule

Particulars	Outstanding for following periods from Invoice date*					
	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	12,339	0.23	443.82	-	-	12,783
(ii) Undisputed Trade receivables – considered doubtful	-	-	-	-	-	-
As at 31 March 2023	12,339	0	444	-	-	12,783
(i) Undisputed Trade receivables – considered good	1,967	3,782	-	-	-	5,749
(ii) Undisputed Trade receivables – considered doubtful	-	-	-	-	-	-
As at 31 March 2022	1,967	3,782	-	-	-	5,749

*Represents Outstanding taken from the date of invoice.

44 Financial ratios

Particulars	March 31, 2023	March 31, 2022	Variance %	Reason for variance more than 25%
(a) Current Ratio,	1.03	0.96	8%	
(b) Debt-Equity Ratio,	12.48	3.81	228%	On account of loans availed during the year
(c) Debt Service Coverage Ratio,	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(d) Return on Equity Ratio	846.39%	1286.25%	-34%	On account of drop in profit margin
(e) Inventory turnover ratio,	5.18	7.46	-31%	On account of increase in closing inventory as higher sales were expected in the coming periods
(f) Trade Receivables turnover ratio	36.08	48.69	-26%	Increase in sales with channels where there were higher credit period
(g) Trade payables turnover ratio,	2.59	2.32	11%	
(h) Net capital turnover ratio	50.81	-26.94	-289%	On account of improved current asset ratio due to better working capital management
(i) Net profit ratio	5.60%	9.11%	-39%	On account of drop in profit margin
(j) Return on Capital employed *	40.89%	Not Applicable	Not Applicable	
(k) Return on investment.	Not Applicable	Not Applicable	Not Applicable	

* since company is incurred losses in the past and networth being negative in last year, return on capital employed is marked as NA for previous year



Net Avenue Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2023

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

45 Other statutory information

- i The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii The Company does not have any transactions with companies struck off.
- iii The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- vi The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- vii The Company has not traded or invested in crypto currency or virtual currency during the financial year.

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No: 003990S/5200018

P. Devi

P Devi
Partner
Membership No. 223137
Place : Chennai
Date : 04.08.2023



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 : 04.08.2023

Rajesh Nahar

Rajesh Nahar
Director
DIN: 01015059
Place : Chennai
Date : 04.08.2023

