



NET AVENUE TECHNOLOGIES LIMITED

CIN: U72900TN2001PLC047220

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
New No. 16, Old No. 13, 1st Floor Prithvi Avenue, Alwarpet Chennai-600018, Tamil Nadu, India.	Ground Floor and 1st Floor, Plot No. H-139 to 141 Laxminarayan Industrial Estate, BRC Compound, Udhna, Surat – 394210, Gujarat, India.	Ms. Dadwani Bhumisha Darshan, Company Secretary & Compliance Officer	E-mail: investor@natl.in Tel. No: +91-044-42789289	www.natl.in

THE PROMOTERS OF OUR COMPANY ARE MR. RAJESH NAHAR AND MR. RITESH KATARIYA

DETAILS OF THE ISSUE TO PUBLIC PROMOTER/SELLING SHAREHOLDER

TYPE	FRESH ISSUE	OFFER FOR SALE	ISSUE SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs
Fresh Issue	Up to 57,00,000 Equity Shares aggregating up to [●] Lakhs	N.A.	[●] Lakhs	The Issue is being made in Terms of Regulation 229 (1) and 253 (1) of the SEBI ICDR Regulations. For details in relation to share reservation among QIBs, Non-Institutional Bidders and Retail Individual Bidder, see "Issue Structure" beginning on page 308 of this Draft Red Herring Prospectus.

OFS: Offer for Sale

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS, AND THEIR COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹1/- each. The Floor Price, the Cap Price and the Issue Price to be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in "Basis for Issue Price" on page 103 or in case where, Price Band is not disclosed otherwise, will be advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to chapter titled "Risk Factors" beginning on Page No. 28 of this Draft Red Herring Prospectus.


ISSUER'S ABSOLUTE RESPONSIBILITY

Our company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.


LISTING

The Equity Shares issued through Draft Red Herring Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited (NSE EMERGE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

BOOK RUNNING LEAD MANAGER TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
 SHRENI SHARES LTD. SHRENI SHARES LIMITED (Formerly Known as Shreni Shares Private Limited)	Mr. Parth Shah	E-mail: shrenishares@gmail.com Telephone: 022 2089 7022

REGISTRAR TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
 BIGSHARE SERVICES PVT LTD	Mr. Babu Rapheal C	E-mail: ipo@bigshareonline.com Telephone: 022 - 6263 8200

BID/ISSUE PROGRAMME

ANCHOR INVESTOR BID/ ISSUE PERIOD: [●]*

BID/ISSUE OPENS ON: [●]*

BID/ISSUE CLOSES ON: [●]**

*Our Company in consultation with the BRLM may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

**Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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NET AVENUE TECHNOLOGIES LIMITED

Our Company was originally incorporated on June 07, 2001 as "Net Avenue Technologies Private Limited" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Tamil Nadu. Subsequently our Company was converted into Public Limited Company and name of company was changed from "Net Avenue Technologies Private Limited" to "Net Avenue Technologies Limited" vide fresh certificate of incorporation dated September 22, 2023 issued by the Registrar of Companies, Chennai. The Corporate Identification Number of our Company is U72900TN2001PLC047220. For further details, please refer to chapter titled "History and Corporate Structure" beginning on page 162 of this Draft Red Herring Prospectus.

Registered Office: New No. 16, Old No. 13, 1st Floor Prithvi Avenue, Alwarpet Chennai-600018, Tamil Nadu, India.

Corporate Office: Ground Floor and 1st Floor, Plot No. H-139 to 141 Laxminarayan Industrial Estate, BRC Compound, Udhna, Surat – 394210, Gujarat, India.

Tel. No.: +91-044-42789289; **E-mail:** info@natl.in; **Website:** www.natl.in

Contact Person: Ms. Dadwani Bhumisha Darshan , Company Secretary and Compliance Officer.

OUR PROMOTERS: MR. RAJESH NAHAR AND MR. RITESH KATARIYA

THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 57,00,000 EQUITY SHARES OF FACE VALUE OF ₹1/- EACH (THE "EQUITY SHARES") OF NET AVENUE TECHNOLOGIES LIMITED ("OUR COMPANY" OR "NET AVENUE" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹1/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹1/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹1.00 EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER I.E. [●], ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER I.E. [●] AND REGIONAL NEWSPAPER I.E. [●], EACH WITH WIDE CIRCULATION, AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO SME PLATFORM OF NSE ("NSE EMERGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid /Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

THE FACE THE FACE VALUE OF THE EQUITY SHARES IS ₹1/- EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company in consultation with the BRLMs may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) ("Net QIB Portion"). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Potential Bidders, other than Anchor Investors, are required to participate in the Issue by mandatorily utilising the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, please refer to the chapter titled "Issue Procedure" on page 311 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹1/- each. The Issue Price, Floor Price or the Price Band (determined by our Company in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "Basis for Issue Price" beginning on page 103 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risks of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to chapter titled "Risk Factors" beginning on Page No. 28 of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares issued through the Draft Red Herring Prospectus are proposed to be listed on NSE EMERGE. In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, our Company has received In-principle approval letter dated [●] from National Stock Exchange of India Limited ("NSE") for using its name in this Issue document for listing our shares on the SME Platform of NSE. For the purpose of this Issue, the designated Stock Exchange will be National Stock Exchange of India Limited.

BOOK RUNNING LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE

SHRENI SHARES LIMITED
(Formerly Known As Shreni Shares Private Limited)
A/007, Western Edge - II, Kanakia Space, Behind Metro Mall, off Western Express Highway, Magathane, Borivali East, Mumbai – 400066, Maharashtra, India.
Telephone: 022 2089 7022
E-mail: shrenishares@gmail.com
Investors Grievance e-mail: info@shreni.in
Contact Person: Mr. Parth Shah
Website: www.shreni.in
SEBI Registration Number: INM000012759

BIGSHARE SERVICES PRIVATE LIMITED
Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai – 400 093, Maharashtra, India
Tel: 022 - 6263 8200
E-mail: ipo@bigshareonline.com
Investor grievance e-mail: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Asif Sayyed
SEBI Registration No.: INR000001385

BID/ISSUE PROGRAMME

ANCHOR INVESTOR BID/ ISSUE PERIOD: [●]*

BID/ISSUE OPENS ON: [●]*

BID/ISSUE CLOSES ON: [●]**

* Our Company in consultation with the BRLM may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

**Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBS one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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Table of Contents

SECTION I – GENERAL	1
DEFINITIONS AND ABBREVIATIONS	1
PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA	16
FORWARD LOOKING STATEMENTS	18
SECTION II – SUMMARY OF OFFER DOCUMENT	20
SECTION III – RISK FACTORS	28
SECTION IV – INTRODUCTION	57
THE ISSUE	57
GENERAL INFORMATION	65
CAPITAL STRUCTURE	77
SECTION V – PARTICULARS OF THE ISSUE	94
OBJECTS OF THE ISSUE	94
BASIS FOR ISSUE PRICE	103
STATEMENT OF POSSIBLE TAX BENEFITS	109
SECTION VI – ABOUT THE COMPANY	113
INDUSTRY OVERVIEW	113
OUR BUSINESS	128
KEY INDUSTRY REGULATIONS AND POLICIES	152
HISTORY AND CERTAIN CORPORATE MATTERS	162
OUR MANAGEMENT	168
OUR PROMOTER AND PROMOTER GROUP	181
OUR GROUP COMPANY	185
DIVIDEND POLICY	187
SECTION VII – FINANCIAL INFORMATION	188
RESTATE FINANCIAL STATEMENTS	188
OTHER FINANCIAL INFORMATION	258
CAPITALISATION STATEMENT	260
FINANCIAL INDEBTEDNESS	261
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	264
SECTION VIII – LEGAL AND OTHER INFORMATION	277
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	277
GOVERNMENT AND OTHER STATUTORY APPROVALS	283
OTHER REGULATORY AND STATUTORY DISCLOSURES	289
SECTION IX – ISSUE INFORMATION	301
TERMS OF THE ISSUE	301
ISSUE STRUCTURE	308
ISSUE PROCEDURE	311
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	341
SECTION X – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION	343
SECTION XI – OTHER INFORMATION	370
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	370
DECLARATION	372

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.

Notwithstanding the foregoing, terms used in of the sections “Industry Overview”, “Key Regulations and Policies”, “Statement of Possible Tax Benefits”, “Restated Financial Statements”, “Basis for Issue Price”, “History and Corporate Structure”, “Other Regulatory and Statutory Disclosures”, “Outstanding Litigations and Material Developments” and “Main provisions of the Articles of Association” on pages 113,152,109,188,103,162,289,277 and 343, respectively, shall have the meaning ascribed to such terms in such sections.

GENERAL TERMS

Term	Description
“NATL”, “the Company”, “our Company” and Net Avenue Technologies Limited	Net Avenue Technologies Limited, a company incorporated in India under the Companies Act 1956 having its Registered office at New No. 16, Old No. 13, 1st Floor Prithvi Avenue, Alwarpet Chennai-600018, Tamil Nadu, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company
you / your / yours	Prospective investors in this Issue

COMPANY RELATED TERMS

Term	Description
AOA / Articles / Articles of Association	Articles of Association of Net Avenue Technologies Limited as amended from time to time.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 as amended.
Auditors/ Statutory Auditors	The Statutory Auditors of Net Avenue Technologies Limited being M/s PKF Sridhar & Santhanam LLP, Chartered Accountant.
Bankers to the Company	[●]
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “Our Management” beginning on page 168of this Draft Red Herring Prospectus.
Chairman / Chairperson	The Chairman/ Chairperson of Board of Directors of our Company being Mr Rajesh Nahar.
CIN	Corporate Identification Number of our Company i.e., U72900TN2001PLC047220
Chief Financial Officer/CFO	The Chief Financial Officer of our Company being Mr. A Prakash.
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Ms. Dadwani Bhumisha Darshan.
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value of Rs.1/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.

Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company.
Group Companies	Companies with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and also other companies as considered material by our Board of the issuer as disclosed in “ <i>Our Group Companies</i> ” on page 185 of this Draft Red Herring Prospectus.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the Listing Regulations.
ISIN	International Securities Identification Number. In this case being [●]
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “ <i>Our Management</i> ” on page 168 of this Draft Red Herring Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on September 23, 2022, in accordance with the requirements of the SEBI (ICDR) Regulations, 2018.
MD or Managing Director	The Managing Director of our Company being Mr. Rajesh Nahar
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Net Avenue Technologies Limited as amended from time to time.
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013.
Non-Executive Director	A Director not being an Executive Director or an Independent Director
NRI / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	The Peer Review Auditors of Net Avenue Technologies Limited being M/s A Y & Company, Chartered Accountant.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoter(s)	Shall mean promoters of our Company i.e., Mr. Rajesh Nahar and Mr. Ritesh Katariya. For further details, please refer to section titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 181 of this Draft Red Herring Prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 181 of this Draft Red Herring Prospectus.
Registered Office	New No. 16, Old No. 13, 1st Floor Prithvi Avenue, Alwarpet, Chennai-600018, Tamil Nadu, India.
Restated Financial Information	The restated audited financial information of the Company, which comprises of the restated consolidated audited balance sheet, the restated consolidated audited profit and loss information and restated consolidated audited cash flow information for the years ended March 31, 2023, 2022 and 2021 together with the annexure and notes thereto and restated standalone audited balance sheet, the restated standalone audited profit and loss information and restated standalone audited cash flow information for the years ended March 31, 2023, 2022 and 2021 together with the annexure and notes thereto
RoC/ Registrar of Companies	Registrar of Companies, Chennai.
Shareholders	Shareholders of our Company
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited
Stakeholders Relationship Committee	The Stakeholder’s Relationship Committee of our Board constituted in accordance with section 178(5) of the Companies Act, 2013.

Subscriber to MOA/Initial Promoters	Initial Subscriber to MOA & AOA being Mr. Rajesh Nahar, Mr. Ritesh Katariya, Mr. Kawarlarl M and Ms. Sarala Nahar.
Subsidiaries	Subsidiary of our Company being CBazaar.Com Inc (A Company incorporated in United States of America).

FINANCIAL AND OPERATIONAL KEY PERFORMANCE INDICATORS

Key Financial Performance	Explanations
Revenue from Operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps to assess the overall financial performance of the Company and volume of the business. Revenue from operation means revenue from sale of services
EBITDA	EBITDA provides information regarding the operational efficiency of the business. EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business. EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business. PAT Margin is calculated as PAT for the period/year divided by revenue from operations

ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of prospectus as may be specified by the SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the bid.
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue to successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	The successful bidder to whom the Equity Shares are being / have been issued.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 Lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/Issue Period or Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Manager

Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/ Issue Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the bidders for blocking the bid Amount mentioned in the ASBA Form.
ASBA Bidders	Any prospective investor who makes a bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form including through UPI mode (as applicable).
ASBA Form	A bid cum application form, whether physical or electronic, used by ASBA bidders, which will be considered as the bid for Allotment in terms of the Draft Red Herring Prospectus.
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Book Running Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in “ <i>Issue Procedure</i> ” on page 311 of this Draft Red Herring Prospectus.
Bid	An indication to make an Issue during the Bid/ Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper), (Hindi being the regional language of Pondicherry, where our Registered Office is located). Our Company, in consultation with the BRLM, may, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper), (Hindi being the regional language of Pondicherry, where our Registered Office is located)

Bid/ Issue Period	<p>Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.</p> <p>Our Company, in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days</p>
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of this Draft Red Herring Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Shreni Shares Limited, SEBI Registered Category I Merchant Banker.
Broker Centres	Broker centres notified by the Stock Exchanges where investors can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
BSE	BSE Limited
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful bidder indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.

Demographic Details	The demographic details of the bidders such as their Address, PAN, name of the bidder father/husband, investor status, occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of this Draft Red Herring Prospectus.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form from the ASBA bidder and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where bidder can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where bidder can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated Intermediaries/Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an Issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated Stock Exchange	National Stock Exchange of India Limited (SME Platform) ("NSE EMERGE")
DP	Depository Participant
DP ID	Depository Participant's Identity Number
Draft Red Herring Prospectus	Draft Red Herring prospectus dated September 30, 2023 issued in accordance with Section 23, 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation.
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Emerge Platform of NSE	The Emerge Platform of NSE for Listing of Equity Shares offered under Chapter IX of SEBI (ICDR) Regulations which was approved by SEBI as an NSE Emerge on October 14, 2011.
Equity Shares	Equity Shares of our Company of face value Rs. 1.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Offer or invitation under this Issue and in relation to whom the Bid cum Application Form and the Prospectus will constitute an invitation to purchase the equity shares.
Escrow Account	Accounts opened with the Banker to the Issue

FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole bidder	The bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Fresh Issue	The Fresh Issue of up to 57,00,000 Equity Shares aggregating up to ₹ [●] Lakhs.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI.
GIR Number	General Index Registry Number.
IPO/ Issue / Issue Size/ Public Issue	Initial Public Offering
Issue/ Issue Size/ Initial Public Offer/ Initial Public Offer/ Initial Public Offering/ IPO	The initial public offering of up to 57,00,000 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] Lakhs.
Issue Proceeds	Proceeds to be raised by our Company through this Fresh Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” page 94 of this Draft Red Herring Prospectus
Issue Price	The Price at which the Equity Shares are being issued/offered by our Company under this Draft Red Herring Prospectus being Rs. [●] per equity share.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
LLP	Limited Liability Partnership as incorporated under the Limited Liability Partnership Act, 2008
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Market Maker	[●]
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of Rs. 1 each at an Issue price of Rs. [●] each aggregating to Rs. [●] Lakhs to be subscribed by Market Maker in this Issue.
MOU / Memorandum of Understanding	Memorandum of Understanding dated September 28, 2023 amongst our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue excluding the Market Maker Reservation Portion of [●] Equity Shares of Face Value of ₹ 1.00 each fully paid for cash at a price of ₹ [●] Equity Share aggregating ₹ [●] Lakhs by our Company.
Net Proceeds	The proceeds from the Issue less the Issue related expenses applicable to the Fresh Issue.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.

Non-Institutional Investors / bidder	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹ 2,00,000/-
Non-Resident	A person resident outside India, as defined under FEMA Act, 1999 and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
NSEL/NSE	National Stock Exchange of India Limited
NSE EMERGE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI ICDR Regulations.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCsBs from the bank account of the ASBA bidder, on the Designated Date.
Public Issue Account Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Book Running Lead Manager, and the Public Issue Bank/Banker to the Issue for collection of the Application Amounts.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs. 25.00 Crore; a pension fund with minimum corpus of Rs 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.

Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto
Refund Account (s)	Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Registrar/ Registrar to the Issue /RTA/ RTI	Registrar to the Issue being Bigshare Services Private. Limited.
Registrar Agreement	The agreement dated September 28, 2023 entered into between our Company, and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000.
Registered Broker	Individuals or companies registered with SEBI as “Trading Members”(except Syndicate/ Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges ,through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.nseindia.com/membership/content/cat_of_mem.htm
Reserved Category/ Categories	Categories of persons eligible for making bid under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible bidders as provided under the SEBI (ICDR) Regulations, 2018
Revision Form	The form used by the bidders to modify the quantity of Equity Shares or the bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Self-Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available http://www.sebi.gov.in/pmd/scsb.pdf
SME Exchange	SME Platform of the NSE i.e., NSE EMERGE
Sponsor Bank	Shall mean a Banker to the Issue registered with SEBI which is appointed by the issuer to act as a conduit between the Stock Exchanges and National Payments Corporation of India in order to push the mandate collect requests and/or payment instructions of the retail investors into the UPI.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Sub Syndicate Member	A SEBI Registered member of NSE appointed by the BRLM and / or syndicate member to act as a Sub Syndicate Member in the Issue
Syndicate Member/ Members of the Syndicate	Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being [●]
Syndicate	Includes the BRLM, Syndicate Members and Sub Syndicate Members
Syndicate ASBA Bidding Locations	Bidding Centres where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi
Syndicate Agreement	The agreement dated [●] entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the bidders, as proof of registration of the bid.

Underwriters	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated [●] entered between the Underwriters, BRLM and our Company.
Unified Payments Interface (UPI)	UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two person's bank accounts using a payment address which uniquely identifies a person's bank Account.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI bid and by way of a SMS directing the RII to such UPI bid) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI bid equivalent to bid Amount and subsequent debit of funds in case of Allotment
UPI mechanism	The bidding mechanism that may be used by an RII to make an bid in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter	As defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations, 2018 which means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
Working Day	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the city as specified in the Draft Red Herring Prospectus are open for business :- 1. However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Prospectus are open for business. 2. In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.

COMPANY AND INDUSTRY RELATED TERMS

Term	Full Form
AOV	Average Order Value
API	Application Programming Interface
B2C	Business to Consumer
CAC	Customer Acquisition Cost
CLV	Customer Lifetime Value
CPA	Cost Per Acquisition
CPC	Cost Per Click
CRM	Customer Relationship Management
CRO	Conversion Rate Optimization
D2C	Direct to Consumer
E-commerce	Electronic Commerce

ITR	Inventory Turnover Ratio
KPI	Key Performance Indicator
OOS	Out of Stock
PPC	Pay-Per-Click
PLP	Product Listing Page
SEM	Search Engine Marketing
SEO	Search Engine Optimization
TOS	Terms of Service

CONVENTIONAL TERMS / ABBREVIATIONS

Abbreviation	Full Form
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
BBA	Bachelor of Business Administration
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
BSE SENSEX	Sensex in an index; market indicator of the position of stock that is listed in the BSE
Banking Regulation Act	The Banking Regulation Act, 1949
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Category I Alternate Investment Fund / Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I Foreign Portfolio Investor(s) / Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Alternate Investment Fund / Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II Foreign Portfolio Investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations

Abbreviation	Full Form
Category III Alternate Investment Fund / Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CA	Chartered Accountant
CB	Controlling Branch
CDSL	Central Depository Services (India) Limited
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CSR	Corporate social responsibility.
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CENVAT	Central Value Added Tax
CIBIL	Credit Information Bureau (India) Limited
CST	Central Sales Tax
COVID – 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CWA/ICWA/CMA	Cost and Works Accountant
CMD	Chairman and Managing Director
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification
Depository or Depositories	NSDL and CDSL.
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant’s Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee’s State Insurance Corporation
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer

Abbreviation	Full Form
	or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICAI/ICMAI (Previously known as ICWAI)	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / ₹/ Rupees/Rs.	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
i.e	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MoF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
MRP	Maximum Retail Price
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and medium Enterprises
MoA	Memorandum of Association

Abbreviation	Full Form
NA	Not Applicable
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRI's	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

Abbreviation	Full Form
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI (PFUTP) Regulations/ PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America
UPI	Unified Payments Interface as a payment mechanism through National Payments Corporation of India with Application Supported by Block Amount for applications in public issues by retail individual investors through SCSBs
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds as defined under the SEBI AIF Regulations
VAT	Value Added Tax
w.e.f.	With effect from
WIP	Work in process
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(III) of the SEBI ICDR Regulations
YoY	Year over Year

PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA

CERTAIN CONVENTIONS

All references in this Draft Red Herring Prospectus to ‘India’ are to the Republic of India and its territories and possessions and all references herein to the ‘Government’, ‘Indian Government’, ‘GoI’, ‘Central Government’ or the ‘State Government’ are to the GoI, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”).

Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus. In this Draft Red Herring Prospectus, our Company has presented numerical information in “lakhs” units. One lakh represents 1,00,000.

FINANCIAL DATA

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our financial statements prepared and restated for the financial year ended on March 31, 2023, 2022 and 2021 on consolidated and standalone basis in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Restated Financial Statements*” beginning on page 188 of this Draft Red Herring Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “Risk Factors”, “Business Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in the Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “*Restated Financial Statements*” beginning on page 188 of this Draft Red Herring Prospectus.

For additional definitions used in this Draft Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 343 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

CURRENCY AND UNITS OF PRESENTATION

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America, EUR or “€” are Euro currency.

All references to the word “Lakh” or “Lac”, means “One hundred thousand” and the word “Million” means “Ten Lakhs” and the word “Crore” means “Ten Million” and the word “Billion” means “One thousand Million”.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

This Draft Red Herring Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

DEFINITIONS

For definitions, please refer the chapter titled “*Definitions and Abbreviations*” beginning on page 1 of this Draft Red Herring prospectus. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 343 of this Draft Red Herring prospectus, defined terms have the meaning given to such terms in the Articles of Association.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data and forecast used throughout the Draft Red Herring prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Draft Red Herring Prospectus or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled “*Basis for Issue Price*” on page 103 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

FORWARD LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. We have included statements in the Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- Destruction in our business process.
- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Fail to attract, retain and manage the transition of our management team and other skilled employees;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Ability to respond to technological changes and consumer preferences;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Inability to successfully obtain registrations in a timely manner or at all;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- Recession in the market;
- Changes in laws and regulations relating to the industries in which we operate;
- Effect of lack of infrastructure facilities on our business;
- Our ability to attract, retain and manage qualified personnel;
- Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Uncertainty in relation to effect of the COVID-19 pandemic on our business and operations.
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Fluctuation in exchange rates worldwide.
- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;

- Our ability to expand our geographical area of operation;
- Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled "*Risk Factors*"; "*Our Business*" & "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 28, 128, & 264 respectively of the Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect the current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, Selling Shareholder, our directors, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – SUMMARY OF OFFER DOCUMENT

SUMMARY OF OUR BUSINESS

Our Company is engaged in online digital direct-to-consumer business for Indian Ethnic wear and accessories. Our company also has presence in international cross-border e-commerce direct-to-consumer for its products. Our product range includes Indian ethnic wear and accessories for women, men, teens and kids. We sell Indian Ethnic wear and accessories primarily to South Asian Diaspora through our website and mobile applications. We also sell our products through other E-commerce websites such as Myntra, Nykaa, Ajio etc.

For further details, please refer chapter titled “*Our Business*” beginning on Page no. 128 of this Draft Red Herring Prospectus.

SUMMARY OF OUR INDUSTRY

In recent years India has experienced a boom in internet and smartphone penetration. The number of internet connections in 2021 increased significantly to 830 million, driven by the ‘Digital India’ programme. Out of the total internet connections, 55% of connections were in urban areas, of which 97% of connections were wireless. The smartphone base has also increased significantly and is expected to reach 1 billion by 2026. This has helped India’s digital sector and it is expected to reach US\$ 1 trillion by 2030.

For further details, please refer chapter titled “*Industry Overview*” beginning on Page no 113 of this Draft Red Herring Prospectus.

OUR PROMOTERS

Our company is promoted by Mr. Rajesh Nahar and Mr. Ritesh Katariya.

SIZE OF ISSUE

The following table summarizes the details of the Issue. For further details, see “*The Issue*” and “*Issue Structure*” beginning on pages 57 and 308, respectively.

Present Issue of Equity Shares by our Company	Up to 57,00,000 Equity shares of ₹1/- each for cash at a price of ₹ [●]/- per Equity shares aggregating to ₹ [●] Lakhs
Of which:	
Issue Reserved for the Market Maker	[●] Equity shares of ₹1/- each for cash at a price of ₹ [●]/- per Equity shares aggregating to ₹ [●] Lakhs
Net Issue	[●] Equity shares of ₹1/- each for cash at a price of ₹ [●]/- per Equity shares aggregating to ₹ [●] Lakhs

The Issue has been authorized by our Board pursuant to resolution passed on September 22, 2023 and the Issue has been authorized by our Shareholders pursuant to a resolution passed on September 26, 2023.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects (“Objects of the Issue”):

(₹ in Lakhs)

S. No	Particulars	Amt. (₹ in Lakhs)
1.	Customer Acquisition - Marketing & Awareness	698.64
2.	Funding Working Capital Requirement	120.00
3.	General Corporate Expenses	[●]
4.	Public Issue Expenses	[●]
Gross Issue Proceeds		[●]
Less: Issue Expenses		[●]
Net Issue Proceeds		[●]

#The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Issue.

For further details, please refer to chapter titled “*Objects of the Issue*” beginning on page 94 of this Draft Red Herring Prospectus.

PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

Set forth is the Pre-Issue shareholding of our Promoters, Promoter Group as a percentage of the paid-up share capital of the Company:

S. No	Names	Pre-Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	Promoter				
1.	Mr. Rajesh Nahar	30,45,000	19.32	30,45,000	[●]
2.	Mr. Ritesh Katariya	35,70,000	22.66	35,70,000	[●]
	TOTAL (A)	66,15,000	41.98	66,15,000	[●]
	Promoter Group				
1.	Ms. Sarala Nahar	5,25,000	3.33	5,25,000	[●]
	TOTAL (B)	5,25,000	3.33	5,25,000	[●]
	GRAND TOTAL (A+B)	71,40,000	45.31	71,40,000	[●]

SUMMARY OF RESTATED FINANCIAL STATEMENTS

The details are as follows:

Consolidated Restated Financials

(Rs. in Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
Share Capital	22.13	22.13	22.13
Net Worth	233.54	42.57	-228.37
Total Revenue	3451.26	3276.16	1447.54
Profit after Tax	176.40	261.51	23.11
Basic Earnings Per Share	2.10	3.11	0.28
Diluted Earnings Per Share	1.87	2.77	0.24
Net Asset Value Per Share (₹) (Pre Bonus)	19.46	3.55	-19.03
Net Asset Value Per Share (₹) (Post Bonus)	2.78	0.51	-2.72
Total Borrowings	276.06	84.24	191.07

Standalone Restated Financials

(Rs. in Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
Share Capital	22.13	22.13	22.13
Net Worth	218.80	18.53	-270.55
Total Revenue	3448.70	3275.94	1450.81
Profit after Tax	185.70	279.63	25.93
Basic Earnings Per Share	2.21	3.33	0.31
Diluted Earnings Per Share	1.96	2.96	0.27
Net Asset Value Per Share (₹) (Pre Bonus)	18.23	1.54	-22.55
Net Asset Value Per Share (₹) (Post Bonus)	2.60	0.22	-3.22
Total Borrowings	276.06	84.24	191.07

For further information, please refer to chapter titled as “Restated Financial Information” on page 188 of this Draft Red Herring Prospectus.

QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualifications which have not been given effect in the restated financial statements.

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company, Directors, Promoters, Subsidiaries and Group Companies is provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in Lakhs)
Company						
By the Company	NA	NA	NA	NA	NA	NA
Against the Company	NA	3	NA	NA	1	47.51
Directors						
By our Directors	NA	NA	NA	NA	NA	NA
Against the Directors	NA	NA	NA	NA	NA	NA
Promoters*						
By Promoters	NA	NA	NA	NA	NA	NA
Against Promoters	NA	NA	NA	NA	NA	NA
Subsidiaries						
By Subsidiaries	NA	NA	NA	NA	NA	NA
Against Subsidiaries	NA	NA	NA	NA	NA	NA
Group Companies						
By Group Companies	NA	NA	NA	NA	NA	NA
Against Group Companies	NA	NA	NA	NA	NA	NA

* Includes an amount of 33.58 Lakhs in the taxation matters and Rs. 13.93 Lakhs against other civil matters.

For further information, please refer chapter titled “*Outstanding Litigations and Material Developments*” on page no 277 of this Draft Red Herring Prospectus.

RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page 28 of this Draft Red Herring Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As per Restated Financial Statements, no contingent liability exists for the financial years ended on March 31, 2023, 2022 and 2021.

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 188 of this Draft Red Herring Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS

On Standalone Basis

List of Related Parties and Nature of Relationship:

Particulars	Name of Related Parties
a) Key Management Personnel's	Mr. Rajesh Nahar
	Mr. Ritesh Katariya
	Ms. Kasturi Devi
	Mr. Sardarmal Nahar
	Ms. Manju Shree
b) Associate Concern	Ms. Sarala Nahar
	Pioneer Trading Limited (Incorporate in United Kingdom)
	Cbazaar.com Inc. (Incorporate in United States of America)
	Ethnoserve Bespoke Services Private Limited
	NetAvenue Technologies Private Limited Employee Welfare Trust
	Ritesh Kataria HUF

Note 1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

Transactions carried out with related parties referred to in (i) above, in ordinary course of business:

Nature of Transactions	Name of Related Parties	As at March 31		
		2023	2022	2021
1. Directors Remuneration	Mr. Rajesh Nahar	65.16	64.58	42.00
	Mr. Ritesh Katariya	65.01	64.58	42.00
Total		130.17	129.16	84.00
2. Marketing Internet Banking & Other Expenses	Cbazaar Inc.	571.16	449.83	103.86
3. Collection Received on behalf of Company	Cbazaar Inc.	2,241.10	2,122.56	994.51
4. Payments received out of collection received on behalf of company	Cbazaar Inc.	-1,677.39	-3,091.02	-787.62
	Pioneer Trading Limited	-1,097.81		
5. Business Facilitation Fees	Cbazaar Inc.	4.73	4.37	4.35
6. Interest on Unsecured Loans	Kasturi Devi	1.32	0.79	0.61
	Sardarmal Nahar		-	-
	Manju Shree	2.40	1.22	0.84
	Sarala Nahar	1.42	1.07	0.39
	Ritesh Kataria	0.92	0.71	3.14
	Ritesh Kataria HUF	-	-	0.09
	Kasturi Devi			

7. Unsecured Loans	Opening Balance	6.56	6.48	6.00
	Add: Amount Received during the year	10.00	0.08	3.45
	Less: Amount Paid during the year	10.00	-	2.98
	Closing Balance	6.56	6.56	6.48
	Manju Shree			
	Opening Balance	8.99	11.99	5.00
	Add: Amount Received/ Interest Credited during the year	25.01	-	9.77
	Less: Amount Paid during the year	10.00	3.00	2.78
	Closing Balance	24.00	8.99	11.99
	Rajesh Nahar			
	Opening Balance	27.53	27.53	5.00
	Add: Amount Received/ Interest Credited during the year	5.00	-	27.99
	Less: Amount Paid during the year	-	-	5.46
	Closing Balance	32.53	27.53	27.53
	Ritesh Katariya			
	Opening Balance	27.53	54.23	16.00
	Add: Amount Received/ Interest Credited during the year	25.75	-	48.00
	Less: Amount Paid during the year	3.00	26.71	9.76
	Closing Balance	50.28	27.53	54.23
	Sarala Nahar			
	Opening Balance	6.72	11.72	6.00
	Add: Amount Received/ Interest Credited during the year	0.75	-	5.72
	Less: Amount Paid during the year	1.77	5.00	-
	Closing Balance	5.70	6.72	11.72
	Ritesh Katariya HUF			
Opening Balance	-	-	-	
Add: Amount Received/ Interest Credited during the year	-	-	13.59	
Less: Amount Paid during the year	-	-	13.59	
Closing Balance	-	-	-	
Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.				

Outstanding Balance as at the end of the year

	Particulars	31.03.2023	31.03.2022	31.03.2021
1. Payable/(Receivables)	Kasturi Devi	6.56	6.56	6.48
	Manju shree	24.00	8.99	11.99
	Sarala Nahar	5.70	6.72	11.72
	Rajesh Nahar	32.53	27.53	27.53

	Ritesh Katariya	50.28	27.53	54.23
	Cbazaar Inc.	-49.91	-53.20	-53.35
	Pioneer Trading Limited	-82.24	-81.58	-82.92
	NetAvenue Technologies Private Limited Employee Welfare Trust	-109.60	-109.60	-109.60
	Ethnoserve Bespoke Services Private Limited	0.27	0.27	0.27
Total		-122.42	-166.79	-133.65

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

On Consolidated Basis:

List of Related Parties and Nature of Relationship:

Particulars	Name of Related Parties
a) Key Management Personnel's	Mr. Rajesh Nahar
	Mr. Ritesh Katariya
	Ms. Kasturi Devi
	Mr. Sardarmal Nahar
	Ms. Manju Shree
b) Associate Concern	Ms. Sarala Nahar
	Ethnoserve Bespoke Services Private Limited
	NetAvenue Technologies Private Limited Employee Welfare Trust
	Ritesh Kataria HUF

Note 1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D, A, B, C.

List of Related Parties and Nature of Relationship:

Nature of Transactions	Name of Related Parties	As at March 31		
		2023	2022	2021
1. Directors Remuneration	Mr. Rajesh Nahar	65.16	64.58	42.00
	Mr. Ritesh Katariya	65.01	64.58	42.00
Total		130.17	129.16	84.00
2. Interest on Unsecured Loans	Kasturi Devi	1.32	0.79	0.61
	Sardarmal Nahar	-	-	-
	Manju Shree	2.40	1.22	0.84
	Sarala Nahar	1.42	1.07	0.39
	Ritesh Katariya	0.92	0.71	3.14
	Ritesh Katariya HUF	-	-	0.09
4. Unseucred Loans	Kasturi Devi			
	Opening Balance	6.56	6.48	6.00
	Add: Amount Received during the year	10.00	0.08	3.45
	Less: Amount Paid during the year	10.00	-	2.98

Closing Balance	6.56	6.56	6.48
Manju Shree			
Opening Balance	8.99	11.99	5.00
Add: Amount Received/ Interest Credited during the year	25.01	-	9.77
Less: Amount Paid during the year	10.00	3.00	2.78
Closing Balance	24.00	8.99	11.99
Rajesh Nahar			
Opening Balance	27.53	27.53	5.00
Add: Amount Received/ Interest Credited during the year	5.00	-	27.99
Less: Amount Paid during the year	-	-	5.46
Closing Balance	32.53	27.53	27.53
Ritesh Katariya			
Opening Balance	27.53	54.23	16.00
Add: Amount Received/ Interest Credited during the year	25.75	-	48.00
Less: Amount Paid during the year	3.00	26.71	9.76
Closing Balance	50.28	27.53	54.23
Sarala Nahar			
Opening Balance	6.72	11.72	6.00
Add: Amount Received/ Interest Credited during the year	0.75	-	5.72
Less: Amount Paid during the year	1.77	5.00	-
Closing Balance	5.70	6.72	11.72
Ritesh Katariya HUF			
Opening Balance	-	-	-
Add: Amount Received/ Interest Credited during the year	-	-	13.59
Less: Amount Paid during the year	-	-	13.59
Closing Balance	-	-	-

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

Outstanding Balance as at the end of the year

	Particulars	31.03. 2023	31.03.2022	31.03.2021
1. Payable/(Receivables)	Kasturi Devi	6.56	6.56	6.48
	Manju shree	24.00	8.99	11.99
	Sarala Nahar	5.70	6.72	11.72
	Rajesh Nahar	32.53	27.53	27.53
	Ritesh Katariya	50.28	27.53	54.23
	Net Avenue Technologies Private Limited Employee Welfare Trust	-109.60	-109.60	-109.60
	Ethnoserve Bespoke Services Private Limited	0.27	0.27	0.27

Total	9.73	-32.0	2.62
Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.			

For details of Restated related party transaction, please refer chapter titled “*Restated Financial Statements*” beginning on page no.188 of this Draft Red Herring Prospectus.

FINANCING ARRANGEMENTS

There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Red Herring Prospectus.

WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BY OUR PROMOTERS

Except Bonus Issue of Shares, our Promoters has not acquired Equity Shares in last year. For further details, refer chapter titled “*Capital Structure*” beginning on page no. 77 of this Draft Red Herring Prospectus.

AVERAGE COST OF ACQUISITION OF PROMOTERS

The average cost of acquisition of Equity Shares by our Promoters is set forth in the table below:

Name of the Promoters	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Mr. Rajesh Nahar	30,45,000	0.14
Mr. Ritesh Katariya	35,70,000	0.12

*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 1/- each. The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date.

*As certified by M/s PKF Sridhar & Santhanam LLP, Chartered Accountant, by way of their certificate dated September 29, 2023.

DETAILS OF PRE-IPO PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR

Except Bonus Issue of Shares as disclosed in chapter titled “*Capital Structure*” beginning on page no. 77 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

As on date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 128 and 264, respectively, as well as the other financial and statistical information contained in this Prospectus. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Before making an investment decision, investors must rely on their own examination of the Issue and us.

This Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

In this Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" on page 28 and "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 264 respectively of this Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Restated Financial Statements" prepared in accordance with the Indian Accounting Standards.

MATERIALITY

The Risk factors have been determined and disclosed on the basis of their materiality. The following factors have been considered for determining the materiality.

- Some events may have material impact quantitatively;
- Some events may have material impact qualitatively instead of quantitatively;
- Some events may not be material individually but may be found material collectively;
- Some events may not be material at present but may be having material impact in future.

INTERNAL RISK FACTORS

- 1. There are outstanding legal proceedings involving our Company and Group Company. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.**

We are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities.

We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition. A

summary of the pending proceedings involving the Company is provided below:

Litigations against our Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	3	33.58
Other Litigation	1	13.93

Litigations by our Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	--	--

Litigations against our Directors and / or Promoters

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	--	--

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour or that no additional liabilities will arise out of these proceedings. In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course of business or otherwise, in relation to our business operations, our intellectual property, our branding or marketing efforts or campaigns or our policies. We may also be subject to legal action by our employees and/or former employees in relation to alleged grievances, such as termination of employment. We cannot assure you that such complaints, claims or requests for information will not result in investigations, enquiries or legal actions by any regulatory authority or third persons against us.

For further details of certain material legal proceedings involving our Company, our Promoter, our directors, see “*Outstanding Litigations and Material Developments*” beginning on page 277 of this DRHP.

2. *Our business depends on the growth of online commerce industry in India & Abroad and our ability to effectively respond to changing user behaviour on digital platforms.*

Our revenues depend substantially on the receptiveness of consumers, suppliers, sellers and advertisers to the internet as a way to conduct commerce, purchase goods and services, and carry out financial transactions. For online revenue base to grow, consumers, sellers and suppliers must continue to adopt new and alternative ways of conducting commerce, purchase goods and services and exchanging information, such as through the internet and mobile devices, and we must hence effectively respond to changing user behaviour on such digital platforms. As the development of mobile application-based e-commerce is dynamic and subject to risk of rapid disruption driven by technology innovations, we must continuously innovate to overcome the fact that potential consumers are presented with an increasingly large number of options to choose from. Such potential growth is dependent on the overall internet penetration in India which despite recent growth, is still relatively low as compared to certain developed countries. There is no assurance that a more technologically sophisticated and reliable fixed telecommunications network or internet infrastructure will

develop that would further facilitate growth of online e-commerce. Should the telecommunications operators not sustain or invest in expanding and upgrading the telecommunications infrastructure in India, it may impact the of e-commerce sector adversely.

Other factors applicable to the industry that might prevent potential consumers from purchasing products from e-commerce platforms, including our platform, include:

- concerns about buying products online without a physical storefront, face-to-face interaction with sales personnel and the ability to physically handle and examine products;
- concerns about delayed shipments or the inconvenience and cost of returning or exchanging items purchased online;
- concerns about the security of online transactions and the privacy of personal information; and
- usability, functionality and features of online platforms.

If the online commerce industry in India and in particular the online market for fashion products does not develop and grow, our business will not grow and our results of operations, financial condition, cash flows and prospects could be adversely affected.

For further details, please refer chapter titled “*Our Business*” beginning on Page 128 of Draft Red Herring Prospectus.

3. *Any harm to our brands or reputation may adversely affect our business, financial condition, cash flows and results of operations.*

We believe that the recognition and reputation of “Cbazaar” and “Ethnovog” as our brands among our consumers, sellers, suppliers, and our workforce has contributed to the growth and success of our business. Maintaining and enhancing the recognition and reputation of our brand is critical to our future business success and competitiveness.

We may suffer brands damage in many ways and to varying degrees. For example, public perception may deteriorate if we or our sellers offer counterfeit, spurious, or damaged or defective goods on our e-commerce platform mobile applications or that we or our sellers do not provide satisfactory consumer service.

Further, public perception that we are not adequately addressing environmental concerns related to our industry, or if our consumer data is breached and illegally shared as a result of cybercrime, even if factually incorrect or based on isolated incidents with us or our sellers, could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and have negative impact on our ability to attract new consumers or retain our current consumers.

If we are unable to maintain our reputation, enhance our brand recognition or increase positive awareness of our mobile applications, websites, products, and services, as well as products sold by sellers through our platform, it may be difficult to maintain and grow our consumer base, and our business operations, financial condition, cash flows and results of operations may be adversely affected.

For further details, please refer chapter titled “*Our Business*” beginning on Page 128 of Draft Red Herring Prospectus.

4. *If we or our brand relationships and sellers fail to identify and effectively respond to changing consumer preferences and spending patterns or changing beauty and fashion trends in a timely manner, the demand for products could decrease, causing our revenue and results of operations to decline.*

Our revenue depends on the continued demand for the types of fashion products that our brand relationships, sellers and suppliers offer on our platforms, alongside demand and expansion of our owned brand products. The popularity and demand of fashion products may vary over time due to changing consumer preferences. Decline in the demand for some of the products without a corresponding increase in demand for alternative products sold through our platforms could negatively impact our revenue temporarily or permanently. These trends may also cause fluctuations in our results of operations between different periods.

The products merchandised on our platforms such as Cbazaar and Ethnovog including the products of our owned brands are subject to rapidly changing fashion trends and constantly evolving consumer tastes and demands. Our success is also dependent on the ability of our sellers and brand relationships selling products through our marketplace to anticipate, identify and respond to the latest fashion trends and consumer demands and to translate such trends and demands into product offerings in a timely manner, adapt to customer preferences, and our ability to continue upgrading our platforms in a manner so as to cater to evolving consumer preferences.

If we fail to recognise and adapt to such acceptance and preference, our revenue will be reduced, which could negatively affect our business, financial condition, cash flows and results of operations.

For further details, please refer chapter titled “*Our Business*” beginning on Page 128 of Draft Red Herring Prospectus.

5. *If we fail to acquire new consumers or fail to do so in a cost-effective manner, we may not be able to increase revenue or maintain profitability.*

Our business has grown in recent years, with the acquisition of new consumers playing a significant role. Our revenue from operations has grown from ₹1380.02 Lakhs in Financial Year 2021 to ₹3123.34 Lakhs and ₹3343.55 Lakhs in Financial Year 2022 and Financial Year 2023, respectively on consolidated basis. However, we cannot assure you that our historical growth rates will be sustainable or achieved at all in the future. If we fail to acquire new consumers, or fail to do so in a cost-effective manner, we may not be able to increase our revenue or maintain profitability.

Maintaining and improving our marketing strategies involve expenditures which may be disproportionate to the revenue generated and customer acquired. There is risk of increased cost of acquiring new consumers through marketing efforts due to heightened competition for digital traffic. If consumer conversion rates are not commensurate with our expenditure, our expenditure may be disproportionate to our returns on such marketing investments.

Our ability to provide an engaging consumer experience is dependant in part on third party websites and search engines driving online consumers to our site which is not entirely within our control. If such sites choose not to send online consumers to us or search engines change their ranking algorithms such that we appear lower down the search list or not at all, our consumer base may not grow and may reduce and as a result, our revenue may decrease, even if we seek to optimize our rankings.

Furthermore, we may have to incur sustained advertising and promotional expenditures or offer more incentives than we anticipate in order to attract consumers to our platform and websites and convert them into purchasing consumers. If one or more of our marketing efforts fails to deliver the expected outcome, our business, financial position and results of operations may be adversely affected.

6. *If we fail to retain existing consumers or fail to maintain AOV levels, we may not be able to sustain our revenue base and margins, which would have a material adverse effect on our business and results of operations.*

Our consumer base is highly diverse, spanning different age groups, gender and consumer profiles. As a result, their needs and preferences also vary. Consumers can be discount-driven, value sensitive, have different preferences and personal requirements, fashion styles or possess a strong preference for luxury high-end products.

Our inability to continuously generate and maintain new, relevant and engaging content, including user-generated content, to cater to our diverse consumer base may result in a failure to meaningfully engage and provide a satisfying experience for each consumer, which could result in our inability to retain our consumers and consequently affect our business.

In addition, there are important elements of the consumer engagement and purchasing process that are unique to the usage of a digital platform and such elements also differs for each consumer. Our ability to meaningfully engage with our customers will depend on our ability to deliver these elements and to present a seamless and easy to use interface. Some of which include:

- ease of trend discovery and product discovery;
- comparison of product value
- relevance of recommendations for other products and brands and sale and promotional activity;
- engagement of high profile brand ambassadors or celebrities as a marketing strategy;
- convenience of consumer support, product returns, exchanges and refunds;
- our ability to meaningfully engage with our customers will depend on our ability to deliver each of the elements listed above (among others) and to present a seamless and easy to use interface.

Should we fail to retain our existing consumers, in particular our high value consumers, or they reduce their spend on our platform, then our AOV and revenue may reduce which would adversely affect our operating margins.

For further details, please refer chapter titled “*Our Business*” beginning on Page 128 of Draft Red Herring Prospectus.

7. *If we fail to retain our relationships with brands, manufacturers, distributors and sellers, or attract new relationships, our business, financial condition, cash flows and operations will be adversely affected.*

We experience attrition in our relationships with manufacturers, distributors, and sellers in the ordinary course of business due to such relationships ceasing operations, temporarily or permanently, or facing financial distress or other business disruptions, contractual disputed, all of which could decrease the merchandise available to our consumers. In addition, a large part of our success is dependent on our ability to offer certain key brands within certain categories to our consumers and operate with such brand relationships. If we experience significant relationship attrition with brands, manufacturers, distributors or sellers, and fail to attract new relationships, the quantity and variety of products that are offered through our platforms may decline, consumers may use our platform less frequently or not at all, and our revenue and results of operations may be adversely affected.

For further details, please refer chapter titled “*Our Business*” beginning on Page 128 of Draft Red Herring Prospectus.

8. *We operate in a highly competitive industry and our failure to compete effectively could have a negative impact on the success of our business and/or impact our margins.*

Our industry is highly competitive and we expect that competition will continue to increase. Our competitors include a number of online marketplaces, retailers with physical stores, and brands that take a direct-to-consumer approach, effectively removing us from the distribution and sales process. The internet and mobile networks provide new, rapidly evolving and competitive channels for the sale of all types of goods and services. Consumers who purchase goods and services through us have other alternatives, and sellers have other channels to reach consumers. We expect competition to continue to intensify.

Online and offline competitors may offer goods and services that we do not offer and which may be more attractive and devote more resources to marketing and promotional campaigns. In addition, competitors may innovate faster and more efficiently, and new technologies may increase competitive pressures by enabling competitors to offer more efficient or lower-cost services or offer products direct to the consumer. If we are unable to change our offerings in ways that reflect the changing demands of offline and online sellers and marketplaces or compete effectively with and adapt to such changes, our business, financial condition, cash flows and results of operations would be adversely affected.

Some of our competitors have competitive advantages such as longer operating histories, more experience in implementing their business plan and strategy, better brand recognition, popular offline locations, greater negotiating leverage, established supply relationships and greater financial, marketing and other resources. In addition, the markets in which we compete have attracted significant investments from a wide range of funding sources, and our competitors can be highly capitalized, which allows them to lower their prices and fees, or increase the incentives, discounts and promotions they offer.

In addition, some of our competitors control other products and services that are important to our success, including credit card interchange, internet search, and mobile operating systems. Such competitors could utilize complementary aspects of their businesses in order to provide a better shopping experience or make it difficult for consumers to utilize our mobile applications or websites, or change pricing, availability, or the terms or operation of service related to their products and services in a manner that impacts our competitive offerings. Our inability to adequately address these and other operational changes and competitive pressures may have an adverse effect on our business, financial condition, cash flows and results of operations.

For further details, please refer chapter titled “*Our Business*” beginning on Page 128 of Draft Red Herring Prospectus.

9. *The restated financial statements have been provided by peer reviewed chartered accountants who is not statutory auditor of our Company.*

The Restated Financial Information of our Company as disclosed in section titled “Restated Financial statements” beginning on Page no. ... of this Draft Red Herring Prospectus for the year ended on March 31, 2023, March 31, 2022 and March 31, 2021 are provided by peer reviewed chartered accountants who is not the statutory Auditor of our Company.

10. *Our technology infrastructure and the technology infrastructure of our third-party providers are susceptible to security breaches and cyber-attacks. This could potentially result in damage to our operations, employees, consumers, third-party providers, our reputation and adversely affect our financial condition, cash flows and results of operations.*

Our business generates, stores and processes a large quantity of personal, transaction, demographic and behavioral information and data and as such we may experience disruptions, failures or breaches of our technology platforms. We also face risks inherent in handling large volumes of data and in protecting the security of such data, such as protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behavior by our employees; addressing concerns related to privacy and sharing, safety, security and other factors; and complying with applicable laws, rules and regulations relating to the collection, use, disclosure, transfer or security of personal information, including any requests from regulatory and government authorities relating to such data. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any regulatory requirements or privacy and data protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others, which could have an adverse effect on our results of operations, cash flows and business.

Although we have employed resources to develop security measures against breaches, such measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, ransomware attacks, phishing attacks, social engineering, fraudulent emails and related payments scams, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, unforeseen disclosure or transfer of data, deletion or modification of consumer information, or a denial of service or other interruption to our business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, we may be unable to anticipate, or implement adequate measures to protect against, these attacks.

This could potentially result in damage to our operations, employees, consumers, third-party providers, our reputation and adversely affect our financial condition, cash flows and results of operations

For further details, please refer chapter titled “*Our Business*” beginning on Page 128 of Draft Red Herring Prospectus.

11. *Our business depends on our ability to maintain and scale our technology. Any interruptions or delays in service on our mobile applications or websites or any undetected errors or design faults could result in limited capacity, reduced demand, processing delays, and loss of consumers, suppliers or sellers.*

A key element of our strategy is to generate a high volume of traffic on the digital platforms we offer. Our reputation and ability to attract, retain and serve our consumers depend upon the reliable performance of our mobile applications and websites and the underlying network infrastructure.

As our consumer base and the amount of information shared on our mobile applications and websites continue to grow, we will need an increasing amount of network capacity and computing power. We have spent and expect to continue to spend substantial amounts on our technology infrastructure to handle the traffic on our mobile applications and websites.

The volume of traffic and activity on our ecosystem of e-commerce platforms spikes on certain days, such as during our sales periods, and any such interruption would be particularly problematic if it were to occur at a time of high volume. If sustained or repeated, these performance issues could reduce the attractiveness of our products and services and platforms. In addition, the costs and complexities involved in expanding and upgrading our systems may prevent us from doing so in a timely manner and may prevent us from adequately meeting the demand placed on our systems. Any interruption or inadequacy that causes performance issues or interruptions in the availability of our mobile applications or websites could reduce consumer satisfaction and result in a reduction in the number of consumers purchasing our products and services, adversely affecting our business and financial position.

For further details, please refer chapter titled “*Our Business*” beginning on Page 128 of Draft Red Herring Prospectus.

12. *The successful operation of our business depends on the performance, reliability and security of network and mobile infrastructure, third-party data centre hosting facilities, and other third-party providers.*

We depend on the maintenance of reliable internet and mobile infrastructure with the necessary speed, data capacity and security, as well as timely development of complementary products, for providing reliable internet and mobile access. We also rely on services from other third parties, and those services may be subject to outages and interruptions that are not within our control. Failures by our telecommunications providers may interrupt our ability to provide phone support to our consumers and distributed denial-of-

service attacks directed at our telecommunication service providers could prevent consumers from accessing our mobile applications or websites. In addition, we may experience down periods when our third-party credit card or gift cards or payment mobile applications processors are unable to process the online payments of our consumers, disrupting our ability to receive consumer orders.

With respect to our marketing channels, we rely heavily on relationships with providers of online services, search engines, social media, digital marketing companies, directories and other websites and ecommerce businesses to provide content, advertising banners and other links that direct consumers to our websites. We rely on these relationships to provide significant sources of traffic to our website.

With respect to our marketing channels, we rely heavily on relationships with providers of online services, search engines, social media, digital marketing companies, directories and other websites and ecommerce businesses to provide content, advertising banners and other links that direct consumers to our websites. We rely on these relationships to provide significant sources of traffic to our website.

In addition, our technology infrastructure and the technology infrastructure of our third-party providers are vulnerable to damage or interruption as a result of software or hardware malfunctions, system implementations or upgrades, computer viruses, third-party security breaches, employee error, misuse, war, natural calamities, power loss, telecommunications failures, cyber-attacks, human error, and other similar events could lead to extended interruptions of our operations, a corresponding loss of revenue and profits, cause breaches of data security, loss of intellectual property or critical data, or the release and misappropriation of sensitive information, or otherwise impair our operations. While we have limited disaster recovery arrangements, our disaster recovery and data redundancy plans may be inadequate, and our business interruption insurance may not be sufficient to compensate us for the losses that could occur. If any such event were to occur, our business, financial condition, cash flows and results of operations may be adversely affected.

For further details, please refer chapter titled “*Our Business*” beginning on Page 128 of Draft Red Herring Prospectus.

13. *Any international expansion efforts may expose us to complex management, legal, tax and economic risks, which could adversely affect our business, financial condition, cash flows and results of operations.*

As we grow our consumer base in India and abroad, we will also aim to selectively explore and evaluate expansion into new international markets. Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates or our inability to meet the expectations of our stakeholders could have an adverse effect on our business, results of operations, cash flows and financial condition. Further, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations generally. We may also face difficulties in integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture. Any international expansion may also be loss-making in the initial years or beyond due to a lack of scale or higher operating costs. There could also be legal and regulatory requirements for new products and new geographies generally, including relating to intellectual property usage and registration, registration of products under the local FDA regulations, data protection including GDPR, money-laundering and tax, which we may not have adequately anticipated and considered, which could impact the project timelines, launch dates or our ability to offer such products. We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support our future operations, or establish or develop business relationships beneficial to our future operations. Failure to manage growth effectively could have an adverse effect on our business, results of operations, cash flows and financial condition.

14. *There have been some instances of clerical errors and non-compliances with certain provision of statutory regulations applicable to us. If the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.*

Our Company has inadvertently filed incorrect Annual return for the year 2009-10 in respect of Shareholding Pattern of our Company due to clerical error. Also our company has not filed amendment in ESOP Scheme with RoC in August 2014. In addition, our Company has not Employees Provident Fund which is not paid for period of more than six months in the FY 2022-23. While no legal proceedings or regulatory action has been initiated against our Company in relation to such non-compliance and instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC as of the date of this Draft Red Herring Prospectus .

We cannot assure you that legal proceedings or regulatory actions will not be initiated against our Company in future and we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

15. *If we are unable to continue to innovate or if we fail to adapt to changes in our industry, our business, financial condition, cash flows and results of operations would be adversely affected.*

Our industry is characterized by rapidly changing technology, new mobile applications and protocols, new products and services, new media and entertainment content – including user-generated content – and changing consumer engagement methods, demand and trends. Consumer demand can quickly change depending on many factors, including the behavior of both online and physical retail store competitors, promotional activities of competitors, rapidly changing tastes and preferences, frequent introductions of new products, advances in technology and the internet and macroeconomic factors, many of which are beyond our control. With this constantly changing environment, our future business strategies, practices and results may not meet expectations or respond quickly enough to consumer demand, and we may face operational difficulties in adjusting to any changes. Furthermore, our competitors are continuously developing innovations in personalized search and recommendation, online and offline shopping and marketing, communications, social networking, entertainment, logistics and other services to enhance the consumer experience.

As a result, we may have to invest significant resources in our technology, infrastructure, research and development, and other areas in order to enhance our business and operations, as well as to explore new growth strategies and introduce new brands and products. Our ability to monetize these technologies and other product offerings in a timely manner and operate them profitably depends on a number of factors, many of which are beyond our control, including:

- our ability to manage the operational aspects of developing and launching new technology;
- our ability to manage the financial of developing and launching new technology, including making appropriate investments in our software systems, information technologies and operational infrastructure;
- the availability or non-performance of third-party providers;
- our competitors (including our existing sellers and brands who may launch competing technologies) developing and implementing similar or better technology;
- our ability to counter the emergence the direct-to-consumer approach by offering a valuable, relevant and meaningful consumer experience across our platforms and to provide the same to our sellers, suppliers and brands relationships; and
- our ability to effectively manage any third-party challenges to the intellectual property behind our technology.

If our platform offers new products, whether third-party brands or our own brands, that are not accepted by our consumers, our revenue may fall short of expectations, our brand and reputation could be adversely affected, and we may incur expenses that are not offset by revenue. We may also face greater competition in specific categories from e-commerce and traditional retailers that are more focused on such products. It may also be difficult for consumers to differentiate our offering from other competitors as we progressively offer additional products, and our consumers may have additional considerations in deciding whether or not to purchase these additional offerings.

Our investments in innovations and new technologies may not increase our competitiveness or generate financial returns in the short term, or at all, and we may not be successful in adopting and implementing new technologies or may be hindered by regulatory changes, scrutiny and limitations, such as those being proposed in connection with the prevention of cookies and other tracking technology. Even if we timely innovate and adopt changes in our strategies and plans, we may nevertheless fail to realize the intended benefits of these changes or even experience reduced revenue as a result. Any failure to innovate and adapt to these changes and developments would have an adverse effect on our business, financial condition, cash flows and results of operations.

16. *We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.*

We receive in foreign currencies during the normal course of business for selling products to our global customers at mutually agreed prices through Subsidiary company Cbazzar.com Inc. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect our Company to the extent of cost of goods and sales in foreign currency terms. Although we generally hedge our foreign exposure, any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

17. *The seasonality of our business affects our quarterly results and places an increased strain on our operations.*

We have historically experience seasonal fluctuations in our sales, with higher sales volumes associated with the festive sale period in the third quarter of each Financial Year, which encompasses holidays such as Diwali, Christmas and annual sales events. We expect to continue to experience seasonal trends in our business, making results of operations variable from quarter to quarter. This variability can make it difficult to predict sales and can result in fluctuations in our revenue between periods. Any failure by the sellers, or brand relationships, or by us, to stock or restock popular products in sufficient quantity or to develop sufficient fulfillment and delivery capacity to meet consumer demand during periods of seasonal or peak demand, could adversely affect consumer experience and our results of operations.

We may also experience an increase in our fulfillment and logistics costs due to split-shipments, changes to our fulfillment and logistics network, and other arrangements necessary to ensure timely delivery during times of high order volume.

In addition, during times of increased seasonal or peak demand, it is possible that too many consumers may attempt to access our mobile applications or websites within a short period of time, which may cause us to experience system interruptions that result in our mobile applications or websites temporarily being unavailable or prevent us from efficiently fulfilling orders. In addition, we may be unable to adequately staff our fulfillment and delivery network, including our customer service centers during these peak periods, which may impact our ability to satisfy seasonal or peak demand.

For further details, please refer chapter titled “*Our Business*” beginning on Page 128 of Draft Red Herring Prospectus.

18. *Failure to deal effectively with fraudulent activities on our mobile applications or websites would increase our fraud losses and harm our business and could severely diminish seller and consumer confidence in and use of our services.*

We face risks with respect to fraudulent activities on our mobile applications or websites and periodically receive complaints from consumers who assert they have not received the goods they purchased or that goods they received were fraudulent, from sellers who may not have received payment for goods that were purchased, or from manufacturers or others who assert that their intellectual property is being infringed.

Although we have implemented measures to detect and reduce the occurrence of fraudulent activities, scams, combat bad consumer experiences, and increase consumer satisfaction, including encouraging reporting of concerns, gating and monitoring higher-risk activities, evaluating sellers on the basis of their transaction history, and restricting or suspending some sellers, we cannot assure you that these measures will be effective in combating fraudulent transactions or improving overall satisfaction among sellers and consumers. We will need to evolve to combat fraudulent activities as they develop. Any failure to evolve could result in loss of consumer trust. At the same time, the implementation of additional measures to address fraud could negatively affect the attractiveness of our offerings to consumers and sellers, or create friction in our consumers’ experience.

19. *Based on certain matters reported noted by our auditors in audit report of our Company which may impact the financial position of our company.*

In connection with the audits of our financial statements, our Auditors have reported certain matters in their audit reports as below:

Financial year	Particulars	Observations
2020-21	Material uncertainty related to Going concern	Without qualifying our opinion, we draw reference to Note 2.1 to the standalone financial statements relating to the going concern, the Company’s performance has been impacted by failure to achieve anticipated sales volumes, lack of liquidity due to non-settlement of advances / receivables requiring approval under Foreign Exchange Management Act, 1999 and regulations thereunder resulting in extension of working capital cycle etc and consequential erosion of the net worth of the Company. These events or conditions along with other matters as set forth therein indicate that a material uncertainty exists that may cast a significant doubt on the Company’s ability to continue as a going concern
F.Y. 2020-21	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

		<p>consents / approvals / condonations as may be required from the authorized dealers and other statutory authorities.</p> <p>Attention is drawn to Note 42 to the financial statements, regarding the management's impairment assessment of property, plant and equipment, intangible assets, trade receivables, inventories as at 31 March 2021 being considered as unimpaired /recoverable based on the future operations plans and cash flows wherein projections are made based on the various judgments and estimates related to inflation, discount rates, and implications expected to arise from COVID-19 pandemic, wherein actual results could vary.</p>
F.Y. 2021-22 & F.Y. 2022-23	Emphasis of Matter	<p>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.</p>

The existence of such deficiencies could cause the investors to lose confidence in our reported financial information and the market price of our Equity Shares could decline significantly. If we are unable to obtain additional financing to operate and expand our business as a result, our business and financial condition could be adversely affected.

For further details, please refer section titled "*Restated Financial Statements*" beginning on Page 188 of Draft Red Herring Prospectus.

20. *We rely on third-party couriers to provide reliable, timely and satisfactory delivery of orders for consumers.*

We rely on third-party couriers to deliver orders to consumers. To the extent they are unable to provide satisfactory services to consumers, which may be due to events that are beyond our or their control, such as inclement weather or transportation disruptions, additional compliance costs as a result of COVID-19, we may suffer reputational damage, and our business, financial condition, cash flows and results of operations may be adversely affected.

The third-party couriers that we rely on may also subject us to additional risks. For example, traffic accidents caused by such couriers in performing their services on our behalf may cause negative publicity in the local community and may negatively affect our brand image and reputation. In addition, as our third-party couriers interact directly with our consumers, we may suffer harm, including substantial reputational harm from any misconduct, illegal actions or crimes committed by them, such as in relation to the misappropriation of cash due for "cash-on-delivery" orders which may go undetected or remain uncollectable. If we are unable to effectively address these risks, our brand image, reputation, cash flows and financial performance may be adversely affected.

21. *We do not have any documents evidencing certain information included in the Director biographies for some of our Directors under the section "Our Management" of this Draft Red Herring Prospectus.*

We do not have any documents evidencing certain information included in the Director biographies for some of our Directors, under the section "*Our Management-Brief Biographies*" on page 168. The Information included in the section are based on the details provided by our Directors and are supported by an affidavit executed by them certifying the authenticity of the information provided. Accordingly, the Book Running Lead Manager to the Issue and us have placed reliance on declarations, undertakings and affidavits furnished by them, to disclose the details of their experience and education in this Draft Red Herring Prospectus and we have not been able to independently verify these details in the absence of primary documentary evidence. Further, there can be no assurances that they will be able to trace the relevant documents pertaining to their experience and education details in the future, or at all. Therefore, we cannot assure you that all or any of the information relating to their Experience and Educational Qualification included in "*Our Management*" on page 168 is complete, true and accurate.

22. *We are subject to payment-related risks, including risks associated with cash on delivery and payment processing risks.*

We accept payments using a variety of methods, including credit and debit cards, digital wallets, UPI, money transfers, and cash on delivery. Cash on delivery is a preferred method of payment for online purchases in India. Although the share of the prepaid orders has increased due to improving digitisation, we are still subject to the risk that cash collected from consumers may be misappropriated or that a consumer may not plan appropriately for payment and the purchase will have to be returned. Returned

purchases do not contribute to our revenue and we absorb the costs of return shipping fees, which would increase our operating costs and adversely affect our business, financial condition, cash flows and results of operations. We are subject to the risk of fraudulent activity associated with cash on delivery, such as payment of purchases with counterfeit currency or fake identity. For certain payment methods, including credit and debit cards, we pay bank interchange and other fees. These fees may increase over time, which would increase our operating costs and adversely affect our results of operations. We use various third parties and payment gateways to provide payment processing services, including the processing of credit and debit cards. Our business may be disrupted for an extended period of time if any of these companies becomes unwilling or unable to provide these services to us.

We are required to comply with payment card network operating rules, which are set and interpreted by the payment card networks for the third-party payment processors. If any of these events were to occur, our business, financial condition, cash flows and results of operations could be adversely affected.

23. *Some of our historical and secretarial records are not traceable. Non-availability of these records exposes us to the risk of penalties that may be imposed by the competent regulatory authority in future*

Our Company is unable to trace certain corporate and other documents in relation to our company including forms filed with Registrar of Companies prior to the year 2006 and transfer deeds. Due to Change in methods of records keeping on account of technological advancement and computerization, over the years, certain forms file with ROC prior to the year 2006 like Return of Allotment, Registration of charges and modification of charges, annual return etc. could not be traced by our company.

Further online filing of Roc Documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence certain of these forms could not be retrieved from Ministry of Corporate Affairs (MCA) portal. As such under the circumstances elaborated above, Our Company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the company are correct. Also our Company may not in position to attend to and / or respond appropriately to any legal matter due to lack of records and to that extend the same could affect our business operation.

24. *High merchandise returns or interruption in our shipping operations could negatively impact our business.*

Cost of merchandise returns in an e-commerce business is mainly absorbed by the business. This includes cost of delivery, freight and risk of fraud returns that may lead to additional cost and risk exposure with the product sold. In some cases, the returned inventory is not suitable for resale which further impacts our overall margins. Further, any changes in our shipping arrangements for reverse logistics or any interruptions in shipping could adversely affect our business, financial condition, cash flows and results of operations.

25. *Our current insurance policies may be insufficient to cover all future costs and losses the incurrence or magnitude of which are unforeseen or unpredictable and could result in an adverse effect on our business operations and results of operations.*

We have obtained insurance to cover certain potential risks and liabilities, such as property damage (including stock assets and fixed assets) policies. Accordingly, we do not have insurance policies to cover all possible events.

Insurance companies in India offer limited business insurance products and as a result, we may not be able to acquire any insurance for certain types of risks such as business liability or service disruption insurance for our operations, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations. We do not maintain business interruption insurance that covers loss as a result of property damage to any of our locations. Should the aforementioned risks actualise, our business operations and revenue may be adversely affected as we are uninsured for losses related to business interruptions that do not involve property damage. Any business disruption, litigation, regulatory action, outbreak of epidemic disease or natural disaster could also expose us to substantial costs and diversion of resources.

We also cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss or our claims are rejected for any reason, our business, financial condition, cash flows and results of operations could be adversely affected.

For further details, please refer chapter titled “*Our Business*” beginning on Page 128 of Draft Red Herring Prospectus.

26. *Our Company operates under several statutory and regulatory permits, licenses and approvals. Our failure to obtain and/or renew any approvals or licenses in future may have an adverse impact on our business operations.*

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Our Company is required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals. Further pursuant to change of name of the Company upon conversion from Private Limited to Public Limited, we further need to get our licenses updated. Also we have applied for approvals which are necessary for furtherance of our objects. Failure by our Company to renew, alter, maintain or obtain the required permits, licenses or approvals, or cancellation, suspension or revocation of any of the permits, licenses or approvals which may result in the interruption of our Company's operations and may have a material adverse effect on the business.

Further the one of the rent agreements for our warehouse is not registered with the Registrar which is not in consonance with the provisions of the Transfer of Property Act. Although we the same is not going to adversely affect the business of the Company, in the event of any dispute with the land lord, we may not be able to maintain our claim if any against the lessor in the court of law and the same may adversely affect our cash flow or right to use the property as per the agreement.

For further details, please see chapters titled “Key Industry Regulations and Policies” and “Government and Other Approvals” at pages 152 and 283 respectively of this DRHP

27. *The property used by the Company for the purpose of its operations is not owned by us. Any termination of the relevant rent agreement in connection with such property or our failure to renew the same could adversely affect our operations.*

Our registered office, corporate office and operational unit are on lease basis and the same are not owned by us. Any termination of the lease in connection with these properties or our failure to renew the same, in a timely manner or at all could adversely affect our operations.

If we are required to vacate the current premises, we would be required to make alternative arrangements for our business activities and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

For details regarding properties taken on lease refer the Section titled —Properties – “Our Business ” beginning on page no. 128 of this Prospectus.

28. *Our top ten suppliers contribute majority of our purchases. Any loss of business with one or more of them may adversely affect our business operations and profitability.*

Purchases made from our top 10 suppliers for the financial year ended March 31, 2023, 2022 and 2021, were ₹1,820 Lakhs, ₹2,089 Lakhs and ₹954 Lakhs respectively. However, our top suppliers may vary from period to period depending on the demand-supply mechanism and thus the supply process from these suppliers might change as we continue to seek more cost effective suppliers in normal course of business. Since our business is concentrated among relatively few significant suppliers, we could experience a reduction in our purchases and business operations if we lose one or more of these suppliers, including but not limited on account of any dispute or disqualification.

While we believe we have maintained good and long term relationships with our other suppliers too, there can be no assurance that we will continue to have such long term relationship with them. We cannot assure that we shall do the same quantum of business, or any business at all, with these customers, and loss of business with one or more of them may adversely affect our purchases and business operations.

29. *We may not be able to adapt to changing market trends and customer requirements in the fashion market in a timely manner, or at all.*

The market for garment fashion in the country is highly competitive with several players present in various segments including through third party e-commerce platforms. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to modify our products and their prices on a timely basis, we may lose customers to our competitors, or may be forced to reduce our sales realization on products by having to offer them at a discount, thereby reducing our margins. For instance, manufacturing for a season begins well in advance of the season and we may not be able to incorporate the prevalent trends, or accommodate any sudden emergence of a new trend that may be relevant to that season in the collection being released. If our competitors are able to cater to these markets, or if we are not able to anticipate the demand, or misjudge the quantity, inter alia, this could lead to lower sales, higher inventories and higher discounts, each of which could have a material effect on our results of operations and financial condition.

For Further details, please refer to chapter titled “*Our Business*” beginning on Page 128 of this Draft Red Herring Prospectus.

30. *We require certain approvals and licenses in the ordinary course of business and the failure to successfully obtain such registrations would adversely affect our operations, results of operations and financial condition.*

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at state and central government levels for doing our business. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or need to update pursuant to conversion of private company to public Company.

While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities. There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could result in cost and time overrun or which could affect our related operations. Furthermore, under such circumstances, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavor to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty. For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending renewal, see “*Government and Other Statutory Approvals*” on page 283 of this Draft Red Herring Prospectus.

Furthermore, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations.

31. *We have entered into and may enter into related party transactions in the future also.*

Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may affect our competitive edge. Our Company had entered into various transactions with our Promoter, Promoter Group, Directors and their Relatives and Group Companies & entities. These transactions, inter-alia includes salary, remuneration, loans and advances, commission, interest and purchase and sales etc. Our Company entered into such transactions at arm length price due to easy proximity and quick execution. Also the transactions are in compliance with Companies Act, 2013 and other applicable provisions.

While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

32. We have a substantial amount of outstanding indebtedness, which requires significant cash flows to service and are subject to certain conditions and restrictions in terms of our financing arrangements, which restricts our ability to conduct our business and operations in the manner we desire.

As of March 31, 2023, our short-term borrowings were ₹ 276.06 Lakhs on Standalone basis and we will continue to incur additional indebtedness in the future. Our level of indebtedness has important consequences to us, such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our ability to borrow additional amounts in the future;
- affecting our capital adequacy requirements; and
- Increasing our finance costs.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, our Company may be unable to pay its debts when they fall due. Also, our company has not yet received NOC and Consent from Banker to the Company and Lender Banks. For further details of our Company's borrowings, see "Restated Financial Statements" on page 188 of this Draft Red Herring Prospectus.

33. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an effect on our business, results of operations and financial condition.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy involves focusing on Optimal Utilization of Resources and to developed relationships with customer. For further details, see the section titled "Our Business" on page 128 of this Draft Red Herring Prospectus. Our success in implementing our growth strategies may be affected by:

- Our ability to identify new markets to expand;
- Our ability to maintain the quality of our product;
- Changes in the Indian regulatory environment in field of Textile & apparel industry

There can be no assurance that we will be able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could impact our results of operations. We cannot assure you that we will not face any time or cost overruns in respect of implementation of our strategies in the future. Further, we expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and implement our growth strategy could have effect on our business, financial condition and profitability.

34. The unsecured loan availed by our Company from Director, Promoter group other parties may be recalled at any given point of time.

Our Company has been availing unsecured loans from Directors, Promoter group and other parties from time to time. The total outstanding payable to them as on March 31, 2023 amounts to Rs. 82.80 Lakhs on standalone basis. Although there are no terms and condition prescribed for repayment of unsecured loan which can be recalled at any given point of time during ordinary course of business and thus may affect the business operations and financial performance of our Company.

For further details regarding loans availed by our Company, please refer "Restated Financial Statements" on page 188 of this Draft Red Herring Prospectus.

35. Any deficiency in our products could make our Company liable for client claims, which in turn could affect our Company's results of operations.

Our Company is bound by the terms and conditions as placed before its clients. There are no specific regulations governing the supply of the same, other than the general law of contracts. Any claims made by these clients for deficiency in our products, would be subject to these terms and conditions, which are in the nature of normal contractual obligations in India. Any violation of these obligations could impact our Company's results of operations.

36. *We do not have any long-term agreement or contract of supply of raw materials and consequently are exposed to price and supply fluctuations for our raw materials.*

We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. We rely on pre-booking capacity with our suppliers, based on our demand projections. Since we have no formal arrangements with our suppliers, they are not contractually obligated to supply their products to us and may choose to sell their products to our competitors. Non-availability or inadequate quantity of raw material or use of substandard quality of the raw materials in the manufacturing of our products, could have a material adverse effect on our business. Further, any discontinuation or a failure of these suppliers to adhere to the delivery schedule or failure to deliver the required quality and quantity could hamper our manufacturing schedule.

Further, we are also exposed to fluctuations in the prices of fabric. Thus, we may be unable to control the factors affecting the price at which we procure our raw material. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Particularly, we face the risk of our products becoming unaffordable if pass on the increase in the cost of production to our customers through a corresponding increase in the price of our products in order to maintain our margins. Upward fluctuation of price of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial conditions and results of operations.

37. *We may not be able to prevent unauthorised use of trademarks obtained/ applied for by third parties, which may lead to the dilution of our goodwill.*

We have obtained trademark registrations of our brands under the Trade Marks Act, 1999 ("Trade Marks Act"), any unauthorized use of our trademarks, by unrelated third parties may damage our reputation and brand. Preventing trademark infringement, particularly in India, is difficult, costly and time-consuming. The measures we take to protect our trademarks may not be adequate to prevent unauthorized use by third parties, which may affect our brand and in turn adversely affect our business, financial condition, results of operations and prospects.

Further, we cannot assure you that any application for registration of our trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

For further details please refer to chapter titled "Government and Other Statutory Approvals" beginning on page 283 of the Draft Red Herring Prospectus.

38. *Our inability to manage inventory in an effective manner could affect our business.*

Our business model requires us to maintain a certain level of inventory of our raw material, to meet the present and future orders. If we underestimate the orders that we may receive we may experience inventory shortages and a loss of opportunity. Similarly, an over estimation of orders may result in over stocking leading to increased holding costs. Additionally, any over run in holding of such goods may lead to their decay. Therefore, any mismanagement on our part to determine the optimum inventory levels may impact our operations and cause us to incur losses.

39. *Any failure to comply with financial and other restrictive covenants imposed on us under our financing agreements may affect our operational flexibility, business, results of operations and prospects.*

As on March 31, 2023, our total secured borrowings amounted to Rs. 150.48 Lakhs from Banks. Our leverage has several important consequences, including the following:

- A portion of our cash flow will be used towards repayment of debt, which will reduce the availability of cash to fund working capital requirements, capital expenditures and other general corporate purposes;
- Our borrowing cost and the existence of encumbrances on a significant portion of our immovable properties may constrain. In the event of enforcement of an event of default in connection with such secured borrowings (which is not waived or cured), our ability to continue to operate our business at such locations may be restricted;
- Fluctuations in interest rates may affect our cost of borrowing, as all or a substantial part of our borrowings is at floating rates of interest; and
- Our financing agreements require us to obtain the consent of, or to intimate, our lenders for certain actions including change in shareholding or directorship of our Company, remuneration to Directors, drawdown of further loans, issuance of guarantees, and for certain corporate actions, including alterations to our Memorandum and Articles of Association, Payment of Dividend and balance of unsecured loan of Director. Our failure to comply with financial or restrictive covenants or periodic reporting requirements or to obtain our lenders' consent to take certain actions in a timely manner or at all may result in declaration of an event of default by any current or future lenders, which may accelerate repayment or increase applicable interest rates or trigger cross-default or cross-acceleration under other financing agreements.

Although we have not experience any disruption in our loan facility in past, but termination of, or declaration or enforcement of default under, any current or future financing agreement (if not waived or cured) may affect our ability to raise additional funds or renew maturing borrowings to finance our existing operations and pursue our growth initiatives and, therefore, have an effect on our business, results of operations and prospects.

For further details of our loans, please refer chapter titled “*Restated Financial Statements*” beginning on Page 188 of this Draft Red Herring Prospectus.

40. *We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.*

The market in which our Company is doing business is highly competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

41. *Certain relevant copies of educational qualification of one of our Independent Director and SMP is not traceable.*

Relevant copies of education qualification of one of our independent director, Riya Jain and Senior managerial personnel, Satyavrata Swain is not traceable. We can't assure you that back-ups for the relevant copies of educational qualifications will be available in a timely manner or at all. We have relied on personal affidavit and provisional certificates provided by them.

42. *Our operating results could be adversely affected by weakening of economic conditions due to lock-down in all parts of India and other parts of world & other situation due to pandemic Covid-19.*

Our overall performance depends on the economic conditions of India in relation to garments industry. Certain economies have experienced periods of downturn due to the situation prevailed in India and outside India due to pandemic disease of Covid-19 which impacts financial markets, concerns regarding the stability and viability of major financial institutions, declines in gross domestic product, increases in unemployment, volatility in commodity prices and worldwide stock markets, and excessive government debt. The pandemic disease has adversely affected our business.

Moreover, the instability in the global economy affects countries in different ways, at different times and with varying severity, which makes the impact to our business unforeseeable and indeterminate. Any of these events, as well as a general weakening of, or declining corporate confidence in the global economy have a material adverse effect on our business, operating results and financial condition.

43. *We depend on third parties for a major portion of our transportation needs. Any disruptions may affect our operations, business and financial condition.*

We rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of raw material from our suppliers, sending & receiving back the product from job work and for transportation from our finish products to our customers. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any transport service providers and engage them on a need basis. Additionally, availability of transport solutions in the market we operate in is typically fragmented. We do not enter into written documentation in relation to the transportation services we hire which poses various additional risks including our inability to claim insurance. Further, the cost of our goods carried by such third party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost effective manner. Accordingly, our business is vulnerable to increased transportation costs including as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of weather related problems, strikes, lock-outs, accidents, inadequacies in road infrastructure or other events.

Although we have not experienced any disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may be cost inefficient, thereby affecting our operations and profitability.

44. *Employee misconduct including misuse of confidential data and failure to maintain confidentiality of information could harm us and is difficult to detect and deter.*

We could be harmed by employee misconduct if our customers confidential information is misappropriated by us or our employees, our customers may consider us liable for that act and seek damages and compensation from us, in addition, to seeking termination of the contract. While there have been no instances during the last three financial years of information technology breach or instances of cyber-attack, assertions of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a material adverse effect on our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

Although we closely monitor our employees, misconduct, including acts of bribery, corruption or fraud by employees or executives, such acts could include binding us to transactions that exceed authorized limits or present unacceptable risks, or they may hide unauthorized or unlawful activities from us, which may result insubstantial financial losses and damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. While we have not experienced any such employee misconduct in the past, it is not always possible to deter employee or executive misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. Any instances of such misconduct could adversely affect our business and our reputation.

45. *Our marketing and advertising campaigns may not be successful in increasing the popularity of our products and offerings. If our marketing initiatives are not effective, this may adversely affect our business and results of operations.*

Our revenues are influenced by our marketing plans including advertising and fashion shows. If we adopt unsuccessful marketing and advertising campaigns, we may fail to attract new customers or retain existing customers. If our marketing and advertising strategies are unsuccessful, our business and results of operations could be materially adversely affected. In addition, the support of our employees is also critical for the success of our marketing programmes, such as local marketing and any new strategic initiatives we seek to undertake. While we can mandate certain strategic initiatives, we need the active support of our employees if the implementation of these initiatives is to be successful. The failure of our employees to support our marketing programmes and strategic initiatives could adversely affect our ability to implement our business strategy and harm our business, financial condition, results of operations and prospects.

In addition, increased spending by our competitors on advertising and promotion or an increase in the cost of advertising in the markets in which we operate, could adversely affect our results of operations and financial condition. Moreover, a material decrease in our funds earmarked for marketing and advertising or an ineffective advertising campaign relative to that of our competitors, could also adversely affect our business and results of operations.

46. *There may be potential conflicts of interest if our Promoters or Directors are involved in any business activities that compete with or are in the same line of activity as our business operations.*

Our subsidiary Cbazaar.com INC and Associate Company Ethnoserve Bespoke Services Private Limited are involved in business of e-commerce trading. Also our Company has entered into various transaction such as purchase and sale in past with our Group Company and Promoter Group Entities and will continue to do in future. For detailed information for our transaction with Promoter Group Entity please refer to Annexure J(ii) of Restated Financial Statement under chapter titled “*Restated Financial Statements*” beginning on page 188 of this Draft Red Herring Prospectus.

Further, we have not entered into any non-compete agreement with the said entities. We cannot assure you that our Promoters who has common interest in said entities will not favour the interest of the said entities as a result; conflicts of interests may arise in allocating business opportunities amongst our Company and our Promoter Group Entity in circumstances where our respective interests diverge. There can be no assurance that our Promoters or our Promoter Group Entity or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, please refer to “Common Pursuits” under chapter titled “Our Promoter and Promoter Group” on Page of 181 this Draft Red Herring Prospectus.

47. *Our Estimates has not been appraised by any Bank or Financial Institution/third party. Any significant deviation in the Object could adversely impact our operations and sustainability in absence of any independent monitoring agency.*

Our company intends to utilise proceeds from issue for capital expenditure, working capital requirements, General Corporate Purpose and to fund Public Issue Expenses. We have estimated fund raising to the extent as mentioned in the chapter titled ‘Objects of the Issue’. The proposed objects for which the funds are being raised have not been appraised by any Bank or Financial Institution and the fund requirements are based primarily on management estimates and quotations received from various vendors. There is no guarantee that our estimates will prove to be accurate and any significant deviation in the project cost could adversely impact our operations and sustainability in the absence of any independent monitoring agency. For details of the “*Object of the Issue*”, please refer Page no 94 of this Draft Red Herring Prospectus.

48. *Our success is dependent on our Promoter, management team and skilled manpower. Our inability to attract and retain key personnel or the loss of services of our Promoter or Managing Director and Whole Time Director may have an adverse effect on our business prospects.*

Our Promoter, Managing Director, Whole Time Director and management team have significantly contributed to the growth of our business, and our future success is dependent on the continued services of our management team. Our Managing Director Mr. Rajesh Nahar and whole-time Directors Mr. Ritesh Katariya are having experience of 22 years each in this business which turn out beneficial for the Company. An inability to retain any key managerial personnel may have an adverse effect on our operations. Our ability to execute contracts and to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We might face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In the future, we may also not be unable to compete with other larger companies for suitably skilled personnel due to their ability to offer more competitive compensation and benefits. The loss of any of the members of our senior management team, our directors or other key personnel or an inability on our part to manage the attrition levels; may materially and adversely impact our business, results of operations, financial condition and growth prospects.

For further details of our Promoters and Management, please refer chapter titled “*Our Promoters and Promoter Group*” and “*Our Management*” beginning on Page 181 & 168 of this Draft Red Herring Prospectus.

49. *The present promoters of the Company are first generation entrepreneurs.*

Our present Promoters are first generation entrepreneur. Their experience in managing and being instrumental in the growth of our Company is limited to the extent of their knowledge and experience and we cannot assure that this will not affect our business growth. Although Our Promoter Rajesh Nahar and Mr. Ritesh Katariya have experience of around 22 years each.

For further details of our Promoters, refer chapter titled “*Our Promoter and Promoter Group*” beginning on Page 181 of Draft Red Herring Prospectus.

50. *If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.*

We benefit from certain general tax regulations and incentives that accord favourable treatment to certain of our operations as well as for our activities. These tax benefits include income tax deductions and other taxes. For details regarding income tax deductions, please refer to the chapter “*Statement of Possible Tax Benefits*” on page 109 of this Draft Red Herring Prospectus.

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by the relevant authorities may significantly affect our results of operations. We cannot assure you that we would continue to be eligible for such lower tax rates or any other benefits. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and affect our business, prospects, results of operations and financial condition.

51. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.*

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has not declared dividends in the past, and there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled “*Dividend Policy*” on page 187 of this Draft Red Herring Prospectus.

52. *We have experienced negative cash flows in the past. Any such negative cash flows in the future could affect our business, results of operations and prospects.*

Our Company had reported certain negative cash flows in the previous years as per the Restated Standalone Financial Statements and the same are summarized as under:

(Rs. in Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
Net Cash from Operating Activities	(239.99)	281.72	(77.74)
Net Cash from Investing Activities	(27.67)	(16.63)	3.23
Net Cash used in Financing Activities	184.73	(110.62)	132.92

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may affect our business and financial operations. For further please refer chapter titled “*Restated Financial Statements*” beginning on Page 188 of this Draft Red Herring Prospectus.

53. *Any customer dispute regarding our performance or workmanship may amount in delay or withholding of payment to us.*

Our Company believes to provide the product to our customer according to their requirement. In case our products do not fulfill the requirements of our customer which may leads to dissatisfaction and further consequence including customer dispute regarding our performance or workmanship and the customer may delay or withhold payment to us, which may result in affecting our business.

54. *Our Promoter and Executive Directors hold Equity Shares in our Company and are therefore interested in the Company’s performance in addition to their remuneration and reimbursement of expenses.*

Our Promoter and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders. For further information on the interest of our Promoter and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see “*Our Management*” and “*Our Promoter and Promoter Group*” on pages 168 and 181 respectively of this Draft Red Herring Prospectus.

55. *We are subject to the risk of failure of, or a material weakness in, our internal control systems.*

We are exposed to risks arising from the inadequacy or failure of internal systems or processes, and any actions we may take to mitigate these risks may not be sufficient to ensure an effective internal control environment. Given our high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. Our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Where internal control weaknesses are identified, our actions may not be sufficient to fully correct such weaknesses. In addition, several of our collection related processes are yet to be fully automated, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may result in a material effect on our business, financial condition and results of operations.

56. *Major fraud, lapses of internal control or system failures could adversely impact the company’s business.*

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company’s operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

57. *The future operating results are difficult to predict and may fluctuate or adversely vary from the past performance.*

The company’s operating results may fluctuate or adversely vary from past performances in the future due to a number of factors, many of which are beyond the company’s control. The results of operations during any financial year or from period to period may differ from one another or from the expected results operation. Its business, results of operations and financial condition may be adversely affected by, inter alia, a decrease in the growth and demand for the products offered by the us or any strategic alliances which may subsequently become a liability or non-profitable. Due to various reasons including the above, the future performance may fluctuate or adversely vary from our past performances and may not be predictable. For further details of our operating results, section titled “*Restated Financial Statements*” beginning on Page 188 of this Draft Red Herring Prospectus.

58. *We have not independently verified certain data in this Prospectus.*

We have not independently verified data from the Industry and related data contained in this Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

59. *We are susceptible to risks relating to unionization of our workers employed by us.*

None of our workers are currently represented by a recognized collective bargaining agreement. We cannot assure you that our workers will not unionize, or attempt to unionize in the future, that they will not otherwise seek higher wages and enhanced employee benefits. We also cannot assure you that we will not experience disruptions in our work due to disputes or other problems with our workforce. If not resolved in a timely manner, these risks could limit our ability to provide our products to our clients, cause

clients to limit their use of our products or result in an increase in our cost of employee benefits and other expenses. If any of these risks materialize, our business, results of operations and financial condition could be affected.

60. Any Penalty or demand raise by statutory authorities in future will affect our financial position of the Company.

Our Company is mainly engaged in business of e-commerce trading of fashion products which attracts tax liability such as Income tax & Goods and Service Tax and other applicable provision of the Acts. However, the Company has been depositing the return under above applicable acts but any demand or penalty raise by concerned authority in future for any previous year and current year will affect the financial position of the Company. For detail, please refer “*Outstanding Litigations and Material Developments*” beginning on page 277 of this Prospectus. Any such penalty arising in future may lead to financial loss to our Company.

61. We have not identified any alternate source of raising the working capital mentioned as our ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

Our Company has not identified any alternate source of funding for our marketing expenses, working capital requirement and for general corporate purposes and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may require our Company to borrow funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the Company.

For further details of our Object for the Issue, please refer chapter titled “*Object for the Issue*” beginning on Page 94 of this Prospectus.

62. Our Company’s management will have flexibility in utilizing the Net Proceeds from the Issue. The deployment of the Net Proceeds from the Issue is not subject to any monitoring by any independent agency.

Our Company intends to primarily use the Net Proceeds towards marketing expenses, working capital requirement and for general corporate purposes as described in “*Objects of the Issue*” on page 94 of this Draft Red Herring Prospectus. In terms of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹100 crores. But the Audit Committee will review the monitor the use of Issue Proceeds. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company’s management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders of our Company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in future by the SEBI.

Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

63. Any variation in the utilization of the Net Proceeds as disclosed in this Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.

We propose to utilize the Net Proceeds for raising funds for marketing expenses and working capital Requirement. For further details of the proposed objects of the Issue, please refer the chapter titled “*Objects of the Issue*” beginning on Page No. 94 of this Draft Red Herring Prospectus. At this juncture, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

Further, our Promoter or controlling shareholders would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoter or controlling shareholders to provide an exit opportunity to such dissenting shareholders of our Company may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity.

In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

64. *Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●]% of the Issue Proceed. As on date we have not identified the use of such funds.*

Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●]% of the Issue Proceed. We have not identified the general corporate purposes for which these funds may be utilized. The deployment of such funds is entirely at the discretion of our management in accordance with policies established by our Board of Directors from time to time and subject to compliance with the necessary provisions of the Companies Act. For details please refer the chapter titled "*Objects of the Issue*" beginning on Page No. 94 of this Draft Red Herring Prospectus.

65. *We have in the last 12 months issued Equity Shares at a price that may be at lower than the Issue Price.*

In the last 12 months we may have issued fresh Equity Shares to the promoter and other shareholders of our Company which are as follows:-

- Bonus issue in the ratio of 6:1 dated August 16, 2023 issuing 1,35,06,924 Equity shares face value ₹1/- per Equity Share for consideration other than cash.
- Conversion of 10,12,734 Equity and Preference Share into Ordinary Equity Shares in EGM dated August 16, 2023.

The Equity Shares allotted to investors pursuant to this Issue is being priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time.

For Further details of equity shares issued, please refer to the chapter titled "*Capital Structure*" beginning on page 77 of the Draft Red Herring Prospectus.

66. *The average cost of acquisition of Equity Shares by our Promoter could be lower than the Issue Price.*

Our Promoter average cost of acquisition of Equity Shares in our Company is lower than the Issue Price decided by the Company in consultation with the Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoter in our Company, please refer to the chapters "*Capital Structure*" beginning on pages 77 of this Draft Red Herring Prospectus.

For further details regarding our shareholding, please refer to chapter titled "*Capital Structure*" beginning on Page 77 of this Draft Red Herring Prospectus.

67. *Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Issue, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Issue Price or at all.*

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed,

the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is determined considering various financial factors of the Company and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Issue could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Prospectus. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment

68. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities may differ from those that would apply to a company in another jurisdiction. Investors may have more difficulty in asserting their rights as shareholders in an Indian company than as shareholder of a corporation in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other jurisdictions. Under the Companies Act, prior to issuance of any new equity shares, a public limited company incorporated under Indian law must offer its equity shareholders pre-emptive rights to subscribe to a proportionate number of equity shares to maintain existing ownership, unless such pre-emptive rights are waived by a special resolution by a three-fourths majority of the equity shareholders voting on such resolution. If you are a foreign investor and the law of the foreign jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such foreign jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interest in our Company would decline.

69. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, financial condition and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. In such instances, and including the instances mentioned below, our business, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Any political instability in India, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

Additionally, the Government of India has introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, the implementation of such laws could increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. For instance, companies can voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Further, the GoI has announced the union budget for Fiscal 2024, pursuant to which the Finance Bill, 2023 ("Finance Bill"), has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023. We cannot predict whether any amendments made pursuant to the Finance Act, 2023 would have an adverse effect on our business, financial condition and results of operations. Furthermore, changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

There can be no assurance that the GoI will not implement new regulations and policies requiring us to obtain approvals and licenses from the GoI or other regulatory bodies, or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent in the jurisdictions in which we operate may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. It may also have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which could materially harm our results of operations or cash flows. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

We are unable to determine the impact of any changes in or interpretations of existing, or the promulgation of, new, laws, rules and regulations applicable to us and our business. If that was to occur it could result in us, our business, operations or group structure being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

70. *The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.*

The Issue Price of our Equity Shares has been determined on the basis of the Fixed Price Issue. This price is based on numerous factors. For further information, see “*Basis for Issue Price*” beginning on page 103 of this Draft Red Herring Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

71. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.*

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

72. *The requirements of being a listed company may strain our resources and distract management.*

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur additional legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges and compliances of SEBI Listing Regulation, 2015 which would require us to file audited

annual and unaudited semi-annual and limited review reports with respect to our business and financial condition. If we delay making such filings, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

EXTERNAL RISKS

73. Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.

Our Company is incorporated in India, and our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters
- prevailing regional or global economic conditions, including in India's principal export markets; and
- Other significant regulatory or economic developments in or affecting India or our industry.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

74. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater

perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

75. *Our business and activities may be further regulated by the Competition Act and any adverse application or interpretation of the Competition Act could materially and adversely affect our business, financial condition and results of operations.*

The Competition Act seeks to prevent business practices that have or are likely to have an appreciable adverse effect on competition in India and has established the Competition Commission of India (the “CCI”). Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which has or is likely to have an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls the production, supply or distribution of goods and services, or shares the market or source of production or providing of services by way of allocation of geographical area or type of goods or services or number of customers in the relevant market or in any other similar way, is presumed to have an appreciable adverse effect on competition and shall be void.

Further, the Competition Act prohibits the abuse of a dominant position by any enterprise. If it is proven that a breach of the Competition Act committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the breach themselves and may be punished as an individual. If we, or any of our employees are penalized under the Competition Act, our business may be adversely affected. Further, the Competition Act also regulates combinations and requires approval of the CCI for effecting any acquisition of shares, voting rights, assets or control or mergers or amalgamations above the prescribed asset and turnover based thresholds.

On March 4, 2011, the Government of India notified and brought into force new provisions under the Competition Act in relation to combined entities (the “Combination Regulation Provisions”), which came into effect from June 1, 2011. The Combination Regulation Provisions require that any acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, must be notified to and preapproved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (as amended). These regulations, as amended, set out the mechanism for the implementation of the Combination Regulation Provisions under the Competition Act.

76. *The Indian tax regime is currently undergoing substantial changes which could adversely affect our business.*

The goods and service tax (“GST”) that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the GoI and state governments.

As regards the General Anti-Avoidance Rules (“GAAR”), The general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18. The GAAR provisions intend to declare an arrangement as an “impermissible avoidance arrangement”, if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

77. *You may be restricted in your ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of your ownership position.*

Under the Companies Act, a company incorporated in India must offer its shareholders pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the shares who have voted on the resolution, or unless the company has obtained approval from the Government of India to issue without such special resolution,

subject to votes being cast in favour of the proposal exceeding the votes cast against such proposal. However, if the law of the jurisdiction you are in does not permit you to exercise your pre-emptive rights without our Company filing an offering document or a registration statement with the applicable authority in the jurisdiction you are in, you will be unable to exercise your pre-emptive rights unless our Company makes such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interest in our Company would be reduced.

78. *Political, economic or other factors that are beyond our control may have an adverse effect on our business, results of operations and cash flows.*

We currently operate only in India and are dependent on domestic, regional and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent on the Textile industry of the Indian economy. There have been periods of slowdown in the economic growth of India. For instance, the present situation of lock-down is prevailing in India due to pandemic Covid-19 spread in India and all other parts of world. If such condition prevail for longer time the Demand for our products & services may be adversely affected by an economic downturn in domestic, regional and global economies. India's economic growth is also affected by various other factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

79. *Companies in India are required to prepare financial statements under the new Indian Accounting Standards. In addition, all income-tax assessee in India will be required to follow the Income Computation and Disclosure Standards.*

The Ministry of Corporate Affairs ("MCA"), Government of India, has through notification dated February 16, 2015 issued the Indian Accounting Standards Rules, 2015 ("Ind AS") which have come into effect from April 1, 2015 and are applicable to companies which fulfill certain conditions. Further, there can be no assurance that the adoption of Ind AS will not affect our reported results of operations or financial condition. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations.

Further, the Ministry of Finance, Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for computation of taxable income. The ICDS shall apply from the assessment year 2017-2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

80. *Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.*

Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- Any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;

- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
 - occurrence of natural or man-made disasters;
 - prevailing regional or global economic conditions, including in India's principal export markets;
 - other significant regulatory or economic developments in or affecting India or its ER&D sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;

81. *Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging Asian market countries. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. In recent times, the Indian financial markets had been negatively affected by the volatility in global financial market, including on account of certain European nations' debt troubles and move to break away by the United Kingdom from the European Union. Although, economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Currencies of a few Asian countries have in the past suffered depreciation against the U.S. Dollar owing to, amongst other, the announcements by the U.S. government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Liquidity and credit concerns and volatility in the global credit and financial markets have increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major U.S. and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

82. *A significant change in the Government of India's economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.*

The Government of India has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Unfavourable government policies including those relating to the internet and e-commerce, consumer protection and data-privacy, could adversely affect business and economic conditions in India, and could also affect our ability to implement our strategy and our future financial performance. Since 1991, successive governments, including coalition governments, have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector and encouraging the development of the Indian financial sector. However, the members of the Government of India and the composition of the coalition in power are subject to change. As a result, it is difficult to predict the economic policies that will be pursued by the Government of India. For example, there may be an increasing number of laws and regulations pertaining to the internet and ecommerce, which may relate to liability for information retrieved from or transmitted over the internet or mobile networks, user privacy, content restrictions and the quality of services and products sold or provided through the internet. The rate of economic liberalization could change and specific laws and policies affecting the financial services industry, foreign investment, currency exchange and other matters affecting investment in our securities could change as well.

Any significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

SECTION IV – INTRODUCTION

THE ISSUE

PRESENT ISSUE OF EQUITY SHARES BY OUR COMPANY IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS	
Equity Shares Issued ^{(1)(2)*}	Up to 57,00,000 Equity Shares of face value of ₹1/- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
<i>Of which:</i>	
Issue Reserved for the Market Maker	[●] Equity Shares of face value of ₹ 1/- each fully-paid up for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
Net Issue to the Public	[●] Equity Shares of having face value of ₹1/- each fully paid-up for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
<i>Of which:</i>	
A. QIB Portion ⁽³⁾⁽⁴⁾	Not more than [●] Equity Shares aggregating ₹ [●] Lakhs
<i>Of which:</i>	
i) Anchor Investor Portion	[●] Equity Shares aggregating to ₹ [●] Lakhs
ii) Net QIB Portion (Assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares aggregating to ₹ [●] Lakhs
<i>Of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares aggregating to ₹ [●] Lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares aggregating to ₹ [●] Lakhs
B. Non-Institutional Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] Lakhs
C. Retail Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] Lakhs
Pre and Post – Issue Equity Shares	
Equity shares outstanding prior to the Issue	1,57,58,078 Equity Shares of face value of ₹1/- each fully paid-up
Equity shares outstanding after the Issue	[●] Equity Shares of face value of ₹1/- each fully paid-up
Use of Net Proceeds	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 94 of this Draft Red Herring Prospectus

* Subject to finalisation of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price

Note:

- (1) Fresh Issue of up to 57,00,000 Equity Shares in terms of Draft Red Herring Prospectus has been authorized pursuant to a resolution passed by our Board of Directors dated September 22, 2023 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of the members held on September 26, 2023
- (2) This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please see the section titled “*Issue Structure*” beginning on page 308 of this Draft Red Herring Prospectus.
- (3) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders.
- (4) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Book Running Lead Managers and the Designated Stock

Exchange, subject to applicable laws.

- (5) Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received within the offer price band. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “*Issue Procedure*” beginning on page 311 of this Draft Red Herring Prospectus.

RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Sr. No.	Particulars	As at 31st March		
		2023	2022	2021
A.	Equity and Liabilities			
1	Shareholders' Funds			
	Share Capital	22.13	22.13	22.13
	Reserves & Surplus	211.41	20.44	(250.50)
	Share application money pending allotment	-	-	-
2	Non-Current Liabilities			
	Long-Term Borrowings	-	-	-
	Other Non-Current Liabilities	-	-	-
	Long-Term Provisions	36.20	35.03	46.02
	Deferred Tax Liabilities (Net)	-	-	-
3	Current Liabilities			
	Short Term Borrowings	276.06	84.24	191.07
	Trade Payables :			
	(A) total outstanding dues of micro enterprises and small enterprises; and	7.13	7.63	5.80
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]	437.40	534.17	390.25
	Other Current Liabilities	313.56	534.76	354.52
	Short Term Provisions	116.01	56.86	10.56
	Total	1,419.90	1,295.26	769.85
B.	Assets			
1	Non-Current Assets			
	Property, Plant and Equipment			
	Tangible Assets	41.01	27.46	11.05
	Intangible Assets	3.38	0.32	5.11
	Capital Work in progress	-	-	-
	Intangible Assets Under Development	-	-	-
	Non-Current Investments	0.44	0.46	0.48
	Deferred Tax Assets	27.16	26.22	26.26
	Amount Recoverable from Net Avenue Welfare Trust	109.60	109.60	109.60
	Other Non Current Assets	15.56	10.87	6.06
2	Current Assets			
	Current Investments	-	-	-
	Inventories	722.71	568.47	268.90
	Trade Receivables	128.43	58.07	71.38
	Cash and Cash Equivalents	207.48	327.90	138.29
	Short-Term Loans and Advances	80.13	50.22	51.64
	Other Current Assets	84.01	115.67	81.07
	Total	1419.90	1295.26	769.85

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Rs. in Lakhs)

Sr. No	Particulars	For The Year Ended 31st March		
		2023	2022	2021
A.	Revenue:			
	Revenue from Operations	3343.55	3123.34	1380.02
	Other income	107.71	152.82	67.52
	Total revenue	3451.26	3276.16	1447.54
B.	Expenses:			
	Cost of Material Consumed	558.38	252.53	147.10
	Purchase of Stock in Trade	702.39	828.82	430.10
	Change in Inventories of WIP, Finished Goods & Stock in Trade	(259.45)	(223.29)	(36.32)
	Employees Benefit Expenses	487.22	408.69	285.86
	Finance costs	10.61	7.18	8.97
	Depreciation and Amortization	16.61	10.30	4.19
	Other expenses	1760.02	1720.58	610.76
	Total Expenses	3275.79	3004.81	1450.67
	Profit before exceptional and extraordinary items and tax	175.47	271.35	-3.13
	Exceptional Items	-	-	-
	Profit before extraordinary items and tax	175.47	271.35	-3.13
	Extraordinary items	-	-	-
	Profit before tax	175.47	271.35	-3.13
	Tax expense :			
	Current tax	0.00	9.77	-
	Deferred Tax	(0.94)	0.05	(26.26)
	Total Tax Expenses	(0.94)	9.82	(26.26)
	Share of Loss from Associates	(0.02)	(0.02)	(0.02)
	Profit (Loss) for the period from continuing operations	176.40	261.51	23.11
	Earning per equity share in Rs.:			
	(1) Basic	2.10	3.11	0.28
	(2) Diluted	1.87	2.77	0.24

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March		
	2023	2022	2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) before tax	175.47	271.35	(3.13)
Adjustments for:			
Depreciation	16.61	10.30	4.19
Non Cash Items	84.67	34.95	18.04
Finance Cost	7.09	3.79	7.21
Interest Income	(10.23)	(10.08)	(4.77)
Employee Stock Compensation Expenses	14.57	9.43	10.78
Profit on Sale of Property, Plant & Equipments	-	(0.02)	(0.16)
Operating profit before working capital changes	273.61	310.31	21.54
Movements in working capital :			
(Increase)/Decrease in Inventories	(154.24)	(299.57)	(10.68)
(Increase)/Decrease in Trade Receivables	(70.36)	13.31	99.83
(Increase)/Decrease in Short Term Loans & Advances	(29.91)	1.42	58.07
(Increase)/Decrease in Other Current Assets	31.66	(34.60)	(79.64)
Increase/(Decrease) in Trade Payables	(97.27)	145.75	(85.33)
Increase/(Decrease) in Other Current Liabilities & Short Term Provisions	(221.20)	180.24	(74.12)
Cash generated from operations	(267.71)	316.85	(70.33)
Income tax paid during the year	9.77	-	-
Net cash from operating activities (A)	(277.48)	316.85	(70.33)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Increase in Other Non Current Liabilities	-	-	-
Interest Income	10.23	10.08	4.77
Purchase of Fixed Assets	(33.21)	(21.93)	(1.80)
Proceeds from Sale of Fixed Assets	-	0.03	0.21
Increase in Other Non Current Assets	(4.69)	(4.81)	-
Net cash from investing activities (B)	(27.67)	(16.63)	3.18
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid on borrowings	(7.09)	(3.79)	(7.21)
Proceeds/(Repayment) of Borrowings	191.82	(106.83)	140.12
Net cash from financing activities (C)	184.73	(110.62)	132.92
Net increase in cash and cash equivalents (A+B+C)	(120.41)	189.60	65.77
Cash and cash equivalents at the beginning of the year	327.90	138.29	72.52
Cash and cash equivalents at the end of the year	207.48	327.90	138.29
Cash & Cash Equivalent Comprises			
Cash in Hand	1.64	1.00	1.23
Balance With Bank in Current Accounts	27.75	160.17	35.64
Balance with Bank in Deposits Accounts	178.09	166.73	101.42

RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Sr. No.	Particulars	As at 31st March		
		2023	2022	2021
A.	Equity and Liabilities			
1	Shareholders' Funds			
	Share Capital	22.13	22.13	22.13
	Reserves & Surplus	196.67	(3.60)	(292.68)
	Share application money pending allotment	-	-	-
2	Non-Current Liabilities			
	Long-Term Borrowings	-	-	-
	Other Non-Current Liabilities	-	-	-
	Long-Term Provisions	36.20	35.03	46.02
	Deferred Tax Liabilities (Net)	-	-	-
3	Current Liabilities			
	Short Term Borrowings	276.06	84.24	191.07
	Trade Payables :			
	(A) total outstanding dues of micro enterprises and small enterprises; and	7.13	7.63	5.80
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]	447.34	512.78	405.25
	Other Current Liabilities	1,186.10	2,114.17	3,024.09
	Short Term Provisions	116.01	56.86	10.56
	Total	2,287.64	2,829.24	3,412.23
B.	Assets			
1	Non-Current Assets			
	Property, Plant and Equipment			
	Tangible Assets	41.01	27.46	11.05
	Intangible Assets	3.38	0.32	5.11
	Capital Work in progress	-	-	-
	Intangible Assets Under Development	0.00	0.00	-
	Non-Current Investments	-	-	-
	Deferred Tax Assets	27.16	26.22	26.26
	Amount Recoverable from Net Avenue Welfare Trust	109.60	109.60	109.60
	Other Non Current Assets	15.56	10.87	6.06
2	Current Assets			
	Current Investments	-	-	-
	Inventories	722.71	568.47	268.90
	Trade Receivables	127.83	57.49	70.80
	Cash and Cash Equivalents	183.98	266.92	112.44
	Short-Term Loans and Advances	16.48	34.91	41.82
	Other Current Assets	1,039.93	1,726.97	2,760.19
	Total	2287.64	2829.23	3412.23

RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS

(Rs. in Lakhs)

Sr. No	Particulars	For The Year Ended 31st March		
		2023	2022	2021
A.	Revenue:			
	Revenue from Operations	3343.54	3123.34	1380.02
	Other income	105.16	152.60	70.79
	Total revenue	3448.70	3275.94	1450.81
B.	Expenses:			
	Cost of Material Consumed	558.38	252.55	147.10
	Purchase of Stock in Trade	702.39	828.82	430.10
	Change in Inventories of WIP, Finished Goods & Stock in Trade	(259.45)	(223.29)	(36.32)
	Employees Benefit Expenses	487.22	408.69	285.86
	Finance costs	9.40	6.24	8.40
	Depreciation and Amortization	16.61	10.30	4.19
	Other expenses	1749.38	1703.20	611.82
	Total Expenses	3263.94	2986.50	1451.15
	Profit before exceptional and extraordinary items and tax	184.76	289.44	-0.33
	Exceptional Items	-	-	-
	Profit before extraordinary items and tax	184.76	289.44	-0.33
	Extraordinary items	-	-	-
	Profit before tax	184.76	289.44	-0.33
	Tax expense :			
	Current tax	-	9.77	-
	Deferred Tax	(0.94)	0.05	(26.26)
	Total Tax Expenses	(0.94)	9.82	(26.26)
	Profit (Loss) for the period from continuing operations	185.70	279.63	25.93
	Earning per equity share in Rs.:			
	(1) Basic	2.21	3.33	0.31
	(2) Diluted	1.96	2.96	0.27

RESTATED STANDALONE STATEMENT OF CASH FLOWS

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March		
	2023	2022	2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) before tax	184.76	289.44	(0.33)
Adjustments for:			
Depreciation	16.61	10.30	4.19
Non Cash Items	3.68	0.97	7.37
Finance Cost	7.09	3.79	7.21
Interest Income	(10.23)	(10.08)	(4.77)
Employee Stock Compensation Expenses	14.57	9.43	10.78
Profit on Sale of Property, Plant & Equipments	-	(0.02)	(0.16)
Operating profit before working capital changes	216.48	303.83	24.28
Movements in working capital :			
(Increase)/Decrease in Inventories	(154.24)	(299.57)	(10.68)
(Increase)/Decrease in Trade Receivables	(70.34)	13.31	99.87
(Increase)/Decrease in Short Term Loans & Advances	18.43	6.91	59.85
(Increase)/Decrease in Other Current Assets	687.04	1,033.22	(280.77)
Increase/(Decrease) in Trade Payables	(65.94)	109.36	(56.59)
Increase/(Decrease) in Other Current Liabilities & Short Term Provisions	(861.65)	(885.34)	86.29
Cash generated from operations	(230.22)	281.72	(77.74)
Income tax paid during the year	9.77	-	-
Net cash from operating activities (A)	(239.99)	281.72	(77.74)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Interest Income	10.23	10.08	4.77
Purchase of Fixed Assets	(33.21)	(21.93)	(1.75)
Proceeds from Property Plant & Equipments	-	0.03	0.21
Increase/Decrease in Other Non Current Assets	(4.69)	(4.81)	-
Net cash from investing activities (B)	(27.67)	(16.63)	3.23
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid on borrowings	(7.09)	(3.79)	(7.21)
Proceeds/(Repayment) of Borrowings	191.82	(106.83)	140.12
Net cash from financing activities (C)	184.73	(110.62)	132.92
Net increase in cash and cash equivalents (A+B+C)	(82.93)	154.47	58.40
Cash and cash equivalents at the beginning of the year	266.92	112.44	54.02
Cash and cash equivalents at the end of the year	183.98	266.92	112.44
Cash & Cash Equivalent Comprises			
Cash in Hand	0.39	0.23	0.48
Balance With Bank in Current Accounts	5.50	99.96	10.53
Balance with Bank in Deposits Accounts	178.09	166.73	101.42

GENERAL INFORMATION

Our Company was originally incorporated on June 07, 2001 as “Net Avenue Technologies Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Tamil Nadu. Subsequently our Company was converted into Public Limited Company and name of company was changed from “Net Avenue Technologies Private Limited” to “Net Avenue Technologies Limited” vide fresh certificate of incorporation dated September 22, 2023 issued by the Registrar of Companies, Chennai.

For further details, please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 162 of this Draft Red Herring Prospectus

REGISTERED OFFICE

Net Avenue Technologies Limited

New No. 16, Old No. 13, 1st Floor Prithvi Avenue,
Alwarpet Chennai-600018, Tamil Nadu, India.

Tel. No.: +919043336159

E-mail: investors@natl.in

Website: www.natl.in

Corporate Identification Number: U72900TN2001PLC047220

Reg. No.: 047220

For details relating to changes to the address of our Registered Office, please see “*History and Certain Corporate Matters - Changes to the address of the Registered Office of our Company*” on page 162 of this Draft Red Herring Prospectus

CORPORATE OFFICE

Net Avenue Technologies Limited

Ground Floor and 1st Floor, Plot No. H-139 to 141
Laxminarayan Industrial Estate, BRC Compound, Udhna,
Surat – 394210, Gujarat, India.

Tel. No.: 0261-2651052

E-mail: investors@natl.in

Website: www.natl.in

REGISTRAR OF COMPANIES

Registrar of Companies, Chennai

Block No.6, B Wing 2nd Floor,
Shastri Bhawan 26,
Haddows Road, Chennai - 600034, Tamil Nadu, India

Tel No.: 044-28270071/28276654

Email: roc.chennai@mca.gov.in

Website: <http://www.mca.gov.in>

DESIGNATED STOCK EXCHANGE

NSE Emerge

National Stock Exchange of India Limited

Exchange Plaza, Plot no. C/1, G Block
Bandra – Kurla Complex
Bandra (E) Mumbai – 400 051
Maharashtra, India

Tel No.: 022 – 2659 8100/ 8114

Website: www.nseindia.com

BOARD OF DIRECTORS

The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Rajesh Nahar	Chairman cum Managing Director	2E Prince Paradise, 75 Jermiah Road, Vepery, Chennai-600007, Tamil Nadu, India	01015059
Mr. Ritesh Katariya	Whole-Time Director	E-1104, Jolly Residency, Vesu, Surat City, Gujarat - 395007, India	01019455
Mr. K Naresh Kumar	Non-Executive Directors	4 B Sriram Apartments, 80 St. Marys Road, Abiramapuram, Teynampet, Chennai-600018, Tamil Nadu, India.	07026135
Mr. Rajagopalachari Murali	Independent Director	172, Defence Colony, Ekkattuthangal, Guindy Industrial Estate, Chennai – 600032, Tamil Nadu, India	00759040
Ms. Riya Jain	Independent Director	H.No. 7, Aravelly Enclave, Near Pallavi Model School, Bowenpally, Tirumalagiri, Hyderabad – 500009, Telengana, India	10309330

For further details of the Directors of our Company, please refer to the chapter titled “*Our Management*” on page 168 of this Draft Red Herring Prospectus.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Dadwani Bhumisha Darshan

New No. 16, Old No. 13, 1st Floor Prithvi Avenue,
Alwarpet Chennai-600018, Tamil Nadu, India.

Tel. No.: +919043336159

E-mail: cs@natl.in

Website: www.natl.in

CHIEF FINANCIAL OFFICER

Mr. A Prakash

New No. 16, Old No. 13, 1st Floor Prithvi Avenue,
Alwarpet Chennai-600018, Tamil Nadu, India.

Tel. No.: +919043336159

E-mail: cfo@natl.in

Website: www.natl.in

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue and/ or the Book Running Lead Manager, in case of any pre-Issue or post-Issue related problems such as non-receipt of Intimation for Allotment, credit of allotted Equity Shares in the respective beneficiary account.

All grievances relating to the ASBA process including UPI may be addressed to the Registrar to the Issue, with a copy to the Designated Intermediary with whom the ASBA Form was submitted, giving full name of the sole or First Applicant, ASBA Form number, Applicant’s DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of Application Form, address of Applicant, the name and address of the relevant Designated Intermediary, where the Application Form was submitted by the Applicant, ASBA Account number (for Applicants other than RIIs bidding through the UPI mechanism) in which the amount equivalent to the Application Amount was blocked or UPI ID in case of RIIs bidding through the UPI mechanism. Further, the Applicant shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Issue related queries, and for Redressal of complaints, applicant may also write to the Book Running Lead Manager and Company. All complaints, queries or comments received by Stock Exchange shall be forwarded to the Book Running Lead Manager, who shall respond to the same

Details of Key Intermediaries pertaining to this Issue and Our Company

BOOK RUNNING LEAD MANAGER TO THE ISSUE

Shreni Shares Limited

(Formerly Known as Shreni Shares Private Limited)

A/007, Western Edge - II,
Kanakia Space, Behind Metro Mall,
off Western Express Highway, Magathane,
Boriwali East, Mumbai – 400066, Maharashtra, India.

Tel. No.: 022 - 20897022

Email: shrenishares@gmail.com

Website: www.shreni.in

Investor Grievance E-mail: info@shreni.in

Contact Person: Mr. Parth Shah

SEBI Registration No.: INM000012759

REGISTRAR TO THE ISSUE

Bigshare Services Private Limited

Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400 093,
Maharashtra, India

Tel No: 022 – 6263 8200

Email: ipo@bigshareonline.com

Investor Grievance E-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Babu Rapheal C

SEBI Registration Number: INR000001385

LEGAL ADVISOR TO THE ISSUE

M/s. Asha Agarwal & Associates

118, Shila Vihar, Gokulpura,
Kalwar Road, Jhotwara,
Jaipur – 302 012, Rajasthan, India

Tel: 99509 33137

E-mail: ashaagarwalassociates@gmail.com

Contact Person: Ms. Nisha Agarwal

BANKERS TO THE ISSUE / REFUND BANK / SPONSOR BANK

[•]

BANKERS TO THE COMPANY

[•]

ADVISOR TO THE ISSUE

[•]

STATUTORY AUDITORS OF OUR COMPANY

M/s. PKF Sridhar & Santhanam LLP

Chartered Accountants

91/92, VII Floor, Dr. Radhakrishnan Road,
Mylapore, Chennai – 600004, India

Tel No.: +91 44 28112985 - 88

Email: devi@pkfindia.in

Contact Person: Mr. Devi P

Membership No.: 223137

Firm Registration No.: 003990S

PEER REVIEW AUDITORS OF OUR COMPANY

M/S. A Y & CO., Chartered Accountants

505, Fifth Floor, ARG Corporate Park
Ajmer Road, Gopal Bari, Jaipur – 302006,
Rajasthan, India

Tel No.: 1+91-9649687300

Email: info@aycompany.co.in

Contact Person: Mr. Arpit Gupta

Membership No.: 421544

Firm Registration No.: 020829C

Peer Review Registration No. – 011177

M/s. A Y & Company, Chartered Accountants hold a peer review certificate dated July 15, 2021 issued by the Institute of Chartered Accountants of India.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Shreni Shares Limited (*Formerly known as Shreni Shares Private Limited*) is the sole Book Running Lead Manager to this Issue to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)

The list of SCSBs notified by SEBI for the ASBA process is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an ASBA Applicant (other than an UPI Applicants using the UPI mechanism), not applying through Syndicate/Sub Syndicate or through a Registered Broker, may submit the ASBA Forms is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time. Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Applicants (other than UPI Applicants) is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

SELF-CERTIFIED SYNDICATE BANKS ELIGIBLE AS ISSUER BANKS FOR UPI MECHANISM AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Applicants using the UPI mechanism may only apply through the SCSBs and mobile applications (apps) using the UPI handles whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. A list of SCSBs and mobile applications, which are live for applying public issues using UPI mechanism is available on

the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

SYNDICATE SCSB BRANCHES

In relation to Applicants (other than Applications by Anchor Investors and RIIs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the Members of the Syndicate is available on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, which may be updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

INVESTORS BANKS OR ISSUER BANKS FOR UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Application Forms, please refer to the above-mentioned SEBI link.

REGISTERED BROKERS

Bidders can submit ASBA Forms in the Issue using the stock broker network of the stock exchange, i.e., through the Registered Brokers at the Broker Centers. The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?And www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS (“RTA”)

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI (www.sebi.gov.in), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, or such other websites as updated from time to time.

CREDIT RATING

This being an Issue of Equity Shares, credit rating is not required.

IPO GRADING

Since the Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, there is no requirement of appointing an IPO Grading agency.

DEBENTURE TRUSTEES

Since this is not a debenture issue, appointment of debenture trustee is not required.

MONITORING AGENCY

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10000.00 Lakhs.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Red Herring Prospectus.

FILING OF THE OFFER DOCUMENT

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

The Draft Red Herring Prospectus/ Red Herring/ Prospectus are being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

A copy of the Red Herring Prospectus/ Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be filed online for registration to the Registrar of Companies, Block No.6, B Wing 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai - 600034, Tamil Nadu, India

APPRAISING ENTITY

No appraising entity has been appointed in respect of any objects of this Issue.

GREEN SHOE OPTION

No green shoe option is contemplated under the Issue.

EXPERT OPINION

Except for the reports in the section "*Restated Financial Statements*" and "*Statement of Possible Tax Benefits*" on page 188 and page 109 of this Draft Red Herring Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditor for inclusion of their name. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

BOOK BUILDING PROCESS

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and in Regional newspaper [●] where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date.

Principal parties involved in the Book Building Process are:-

- Our Company;
- The Book Running Lead Manager in this case being Shreni Shares Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with NSE Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue;
- The Escrow Collection Banks/ Bankers to the Issue and
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations

The Issue is being made through the Book Building Process wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “Anchor Investor Portion”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15 % of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under – subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “*Issue Procedure*” beginning on page 311 of the Draft Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Offer.

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 311 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 311 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

BID/OFFER PROGRAM:

Event	Indicative Dates
Bid/ Issue Opening Date	[•]
Bid/ Issue Closing Date	[•]
Finalization of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	[•]
Credit of Equity Shares to Demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

* *Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and NSE Emerge taking into account the total number of applications received up to the closure of timings

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Offer, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Offer Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Offer shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraw the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

UNDERWRITING

The Company and the Book Running Lead Manager to the issue hereby confirm that the issue is 100% Underwritten by [●] in the capacity of Underwriter to the issue.

Pursuant to the terms of the Underwriting Agreement dated [●] entered into by Company and Underwriter – [●], the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakh)	% of Total Issue Size Underwritten
[●]	Upto 57,00,000 Equity Shares of ₹ 1/- being Issued at ₹ [●] each	[●]	[●]

**Includes [●] Equity shares of Rs.10.00 each for cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.*

As per Regulation 260(2) of SEBI (ICDR) Regulations, the Book Running Lead Manager has agreed to underwrite to a minimum extent of Issue out of its own account.

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective obligations in full.

CHANGES IN AUDITORS DURING LAST THREE YEARS

There has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Red Herring Prospectus except appointment of A Y & Company as Peer Review Auditor of our Company vide Board Resolution dated September 23, 2023.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Book Running Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker, to fulfil the obligations of Market Making for this Issue:

Name	[●]
Correspondence Address:	[●]
Tel No.:	[●]
E-mail:	[●]
Website:	[●]
Contact Person:	[●]
SEBI Registration No.:	[●]

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each

and every black out period when the quotes are not being offered by the Market Maker(s).

2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of NSE (NSE EMERGE) and SEBI from time to time
3. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the SME Platform of NSE from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
6. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE from time to time.
7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
8. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
9. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
10. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
11. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
12. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
13. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the Book Running Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

14. Risk containment measures and monitoring for Market Makers: NSE SME Exchange will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
15. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by exchange from time to time.
16. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

S.No.	Market Price Slab (In ₹)	Proposed spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

17. **Punitive Action in case of default by Market Makers:** NSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

18. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote including mandatory initial inventory of 5% of the Issue Size)
Up to ₹20 Crore	25%	24%
₹ 20 to ₹ 50 Crore	20%	19%
₹ 50 to ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of the Draft Red Herring Prospectus and after giving effect to this Issue, is set forth below:

Amount (Rs. in Lakhs, except share data)

Sr. No.	Particulars	Aggregate nominal Value	Aggregate Value at Issue Price
A	Authorized Share Capital 2,30,00,000 Equity Shares having Face Value of Rs 1/- each	230.00	-
B	Issued, Subscribed & Paid-up Share Capital before the Issue 1,57,58,078 Equity Shares having Face Value of Rs.1/- each issued fully paid up before the Issue.	157.58	-
C	Present Issue in terms of the Draft Red Herring Prospectus Issue of upto 57,00,000 Equity Shares having Face Value of Rs.1/- each at a price of Rs. [●] per Equity Share.	[●]	[●]
	Which Comprises		
I.	Reservation for Market Maker portion [●] Equity Shares of Rs. 1/- each at a price of Rs. [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
II.	Net Issue to the Public Net Issue to Public of [●] Equity Shares of Rs. 1/- each at a price of Rs. [●] per Equity Share to the Public	[●]	[●]
	of which⁽²⁾		
	[●] Equity Shares of Rs. 1/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of up to Rs. 2.00 lakhs	[●]	[●]
	[●] Equity Shares of Rs. 1/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of above Rs. 2.00 lakhs	[●]	[●]
D	Issued, Subscribed and Paid-up Equity Share capital after the Issue [●] Equity Shares of Rs. 1/- each	[●]	-
E	Securities Premium Account Before the Issue After the Issue	4122.80 [●]*	

⁽¹⁾ The Present Issue of Equity Shares in terms of Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated September 22, 2023 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on September 26, 2023.

⁽²⁾ The allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

*The amount disclosed is prior to deduction of Issue expenses.

CLASS OF SHARES

As on the date of Draft Red Herring Prospectus Our Company has only one class of share capital i.e. Equity Shares of Rs.1/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Draft Red Herring Prospectus.

NOTES TO THE CAPITAL STRUCTURE

1. Changes in Authorized Share Capital

Since the incorporation of our Company, the authorized share capital of our Company has been altered in the manner set forth below:

- 1) The initial Authorised share capital of our Company was ₹10,00,000 (Ten Lakh) divided into 1,00,000 (One Lakh) Equity Shares of ₹10 each. This Authorised capital was increased to ₹15,00,000 (Fifteen Lakh) divided into 1,50,000 (One Lakh Fifty thousand) Equity Shares of ₹10 each pursuant to a resolution passed by our Shareholders in Extra-Ordinary General Meeting held on March 27, 2003.
- 2) Company has sub-divided each of the its issued, subscribed, paid up and unissued equity shares of ₹10/- into 10 equity shares of ₹1 each vide resolution passed by its Shareholders in Extra-Ordinary General Meeting held on March 5, 2012.
- 3) The Authorised share capital of our Company was increased from ₹15,00,000 (Fifteen Lakh) divided into 15,00,000 (Fifteen Lakh) Equity Shares of ₹1 each to ₹25,00,000 (Twenty-Five Lakh) pursuant to a resolution passed by our Shareholders in Extra-Ordinary General Meeting held on March 5, 2012 divided into:
 - 10 (Ten) 'Series A- Class B Equity Shares' of ₹1 each; and
 - 19,99,990 (Nineteen Lakh Ninety-Nine Thousand Nine Hundred and Ninety) Class A Equity Shares of ₹1 each and
 - 5,00,000 (Five Lakh) 'Series A Preference Shares' of ₹1 each
- 4) The Authorised share capital of our Company was increased from ₹25,00,000 (Twenty-Five Lakh) divided into:
 - 10 (Ten) 'Series A- Class B Equity Shares' of ₹1 each; and
 - 9,99,990 (Nineteen Lakh Ninety-Nine Thousand Nine Hundred and Ninety) Class A Equity Shares of ₹1 each and
 - 5,00,000 (Five Lakh) 'Series A Preference Shares' of ₹1 each

to ₹36,00,000 (Thirty-Six Lakh) pursuant to a resolution passed by our Shareholders in Extra-Ordinary General Meeting held on October 20, 2014 divided into:

 - 10 (Ten) 'Series A - Class B' Equity Shares of ₹1 each; and
 - 24,99,980 (Twenty-Four Lakhs Ninety-Nine Thousand Nine Hundred and Eighty) Class A Equity Shares of ₹1 each.
 - 10 (Ten) Series B - Class B Equity Shares of ₹1 each and
 - 5,00,000 (Five Lakh) 'Series A Preference Shares' of ₹1 each.
 - 6,00,000 (Six Lakh) 'Series B Preference Shares' of ₹1 each.;
- 5) Company has reclassified its Authorised Share Capital from ₹36,00,000 (Thirty-Six Lakh) comprising of
 - 10 (Ten) 'Series A - Class B' Equity Shares of ₹1 each; and
 - 24,99,980 (Twenty-Four Lakhs Ninety-Nine Thousand Nine Hundred and Eighty) Class A Equity Shares of ₹1 each.
 - 10 (Ten) Series B - Class B Equity Shares of ₹1 each and
 - 5,00,000 (Five Lakh) 'Series A Preference Shares' of ₹1 each.
 - 6,00,000 (Six Lakh) 'Series B Preference Shares' of ₹1 each.;

to ₹36,00,000(Thirty-Six Lakh) divided into 36,00,000 Equity Shares of ₹1/- each vide Resolution passed by its shareholders in Extra Ordinary General Meeting held on August 16, 2023.
- 6) The Authorised share capital of our Company was increased from ₹36,00,000 (Thirty-Six Lakh) divided into 36,00,000(Thirty-Six Lakh) Equity Shares of ₹1/- each to ₹2,30,00,000 (Two Crores Thirty Lakh) divided into 2,30,00,000 (Two Crores Thirty Lakh) Equity Shares of ₹1 each pursuant to a resolution passed by our Shareholders in Extra- Ordinary General Meeting held on August 16, 2023.

2. Equity Share Capital History of our Company:

a) The history of the equity share capital and the securities premium account of our company are set out in the following table: -

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted		Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity		Cumulative Paid-Up Share Capital (Rs.)		Cumulative Securities Premium (Rs.)	
	Class A	Series A-Class B					Class A	Series A-Class B	Class A	Series A-Class B	Class A	Series A-Class B
On Incorporation	10,000	--	10	10	Cash	Subscription to MOA ⁽ⁱ⁾	10,000	--	1,00,000	--	--	--
February 1, 2002 [^]	90,000	--	10	10	Other Than Cash	Acquisition of Partnership firm M/s. Net Avenue Inc. ⁽ⁱⁱ⁾	1,00,000	--	10,00,000	--	--	--
November 10, 2003 [^]	20,000	--	10	10	Cash	Further Allotment ⁽ⁱⁱⁱ⁾	1,20,000	--	12,00,000	--	--	--
Company has sub-divided equity shares of ₹10/- into 10 equity shares of ₹1 each vide resolution passed by its Shareholders in Extra-Ordinary General Meeting held on March 5, 2012. The paid up capital of our Company after subdivision is as follows:												
	12,00,000	--	--	--	--	--	12,00,000	--	12,00,000	--	--	--
April 28, 2012	--	2	1	375	Cash	Further Allotment ^(iv)	--	2	12,00,000	2	--	748
March 20, 2014	38,420	--	1	233	Cash	Further Allotment ^{(v)*}	12,38,420	--	12,38,420	2	89,13,440	748
November 21, 2014	--	3	1	468.65	Cash	Private Placement ^(vi)	12,38,420	5	12,38,420	5	89,13,440	2154
December 15, 2014	--	1	1	468.65	Cash	Private Placement ^(vii)	12,38,420	6	1238420	6	89,13,440	2623
Pursuant to Shareholders Resolution dated August 16, 2023 Company has reclassified its equity shares of Series A class B Equity Shares into Ordinary Equity Shares (i.e. Class A) and converted 'Class B Series A' Preference Shares and 'Class B Series B Preference Shares' into Equity Shares by way of preferential Allotment. The paid up Equity capital of our Company after reclassification and conversion is as follows:												
--	22,51,154	--	--	--	--	--	22,51,154	--	22,51,154	--	89,16,063	--
August 16, 2023	1,35,06,924	--	1	--	Other than Cash	Bonus Issue ^{##(viii)}	1,57,58,078	--	1,57,58,078	--	--	--

[^] Return of Allotment filed with Registrar of Companies for such allotments is not traceable.

*Company has established Net Avenue Technologies Employees Welfare Trust in the year 2013 for ESOP purposes. This allotment was made to increase the number of shares earmarked for Employees for ESOP purposes.

##Bonus issue of 1,35,06,924 equity shares (6 Bonus equity shares of Rs. 1/- each for every 1 Equity share of Rs. 1/- each held in the Company) in the proportion of existing capital dated August 16, 2023 has been issued by Capitalization of Reserve & Surplus of the Company.

(i) Initial Subscribers to the Memorandum of Association subscribed 10,000 Equity Shares of Face Value of Rs. 10/- each, details of which are given below:

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Rajesh Nahar	2,500
2.	Mr. Ritesh Katariya	2,500
3.	Mr. Kawarlal M	2,500
4.	Ms. Sarala Nahar	2,500
	Total	10,000

(ii) Acquisition of Partnership Firm M/s. Net Avenue Inc. thorough allotment of 90,000 fully paid Equity Shares of Face Value of Rs. 10/-each.

S.No.	Names of Person	Number of Shares Allotted
1.	Mr. Rajesh Nahar	45,000
2.	Mr. Ritesh Katariya	45,000
	Total	90,000

(iii) Further Allotment of 20,000 Equity Shares of Face Value of Rs. 10/- each fully paid at Issue Price of Rs. 10/- per equity share is as under:

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Rajesh Nahar	5,000
2.	Mr. Ritesh Katariya	5,000
3.	Mr. Kawarlal M	5,000
4.	Ms. Sarala Nahar	5,000
	Total	20,000

(iv) Preferential Allotment of 2 'Series A Equity Shares' of Face Value of Rs. 1/- each fully paid at Issue Price of Rs. 375/- per equity share is as under:

S. No.	Names of Person	Number of Shares Allotted
1.	Inventus Capital Partners (Mauritius) Ltd.	1
2.	Nadathur Estates Private Limited for and on behalf of Ojas Partners	1
	Total	2

(v) Allotment pursuant to ESOP of 38,420 Equity Shares of Face Value of Rs. 1/- each fully paid at Issue Price of Rs. 233/- per equity share is as under:

S. No.	Names of Person	Number of Shares Allotted
1.	Net Avenue Technologies Employees Welfare Trust	38,420
	Total	38,420

(vi) Private Placement Allotment of 3 'Class B- Series A Equity Shares of Face Value of Rs. 1/- each fully paid at Issue Price of Rs. 468.65/- per equity share is as under:

S. No.	Names of Person	Number of Shares Allotted
1.	Inventus Capital Partners (Mauritius) Ltd.	1
2.	IL&FS Trust Company Ltd., Trustee representing Forum synergies India Trust	1
3.	Chayadeep Ventures LLP	1
	Total	3

(vii) Private Placement Allotment of 1 'Class B- Series A Equity Shares of Face Value of Rs. 1/- each fully paid at Issue Price of Rs. 468.65/- per equity share is as under:

S. No.	Names of Person	Number of Shares Allotted
1.	Nadathur Estates Private Limited for and on behalf of Ojas Partners	1
	Total	1

(viii) Bonus allotment of 1,35,06,924 Equity Shares of Face Value of Rs. 1/- each fully paid in the ratio of 6:1 i.e., 6 Bonus Equity Shares for each equity share held:

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Rajesh Nahar	26,10,000
2.	Mr. Ritesh Katariya	30,60,000
3.	Ms. Sarala Nahar	4,50,000
4.	Mala Hareesh Tibrewala & Hareesh Vishwanath Tibrewala	2,33,580
5.	Sanjay P Mehta & Jai Shruti Mehta	2,33,640
6.	Paresh Sheth & Ketan Sheth	24,960
7.	Ketan Sheth & Paresh Sheth	29,640
8.	Dr. Prakash Amrut Mody	1,13,760
9.	M. Manifold Private Limited	1,10,040
10.	Net Avenue Technologies Employees Welfare Trust	5,12,400
11.	Inventus Capital Partners (Mauritius) Ltd.	18,61,662
12.	Nadathur Estates Private Limited for and on behalf of Ojas Partners	18,46,230
13.	IL&FS Trust Company Ltd., Trustee representing Forum synergies India Trust	11,84,256
14.	Chayadeep Ventures LLP	11,84,256
15.	Sharda NatwarLal Shah	52,500
	Total	1,35,06,924

All the above-mentioned shares are fully paid up since the date of allotment.

3. History of preference share capital of our Company

As of the date of this Draft Red Herring Prospectus, our Company does not have any issued, subscribed or paid-up preference share capital. The following table sets forth the history of the preference share capital of our Company:

Date of Allotment / Date of Fully Paid Up	No. of Preference Shares allotted		Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Preference Shares		Cumulative Paid-Up Preference Share Capital (Rs.)		Cumulative Securities Premium (Rs.)	
	Series A	Series B					Series A	Series B	Series A	Series B	Series A	Series B
April 28, 2012	4,68,614	Nil	1	375	Cash	Further Allotment ⁽¹⁾	4,68,614	--	4,68,614	--	17,52,61,636	--
November 21, 2014	Nil	2,34,870	1	468.65	Cash	Private Placement ⁽²⁾	4,68,614	2,34,870	4,68,614	2,34,870	17,52,61,636	10,98,36,956
December 12, 2014	Nil	37,185	1	468.65	Cash	Private Placement ⁽³⁾	4,68,614	27,205	4,68,614	2,72,055	17,52,61,636	12,72,26,521
June 26, 2015	Nil	1,73,371	1	468.65	Cash	Private Placement	4,68,614	44,542	4,68,614	4,45,426	17,52,61,636	20,83,03,469

						t ⁽⁴⁾						
July 21, 2015	Nil	98,688	1	468.65	Cash	Private Placement t ⁽⁵⁾	4,68,614	544114	4,68,614	5,44,114	17,52,61,636	25,44,54,912
Pursuant to Shareholders Resolution dated August 16, 2023 Company has reclassified its equity shares and converted 'Class B Series A' Preference Shares and 'Class B Series B Preference Shares' into Equity Shares by way of preferential Allotment. The Preference Share Capital of our Company after conversion is as follows:												
--	--	--	--	--	--	--	--	--	--	--	42,97,16,548	

(1) Further Allotment of 468614 'Series A Preference Shares' of Face Value of Rs. 1/- each fully paid at Issue Price of Rs. 375/- per preference share is as under:

S. No.	Names of Person	Number of Shares Allotted
1.	Inventus Capital Partners (Mauritius) Ltd.	2,35,282
2.	Nadathur Estates Private Limited for and on behalf of Ojas Partners	2,33,332
	Total	4,68,614

(2) Private Placement Allotment of 2,34,870 'Series B Preference Shares' of Face Value of Rs. 1/- each fully paid at Issue Price of Rs. 468.65/- per preference share is as under:

S. No.	Names of Person	Number of Shares Allotted
1.	Inventus Capital Partners (Mauritius) Ltd.	37,496
2.	IL&FS Trust Company Ltd., Trustee representing Forum synergies India Trust	98,687
3.	Chayadeep Ventures LLP	98,687
	Total	2,34,870

(3) Private Placement Allotment of 37,185 'Series B Preference Shares' of Face Value of Rs. 1/- each fully paid at Issue Price of Rs. 468.65/- per preference share is as under:

S. No.	Names of Person	Number of Shares Allotted
1.	Nadathur Estates Private Limited for and on behalf of Ojas Partners	37,185
	Total	37,185

(4) Private Placement Allotment of 1,73,371 'Series B Preference Shares' of Face Value of Rs. 1/- each fully paid at Issue Price of Rs. 468.65/- per preference share is as under:

S. No.	Names of Person	Number of Shares Allotted
1.	Inventus Capital Partners (Mauritius) Ltd.	37,497
2.	Nadathur Estates Private Limited for and on behalf of Ojas Partners	37,186
3.	IL&FS Trust Company Ltd., Trustee representing Forum synergies India Trust	98,688
	Total	1,73,371

(5) Private Placement Allotment of 98,688 'Series B Preference Shares' of Face Value of Rs. 1/- each fully paid at Issue Price of Rs. 468.65/- per preference share is as under:

S. No.	Names of Person	Number of Shares Allotted
1.	Chayadeep Ventures LLP	98,688
	Total	98,688

*The preference shares were fully paid-up on the date of their allotment.

b) As on the date of the Draft Red Herring Prospectus, our Company does not have any preference share capital.

4. Except as disclosed below, we have not issued any Equity Shares for consideration other than cash.

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
February 1, 2002	90,000	10.00	10.00	Other than Cash – Purchase of Partnership Firm M/s. Net Avenue Inc.	Business of Partnership Firm M/s. Net Avenue Inc. acquired by Company	Mr. Ritesh Katariya	45,000
						Mr. Rajesh Nahar	45,000
August 16, 2023	1,35,06,924	1	--	Other than Cash – Bonus Issue	Capitalization of Reserves	Mr. Rajesh Nahar	26,10,000
						Mr. Ritesh Katariya	30,60,000
						Ms. Sarala Nahar	4,50,000
						Mala Hareesh Tibrewala & Hareesh Vishwanath Tibrewala	2,33,580
						Sanjay P Mehta & Jai Shruti Mehta	2,33,640
						Paresh Sheth & Ketan Sheth	24,960
						Ketan Sheth & Paresh Sheth	29,640
						Dr. Prakash Amrut Mody	1,13,760
						M. Manifold Private Limited	1,10,040
						Net Avenue Technologies Employees Welfare Trust	5,12,400
						Inventus Capital Partners (Mauritius) Ltd.	18,61,662
						Nadathur Estates Private Limited for and on behalf of Ojas Partners	18,46,230
						IL&FS Trust Company Ltd., Trustee representing Forum synergies India Trust	11,84,256
						Chayadeep Ventures LLP	11,84,256
Sharda NatwarLal Shah	52,500						

5. No equity shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 and sections 230-234 of the Companies Act, 2013.

6. As on the date of the Draft Red Herring Prospectus, Our Company has not issued any equity shares under any employee stock option scheme but an Employee Welfare Trust namely 'Net Avenue Technologies Employees Welfare Trust' has been established by Company in the year 2013 for ESOP Purposes and Company has amended its ESOP policies from time to time.

7. We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
8. The Issue Price shall be decided by our Company in consultation with the Lead Manager, except conversion of different class of Equity shares and preference shares into one same class of equity shares and issue of bonus equity shares we have not issued any Equity Shares at price below issue price within last one year from the date of this Draft Red Herring Prospectus.

9. Shareholding Pattern of our Company

The table below presents the current shareholding pattern of our Company as per Regulation 31 of SEBI LODR Regulations as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)*				No. of Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form.\$ (XIV)
								Class Equity Shares of Rs.10/- each^	No of Voting Rights		Total as a % of (A+B+C)			No (a)	As a % of total Shares held (b)	No (a)	As a % of total Shares held (b)	
									Class	Total								
A	Promoter & Promoter Group	3	71,40,000	-	-	71,40,000	45.31	71,40,000	-	71,40,000	45.31	-	45.31	71,40,000	45.31	-	-	-
B	Public	11	80,20,278	-	-	80,20,278	50.90	80,20,278	-	80,20,278	50.90	-	50.90	80,20,278	50.90	-	-	-
C	Non - Promoter Non - Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	1	5,97,800	-	-	5,97,800	3.79	5,97,800	-	5,97,800	3.79	-	3.79	5,97,800	3.79	-	-	-
	Total	15	1,57,58,078	-	-	1,57,58,078	100.00	1,57,58,078	-	1,57,58,078	100.00	-	100.00	1,57,58,078	100.00	-	-	-

*As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 1/- each.

\$ Our Company has applied for ISIN activation with CDSL and NSDL.

10. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Red Herring Prospectus are:

S. No.	Name	Shares Held (Face Value of Rs. 1 each)	Percentage of the Pre Issue paid up Capital (%)
1.	Mr. Rajesh Nahar	30,45,000	19.32
2.	Mr. Ritesh Katariya	35,70,000	22.66
3.	Ms. Sarala Nahar	5,25,000	3.33
4.	Mala Hareesh Tibrewala & Hareesh Vishwanath Tibrewala	2,72,510	1.73
5.	Sanjay P Mehta & Jai Shruti Mehta	2,72,580	1.73
6.	Net Avenue Technologies Employees Welfare Trust	5,97,800	3.79
7.	Inventus Capital Partners (Mauritius) Ltd.	21,71,939	13.78
8.	Nadathur Estates Private Limited for and on behalf of Ojas Partners	21,53,935	13.67
9.	IL&FS Trust Company Ltd., Trustee representing Forum synergies India Trust	13,81,632	8.77
10.	Chayadeep Ventures LLP	13,81,632	8.77
	Total	1,53,72,028	97.55

11. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two years prior to this Draft Red Herring Prospectus are:

S. No.	Name	Shares Held (Face Value of Rs. 1 each)	Percentage of the Pre Issue paid up Capital (%)
	'Class A Equity Shares'		
1.	Mr. Rajesh Nahar	4,35,000	2.76
2.	Mr. Ritesh Katariya	5,10,000	3.24
	'Series A Preference Shares'		
3.	Inventus Capital Partners (Mauritius) Ltd.	2,35,282	1.49
4.	Nadathur Estates Private Limited for and on behalf of Ojas Partners	2,33,332	1.48
	'Series B Preference Shares'		
5.	IL&FS Trust Company Ltd., Trustee representing Forum synergies India Trust	1,97,375	1.25
6.	Chayadeep Ventures LLP	1,97,375	1.25
	Total	18,08,364	11.47

12. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus are:

S. No.	Name	Shares Held (Face Value of Rs. 1 each)	Percentage of the Pre Issue paid up Capital (%)
	'Class A Equity Shares'		
1.	Mr. Rajesh Nahar	4,35,000	2.76
2.	Mr. Ritesh Katariya	5,10,000	3.24
	'Series A Preference Shares'		
3.	Inventus Capital Partners (Mauritius) Ltd.	2,35,282	1.49
4.	Nadathur Estates Private Limited for and on behalf of Ojas Partners	2,33,332	1.48
	'Series B Preference Shares'		

5.	IL&FS Trust Company Ltd., Trustee representing Forum synergies India Trust	1,97,375	1.25
6.	Chayadeep Ventures LLP	1,97,375	1.25
	Total	18,08,364	11.47

13. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus are:

S. No.	Name	Shares Held (Face Value of Rs. 1 each)	Percentage of the Pre Issue paid up Capital (%)
1.	Mr. Rajesh Nahar	30,45,000	19.32
2.	Mr. Ritesh Katariya	35,70,000	22.66
3.	Ms. Sarala Nahar	5,25,000	3.33
4.	Mala Hareesh Tibrewala & Hareesh Vishwanath Tibrewala	2,72,510	1.73
5.	Sanjay P Mehta & Jai Shruti Mehta	2,72,580	1.73
6.	Net Avenue Technologies Employees Welfare Trust	5,97,800	3.79
7.	Inventus Capital Partners (Mauritius) Ltd.	21,71,939	13.78
8.	Nadathur Estates Private Limited for and on behalf of Ojas Partners	21,53,935	13.67
9.	IL&FS Trust Company Ltd., Trustee representing Forum synergies India Trust	13,81,632	8.77
10.	Chayadeep Ventures LLP	13,81,632	8.77
	Total	1,53,72,028	97.55

14. Our Company has not made any public issue (including any rights issue to the public) since its incorporation.
15. Our Company does not have any intention or proposal to alter our capital structure within a period of six (6) months from the date of opening of the Offer by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise., except that if our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

16. Shareholding of our Promoter

As on the date of this Draft Red Herring Prospectus, our Promoters hold 41.98% of the pre- Offered, subscribed and paid-up Equity Share capital of our Company.

Build-up of the shareholding of our Promoter in our Company since incorporation:

Date of Allotment and made fully paid up /transfer	Nature of Issue	No. of Equity Shares	Face Value Per Share (₹)	Issue /Acquisition/ Transfer Price per Equity Share (₹)*	Pre-Issue Shareholding %	Post-Issue Shareholding %
Mr. Rajesh Nahar						
On Incorporation	Subscriber to MOA	2,500	10.00	10.00	--	--
February 1, 2002	Further Allotment	45,000	10.00	10.00	--	--
June 6, 2003	Transfer ⁽ⁱ⁾	(100)	10.00	10.00	--	--

November 10, 2003	Acquisition by way of Transfer ⁽ⁱⁱ⁾	100	10.00	10.00	--	--
November 10, 2003	Further Allotment	5,000	10.00	10.00	--	--
August 18, 2007	Transfer ⁽ⁱⁱⁱ⁾	(9,000)	10.00	10.00	--	--
Pursuant to Shareholders Resolution dated March 5, 2012 the shares were sub divided each equity Shares of Rs. 10/- into 10 equity shares of Rs. 1 each. The details of Shareholding of our Promoter after sub-division is as follows:						
--	--	4,35,000	--	--	2.76	[●]
August 16, 2023	Bonus Issue	26,10,000	1.00	--	16.56	
Total A		30,45,000			19.32	[●]
Mr. Ritesh Katariya						
On Incorporation	Subscriber to MOA	2,500	10.00	10.00	--	--
February 1, 2002	Further Allotment	45,000	10.00	10.00	--	--
June 6, 2003	Transfer ^(iv)	(100)	10.00	10.00	--	--
November 10, 2003	Acquisition by way of Transfer ^(v)	100	10.00	10.00	--	--
November 10, 2003	Further Allotment	5,000	10.00	10.00	--	--
June 25, 2007	Transfer ^(vi)	(18,000)	10.00	10.00	--	--
August 18, 2007	Acquisition by way of Transfer ^(vii)	9,000	10.00	10.00	--	--
January 27, 2011	Acquisition by way of Transfer ^(viii)	44	10.00	10.00	--	--
January 27, 2011	Transfer ^(ix)	(44)	10.00	10.00	--	--
Pursuant to Shareholders Resolution dated March 5, 2012 the shares were sub divided each equity Shares of Rs. 10/- into 10 equity shares of Rs. 1 each. The details of Shareholding of our Promoter after sub-division is as follows:						
--	--	4,35,000	--	--	2.76	[●]
March 27, 2017	Acquisition by way of Transfer ^(x)	75,000	1.00	--	0.48	[●]
August 16, 2023	Bonus Issue	30,60,000	1.00	--	19.42	[●]
Total B		35,70,000			22.66	[●]
Grand Total (A+B+C)		66,15,000			41.98	[●]

(i) Details of Share transfer by Mr. Rajesh Nahar dated June 6, 2003

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	June 6, 2003	Mr. Rajesh Nahar	100	Mr. A Praveen Kumar
Total			100	

(ii) Details of Share transfer to Mr. Rajesh Nahar dated November 10, 2003

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	November 10, 2003	Mr. A Praveen Kumar	100	Mr. Rajesh Nahar
Total			100	

(iii) Details of Share transfer by Mr. Rajesh Nahar dated August 18, 2007

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	August 18, 2007	Mr. Rajesh Nahar	9,000	Mr. Ritesh Katariya
Total			9,000	

(iv) Details of Share transfer by Mr. Ritesh Katariya dated June 6, 2003

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	June 25, 2007	Mr. Ritesh Katariya	100	Mr. Motichand

(v) Details of Share transfer to Mr. Ritesh Katariya dated November 10, 2003

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	June 25, 2007	Mr. Motichand	100	Mr. Ritesh Katariya

(vi) Details of Share transfer by Mr. Ritesh Katariya dated June 25, 2007

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	June 25, 2007	Mr. Ritesh Katariya	9,000	Mala Hareesh Tibrewala & Hareesh Vishwanath Tibrewala
2.	June 25, 2007	Mr. Ritesh Katariya	9,000	Sanjay P Mehta & Jai Shruti Mehta
Total			18,000	

(vii) Details of Share transfer of Mr. Ritesh Katariya dated August 18, 2007

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	August 18, 2007	Mala Hareesh Tibrewala & Hareesh Vishwanath Tibrewala	3,825	Mr. Ritesh Katariya
2.	August 18, 2007	Sanjay P Mehta & Jai Shruti Mehta	3,824	Mr. Ritesh Katariya
3.	August 18, 2007	Mr. Ritesh Katariya	5	Amla Abhim Samanta
4.	August 18, 2007	Mr. Ritesh Katariya	566	Pareesh Sheth & Ketan Sheth
5.	August 18, 2007	Mr. Ritesh Katariya	674	Ketan Sheth & Pareesh Shet
6.	August 18, 2007	Mr. Ritesh Katariya	119	Anita Bharat Shah & Bharat D Shah
7.	August 18, 2007	Mr. Ritesh Katariya	2,586	Dr. Prakash Amrut Mody
8.	August 18, 2007	Mr. Ritesh Katariya	1,195	N.A. Shah (HUF)
9.	August 18, 2007	Mr. Ritesh Katariya	2,504	M. Manifold Private Limited
10.	August 18, 2007	Mr. Rajesh Nahar	9000	Mr. Ritesh Katariya
Total			9,000	

(viii) Details of Share transfer to Mr. Ritesh Katariya dated January 27, 2011

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	January 27, 2011	Mala Hareesh Tibrewala & Hareesh Vishwanath Tibrewala	22	Mr. Ritesh Katariya
2.	January 27, 2011	Sanjay P Mehta & Jai Shruti Mehta	22	Mr. Ritesh Katariya
Total			44	

(ix) Details of Share transfer by Mr. Ritesh Katariya dated January 27, 2011

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	January 27, 2011	Mr. Ritesh Katariya	44	Harsh Charandas Mariwala
Total			44	

(x) Details of Share transfer by Mr. Ritesh Katariya dated March 27, 2017

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	March 27, 2017	Mr. Kwarlal Katariya	75,000	Mr. Ritesh Katariya
Total			75,000	

17. Details of the Pre and Post Issue Shareholding of our Promoter and Promoter Group as on the date of the Draft Red Herring Prospectus is as below: -

Category of Promoter	Pre-Offer		Post-Offer	
	No. of Shares	% of Pre-Offer Capital	No. of Shares	% of Post- Offer Capital
Promoter				
Mr. Rajesh Nahar	30,45,000	19.32	30,45,000	[●]
Mr. Ritesh Katariya	35,70,000	22.66	35,70,000	[●]
Total (A)	66,15,000	41.98	66,15,000	[●]
Promoter Group				
Ms. Sarala Nahar	5,25,000	3.33	5,25,000	[●]
Total (B)	5,25,000	3.33	5,25,000	[●]
Grand total (A+B)	71,40,000	45.31	71,40,000	[●]

18. Except as provided below there are no Equity Shares purchased/acquired or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

Date of Transaction	Number of Equity Shares Allotted/ Acquired/(Sold)	Face Value (Rs.)	Issue Price/ Acquired Price (Rs.)*	Nature	Nature of Consideration	Name of the Allottees/ Transferor/transferee	Category
August 16, 2023	26,10,000	1.00	--	Bonus Issue	Capitalization of reserves	Mr. Rajesh Nahar	Promoter and Chairman cum Managing Director
August 16, 2023	30,60,000	1.00	--	Bonus Issue	Capitalization of reserves	Mr. Ritesh Katariya	Promoter and Whole-Time Director
August 16, 2023	4,50,000	1.00	--	Bonus Issue	Capitalization of reserves	Ms. Sarala Nahar	Promoter Group

*The maximum and minimum price at which the aforesaid transaction was made is nil per Equity Share.

19. None of our Directors, Key Managerial Personnel or Senior Management hold any Equity Shares other than as set out below:

Name	Designation	No. of Equity Shares held
Mr. Rajesh Nahar	Chairman cum Managing Director	30,45,000
Mr. Ritesh Katariya	Whole-Time Director	35,70,000

20. None of our Promoter, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

21. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Mr. Rajesh Nahar	30,45,000	0.14
Mr. Ritesh Katariya	35,70,000	0.12

*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 1/- each.

22. Details of Promoter's Contribution locked in for three years:

Date of Allotment / transfer of fully paid up Shares	Date when made Fully paid up	Nature of Allotment/ Acquired/Transfer	No. of shares Allotted/ Acquired Transferred	Face Value (Rs.)	Issue Price/ Transfer Price (Rs.)	% of Pre Issue Shareholding	% of Post Issue Shareholding	Lock in Period
Mr. Rajesh Nahar								
August 16, 2023	August 16, 2023	Bonus Issue	22,00,000	1.00	--	13.96	[●]	3 Years
Mr. Ritesh Katariya								
August 16, 2023	August 16, 2023	Bonus Issue	22,00,000	1.00	--	13.96	[●]	3 Years
Total			44,00,000			27.92	[●]	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 236 of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

No Equity Shares proposed to be locked-in as Minimum Promoter Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-Issue shareholding of the Promoter, other than the Minimum Promoter contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoter, Mr. Rajesh Nahar and Mr. Ritesh Katariya has, by a written undertaking, consented to have 44,00,000 Equity Shares held by him to be locked in as Minimum Promoter Contribution for a period of three years from the date of allotment in this Issue and will not be disposed/sold/transferred by the promoter during the period starting from the date of filing this Draft Red Herring Prospectus with SME Platform of National Stock Exchange of India Limited till the date of commencement of lock-in period as stated in this Draft Red Herring Prospectus. The Equity Shares under the Promoters contribution will constitute [●] % of our post-Issue paid up share capital.

Our Promoter has also consented that the Promoters contribution under Regulation 236 of the SEBI ICDR Regulations will not be less than 20% of the post Issue paid up capital of our Company.

Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237 of SEBI (ICDR) Regulations, 2018

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237 (1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter's contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. Hence Eligible
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or	The minimum Promoter's contribution does not consist of such Equity Shares. Hence

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	<u>Eligible</u>
237 (1) (b)	Specified securities acquired by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer.	The minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible.</u>
237 (1) (c)	Specified securities allotted to the promoters and alternative investment funds during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management	The minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible.</u>
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoter's has not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible.</u>

Details of Share Capital Locked in For One Year

In terms of Regulation 236 and 237 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for 3 (three) years, as specified above, the entire pre-issue equity share capital held by promoters and entire pre-issue capital held by persons other than promoters of our Company i.e. Promoter Group members and Public i.e. 1,13,58,078 Equity Shares shall be locked in for a period of 1 (one) year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

Other requirements in respect of lock-in:

- a) In terms of Regulation 242 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- b) In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the company subject to continuation of the lock-in in

the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

23. None of our Promoter, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.
24. Neither, we nor our Promoter, Directors and the Book Running Lead Manager to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
25. As on the date of filing of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person, any option to acquire our Equity Shares after this Initial Public Issue.
26. As on the date of the Draft Red Herring Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.
27. Our Company has not raised any bridge loan against the proceeds of the Issue.
28. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
29. As on the date of the Draft Red Herring Prospectus, none of the shares held by our Promoter / Promoters Group are subject to any pledge.
30. The Lead Manager i.e. Shreni Shares Limited (Formerly Known as Shreni Shares Private Limited) and their associates do not hold any Equity Shares in our Company as on the date of filing of the Draft Red Herring Prospectus.
31. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares Issued have been listed or application moneys refunded on account of failure of Issue.
32. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments
33. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
34. An over-subscription to the extent of 2% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue. In such an event, the Equity Shares held by the Promoter is used for allotment and lock-in for three years shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
35. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
36. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
37. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.

38. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
39. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
40. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
41. As on the date of the Draft Red Herring Prospectus, Our Company has not issued any equity shares under any employee stock option scheme but an Employee Welfare Trust namely 'Net Avenue Technologies Employees Welfare Trust' has been established by Company in the year 2013 for ESOP Purposes and Company has amended its ESOP policies from time to time.
42. There are no Equity Shares against which depository receipts have been issued.
43. Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of the Draft Red Herring Prospectus.
44. We have 15 Shareholders as on the date of filing of the Draft Red Herring Prospectus.
45. There are no safety net arrangements for this Public Issue.
46. Our Promoter and Promoter Group will not participate in this Issue.
47. This Issue is being made through Book Building Method.
48. Except as disclosed in the Draft Red Herring Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of the Draft Red Herring Prospectus.
49. No person connected with the Issue shall issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
50. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue includes a public Issue of upto 57,00,000 Equity Shares of our Company at an Issue Price of [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

1. Customer Acquisition - Marketing & Awareness
2. Funding Working Capital Requirement
3. General Corporate Purpose
4. To Meet the Issue Expenses

(Collectively referred as the “objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of National Stock Exchange of India Limited (NSE EMERGE). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause of our Memorandum of Association (MOA) enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association (MOA).

REQUIREMENT OF FUNDS

The details of the proceeds from the Issue are provided in the following table:

Particulars	Amt. (₹ in Lakhs)
Gross Issue Proceeds*	[●]
Less: Public Issue Related Expenses*	[●]
Net Issue Proceeds*	[●]

**To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC*

UTILISATION OF NET PROCEEDS

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

S. No	Particulars	Amt. (₹ in Lakhs)	% of Total Size
1.	Customer Acquisition - Marketing & Awareness	698.64	[●]
2.	Funding Working Capital Requirement*	120.00	[●]
3.	General Corporate Expenses*	[●]	[●]
Net Issue Proceeds		[●]	[●]

**To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC*

PROPOSED SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF THE NET PROCEEDS

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(₹ In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in F.Y. 2023-24*	Amount to be deployed and utilized in F.Y. 2024-25*
1.	Customer Acquisition - Marketing & Awareness	174.66	523.98

2.	Funding Working Capital Requirement*	120.00	-
3.	General Corporate Expenses*	[●]	[●]
	Total	[●]	[●]

* To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net Issue Proceeds in the subsequent Financial Years towards the Object.

Funds Deployed and Source of Funds Deployed:

Our Statutory Auditors **M/s. PKF Sridhar & Santhanam LLP**, Chartered Accountants vide their certificate dated [●] vide UDIN [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt. (₹ in Lakhs)*
Issue Expenses	[●]
Total	[●]

*Amount exclusive of applicable taxes.

Sources of Financing for the Funds Deployed:

Our Statutory Auditors **M/s. PKF Sridhar & Santhanam LLP.**, Chartered Accountants vide their certificate dated [●] vide UDIN [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt. (₹ in Lakhs)*
Internal Accruals	[●]
Total	[●]

*Amount exclusive of applicable taxes.

MEANS OF FINANCE

We intend to finance our Objects of Issue through Net Proceeds which is as follows:

Particulars	Amt. (₹ in Lakhs)
Net Proceeds	[●]
Total	[●]

Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds. We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Draft Red Herring Prospectus.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently

our fund requirements may also change. Our Company’s historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company’s management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “Risk Factors” beginning on page 28 of the Draft Red Herring Prospectus.

DETAILS OF USE OF ISSUE PROCEEDS

1. Customer Acquisition - Marketing & Awareness

Marketing to acquire customers and create brand awareness is the most important component of the overall fundraising objectives of our company. Being an e-commerce business the immediate need for us is to grow our revenues by acquiring customers with the best ROAS (Return on Advertisement Spend) metric.

Our major thrust is to enhance the marketing digitally through platforms like Google (search, videos, shopping) & Meta (Facebook, Instagram and WhatsApp) across the key markets mainly in the USA, UK, Canada and India. We have identified a large market opportunity in countries where there is a large south Asian diaspora. We propose to utilize ₹698.64 Lakhs from the Net Proceeds of the Issue to fund the sales and marketing requirements of our Company in Fiscal Years 2024 and 2025.

Object (Amount in Lakhs)	Expenses incurred on Marketing for FY 2021-22	Expenses incurred on Marketing for FY 2022-23	Amount to be financed from Net Proceeds	Estimated Utilization of Net Proceeds in FY 2023-24	Estimated Utilization of Net Proceeds in FY 2024-25
Customer Acquisition - Marketing & Awareness					
Google Ads	₹285.10	₹210.69	₹372.20	₹92.00	₹280.20
Meta - Facebook Platforms	₹30.14	₹156.87	₹284.62	₹70.36	₹214.26
Search Engine Optimization (SEO)	₹0	₹3.00	₹41.82	₹12.30	₹29.52
Total	315.24	370.56	₹698.64	₹174.66	₹523.98

Detailed breakup of Marketing is as per the certificate dated September 29, 2023 having UDIN: 23197498BGWSGQ8650 received from M/s Hcsl And Company, Chartered Accountants.

Objectives of Customer Acquisition - Marketing & Awareness:

- **Expand Customer base:** We plan to extensively use the AI (Artificial Intelligence) capabilities of Google and Meta ecosystems especially Shopping, Search, Video Shopping and run campaigns across the USA, UK, Canada and India to acquire users. Our online website and app is technically integrated with Google and Meta pixels so that we are able to convert the users as customers.
- **Increase Brand Awareness:** Customers are aspirational and they love to shop from brands which have a high aesthetic appeal and experience. We plan to engage with celebrity influencers and popular influencers to build social awareness and acceptance on platforms like Instagram, Youtube.
- **Focus on SEO for Organic Traffic:** On our websites on average we get 50% of traffic through organic channel. The major source is ‘Google’ search, shopping and video. We are investing on getting our strategy and action plan in place to improve our impression and click share through the organic channel.

Benefits of Customer Acquisition - Marketing & Awareness:

- **Growth in Transactions & Revenue:** Historically, we have been investing in the various shopping, search and brand awareness campaigns on both Google and Meta(Facebook) and we have seen an uplift in revenue with these campaigns. With the right strategy and execution framework, through these campaigns we would see a good growth in customer transactions and revenue. Our online store front is deeply integrated with google and Meta (Facebook) platforms through API (Application programming interface) and pixels and this has helped us to achieve a good growth in FY22 and FY23.
- **Benefits of economies of scale:** We believe that as we increase in revenue we would be able to leverage better pricing from our suppliers of goods and service providers. Our ability to make faster payments and get higher volume of purchase would help us to get better discounts and preferential service from our suppliers.
- **Early Access to Google & Meta Products:** From our past interactions and experience working with Google and Meta we see that customers who have a higher budget of campaign spends get preferential support. This support is important for our marketing to understand the new marketing product features and also get early access to these products. This would help us to get an early mover advantage over competitors.
- **Enhanced Brand Image:** An increase in customer base and revenue would also have an effect on the brand image across all the dimensions of our business ecosystem. This would help us in valuation and also organic followers.

2. Funding Working Capital Requirement

Since Incorporation, our Company is engaged in E-commerce industry. The Business of the Company is working capital intensive; hence it will meet the requirement to the extent of ₹120.00 Lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirements of the business. The Company will be utilizing the additional working capital for expansion of its business activities.

In our industry, it is important to keep the trade payable credit terms lower in order to get competitive pricing from the suppliers. Currently our credit term is on the higher side because of which we are not able to enjoy the competitive price from our suppliers. We intend to utilize ₹[●] Lakhs from the net proceeds to pay our suppliers and bring down the credit period. This will help us to procure products at competitive price and thereby better pricing to customers and increased business. We have not planned to significantly increase the inventory from the current levels. Any further increase in inventory will be funded by internal accruals.

Details of Estimation of Working Capital requirement are as follows:

S. No	Particulars	Actual (Restated)	Actual (Restated)	Actual (Restated)	Provisional
		31-March-21	31-March-22	31-March-23	31-March-24
I	Current Assets				
	Current Investments	-	-	-	-
	Trade receivables	70.80	57.49	127.83	109.80
	Inventories	268.90	568.47	722.71	778.00
	Cash and cash equivalents	112.44	266.92	183.98	83.46
	Short term loan & Advances	41.82	34.91	16.48	16.48
	Other Current Assets	2760.19	1726.97	1039.93	1040.16
	Total(A)	3254.14	2654.76	2090.93	2027.90
II	Current Liabilities				
	Trade payables	411.05	520.41	454.47	381.00
	Short Term Provisions	10.56	56.86	116.01	65.00
	Other Current Liabilities	3024.09	2114.17	1186.10	1193.11
	Total (B)	3445.70	2691.44	1756.58	1639.11
III	Total Working Capital Gap (A-B)	(191.56)	(36.68)	334.35	388.79
IV	Funding Pattern				

(₹ In Lakhs)

	Short-term borrowing & Internal Accruals	-	-	334.35	268.79
	IPO Proceeds				120.00

As per the certificate dated September 29, 2023 having UDIN: 23197498BGWSGQ8650 received from M/s Hcsl And Company, Chartered Accountants.

Key assumptions for working capital projections made by the Company:

Particulars	Actual March 31, 2021	Actual March 31, 2022	Actual March 31, 2023	Provisional March 31, 2024	Projected March 31, 2025
Debtors (in days)	19	7	14	11	12
Creditors (in days)	130	74	60	50	50
Inventory (in days)	142	177	189	204	190

S. No.	Particulars
Creditor Days	Product suppliers who supplies apparels & accessories has a higher credit period of over 120 days where as service providers like courier partners, google etc. has credit period of 30 days. Post raising funding, we intend to clear more than 90 days outstanding of product suppliers and maintain the 90 days credit terms. Combination of lesser credit terms and increased business volume to product suppliers will help us to get better price from them. This would enable us to offer competitive price to our customers.
Debtor Days	Debtor days for our own portal sales is 7 days. i.e within 7 days of receipt of orders we would get the money in our bank account. Debtor days of other market palces like Myntra, Nykaa etc. are 30 days. For the year FY 2024, the sales from own portal is estimated to be higher than the previous year. Since our own portal sales has lower debtor days, there is a reduction in trade receivables. The debtor days in FY 2023 was 14 days and it is estimated to be 11 days for FY 2024. We expect the debtor days to be in the range of 10 to 15 days only.
Inventory days	Inventory includes fabrics and finished goods. We have started launching wedding collection whose average price is very high compared to our regular collections. We have also planned to increase the width of the product lines to cater to the growth. These are the primary reasons for increase in inventory. The inventory days for FY 2023 was 189 days where for FY 2024 it is 207 days. The higher inventory days is because of premium product launches like wedding collections and increase in width of the product lines.

Justification for negative working capital in the FY 2021 and 2022

FY 2021

In FY 2021, our company experienced negative working capital primarily due to two key factors:

Higher Creditor Days (130 Days)

One of the primary contributors to negative working capital in FY 2021 was the significant increase in creditor days, which reached 130 days. This metric reflects the average number of days it takes for us to pay our trade creditors or suppliers.

Rationale for Higher Creditor Days

The year FY 2021 coincided with the COVID-19 pandemic, which had a profound impact on our business operations. As a result of the economic uncertainty and disruptions caused by the pandemic, we extended our payment terms with suppliers to conserve cash and navigate the challenging business environment. This strategic decision was made to ensure the financial stability of the company during a period of uncertainty.

Lower Value Inventory

Another contributing factor to negative working capital in FY 2021 was the relatively lower value of our inventory during this year.

Rationale for Lower Value Inventory

The economic uncertainty brought about by the pandemic led us to be cautious with our inventory management. We adopted a conservative approach to inventory to avoid overstocking and potential write-downs due to shifting market dynamics.

FY 2022 Onwards

Starting from FY 2022, there has been a strategic shift in our working capital management:

Inventory Expansion

We initiated a deliberate effort to increase our inventory levels to cater to the growing demand expected in the later months.

Rationale for Inventory Expansion

Recognizing the evolving market conditions and the recovery from the pandemic's impact, we proactively increased our inventory levels to meet the anticipated surge in demand. This strategic move positions us to capitalize on market opportunities and fulfill customer orders promptly.

Higher Trade Payable

The increase in inventory levels is complemented by higher trade payable.

Rationale for Higher Trade Payable

Since we were expanding our inventory, the payable to vendor has increased resulting in higher trade payables.

Conclusion

The temporary negative working capital in FY 2021 was a prudent response to the exceptional circumstances posed by the COVID-19 pandemic. The strategic extension of creditor days and conservative inventory management were measures aimed at ensuring the company's financial resilience during a period of economic uncertainty.

Moving into FY 2022 and beyond, we have shifted our working capital strategy to align with the evolving market dynamics and the recovery of business operations. This has resulted in reduction of negative working capital from -191.5 Lakhs in FY 2021 to -36 Lakhs in FY 2022.

Justification for increase in working capital requirement

To grow sustainably it is important that the products are priced competitively to our customers. To achieve competitive pricing, we need to source it at right price which is possible only when supplier credit terms are shorter. We intend to bring down the supplier's credit days which would help us to command competitive pricing from our suppliers.

Our company is embarking on a significant expansion strategy to enhance our product offerings and market reach. The fund raise is instrumental in supporting this growth initiative.

Expansion of Premium Product Categories:

We are introducing premium product categories, including Lehenga Choli and Salwar Kameez, tailored for wedding occasions. These premium products command higher prices and cater to a discerning customer segment.

Rationale

Expanding into premium categories necessitates a larger investment in inventory, as the products are typically priced higher and require careful design and quality control. The working capital increase is crucial to ensure we can adequately stock these premium collections.

Diversification of Product Offerings

In addition to premium categories, we are also widening our product range within existing categories. This strategy allows us to offer a more extensive variety of designs and styles to our customers.

Rationale

A wider range of collections attracts a broader customer base and drives increased sales. However, to stock this expanded inventory, we need to raise our working capital to maintain optimal stock levels.

Expansion into New Categories

We are poised to enter new categories, including Men's wear and Kid's wear, to diversify our product portfolio and tap into additional market segments.

Rationale

The introduction of entirely new product lines requires substantial investment in fabric inventory, which is essential to maintain consistent supply and offer a diverse selection to customers.

Reduction in Vendor Payable Days

Currently, we maintain a credit period of over 120 days with our product suppliers. As part of our growth strategy, we aim to reduce this product supplier credit period to 90 days. Our service provider has a credit period of 30 days which we would continue to maintain. Currently we have a weighted average credit period of 60 days which we intend to bring it down to 50 days.

Rationale

Shorter payment terms are vital to securing products at competitive prices. By reducing vendor payable days, we can negotiate better terms with suppliers, ensuring we can offer more attractive prices to our customers. This adjustment aligns with our commitment to delivering high value and competitive pricing.

All these initiatives like expansion into premium categories, wider product ranges, introduction of new categories, and shorter payment terms significantly increase our working capital requirements.

Rationale: Working capital is the lifeblood of our business. It enables us to maintain adequate inventory levels, fulfill customer orders promptly, and leverage opportunities in the market. The fund raise is vital to meeting these growing working capital needs.

Utilization of Fund Raise

A portion of the net proceeds from the fund raise will be dedicated to funding our working capital requirements, including inventory expansion and the reduction of vendor payable days.

Rationale

By investing in working capital, we are strengthening our ability to seize growth opportunities, optimize our inventory, and maintain competitive pricing, ultimately benefiting our customers and shareholders.

In summary, the need for a higher working capital post the fund raise is rooted in our strategic growth initiatives. As we expand into premium product categories, widen our product ranges, enter new markets, and negotiate more favorable supplier terms, a robust working capital position becomes essential to fuel these endeavors effectively. The fund raise is a strategic move that ensures we have the financial capacity to meet these requirements and continue delivering value to our customers while driving sustainable growth for our company.

3. General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating Rs. [●] Lakhs towards the general corporate

purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Red Herring Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

ESTIMATED ISSUE RELATED EXPENSES

The estimated Issue related expenses include Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. [●] Lakhs which is [●]% of the Issue Size. All the Issue related expenses shall be proportionately met out from proceeds of the Issue as per applicable laws. The break-up of the same is as follows:

Particulars	Estimated expenses (Rs. In Lakhs) *	As a % of total estimated Issue related expenses*	As a % of the total Issue size*
Book Running Lead Manager Fees including underwriting commission	[●]	[●]	[●]
Brokerage, selling, commission and upload fees	[●]	[●]	[●]
Registrar to the issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of issue stationery	[●]	[●]	[●]
Others, if any (market making, depositories, marketing fees, secretarial, peer review auditors, etc.)	[●]	[●]	[●]
Total Estimated Issue Expenses	[●]	[●]	[●]

* To be incorporated in the Prospectus after finalisation of the Issue Price.

Notes:

- 1) Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:
 Portion for RIIs 0.01% ^ or ₹ 100/- whichever is less ^ (exclusive of GST)
 Portion for NIIs 0.01% ^ or ₹ 100/- whichever is less ^ (exclusive of GST)
 ^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).
- 2) The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
- 3) Registered Brokers, will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.
- 4) SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs
- 5) Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.

APPRAISAL

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

SHORTFALL OF FUNDS

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

BRIDGE LOANS

As on the date of this Draft Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

MONITORING OF UTILIZATION OF FUNDS

The Audit Committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

INTERIM USE OF FUNDS

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

VARIATION IN OBJECTS

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

OTHER CONFIRMATIONS / PAYMENT TO PROMOTERS AND PROMOTER'S GROUP FROM THE IPO PROCEEDS

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the LM on the basis of an assessment of market demand for the Equity Shares issued through the fixed price method and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares of our Company is ₹1/- each and the Issue Price is [●] times of the face value.

Investors should read the following basis with the section titled “Risk Factors” and chapters titled “Restated Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Our Business” beginning on page 28 and 188, 264 and 128 respectively, of this Draft Red Herring Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

QUALITATIVE FACTORS

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “Our Business” beginning on page 128 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

Information presented below is derived from our Company’s Restated Financial Statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic and Diluted Earnings / (Loss) Per Share (“EPS”)

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated Standalone Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated Standalone Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding after adjusting adjusted for the effects of all dilutive potential equity shares}}$$

On Standalone Basis

S. No	Period	Basic (₹)	Weights
1.	FY 2020-21	0.31	1
2.	FY 2021-22	3.33	2
3.	FY 2022-23	2.21	3
	Weighted Average	2.27	6

S. No	Period	Diluted (₹)	Weights
1.	FY 2020-21	0.27	1
2.	FY 2021-22	2.96	2
3.	FY 2022-23	1.96	3
	Weighted Average	2.01	6

On Consolidated Basis

S. No	Period	Basic (₹)	Weights
1.	FY 2020-21	0.28	1
2.	FY 2021-22	3.11	2
3.	FY 2022-23	2.10	3
	Weighted Average	2.13	6

S. No	Period	Diluted (₹)	Weights
1.	FY 2020-21	0.24	1
2.	FY 2021-22	2.77	2

3.	FY 2022-23	1.87	3
	Weighted Average	1.90	6

Notes:

i. The figures disclosed above are based on the restated financial statements of the Company.

ii. The face value of each Equity Share is ₹1.00.

The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV of respective Consolidated and Standalone financials.

2. Price Earnings Ratio (“P/E”) in relation to the Issue Price of [●] /- per share of ₹ 10/- each fully paid-up – Post Bonus.

$$\text{Price to Earnings Ratio(P/E)} = \frac{\text{Issue Price}}{\text{Restated Standalone /Consolidated Earnings Per Share}}$$

S. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23	[●]
2	P/E ratio based on the Weighted Average EPS	[●]

Industry PE

Particulars	P/E*
Highest	697
Lowest	697
Average	697

* Based on Peer Group Companies as presented in Point 5 below.

3. Return on Net worth (RoNW)

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Standalone Profit After Tax attributable to Equity Shareholders}}{\text{Net Worth}} * 100$$

On Standalone Basis

S. No	Period	RONW (%)	Weights
1	FY 2020-21	(9.58)	1
2	FY 2021-22	1509.21	2
3	FY 2022-23	84.87	3
	Weighted Average	543.91	6

On Consolidated Basis

S. No	Period	RONW (%)	Weights
1	FY 2020-21	(10.12)	1
2	FY 2021-22	614.28	2
3	FY 2022-23	75.53	3
	Weighted Average	240.84	6

4. Net Asset Value (NAV)

$$\text{Restated Net Asset Value per equity share (₹)} = \frac{\text{Restated Standalone Net Worth as at the end of the year}}{\text{Number of Equity Shares outstanding}}$$

On Standalone Basis

Sr. No.	As at	NAV
1.	March 31, 2021	(22.55)

2.	March 31, 2022	1.54
3.	March 31, 2023	18.23
5.	NAV after Issue	[●]
	Issue Price	[●]

On Consolidated Basis

Sr. No.	As at	NAV
1.	March 31, 2021	(19.03)
2.	March 31, 2022	3.55
3.	March 31, 2023	19.46
5.	NAV after Issue	[●]
	Issue Price	[●]

5. Comparison of Accounting Ratios with Industry Peers

S. No.	Name of Company	Results Type	Face Value (₹)	EPS(₹) ³	PE ⁴	RoNW(%)	NAV per Share(₹)
1.	Net Avenue Technologies Limited	Standalone	1.00	2.21	[●]	84.87	18.23
2.	Nandini Creations	Standalone	10	0.11	697	0.58	24.55

¹ Based on March 31, 2023 restated financial statements

² Source: Based on Financial Results of Peer Group Companies

³ Basic & Diluted Earnings per share (EPS) is calculated on weighted average number of shares after considering Bonus Issue of Shares.

⁴ Price Earning (P/E) Ratio in relation to the Issue Price of [●] per share.

6. The face value of our shares is ₹1.00 per share and the Issue Price is of [●] per share which is [●] times of the face value.
7. The Issue Price has been determined by our Company in consultation with the Lead Manager and justified by our Company in consultation with the Lead Manager on the basis of above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment.

8. Key Performance Indicators ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers. The KPIs disclosed below have been approved, by a resolution of our Audit Committee dated September 29, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. A Y & Co., Chartered Accountants, by their certificate dated September 29, 2023 having UDIN 23421544BGSQFL6091.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

a) Key Performance Indicators of our Company.

(₹ in Lakhs except percentages)

On Standalone Basis

(Rs in lakhs)

Key Financial Performance	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations ⁽¹⁾	3343.54	3123.34	1380.02
EBITDA ⁽²⁾	210.77	305.98	12.25
EBITDA Margin ⁽³⁾	6.30%	9.80%	0.89%
PAT	185.70	279.63	25.93
PAT Margin ⁽⁴⁾	5.55%	8.95%	1.88%

Notes:

- (1) Revenue from operation means revenue from sales.
(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses
(3) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
(4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations

Set forth below are the details of comparison of key performance of indicators with our listed industry peers:

Name of Company	Net Avenue Technologies Limited			Nandani Creation Limited		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations ⁽¹⁾	3343.54	3123.34	1380.02	4475.61	5520.18	4568.857
EBITDA ⁽²⁾	210.77	305.98	12.25	351.91	237.52	439.7938
EBITDA Margin ⁽³⁾	6.30%	9.80%	0.89%	7.86%	4.30%	9.63%
PAT	185.7	279.63	25.93	10.99	10.22	149.90
PAT Margin ⁽⁴⁾	5.55%	8.95%	1.88%	0.25%	0.19%	3.28%

Explanation for KPI metrics

Key Financial Performance	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our Business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.

Operational KPI's of the Company:

Key Financial Performance	March 31, 2023	March 31, 2022	March 31, 2021
Revenue split between domestic and exports			
Domestic Market (in Lakhs)	639.86	632.52	256.22
Export Market (in Lakhs)	2,469.99	2,306.76	1,066.13
Domestic Market (%)	19.14	20.25	18.57
Export Market (%)	73.87	73.86	77.25
Other Operating Revenue	233.69	184.06	57.67
Other Operating Revenue (%)	6.99	5.89	4.18

Weighted average cost of acquisition

- a. **The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities):** There has been no issuance of Equity Shares during the 18 months preceding the date of this Draft Red Herring Prospectus (Except Bonus Issue of Shares), where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the

Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

- b. The price per share of our Company based on the secondary sale / acquisition of shares (equity shares):** There are no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.
- c. Since there are no such transactions to report to under (a) and (b) therefore, information shall be disclosed for price per share of the Issuer Company based on last 5 primary or secondary transactions (secondary transactions where promoter / promoter group entities or shareholder(s) selling shares through offer for sale in IPO or shareholder(s) having the right to nominate director(s) in the Board of the Issuer Company, are a party to the transaction), not older than 3 years prior to the date of filing of the Draft Red Herring Prospectus or Red Herring Prospectus, irrespective of the size of transactions.

Primary Transaction:

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
August 16, 2023	1,35,06,924	1	--	Other than Cash – Bonus Issue	Capitalization of Reserves	Mr. Rajesh Nahar	26,10,000
						Mr. Ritesh Katariya	30,60,000
						Ms. Sarala Nahar	4,50,000
						Mala Hareesh Tibrewala & Hareesh Vishwanath Tibrewala	2,33,580
						Sanjay P Mehta & Jai Shruti Mehta	2,33,640
						Pareesh Sheth & Ketan Sheth	24,960
						Ketan Sheth & Pareesh Sheth	29,640
						Dr. Prakash Amrut Mody	1,13,760
						M. Manifold Private Limited	1,10,040
						Net Avenue Technologies Employees Welfare Trust	5,12,400
						Inventus Capital Partners (Mauritius) Ltd.	18,61,662
						Nadathur Estates Private Limited for and on behalf of Ojas Partners	18,46,230
						IL&FS Trust Company Ltd., Trustee representing Forum synergies India Trust	11,84,256
						Chayadeep Ventures LLP	11,84,256
Sharda NatwarLal Shah	52,500						

Weighted average cost of acquisition on issue price

Types of transactions	Weighted average cost of acquisition (₹ per	Floor price (i.e. ₹ [●]/-)	Cap price (i.e. ₹ [●] /-)
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	Equity Shares)		
Weighted average cost of acquisition of primary / new issue as per paragraph a above.	--	--	--
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph b above.	--	--	--
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above – Primary Transaction	0.00	--	--

Note - *There was no primary / new issue of shares (equity/ convertible securities) other than Equity Shares issued pursuant to a bonus issue in last 18 months and three years prior to the date of this Draft Red Herring Prospectus.

Investors should read the above-mentioned information along with section titled “*Our Business*”, “*Risk Factors*” and “*Restated Financial Statements*” beginning on page 128, 28 and 188 respectively including important profitability and return ratios, as set out in chapter titled “*Other Financial Information*” on page 258 of this Draft Red Herring Prospectus to have a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors

Net Avenue Technologies Limited

New No. 16, Old No. 13, 1st Floor Prithvi Avenue,
Alwarpet Chennai-600018, Tamil Nadu, India.

Dear Sir,

Subject - Statement of possible tax benefits (“the statement”) available to Net Avenue Technologies Limited (“the company”) and its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.

REFERENCE - PROPOSED INITIAL PUBLIC OFFER OF NET AVENUE TECHNOLOGIES LIMITED EQUITY SHARES OF FACE VALUE OF Rs. 1 EACH (“EQUITY SHARES”)

We hereby confirm that the enclosed Annexure 1 and 2 (together “the Annexures”), prepared by Net Avenue Technologies Limited (‘the Company’), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (‘the Act’) as amended by the Finance Act 2023, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended by the Finance Act 2023, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India (together, the” Tax Laws”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

1. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.
2. We do not express any opinion or provide any assurance as to whether:
 - i) the Company or its shareholders will continue to obtain these benefits in future;
 - ii) the conditions prescribed for availing the benefits have been / would be met with; and
 - iii) the revenue authorities/courts will concur with the views expressed herein.
3. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
4. No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
5. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

6. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

For A Y & Company
Chartered Accountants
FRN: 020829C

CA Arpit Gupta
Partner
Membership No 421544
UDIN: 23421544BGSQFK5049

Place: Jaipur
Date: 28.09.2023

ANNEXURE 1 TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION

- A. SPECIAL TAX BENEFITS TO THE COMPANY** - The Company is not entitled to any special tax benefits under the Act.
- B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER** - The Shareholders of the Company are not entitled to any special tax benefits under the Act

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus.

ANNEXURE 2 TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the GST Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION

- A. SPECIAL TAX BENEFITS TO THE COMPANY** - The Company is not entitled to any special tax benefits under the GST Act.
- B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER** - The Shareholders of the Company are not entitled to any special tax benefits under the GST Act

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant indirect tax law benefits and does not cover any direct tax law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus.

SECTION VI – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

GLOBAL OUTLOOK

Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024. While the forecast for 2023 is modestly higher than predicted in the April 2023 World Economic Outlook (WEO), it remains weak by historical standards. The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to fall from 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward.

The recent resolution of the US debt ceiling standoff and, earlier this year, strong action by authorities to contain turbulence in US and Swiss banking, reduced the immediate risks of financial sector turmoil. This moderated adverse risks to the outlook. However, the balance of risks to global growth remains tilted to the downside. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. Financial sector turbulence could resume as markets adjust to further policy tightening by central banks. China's recovery could slow, in part as a result of unresolved real estate problems, with negative cross-border spillovers. Sovereign debt distress could spread to a wider group of economies. On the upside, inflation could fall faster than expected, reducing the need for tight monetary policy, and domestic demand could again prove more resilient.

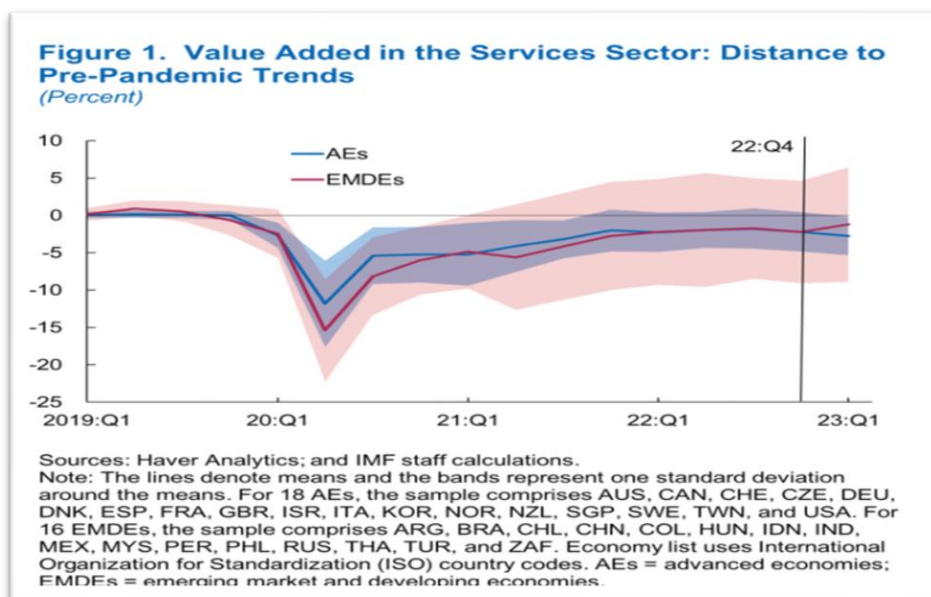
In most economies, the priority remains achieving sustained disinflation while ensuring financial stability. Therefore, central banks should remain focused on restoring price stability and strengthening financial supervision and risk monitoring. Should market strains materialize, countries should provide liquidity promptly while mitigating the possibility of moral hazard. They should also build fiscal buffers, with the composition of fiscal adjustment ensuring targeted support for the most vulnerable. Improvements to the supply side of the economy would facilitate fiscal consolidation and a smoother decline of inflation toward target levels.

Forces Shaping the Outlook

The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine is slowing amid widening divergences among economic sectors and regions.

The World Health Organization (WHO) announced in May that it no longer considers COVID-19 to be a "global health emergency." Supply chains have largely recovered, and shipping costs and suppliers' delivery times are back to pre-pandemic levels. But forces that hindered growth in 2022 persist. Inflation remains high and continues to erode household purchasing power. Policy tightening by central banks in response to inflation has raised the cost of borrowing, constraining economic activity. Immediate concerns about the health of the banking sector have subsided, but high interest rates are filtering through the financial system, and banks in advanced economies have significantly tightened lending standards, curtailing the supply of credit. The impact of higher interest rates extends to public finances, especially in poorer countries grappling with elevated debt costs, constraining room for priority investments. As a result, output losses compared with prepandemic forecasts remain large, especially for the world's poorest nations.

Despite these headwinds, global economic activity was resilient in the first quarter of 2023, with that resilience driven mainly by the services sector. The post-pandemic rotation of consumption back toward services is approaching completion in advanced economies (including in tourism dependent economies of southern Europe), and it accelerated in a number of emerging market and developing economies in the first quarter (Figure 1). However, as mobility returns to pre-pandemic levels, the scope for further acceleration appears more limited.



At the same time, nonservices sectors, including manufacturing, have shown weakness, and high-frequency indicators for the second quarter point to a broader slowdown in activity. Amid softening consumption of goods, heightened uncertainties regarding the future geoeconomic landscape, weak productivity growth, and a more challenging financial environment, firms have scaled back investment in productive capacity. Gross fixed capital formation and industrial production have slowed sharply or contracted in major advanced economies, dragging international trade and manufacturing in emerging markets with them. International trade and indicators of demand and production in manufacturing all point to further weakness. Excess savings built up during the pandemic are declining in advanced economies, especially in the United States, implying a slimmer buffer to protect against shocks, including those to the cost of living and those from more restricted credit availability.

The fight against inflation continues. Inflation is easing in most countries but remains high, with divergences across economies and inflation measures. Following the buildup of gas inventories in Europe and weaker-than-expected demand in China, energy and food prices have dropped substantially from their 2022 peaks, although food prices remain elevated. Together with the normalization of supply chains, these developments have contributed to a rapid decline in headline inflation in most countries. Core inflation, however, has on average declined more gradually and remains well above most central banks' targets. Its persistence reflects, depending on the particular economy considered, pass-through of past shocks to headline inflation into core inflation, corporate profits remaining high, and tight labor markets with strong wage growth, especially in the context of weak productivity growth that lifts unit labor costs. However, to date, wage-price spirals—wherein prices and wages accelerate together for a sustained period—do not appear to have taken hold in the average advanced economy, and longer-term inflation expectations remain anchored. In response to the persistence of core inflation, major central banks have communicated that they will need to tighten monetary policy further. The Federal Reserve paused rate hikes at its June meeting but signaled further ones ahead, and the Reserve Bank of Australia, Bank of Canada, Bank of England, and European Central Bank have continued to raise rates. At the same time, in some other economies, particularly in East Asia, where mobility curbs during the pandemic restricted demand for services longer than elsewhere, core inflation has remained low. In China, where inflation is well below target, the central bank recently cut policy interest rates. The Bank of Japan has kept interest rates near zero under the quantitative and qualitative monetary easing with yield curve control policy.

Acute stress in the banking sector has receded, but credit availability is tight. Thanks to the authorities' swift reaction, the March 2023 banking scare remained contained and limited to problematic regional banks in the United States and Credit Suisse in Switzerland. Accordingly, since the April 2023 WEO, global financial conditions have eased (Box 1), a sign that financial markets may have become less concerned about risks to financial stability coming from the banking sector. But tight monetary policy continues to put some banks under pressure, both directly (through higher costs of funding) and indirectly (by increasing credit risk). Bank lending surveys in the United States and Europe suggest that banks restricted access to credit considerably in the first quarter of 2023, and they are expected to continue to do so in coming months. Corporate loans have been declining lately, as has commercial real estate lending.

Following a reopening boost, China's recovery is losing steam. Manufacturing activity and consumption of services in China rebounded at the beginning of the year when Chinese authorities abandoned their strict lockdown policies; net exports contributed strongly to sequential growth in February and March as supply chains normalized and firms swiftly put backlogs of orders into production. Nonetheless, continued weakness in the real estate sector is weighing on investment, foreign demand remains weak, and rising and elevated youth unemployment (at 20.8 percent in May 2023) indicates labor market weakness. High-frequency data through June confirm a softening in momentum into the second quarter of 2023.

Growth Slowing, with Shifting Composition

Global growth is projected to fall from 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024 on an annual average basis (Table 1). Compared with projections in the April 2023 WEO, growth has been upgraded by 0.2 percentage point for 2023, with no change for 2024. The forecast for 2023–24 remains well below the historical (2000–19) annual average of 3.8 percent. It is also below the historical average across broad income groups, in overall GDP as well as per capita GDP terms. Advanced economies continue to drive the decline in growth from 2022 to 2023, with weaker manufacturing, as well as idiosyncratic factors, offsetting stronger services activity. In emerging market and developing economies, the growth outlook is broadly stable for 2023 and 2024, although with notable shifts across regions. On a year-over-year basis, global growth bottomed out in the fourth quarter of 2022. However, in some major economies, it is not expected to bottom out before the second half of 2023.

World trade growth is expected to decline from 5.2 percent in 2022 to 2.0 percent in 2023, before rising to 3.7 percent in 2024, well below the 2000–19 average of 4.9 percent. The decline in 2023 reflects not only the path of global demand, but also shifts in its composition toward domestic services, lagged effects of US dollar appreciation—which slows trade owing to the widespread invoicing of products in US dollars—and rising trade barriers.

These forecasts are based on a number of assumptions, including those regarding fuel and nonfuel commodity prices and interest rates. Oil prices rose by 39 percent in 2022 and are projected to fall by about 21 percent in 2023, reflecting the slowdown in global economic activity. Assumptions regarding global interest rates have been revised upward, reflecting actual and signaled policy tightening by major central banks since April. The Federal Reserve and Bank of England are now expected to raise rates by more than assumed in the April 2023 WEO—to a peak of about 5.6 percent in the case of the Federal Reserve—before reducing them in 2024. The European Central Bank is assumed to raise its policy rate to a peak of 3¾ percent in 2023 and to ease gradually in 2024. Moreover, with near-term inflation expectations falling, real interest rates are likely to stay up even after nominal rates start to fall.

For advanced economies, the growth slowdown projected for 2023 remains significant: from 2.7 percent in 2022 to 1.5 percent in 2023, with a 0.2 percentage point upward revision from the April 2023 WEO. About 93 percent of advanced economies are projected to have lower growth in 2023, and growth in 2024 among this group of economies is projected to remain at 1.4 percent.

In the United States, growth is projected to slow from 2.1 percent in 2022 to 1.8 percent in 2023, then slow further to 1.0 percent in 2024. For 2023, the forecast has been revised upward by 0.2 percentage point, on account of resilient consumption growth in the first quarter, a reflection of a still-tight labor market that has supported gains in real income and a rebound in vehicle purchases. However, this consumption growth momentum is not expected to last: Consumers have largely depleted excess savings accumulated during the pandemic, and the Federal Reserve is expected to raise rates further.

Growth in the euro area is projected to fall from 3.5 percent in 2022 to 0.9 percent in 2023, before rising to 1.5 percent in 2024. The forecast is broadly unchanged, but with a change in composition for 2023. Given stronger services and tourism, growth has been revised upward by 0.4 percentage point for Italy and by 1.0 percentage point for Spain. However, for Germany, weakness in manufacturing output and economic contraction in the first quarter of 2023 means that growth has been revised downward by 0.2 percentage point, to –0.3 percent.

Growth in the United Kingdom is projected to decline from 4.1 percent in 2022 to 0.4 percent in 2023, then to rise to 1.0 percent in 2024. This is an upward revision of 0.7 percentage point for 2023, reflecting stronger-than-expected consumption and investment from the confidence effects of falling energy prices, lower post-Brexit uncertainty (following the Windsor Framework agreement), and a resilient financial sector as the March global banking stress dissipates.

Growth in Japan is projected to rise from 1.0 percent in 2022 to 1.4 percent in 2023, reflecting a modest upward revision, buoyed by pent-up demand and accommodative policies, then slow to 1.0 percent in 2024, as the effects of past stimuli dissipate.

Table 1. Overview of the World Economic Outlook Projections

(Percent change, unless noted otherwise)

	Year over Year								
	Estimate		Projections		Difference from April 2023 WEO		Q4 over Q4 2/		
	2021	2022	2023	2024	2023	2024	Estimate 2022	Projections 2023	2024
World Output	6.3	3.5	3.0	3.0	0.2	0.0	2.2	2.9	2.9
Advanced Economies	5.4	2.7	1.5	1.4	0.2	0.0	1.2	1.4	1.4
United States	5.9	2.1	1.8	1.0	0.2	-0.1	0.9	1.4	1.1
Euro Area	5.3	3.5	0.9	1.5	0.1	0.1	1.8	1.2	1.5
Germany	2.6	1.8	-0.3	1.3	-0.2	0.2	0.8	0.5	1.5
France	6.4	2.5	0.8	1.3	0.1	0.0	0.6	0.9	1.6
Italy	7.0	3.7	1.1	0.9	0.4	0.1	1.5	0.9	1.1
Spain	5.5	5.5	2.5	2.0	1.0	0.0	3.0	1.8	2.2
Japan	2.2	1.0	1.4	1.0	0.1	0.0	0.4	1.5	1.0
United Kingdom	7.6	4.1	0.4	1.0	0.7	0.0	0.6	0.5	1.3
Canada	5.0	3.4	1.7	1.4	0.2	-0.1	2.1	1.6	1.8
Other Advanced Economies 3/	5.5	2.7	2.0	2.3	0.2	0.1	1.0	1.8	2.1
Emerging Market and Developing Economies	6.8	4.0	4.0	4.1	0.1	-0.1	3.1	4.1	4.1
Emerging and Developing Asia	7.5	4.5	5.3	5.0	0.0	-0.1	4.2	5.3	4.9
China	8.4	3.0	5.2	4.5	0.0	0.0	3.1	5.8	4.1
India 4/	9.1	7.2	6.1	6.3	0.2	0.0	6.1	4.3	6.4
Emerging and Developing Europe	7.3	0.8	1.8	2.2	0.6	-0.3	-1.3	2.7	2.0
Russia	5.6	-2.1	1.5	1.3	0.8	0.0	-3.1	1.9	0.8
Latin America and the Caribbean	7.0	3.9	1.9	2.2	0.3	0.0	2.6	0.8	2.9
Brazil	5.0	2.9	2.1	1.2	1.2	-0.3	2.5	1.3	2.2
Mexico	4.7	3.0	2.6	1.5	0.8	-0.1	3.7	1.9	1.7
Middle East and Central Asia	4.4	5.4	2.5	3.2	-0.4	-0.3	...	...	...
Saudi Arabia	3.9	8.7	1.9	2.8	-1.2	-0.3	5.5	2.0	2.9
Sub-Saharan Africa	4.7	3.9	3.5	4.1	-0.1	-0.1	...	...	...
Nigeria	3.6	3.3	3.2	3.0	0.0	0.0	3.2	2.6	3.6
South Africa	4.7	1.9	0.3	1.7	0.2	-0.1	1.3	0.9	2.0
Memorandum									
World Growth Based on Market Exchange Rates	6.0	3.0	2.5	2.4	0.1	0.0	1.8	2.5	2.4
European Union	5.5	3.7	1.0	1.7	0.3	0.1	1.8	1.5	1.7
ASEAN-5 5/	4.0	5.5	4.6	4.5	0.1	-0.1	4.7	4.6	4.8
Middle East and North Africa	4.0	5.4	2.6	3.1	-0.5	-0.3	...	...	...
Emerging Market and Middle-Income Economies	7.1	3.9	3.9	3.9	0.0	-0.1	3.1	4.1	4.1
Low-Income Developing Countries	4.1	5.0	4.5	5.2	-0.2	-0.2	...	...	...
World Trade Volume (goods and services) 6/	10.7	5.2	2.0	3.7	-0.4	0.2	...	...	...
Advanced Economies	9.9	6.1	2.3	3.2	-0.1	0.3	...	...	...
Emerging Market and Developing Economies	12.2	3.7	1.5	4.5	-0.9	-0.2	...	...	...
Commodity Prices									
Oil 7/	65.8	39.2	-20.7	-6.2	3.4	-0.4	8.8	-13.0	-4.9
Nonfuel (average based on world commodity import weights)	26.7	7.9	-4.8	-1.4	-2.0	-0.4	-0.4	-0.0	0.8
World Consumer Prices 8/	4.7	8.7	6.8	5.2	-0.2	0.3	9.2	5.5	3.9
Advanced Economies 9/	3.1	7.3	4.7	2.8	0.0	0.2	7.7	3.3	2.5
Emerging Market and Developing Economies 8/	5.9	9.8	8.3	6.8	-0.3	0.3	10.5	7.4	5.1

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during May 2, 2023–May 30, 2023. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.

1/ Difference based on rounded figures for the current and April 2023 WEO forecasts. Countries for which forecasts have been updated relative to April 2023 WEO forecasts account for approximately 90 percent of world GDP measured at purchasing-power-parity weights.

2/ For World Output (Emerging Market and Developing Economies), the quarterly estimates and projections account for approximately 90 percent (80 percent) of annual world (emerging market and developing economies) output at purchasing-power-parity weights.

3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

4/ For India, data and projections are presented on a fiscal year basis, with FY 2022/23 (starting in April 2022) shown in the 2022 column. India's growth projections are 6.6 percent in 2023 and 5.8 percent in 2024 based on calendar year.

5/ Indonesia, Malaysia, Philippines, Singapore, Thailand.

6/ Simple average of growth rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average assumed price of oil in US dollars a barrel, based on futures markets (as of June 1, 2023), is \$76.43 in 2023 and \$71.68 in 2024.

8/ Excludes Venezuela.

9/ The inflation rate for the euro area is 5.2% in 2023 and 2.8% in 2024, that for Japan is 3.4% in 2023 and 2.7% in 2024, and that for the United States is 4.4% in 2023 and 2.8% in 2024.

For emerging market and developing economies, growth is projected to be broadly stable at 4.0 percent in 2023 and 4.1 percent 2024, with modest revisions of 0.1 percentage point for 2023 and -0.1 percentage point for 2024. However, this stable average

masks divergences, with about 61 percent of the economies in this group growing faster in 2023 and the rest—including low-income countries and three of the five geographic regions described in what follows—growing more slowly.

- Growth in emerging and developing Asia is on track to rise to 5.3 percent in 2023, then to moderate to 5.0 percent in 2024, reflecting a modest (0.1 percentage point) downward revision for 2024. The forecast for China is unchanged at 5.2 percent for 2023 and 4.5 percent for 2024, but with a change in composition: Consumption growth has evolved broadly in line with April 2023 WEO projections, but investment has underperformed due to the ongoing real estate downturn in that country. Stronger-than-expected net exports have offset some of the investment weakness, although their contribution is declining as the global economy slows. Growth in India is projected at 6.1 percent in 2023, a 0.2 percentage point upward revision compared with the April projection, reflecting momentum from stronger-than-expected growth in the fourth quarter of 2022 as a result of stronger domestic investment.
- Growth in emerging and developing Europe is projected to rise to 1.8 percent in 2023, reflecting a 0.6 percentage point upward revision since April, and to rise further to 2.2 percent in 2024. The forecast for Russia in 2023 has been revised upward by 0.8 percentage point to 1.5 percent, reflecting hard data (on retail trade, construction, and industrial production) that point to a strong first half of the year, with a large fiscal stimulus driving that strength.
- Latin America and the Caribbean is expected to see growth decline from 3.9 percent in 2022 to 1.9 percent in 2023, although this reflects an upward revision of 0.3 percentage point since April, and to reach 2.2 percent in 2024. The decline from 2022 to 2023 reflects the recent fading of rapid growth during 2022 after pandemic reopening, as well as lower commodity prices; the upward revision for 2023 reflects stronger-than-expected growth in Brazil—marked up by 1.2 percentage points to 2.1 percent since the April WEO—given the surge in agricultural production in the first quarter of 2023, with positive spillovers to activity in services. It also reflects stronger growth in Mexico, revised upward by 0.8 percentage point to 2.6 percent, with a delayed post-pandemic recovery in services taking hold and spillovers from resilient US demand.
- Growth in the Middle East and Central Asia is projected to decline from 5.4 percent in 2022 to 2.5 percent in 2023, with a downward revision of 0.4 percentage point, mainly attributable to a steeper-than-expected growth slowdown in Saudi Arabia, from 8.7 percent in 2022 to 1.9 percent in 2023, a negative revision of 1.2 percentage points. The downgrade for Saudi Arabia for 2023 reflects production cuts announced in April and June in line with an agreement through OPEC+ (the Organization of the Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters), whereas private investment, including from “giga-project” implementation, continues to support strong non-oil GDP growth.
- In sub-Saharan Africa, growth is projected to decline to 3.5 percent in 2023 before picking up to 4.1 percent in 2024. Growth in Nigeria in 2023 and 2024 is projected to gradually decline, in line with April projections, reflecting security issues in the oil sector. In South Africa, growth is expected to decline to 0.3 percent in 2023, with the decline reflecting power shortages, although the forecast has been revised upward by 0.2 percentage point since the April 2023 WEO, on account of resilience in services activity in the first quarter.

Core Inflation Declining More Gradually Than Headline Inflation

Global headline inflation is set to fall from an annual average of 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024, broadly as projected in April, but above pre-pandemic (2017–19) levels of about 3.5 percent. About three-quarters of the world’s economies are expected to see lower annual average headline inflation in 2023. Monetary policy tightening is expected to gradually dampen inflation, but a central driver of the disinflation projected for 2023 is declining international commodity prices. Differences in the pace of disinflation across countries reflect such factors as different exposures to movements in commodity prices and currencies and different degrees of economic overheating. The forecast for 2023 is revised down by 0.2 percentage point, largely on account of subdued inflation in China. The forecast for 2024 has been revised upward by 0.3 percentage point, with the upgrade reflecting higher-than-expected core inflation.

Core inflation is generally declining more gradually. Globally, it is set to decline from an annual average of 6.5 percent in 2022 to 6.0 percent in 2023 and 4.7 percent in 2024. It is proving more persistent than projected, mainly for advanced economies, for which forecasts have been revised upward by 0.3 percentage point for 2023 and by 0.4 percentage point for 2024 compared with the April 2023 WEO. Global core inflation is revised down by 0.2 percentage point in 2023, reflecting lower-than-expected core inflation in China, and up by 0.4 percentage point in 2024. On an annual average basis, about half of economies are expected to see no decline in core inflation in 2023, although on a fourth-quarter-over-fourth-quarter basis, about 88 percent of economies for which quarterly data

are available are projected to see a decline. Overall, inflation is projected to remain above target in 2023 in 96 percent of economies with inflation targets and in 89 percent of those economies in 2024.

Risks to the Outlook

The balance of risks to global growth remains tilted downward, but adverse risks have receded since the publication of the April 2023 WEO. The resolution of US debt ceiling tensions has reduced the risk of disruptive rises in interest rates for sovereign debt, which would have increased pressure on countries already struggling with increased borrowing costs. The quick and strong action authorities took to contain banking sector turbulence in the United States and Switzerland succeeded in reducing the risk of an immediate and broader crisis.

Upside risks. More favorable outcomes for global growth than in the baseline forecast have become increasingly plausible. Core inflation could fall faster than expected—from greater-than-expected pass-through of lower energy prices and a compression of profit margins to absorb cost increases, among other possible causes—and declining job vacancies could play a strong role in easing labor markets, which would reduce the likelihood of unemployment having to rise to curb inflation. Developments along these lines would then reduce the need for monetary policy tightening and allow a softer landing. Scope exists for more favorable surprises to domestic demand around the world, as in the first quarter of 2023. In numerous economies, consumers have not yet drained the stock of excess savings they accumulated during the pandemic; this could further sustain the recent strength in consumption. Stronger policy support in China than currently envisaged—particularly through means-tested transfers to households—could further sustain recovery and generate positive global spillovers. Such developments, however, would increase inflation pressure and necessitate a tighter monetary policy stance.

Downside risks. Despite the recent positive growth surprises, plausible risks continue to be skewed to the downside:

- **Inflation persists:** Tight labor markets and pass-through from past exchange rate depreciation could push up inflation and risk de-anchoring longer-term inflation expectations in a number of economies. The institutional setup of wage setting in some countries could amplify inflation pressures on wages. Moreover, El Niño could bring more extreme temperature increases than expected, exacerbate drought conditions, and raise commodity prices. The war in Ukraine could intensify, further raising food, fuel, and fertilizer prices. The recent suspension of the Black Sea Grain Initiative is a concern in this regard. Such adverse supply shocks might affect countries asymmetrically, implying different dynamics for core inflation and inflation expectations, a divergence in policy responses, and further currency movements.
- **Financial markets reprice:** Financial markets have adjusted their expectations of monetary policy tightening upward since April but still expect less tightening than policymakers have signaled, raising the risk that unfavorable inflation data releases could—as in the first quarter of 2023—trigger a sudden rise in expectations regarding interest rates and falling asset prices. Such movements could further tighten financial conditions and put stress on banks and nonbank financial institutions whose balance sheets remain vulnerable to interest rate risk, especially those highly exposed to commercial real estate. Contagion effects are possible, and a flight to safety, with an attendant appreciation of reserve currencies, would trigger negative ripple effects for global trade and growth.
- **China’s recovery underperforms:** Recent developments shift to the downside the distribution of risks surrounding China’s growth forecast, with negative potential implications for trading partners in the region and beyond. The principal risks include a deeper-than-expected contraction in the real estate sector in the absence of swift action to restructure property developers, weaker-than-expected consumption in the context of subdued confidence, and unintended fiscal tightening in response to lower tax revenues for local governments.
- **Debt distress increases:** Global financial conditions have generally eased since the March 2023 episode of banking stress (Box 1), but borrowing costs for emerging market and developing economies remain high, constraining room for priority spending and raising the risk of debt distress. The share of emerging market and developing economies with sovereign credit spreads above 1,000 basis points remained at 25 percent as of June (compared with only 6.8 percent two years ago).
- **Geoeconomic fragmentation deepens:** The ongoing risk that the world economy will separate into blocs amid the war in Ukraine and other geopolitical tensions could intensify, with more restrictions on trade (in particular that in strategic goods, such as critical minerals); cross-border movements of capital, technology, and workers; and international payments. Such

developments could contribute to additional volatility in commodity prices and hamper multilateral cooperation on providing global public goods

(Source - <https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023>)

INDIAN ECONOMY OVERVIEW

Global economic activity slowed in the second half of 2022 on the back of synchronized monetary policy tightening, deteriorating financial conditions and ongoing inflationary pressures. However, the reopening of China's economy and stronger than expected growth outcomes in the United States and euro area at the end of 2022 are providing some tailwinds to growth in 2023. Although significant challenges remain in the global environment, India was one of the fastest growing economies in the world with real GDP growing 7.7 percent year-on-year during Q1-Q3 fiscal year 2022/23 (April-March, FY22/23). Growth was underpinned by robust domestic demand – strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners. While the overall growth momentum remains robust and real GDP growth for FY22/23 is estimated to be 6.9 percent, there were signs of moderation in Q3 as growth slowed to 4.4 percent year-on-year (y-o-y). There was also a change in the composition of domestic demand in Q3 FY22/23 with a lower share from government consumption as fiscal consolidation efforts continued. Estimates suggest that the pandemic induced a spike in extreme poverty (\$2.15), of up to 4 percentage points, moderated in FY21/22. 1 Facilitated by widespread access to vaccines, extreme poverty rates are estimated to have declined to 13.8 percent in FY21/22, although not as low as pre-pandemic levels. Continued poverty reduction in FY22/23 will depend on how the economic rebound translates into productive jobs for the bottom half of the population and the welfare implications of fiscal consolidation efforts.

Headline inflation averaged around 6.6 percent in FY22/23. Average inflation in H2 FY22/23 was almost 1 percentage point lower than the first half as inflationary pressures began to taper and the combination of supply side measures (such as export restrictions) and monetary policy tightening began to take effect. Notwithstanding the moderation, headline inflation remains above the Reserve Bank of India's (RBI) target range of 2–6 percent. The gradual moderation in price pressures was led by a decline in food inflation (the single largest component of headline inflation) and easing fuel prices on the back of softening in global oil prices. However, the core inflation remained elevated in FY22/23, averaging around 6.1 percent over the fiscal year. While there was some tapering in domestic demand growth in Q3, it remained the main reason for the stickiness in core inflation. An improving traditional market services sector (trade, hospitality, transport and storage and, communication) also played a role in propping up core inflation.

Elevated inflationary pressures continued to drive monetary policy decision making despite growing headwinds against growth prospects. Since May 2022 the RBI's Monetary Policy Committee (MPC) has hiked the repo rate (its main policy rate) by 250 basis points. The nominal policy rate is 6.5 percent while the real rate is now heading closer to positive territory after being negative for most of FY22/23.

The current account deficit narrowed from 3.3 percent of GDP in H1 FY22/23 to 2.2 percent in Q3 FY22/23. While service exports remained robust, softening global demand weighed particularly on merchandise goods exports, which limited overall export growth. Robust domestic demand supported strong capital goods imports, but signs of weakness emerged in Q4 as private consumption activity began to moderate. Easing global commodity prices also played a critical role in reducing pressure on import growth. The current account balance remains adequately financed by robust net capital inflows and foreign direct investment inflows. The rupee has depreciated by 9.1 percent since April 2022, but the pace of depreciation showed signs of slowing in H2.

Robust nominal GDP growth bolstered revenue collection during Q1-Q3 FY22/23. The highlight continued to be the performance of the Goods and Services Tax (GST) with average growth of over 20 percent year-on-year. According to the government's revised estimates, tax revenues were about 8 percent higher than budgeted and 15.6 percent higher than the previous year. On the expenditure side, the announcement of several support measures to offset the impact of inflationary pressure caused current spending to exceed budget estimates by 8 percent, largely due to increased allocation for income support measures like the food subsidy, fertilizer subsidies and Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Capital spending was only 3 percent lower than budgeted but 22 percent higher than the previous year and reached an all-time high level of 2.7 percent of GDP. Overall, the central government is likely to meet its fiscal deficit target of 6.4 percent in FY22/23. The general government fiscal deficit – the combined deficit of the Centre and States – is estimated to have declined further to 9.4 percent in FY22/23 from 13.3 percent of GDP in FY20/21. Public debt is also estimated to decline to 84.3 percent of GDP in FY22/23, from a peak of 87.6 percent in FY20/21.

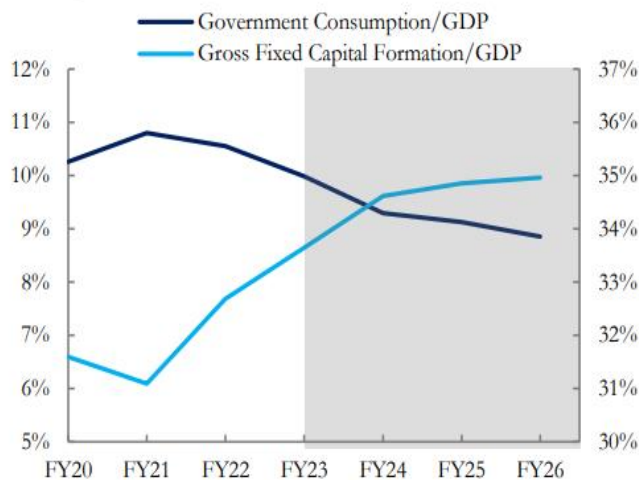
Although India's economy has been relatively resilient to challenging external conditions, real GDP growth is likely to moderate to 6.3 percent in FY23/24 from the estimated 6.9 percent in FY22/23. Domestic demand is likely to remain robust despite an expected tempering of consumption growth. Consumption is expected to be constrained by rising borrowing costs, slower income growth and continued fiscal consolidation. Investment activity is expected to be supported by the government's sustained capex-push and improved corporate and banking sector balance sheets due to healthy corporate profits and a reduction in non-performing loans (NPLs), respectively. Moderating consumption growth, easing global commodity prices and the lagged effect of monetary policy tightening is expected to bring headline inflation within the RBI's target range despite core inflation remaining elevated. On the external front, the negative contribution of net exports will be smaller due to the strong performance of service exports and a gradual decline in the import bill. The narrowing trade deficit will contribute to the current account deficit reducing to 2.1 percent from around 3 percent in FY 22/23. The general government deficit will likely consolidate by 0.7 percentage points to 8.7 percent in FY23/24 due to continued, albeit slower, revenue growth and lower current spending, reflecting the withdrawal of pandemic-related support programs. The lower projected fiscal deficit will stabilize the debt-to-GDP ratio at around 83 percent.

Despite resilience amid slowing global growth, there are headwinds to India's growth in FY23/24. Recent financial sector turmoil in the US and Europe could reduce appetite for emerging market assets, trigger another bout of capital flight and put pressure on the Indian rupee. Tighter global financial conditions could also weigh on the risk appetite for private investment in India. Notwithstanding external pressures, Indian banks are well capitalized, and the impact of policy tightening on bank balance sheets has been less severe in India due to the relatively modest pace of tightening. Moreover, faster-than-expected inflation due to higher food or fuel prices may also weigh on domestic demand. These downside risks to growth could affect fiscal consolidation plans. The debt path is highly sensitive to variation in nominal growth rates and further moderation in economic growth could lead to an increase in the already high public debt-to-GDP ratio.

Outlook

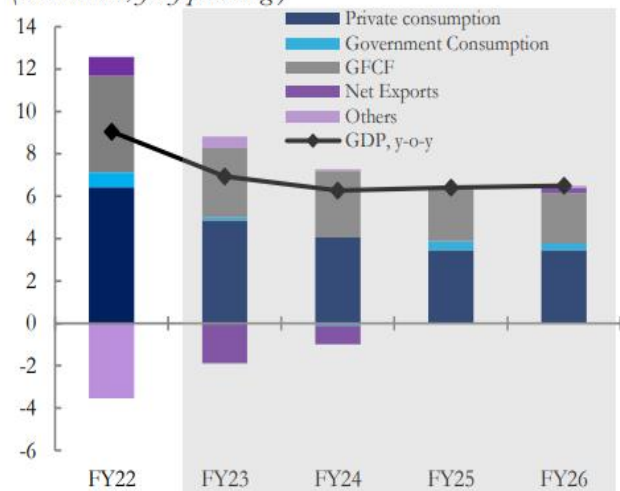
Real GDP growth is expected to moderate from 6.9 percent in FY22/23 to 6.3 percent in FY23/24, because of continued global growth spillovers, the lagged impact of the monetary policy tightening and slower consumption growth (Figure 3.2). Global growth is expected to slow down significantly in 2023 to 1.8 percent (compared to 2.8 percent in 2022), with the pace of growth likely to be the third weakest in nearly three decades and overshadowed only by the global recessions caused by the pandemic in 2020 and the global financial crisis in 2009 (Global Economic Prospects, January 2023). Economic activity has softened amid deteriorating financial conditions on the back of synchronized global monetary policy tightening. While inflation is expected to ease this year following subsiding global supply disruptions, softer demand, and moderating prices of critical commodities like metals and oil, it is likely that inflationary pressures will be persistent for a longer period (Global Economic Prospects, January 2023). In India, while the central bank hiked its policy rate multiple times since May 2022 to keep elevated household inflation expectations anchored, headline inflation remains elevated. The lagged impact of monetary policy tightening, heightened growth uncertainty, and reduced current spending of the government are expected to constrain domestic demand in India in FY23/24. Merchandise export growth will slow down as global demand softens and import growth will also be muted due to moderating domestic demand. The trade deficit is expected to narrow which would lower the drag net exports places on growth compared to FY22/23.

Figure 3.1: GDP share of government consumption is on a downward trajectory...
(share of GDP)



Source: CEIC and World Bank Staff calculations
Note: The shaded portion reflects the World Bank projections

Figure 3.2: ...contributing to a moderating GDP growth in FY23/24
(contribution, y-o-y percentage)



Although private consumption growth was robust in FY22/23, growth momentum is expected to be modest in FY23/24. Weaker global growth prospects and rising borrowing costs are likely to weigh on discretionary spending. Consumer spending by lower-income groups is expected to be hit, weaker than the tepid FY22/23 outcomes, due to slower growth in their incomes. This is consistent with labor market data indicating that over the past two years jobs and earnings losses were higher among informal workers like those in casual-wage work, those with below-tertiary level education, and those in low-paying sectors most affected by the pandemic, such as retail and hospitality services, and construction. While some of these workers and sectors have bounced back to or even surpassed pre-pandemic levels, the weak points of the recovery have shifted as migrants moved back to rural areas and the share of agricultural workers, who are also in vulnerable employment and are among the lowest earners, increased.

Domestic demand is also likely to be curtailed by a slower increase in government consumption as the Union Budget reaffirmed the government’s commitment to reducing the share of current spending to 11.6 percent of GDP from 15.6 percent in FY20/21. Overall, government consumption as share of GDP is projected to decline from 10 percent in FY22/23 to 9.3 percent in FY23/24 (Figure 3.1). In contrast, investment activity will continue to be buoyed by higher public capex. The Union Budget has allocated 3.3 percent of total spending to capital expenditure, the bulk of which will be spent on infrastructure development. However, investment by private corporations will be constrained by limited risk appetite on the back of tight financial conditions, heightened growth uncertainty and elevated input prices. Nonetheless, conditions remain conducive for increased investment by private corporations: (a) increased profitability, especially of the services sector, (b) improved balance sheets of corporations and banks, (c) higher capacity utilization rate in the manufacturing sector, (d) the government’s measures to facilitate business activity –production linked incentives (PLI) schemes, masterplan for logistics development, simplifying business regulations, and increased public infrastructure development, which can crowd-in private investment. Therefore, the investment cycle is projected to pick up in the second half of FY23/24, contingent on global growth recovery in 2024 and lower borrowing costs. This will translate into higher GDP share of investment.

Headline inflation is expected to average 5.2 percent in FY23/24, falling within the RBI’s target range (2-6 percent) and 1.1 pts less than average inflation in FY22/23. The key factors driving down inflation will be moderating global oil prices, lower food prices and easing core inflation. Global crude oil prices have fallen from a peak of USD 120 per barrel mid-2022 to around USD 83 per barrel (as of February 2023) and are projected to fall further by about 12 percent in 2023. This would translate into lower domestic fuel inflation, which will lower headline inflation directly and through second-order effects. The other significant component is food with a weight of 39 percent, which averaged around 6.9 percent y-o-y in FY22/23. Prices of cereals (weight of 9.7 percent in the CPI basket) surged over global and domestic supply concerns last year but are expected to ease on the back of an abundant winter crop harvest in Q1 FY23/24. Nonetheless, an extreme weather event, like last year’s unprecedented heat wave which affected the wheat crop, poses a risk to cereal inflation. Furthermore, core inflation is expected to remain elevated but on a downward trajectory as the impact of monetary policy tightening starts to materialize from mid-FY23/24. Moderating global oil prices will push transportation

costs down, and inflation in other services is also expected to ease on the back of a modest growth in consumer spending. Furthermore, an expected fall in prices of inputs such as cotton and synthetic fibers over FY23/24 will further push down core inflation.

The current account deficit is expected to narrow to 2.1 percent of GDP from 3 percent in FY22/23 due to a substantial decline in the merchandise trade deficit. Moderating domestic demand and easing commodity prices will weigh on merchandise import growth. The overall merchandise export growth is also likely to be muted due to soft global demand, but export growth will be supported by a recovering China and resilient global demand for India's medium and high-technology goods. India's exports of medium and high-technology goods are expected to perform relatively better, extending the growth momentum achieved in FY22/23 to FY23/24. The central government has taken several initiatives (rationalizing customs duty on intermediate inputs, PLI scheme, National Electronics Policy) to encourage investment in such sectors, particularly in the case of electronics, the exports of which have increased in the post-pandemic period. At the same time, export of IT and Professional services will remain robust due to their critical nature to business operations. The narrowed current account deficit will be financed by stable FDI inflows and net portfolio capital inflows, driven by the strong macroeconomic fundamentals of India and a favorable growth differential with the US. India's large foreign exchange reserves provide an additional buffer against external macroeconomic shocks. As of February 2023, these reserves provided about seven months of import cover, in terms of an estimated FY23/24 imports.

The central government will continue to support growth through targeted fiscal support while safeguarding fiscal sustainability. Given the underutilization of borrowing space by the states and realistic assumptions in the FY23/24 Union Budget, the general government deficit is projected to decline to 8.7 percent of GDP in FY23/24 from 9.4 percent in FY22/23. The FY23/24 Union Budget provides continued impetus to capital spending and increased allocations to various programs that aim to support India's decarbonization agenda. As per the Budget, the consolidation will be driven by robust revenue growth in both direct and indirect taxes and lower current spending, mainly attributable to a withdrawal of additional food subsidy entitlements and lower costs for fertilizer and fuel subsidies. Nevertheless, risk of fiscal slippage remains amid the moderation in domestic demand growth and easing inflation; all of which might weigh on revenue and nominal GDP growth.

The elevated public debt-to-GDP ratio is stable but subject to risks arising from macroeconomic uncertainty. The projected level of the fiscal deficit stabilizes the debt-to-GDP ratio around 84 percent but if nominal GDP growth were to moderate more than currently projected, faster consolidation would be needed to reduce the debt burden over the medium-term. Notwithstanding these risks, the debt position remains sustainable. India's public debt is mostly domestic (only around 3 percent of public debt is external), of medium- or long-term maturity, and held by residents.

Despite the overall resilience of the economy, there are significant headwinds to growth in FY23/24. The recent turmoil in the financial sector in the US and Europe may have adverse spill overs for the global financial markets through increased volatility and reduced risk appetite for emerging market assets. This could lead to another round of portfolio capital outflows, which in turn could contribute to depreciation pressures on the Indian rupee. External pressures notwithstanding, Indian banks are well capitalized, and the pace of interest rate hikes has been modest compared with advanced economies so the impact of policy tightening on bank balance sheets has been less severe. There are upside risks to food prices due to potentially extreme weather events during the summer and monsoon months. As a result, higher headline inflation could dampen domestic demand. Rural household incomes could also be affected by lower-than-expected agricultural output from the winter harvest due to unseasonal rainfall. Lastly, the expected fiscal consolidation and stabilization of the public debt ratio at around 83 percent are predicated on nominal GDP growth remaining in double digits through the forecast period. Given the high nominal effective rate of interest on public debt (at over 7 percent) a faster than expected moderation in economic growth would cause the public debt-to-GDP ratio to increase further instead of stabilizing at current levels.

Table 3.1: Macroeconomic outlook indicators

Indicator (percent y-o-y, unless otherwise indicated)	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24
Real GDP Growth, at constant market prices	3.9	-5.8	9.1	6.9	6.3
Private Consumption	5.2	-5.2	11.2	8.3	6.9
Government Consumption	3.9	-0.9	6.6	1.2	-1.1
Gross Fixed Capital Formation	1.1	-7.3	14.6	10.1	9.3
Exports, Goods and Services	-3.4	-9.1	29.3	11.5	9.2
Imports, Goods and Services	-0.8	-13.7	21.8	19.0	11.6
Real GDP Growth, at constant factor prices	3.9	-4.2	8.8	6.6	6.3
Agriculture	6.2	4.1	3.5	3.2	3.4
Industry	-1.4	-0.9	11.6	3.6	6.8
Services	6.4	-8.2	8.8	9.5	6.7
Inflation (Consumer Price Index)	4.8	6.2	5.5	6.6	5.2
Current Account Balance (percent of GDP)	-0.9	0.9	-1.2	-3.0	-2.1
Fiscal Balance (percent of GDP)	-7.2	-13.3	-10.5	-9.4	-8.7
Debt (percent of GDP)	73.6	87.5	85.4	83.0	83.4
Primary Balance (percent of GDP)	-2.5	-7.8	-5.2	-4.2	-3.3

Source: CEIC and World Bank Staff calculations
 Note: Shaded columns are WB forecasts

(Source - <https://www.worldbank.org/en/news/press-release/2023/04/04/indian-economy-continues-to-show-resilience-amid-global-uncertainties>)

E-COMMERCE INDUSTRY IN INDIA

Introduction

In recent years India has experienced a boom in internet and smartphone penetration. The number of internet connections in 2021 increased significantly to 830 million, driven by the ‘Digital India’ programme. Out of the total internet connections, ~55% of connections were in urban areas, of which 97% of connections were wireless. The smartphone base has also increased significantly and is expected to reach 1 billion by 2026. This has helped India’s digital sector and it is expected to reach US\$ 1 trillion by 2030. This rapid rise in internet users and smartphone penetration coupled with rising incomes has assisted the growth of India’s e-commerce sector. India’s e-commerce sector has transformed the way business is done in India and has opened various segments of commerce ranging from business-to-business (B2B), direct-to-consumer (D2C), consumer-to-consumer (C2C) and consumer-to-business (C2B). Major segments such as D2C and B2B have experienced immense growth in recent years. India’s D2C market is expected to reach US\$ 60 billion by FY27. The overall e-commerce market is also expected to reach US\$ 350 billion by 2030 and will experience 21.5% growth in 2022 and reach US\$ 74.8 billion.

Market Size

The Indian online grocery market is estimated to reach US\$ 26.93 billion in 2027 from US\$ 3.95 billion in FY21, expanding at a CAGR of 33%. India’s consumer digital economy is expected to become a US\$ 1 trillion market by 2030, growing from US\$ 537.5 billion in 2020, driven by the strong adoption of online services such as e-commerce and edtech in the country.

The B2C E-commerce is expected to grow steadily over the forecast period, recording a CAGR of 8.68% during 2023-27. According to a recent report by Redseer, India’s e-B2B market is projected to reach a GMV of US\$ 100 billion by 2030. According to Grant Thornton, e-commerce in India is expected to be worth US\$ 188 billion by 2025.



With a turnover of US\$ 50 billion in 2020, India became the eighth-largest market for e-commerce, trailing France, and a position ahead of Canada. Propelled by rising smartphone penetration, the launch of 4G network and increasing consumer wealth, the Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017.

After China and the US, India had the third-largest online shopper base of 150 million in FY21 and is expected to be 350 million by FY26.

Indian consumers are increasingly adopting 5G smartphones even before the rollout of the next-gen mobile broadband technology in the country. Smartphone shipments reached 169 million in 2021 with 5G shipments registered a growth of 555% year-on-year over 2020. Indian consumers are increasingly adopting 5G smartphones even before the rollout of the next-gen mobile broadband technology in the country. Smartphone shipments reached 150 million units and 5G smartphone shipments crossed 4 million in 2020, driven by high consumer demand post-lockdown. According to a report published by IMAI and Kantar Research, India's internet users are expected to reach 900 million by 2025 from ~622 million internet users in 2020, increasing at a CAGR of 45% until 2025.

For the 2021 festive season, Indian e-commerce platforms generated sales with a Gross Merchandise Value (GMV) of US\$ 9.2 billion, a 23% increase from last year's US\$ 7.4 billion.

Investments/Developments

Some of the major developments in the Indian e-commerce sector are as follows:

- Walmart is preparing to spend over US\$ 2.5 billion in India as the retailer doubles down on the opportunities it sees in India's e-commerce and payments markets.
- Hyperlocal e-commerce startup, Magicpin announced that its daily order volume has zoomed 100-fold to 10,000 per day from over 100 within a month of joining the government-promoted Open Network for Digital Commerce (ONDC) network.
- In June 2022, Amazon India signed an MoU with Manipur Handloom & Handicrafts Development Corporation Limited (MHHDC), a Government of Manipur Enterprise to support the growth of artisans and weavers across the state.
- India's e-commerce sector received US\$ 15 billion of PE/VC investments in 2021 which is a 5.4 times increase year on year. This is the highest investment value received by any sector ever in India.
- In February 2022 Xpressbees a logistics ecommerce platform become a unicorn valued at US\$ 1.2 billion in 2022. The firm raised US\$ 300 million in its Series F funding.
- In February 2022, Amazon India launched One district One product (ODOP) bazaar on its platform to support MSMEs.
- In February 2022, Flipkart launched the "sell back program" to enable trade in smartphones.
- In January 2022, Walmart invites Indian sellers to join its US market place with an aim of exporting US\$ 10 billion from India each year by 2027.
- In January 2022, Flipkart has announced expansion in its grocery services and will offer services to 1,800 Indian cities.
- In November 2021, XPDEL US- based ecommerce announced expansion in India.
- In September 2021, CARS24, India's leading used car e-commerce platform, has raised US\$ 450 million in funding, comprising a US\$ 340 million Series F equity round and US\$ 110 million in debt from various financial institutions.
- In September 2021, Amazon launched Prime Video Channels in India. Prime Video Channels will give Prime members a seamless experience and access to a variety of popular video streaming services.

- In September 2021, Bikayi, a mobile commerce enabler, raised US\$ 10.8 million in a Series A funding round, led by Sequoia Capital India.
- Flipkart, India's e-commerce powerhouse, announced in July 2021 that it has raised US\$ 3.6 billion in new funding from various sources including sovereign funds, private equities and Walmart (parent company).

Government Initiatives

Since 2014, the Government of India has announced various initiatives, namely Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support growth of E-commerce in the country. Some of the major initiatives taken by the Government to promote E-commerce in India are as follows:

- Government e-Marketplace (GeM) is an online platform for public procurement in India that was launched on August 9, 2016 by the Ministry of Commerce and Industry with the objective of creating an inclusive, efficient, and transparent platform for the buyers and sellers to carry out procurement activities in a fair and competitive manner.
- In FY23, the procurement of goods and services from the government portal crossed the Rs. 2 lakh crore (US\$ 24 billion) mark.
- As of November 2022, the GeM portal has served 12.28 million orders worth Rs. 334,933 crore (US\$ 40.97 billion) from 5.44 million registered sellers and service providers for 62,247 buyer organizations.
- In a bid to systematise the onboarding process of retailers on e-commerce platforms, the Department for Promotion of Industry and Internal Trade (DPIIT) is reportedly planning to utilise the Open Network for Digital Commerce (ONDC) to set protocols for cataloguing, vendor discovery and price discovery. The department aims to provide equal opportunities to all marketplace players to make optimum use of the e-commerce ecosystem in the larger interest of the country and its citizen.
- National Retail Policy: The government had identified five areas in its proposed national retail policy—ease of doing business, rationalisation of the licence process, digitisation of retail, focus on reforms and an open network for digital commerce—stating that offline retail and e-commerce need to be administered in an integral manner.
- The Consumer Protection (e-commerce) Rules 2020 notified by the Consumer Affairs Ministry in July directed e-commerce companies to display the country of origin alongside the product listings. In addition, the companies will also have to reveal parameters that go behind determining product listings on their platforms.
- Government e-Marketplace (GeM) signed a Memorandum of Understanding (MoU) with Union Bank of India to facilitate a cashless, paperless and transparent payment system for an array of services in October 2019.
- Under the Digital India movement, Government launched various initiatives like Umang, Start-up India Portal, Bharat Interface for Money (BHIM) etc. to boost digitisation.
- In October 2020, Minister of Commerce and Industry, Mr. Piyush Goyal invited start-ups to register at public procurement portal, GeM, and offer goods and services to government organisations and PSUs.
- In October 2020, amending the equalisation levy rules of 2016, the government mandated foreign companies operating e-commerce platforms in India to have permanent account numbers (PAN). It imposed a 2% tax in the FY21 budget on the sale of goods or delivery of services through a non-resident e-commerce operator.
- In order to increase the participation of foreign players in E-commerce, Indian Government hiked the limit of FDI in E-commerce marketplace model to up to 100% (in B2B models).
- Heavy investment made by the Government in rolling out fiber network for 5G will help boost E-commerce in India.

Road Ahead

The E-commerce industry has been directly impacting micro, small & medium enterprises (MSME) in India by providing means of financing, technology and training and has a favourable cascading effect on other industries as well. The Indian E-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second-largest E-commerce market in the world by 2034. Technology-enabled innovations like digital payments, hyper-local logistics, analytics-driven customer engagement and digital advertisements will likely support the growth in the sector. India is also planning to introduce Open Network for Digital Commerce (ONDC). ONDC will enable e-commerce platforms to synchronize search results on all the e-commerce platforms and display products and services from every platform. This will further boost business for MSMEs and help fuel India's e-commerce growth. The growth in the sector will further encourage employment, increase revenues from export, increase tax collection by exchequers, and provide better products and services to customers in the long term.

India has gained 125 million online shoppers in the past three years, with another 80 million expected to join by 2025, according to a report by Kantar. The Indian e-commerce sector is likely to expand in different markets.

India's e-retail market is expected to continue its strong growth - it registered a CAGR of over 35% to reach Rs. 1.8 trillion (US\$ 25.75 billion) in FY20. Over the next five years, the Indian e-retail industry is projected to exceed ~300-350 million shoppers, propelling the online Gross Merchandise Value (GMV) to US\$ 100-120 billion by 2025. According to Bain & Company report, India's social commerce gross merchandise value (GMV) stood at ~US\$ 2 billion in 2020. By 2025, it is expected to reach US\$ 20 billion, with a potentially monumental jump to US\$ 70 billion by 2030, owing to high mobile usage.

(Source - <https://www.ibef.org/industry/ecommerce>)

TEXTILES AND APPARELS INDUSTRY

India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home and technical products. The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. Around 45 million people are working in the textile business, including 3.5 million people who work on handlooms. The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. The Indian apparel market stood at US\$ 40 billion in 2020 and is expected to reach US\$ 135 billion by 2025.

India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers. During April- November in FY23, the total exports of textiles stood at US\$ 23.1 billion. India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. Exports of readymade garments including cotton accessories stood at US\$ 16.2 billion in FY23. India's ready-made garment (RMG) exports are likely to surpass US\$ 30 billion by 2027, growing at a CAGR of 12-13%.

The textiles industry (including dyed and printed) foreign direct investment (FDI) worth US\$ 4.2 billion from April 2000-March 2023. 100% FDI (automatic route) is allowed in the Indian textile sector.

Companies involved in home textiles are using technology to optimise the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0—an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.

The Government's Rs. 10,683 crore (US\$ 1.44 billion) PLI scheme is expected to be a major booster for the textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products. In June 2023, Government approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in textile sector.

In February 2023, the union government approved 1,000 acres for setting up a textile park in Lucknow.

In February 2023, according to the Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US\$ 536.4 million). Out of this, Rs. 900 crore (US\$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), Rs. 450 crore (US\$ 54.99 million) for National Technical Textiles Mission, and Rs. 60 crore (US\$ 7.33 million) for Integrated Processing Development Scheme.

In December 2022, a total of 44 R&D projects were started, and 23 of them were successfully completed. 9,777 people were trained in a variety of activities relating to the silk industry.

In December 2022, a total of US\$ 75.74 million (Rs. 621.41 crore) in subsidies was distributed in 3159 cases under the Amended Technology Upgradation Fund Scheme, with special campaigns held in significant clusters to settle backlog cases.

In December 2022, a total of 73,919 people (SC: 18,194, ST: 8,877, and Women: 64,352) have received training, out of which 38,823 have received placement under SAMARTH.

The establishment of seven PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US\$ 541.82 million (Rs. 4,445 crore) for the years up to 2027-28 was approved by the government.

The Government approved the Mega Integrated Textile Region and Apparel (MITRA) Park scheme worth Rs. 4,445 crore (US\$ 594.26 million) to establish seven integrated mega textile parks with state-of-the-art infrastructure, common utilities and R&D lab over a three-year period, which will boost textile manufacturing in the country.

The Indian government wants to establish 75 textile hubs, similar to Tiruppur, which will greatly increase employment opportunities while promoting the export of textile products and ensuring the use of sustainable technology.

For the export of handloom products globally, the Handloom Export Promotion Council (HEPC) is participating in various international fairs/events with handloom exporters/weavers to sell their handloom products in the international markets under the National Handloom Development Programme (NHDP). Alongside, the Ministry of Textiles has also been implementing Handloom Marketing Assistance (HMA), a component of the National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers, and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.

The government has allocated funds worth Rs. 17,822 crore (US\$ 2.38 billion) between FY16-22 for the 'Amended Technology Upgradation Fund Scheme' (A-TUFS) to boost the Indian textile industry and enable ease of doing business.

Amazon India has signed a MoU with the Manipur Handloom & Handicrafts Development Corporation Limited (MHHDCL), a Government of Manipur entity, to encourage the development of weavers and artisans throughout the state.

To support the handloom weavers/weaver entrepreneurs, the Weaver MUDRA Scheme was launched to provide margin money assistance at 20% of the loan amount subject to a maximum of Rs. 10,000 (US\$ 134.22) per weaver. The loan is provided at an interest rate of 6% with credit guarantee of three years.

The new Economic Cooperation and Trade Agreements with Australia and the UAE will open multiple opportunities for textiles and handloom. Indian textile exports to Australia and the UAE will now face zero duties, and the government is expecting that soon, Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.

Top players in the textiles sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials.

(Source - <https://www.ibef.org/industry/indian-textiles-and-apparel-industry-analysis-presentation>)

OUR BUSINESS

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled “Risk Factors” and chapters titled “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 28, 188 and 264, respectively, of this Draft Red Herring Prospectus.

Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements for the Financial Years ended on March 31, 2023, 2022 and 2021 included in this Prospectus. For further information, see “Restated Financial Statements” beginning on page 188, of this Draft Red Herring Prospectus.

OVERVIEW

Our Company is engaged in online digital direct-to-consumer business for Indian Ethnic wear and accessories. Our company also has presence in International cross-border e-commerce direct-to-consumer for its products. Our product range includes Indian ethnic wear and accessories for women, men, teens and kids.

Our Company was originally incorporated on June 07, 2001 as “Net Avenue Technologies Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Tamil Nadu. Subsequently our Company was converted into Public Limited Company and name of company was changed from “Net Avenue Technologies Private Limited” to “Net Avenue Technologies Limited” vide fresh certificate of incorporation dated September 22, 2023 issued by the Registrar of Companies, Chennai.

Our registered office is situated at New No. 16, Old No. 13, 1st Floor Prithvi Avenue, Alwarpet Teynampet Chennai, Tamil Nadu – 600018, India, corporate office at Plot No. H-139 to 141, Ground Floor and 1st Floor, BRC Compound, Laxminarayan Industrial Estate, Udhana, Surat, Gujarat – 394210, India. and operational unit at Plot No. H-142 to 143, Ground Floor and 1st Floor, BRC Compound, Laxminarayan Industrial Estate, Udhana, Surat, Gujarat – 394210, India.

Our core business sells Indian Ethnic wear and accessories, primarily catering to the South Asian Diaspora, a segment we reach through our website and mobile applications. Furthermore, we extend our reach by distributing our products through various prominent E-commerce platforms, including but not limited to Myntra, Nykaa, and Ajio, among others.'

We have crafted our business's foundation through iterative innovation to enhance consumer satisfaction and optimise purchasing behaviour. We acknowledge that the consumer's path to product selection often involves a substantial amount of time dedicated to exploration. Consequently, we are committed to gaining insights into the decision-making process and providing support at crucial junctures throughout a consumer's journey on our platform. To this end, we have strategically integrated across multiple touchpoints, enabling us to engage consumers and curate personalised browsing and purchasing experiences that cater to the diverse needs of our valued customers.

Also Cbazaar.com, owned by Net Avenue Technologies was rated as one of the best online shops in the United States in 2020 and one of the fastest growing brand in the United States in 2022.

OUR VISION: To lead the global Indian ethnic wear market for digitally oriented customers, enhancing their beauty and spirits.

OUR MISSION: To offer customers a carefully curated selection of Indian ethnic wear that guarantees exceptional fit and comfort

OUR BUSINESS OPERATION

We specialize in selling Indian Ethnic wear, catering primarily to the South Asian Diaspora through our websites, cbazaar.com and ethnovog.com. Our direct-to-consumer approach serves customers from many countries, with the United States, United Kingdom, Australia, and Canada being our primary markets.

In the international market, all orders are prepaid, ensuring seamless transactions. For domestic customers in India, we offer the convenience of Cash on Delivery (COD) as a payment option. To facilitate international transactions, we have established a

subsidiary in the United States, serving as a collection agency. This subsidiary is responsible for collecting payments from our international customers and transferring them to us every week.

Product categories includes

- Lehenga Choli,
- Salwar Kameez,
- Gowns,
- Kurtas,
- Sherwani,
- Kurta Sets,
- Kids wear
- Accessories

MARKETPLACE VENDOR PRODUCTS

We list third-party vendor products on our website, offering customization options. Upon customer orders, we promptly place corresponding orders with vendors. Products undergo rigorous quality checks in Surat before tailoring and returning to our centre for a final inspection. After meeting quality standards, we entrust them to international couriers like DHL, FedEx, and Aramex for timely customer delivery. All vendor products are sold under the Cbazaar brand, ensuring consistent quality. This operational model reflects our commitment to exceptional service.

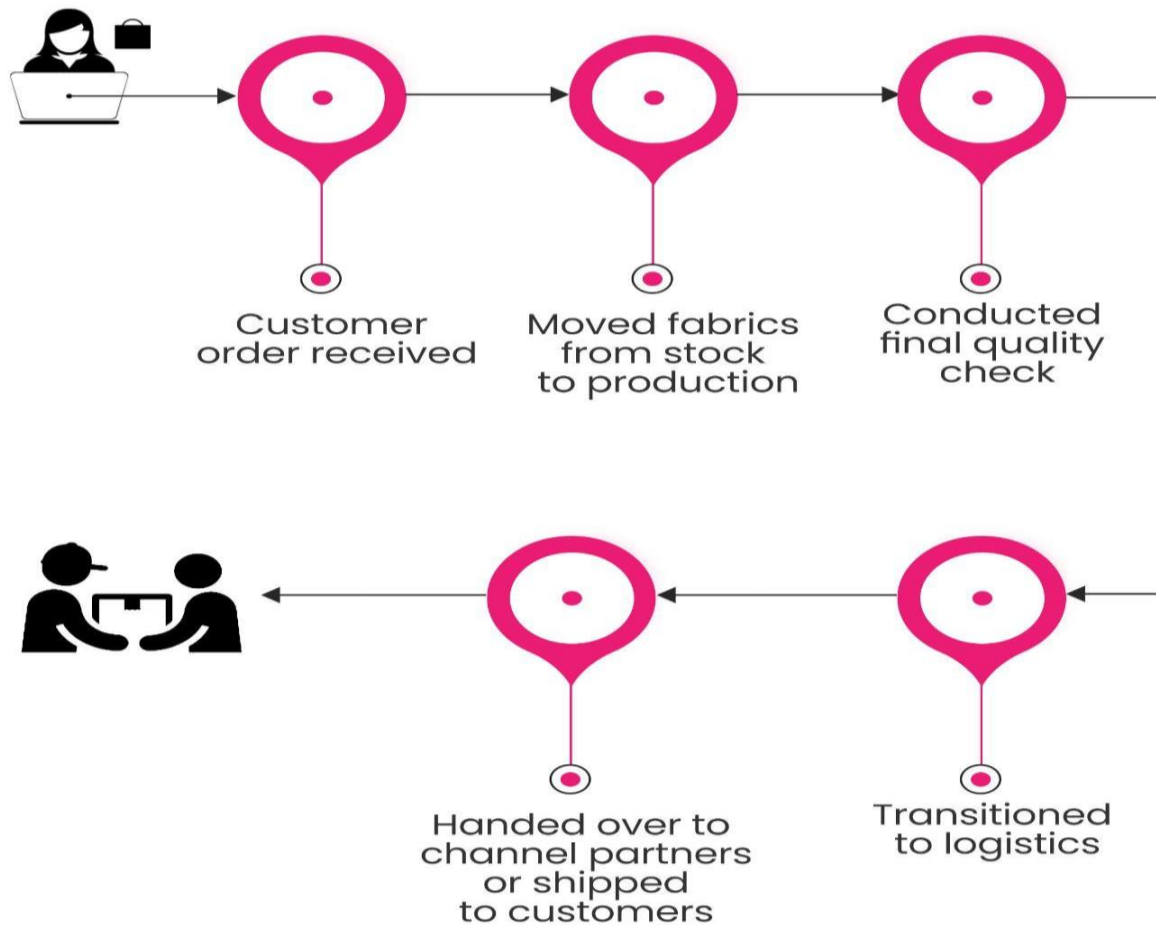
PROCESS FLOW



PRIVATE LABEL (OWN BRAND) PRODUCTS

Our in-house designers create and display product samples on our website. Newly launched designs operate on a "Made to Order" model, with products crafted upon order receipt. Fabrics are sourced from our suppliers, sent to outsourced tailoring units, undergo a final quality check, and are shipped. We produce in bulk for top-selling designs, storing them in our warehouse. We sell these products under our Ethnovog private label.


Private Label Process Flow




OUR REVENUE SHARE THROUGH OPERATIONAL MODEL

Model	FY 2022-23		FY 2021-22		FY 2020-21	
	Amount	In%	Amount	In%	Amount	In%
Marketplace Vendor Products (cbazaar)	2,406.35	72%	2,305.03	74%	1,127.13	82%
Private Label (Own Brand) Products (ethnovog)	937.20	28%	818.32	26%	252.90	18%
Total Sales	3,343.55	100.00	3,123.35	100.00	1,380.03	100.00

OUR BRANDS

	<p>Cbazaar is a global Indian Ethnic Fashion brand specialising in Direct-to-Consumer Online Retail. With a vast customer base worldwide, its primary markets include the United States, the UK, and Canada. Cbazaar is renowned for pioneering "Made to Measure" custom-tailored Indian clothing for Women, Men, Teens, and Kids. It stands out as a top choice for those seeking Indian Wedding Dresses, earning high</p>
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	<p>ratings on Google searches.</p> <p>Ethnovog is an online apparel store offering size-inclusive and budget-friendly fashion choices for women, teens, and kids. With a diverse selection of affordable outfits encompassing various sizes, styles, and designs, Ethnovog caters to the fashion needs of all.</p>
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OUR STRENGTHS

1. *Diverse Product Range*

We offer a wide range of premium Indian Ethnic fashion to South Asians worldwide through its E-commerce platform. These offerings cater to various cultural and traditional preferences, including wedding clothing, festive attire, party wear, and related accessories. The company boasts extensive experience in international cross-border direct-to-consumer operations.

2. *Customer-Centric Growth Approaches:*

Presently, our brands enjoy popularity across nearly all continents. The company strongly emphasises upholding customer trust and confidence, a commitment reflected in the quality of its products and custom tailoring services provided to customers.

3. *Technology-Driven:*

With a robust IT division, we have developed and managed our entire digital platform in-house. That includes the website, order processing, seller panel, design creation, content management, and production coordination. This integrated approach enhances unit economics, expedites processes, and reduces reliance on third-party IT vendors.

4. *Sustainable Fashion Advocate (Just-In-Time)*

We have ingrained sustainability into its culture and processes, positioning itself as a sustainable fashion brand. The concept of just-in-time manufacturing, coupled with customised stitching, is a testament to this commitment. We have designed our operational model to scale just-in-time manufacturing, minimising waste and reducing environmental impact.

5. *Data-Driven Body Sizing for Optimal Fit*

We possess a wealth of body measurement data, having stitched millions of custom outfits for hundreds of thousands of customers since inception. Leveraging machine learning, the company has improved customer comfort and fit.

6. *Experienced Promoters*

Our Promoters, Mr. Rajesh Nahar and Mr. Ritesh Katariya, collectively boast over 22 years of industry experience. Their expertise has significantly contributed to our company's growth. Their familiarity with our business and deep understanding of customer needs position them to lead our operations and future initiatives, ensuring our continued success.

OUR STRATEGIES

1. *Enhancing Personalization*

Our core growth strategy centres around providing a high level of personalization to consumers, offering distinct 'Looks' for each design launch. These 'Looks' cater to different customer segments based on age groups, including young adults, individuals in their thirties, and those in their forties and above. This approach, combined with our "Made to Measure" service, effectively addresses online shoppers' fit concerns.

2. *Optimizing Costs and Supply Chain*

Our company is committed to enhancing supply chain capabilities to ensure the availability of the right product mix in the right place, at the right time, and optimal costs. This strategic focus will significantly improve our overall customer service levels.

3. *Leveraging Expertise and Relationships*

Continuous skill development within our organization places a strong emphasis on customer-centricity. We plan to expand our product availability to more countries by leveraging our marketing expertise and relationships, enhancing customer satisfaction. This entails fulfilling orders promptly, nurturing strong customer relationships, and re-establishing connections with existing buyers.

4. *Global Marketplace Presence*

With the increasing market share of online giants like Amazon, Etsy, Walmart, and others, we aim to make our products accessible through all these platforms, enabling customers to engage with our brand effortlessly.

5. *Swift Shipping*

Recognising the value of immediate gratification for customers, we are committed to investing in faster delivery to customers' doorsteps, ensuring a positive experience.

6. *Category Expansion*

Our growth strategy involves significant category expansion

Weddings: We plan to forge deeper partnerships with manufacturers in key Indian cities like Surat, Mumbai, Delhi, Kolkata, and others to feature their designs on our platform. Leveraging our strong connections with fabric manufacturers and embroidery units, along with collaborations with crowd-sourced designers, we will offer exclusive wedding styles.

Kids & Teens: The underserved ethnic wear market for kids and teens, both boys and girls, will be a focus area. Leveraging our design and integrated manufacturing capabilities, we will introduce an exclusive collection with matching options for siblings and mother-daughter duos.

Men's: Expanding our offerings in men's ethnic wear, particularly in trendy styles for the youth, is a crucial objective. We aim to utilise our capabilities to meet the high demand for contemporary men's ethnic fashion.

Accessories: To provide a comprehensive ensemble for brides, grooms, bridesmaids, and best men, we will enhance their attire with various accessories, including turbans, stoles, and Jewellery.

Wedding Gifts: Recognizing the custom of offering wedding gifts among Indian families overseas, we plan to expand our offerings in this category to better serve this market segment

OUR PRODUCT RANGE

Our Product Range Includes Indian ethnic wear for

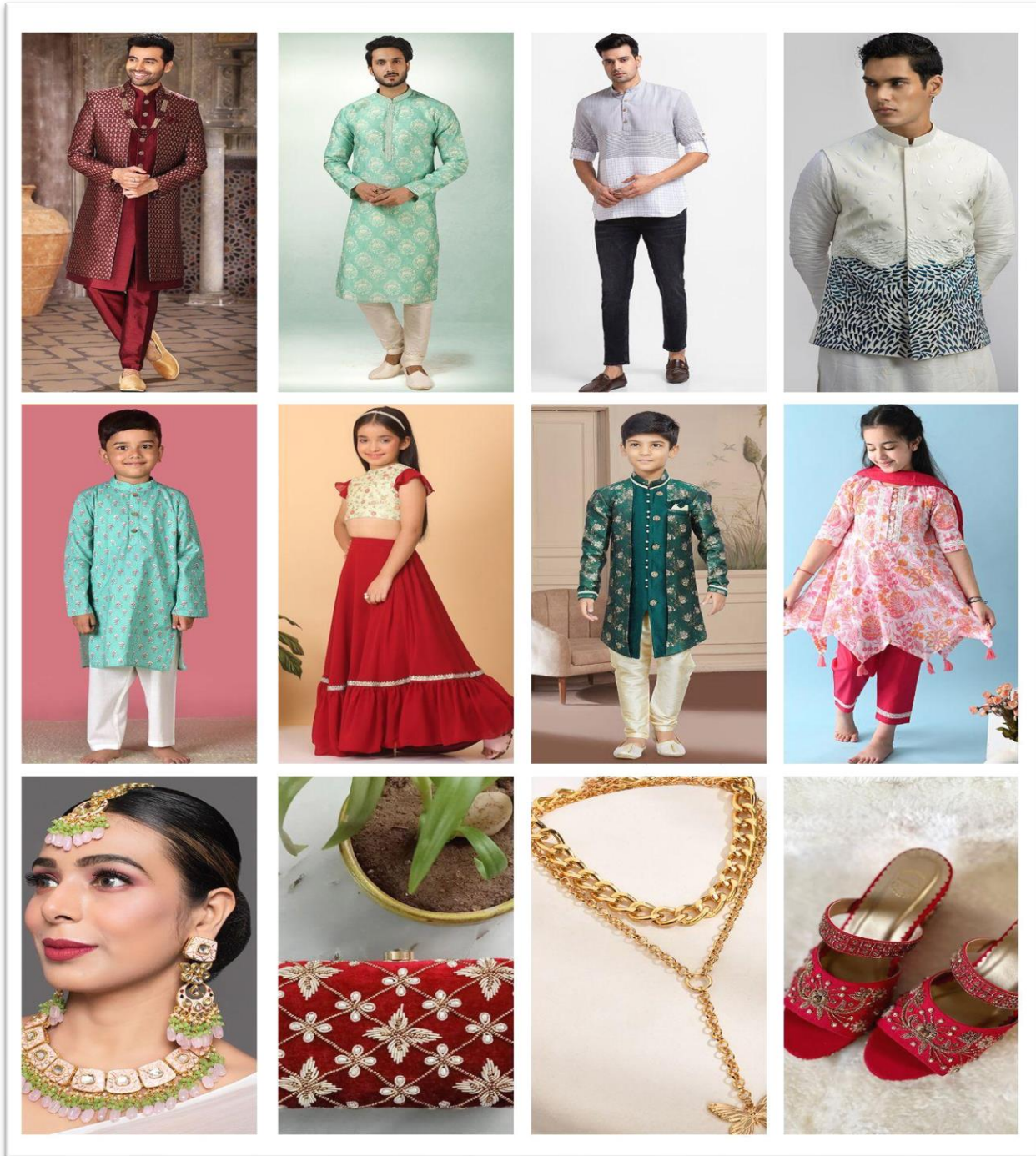
a. Women - Including Lehenga, Saree, Salwar Kameez, Indo Western Wear, Kurta Sets, Kurtis, Jewelry, and more.

b. Men - Comprising Sherwani, Kurta Pyjama, Formal and Informal Suits, and various accessories.

c. Teens & Kids - We offer a wide selection of categories, similar to those for men and women, tailored for teens and kids.



Women



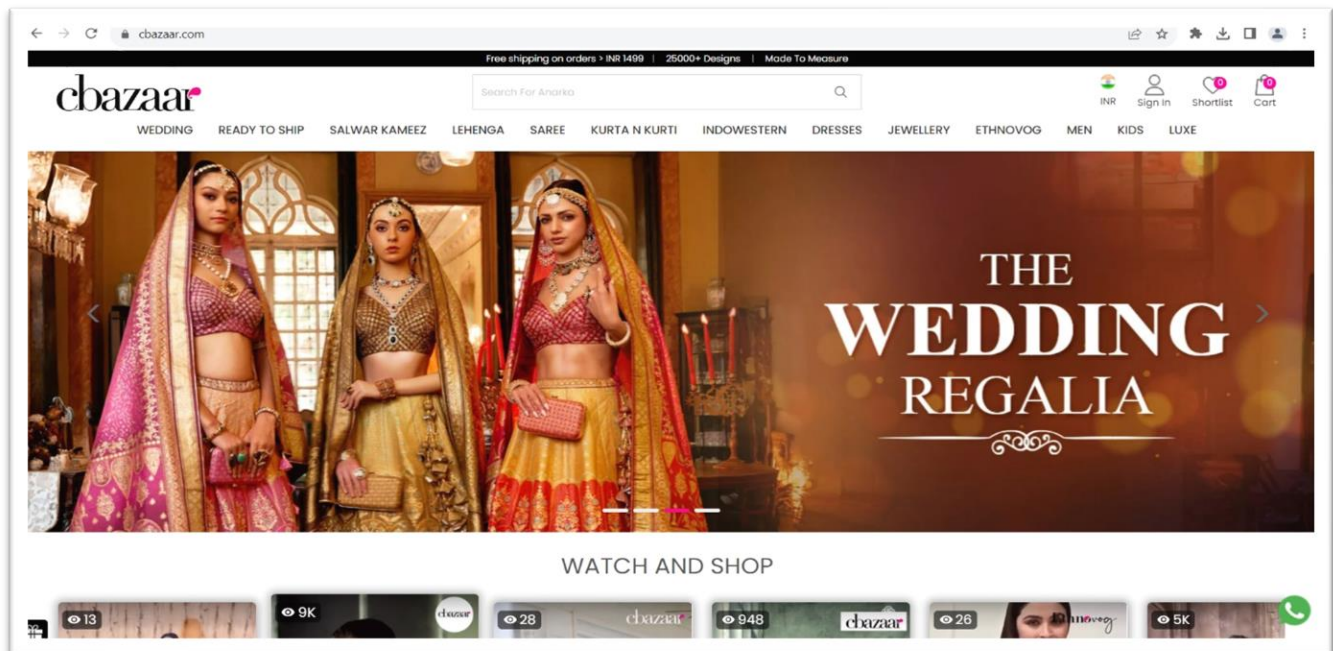
Men/ Kids and Accessories

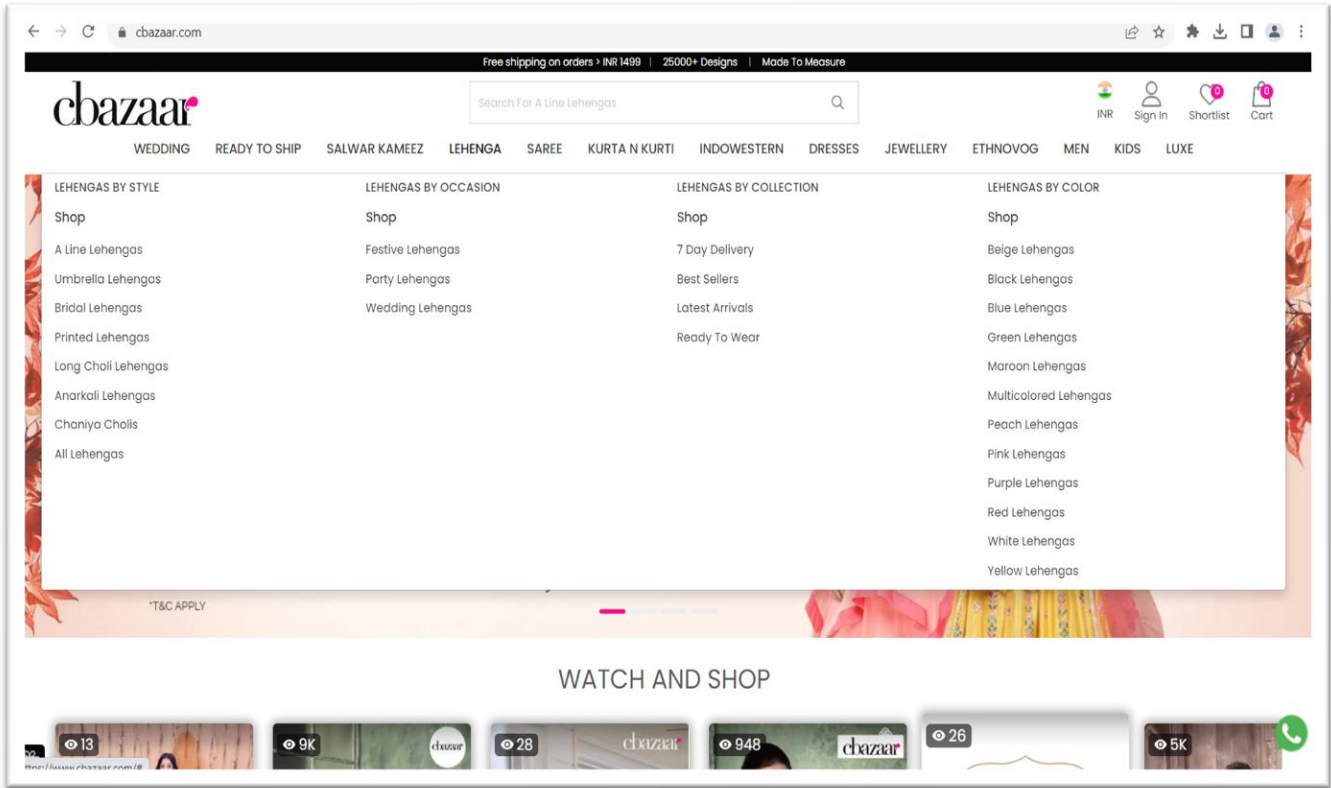
REVENUE BIFURCATION PRODUCT WISE

Products	FY 2022-23		FY 2021-22		FY 2020-21	
	Amount	In%	Amount	In%	Amount	In%
Lehenga Choli	1,102.65	33%	933.78	30%	279.46	20%
Salwar Kameez	1,119.54	33%	1,314.46	42%	734.50	53%
Gowns	247.01	7%	154.05	5%	61.99	4%
Kurtas,	244.70	7%	225.22	7%	90.01	7%
Sherwani	255.93	8%	180.72	6%	63.60	5%
Kurta Sets	33.49	1%	32.46	1%	27.76	2%
Kids wear	56.95	2%	50.21	2%	34.39	2%
Accessories	49.59	1%	48.39	2%	30.65	2%
Other Operating Income	233.69	7%	184.06	6%	57.67	4%
Total Sales	3,343.55	100%	3,123..35	100%	1,380.03	100%

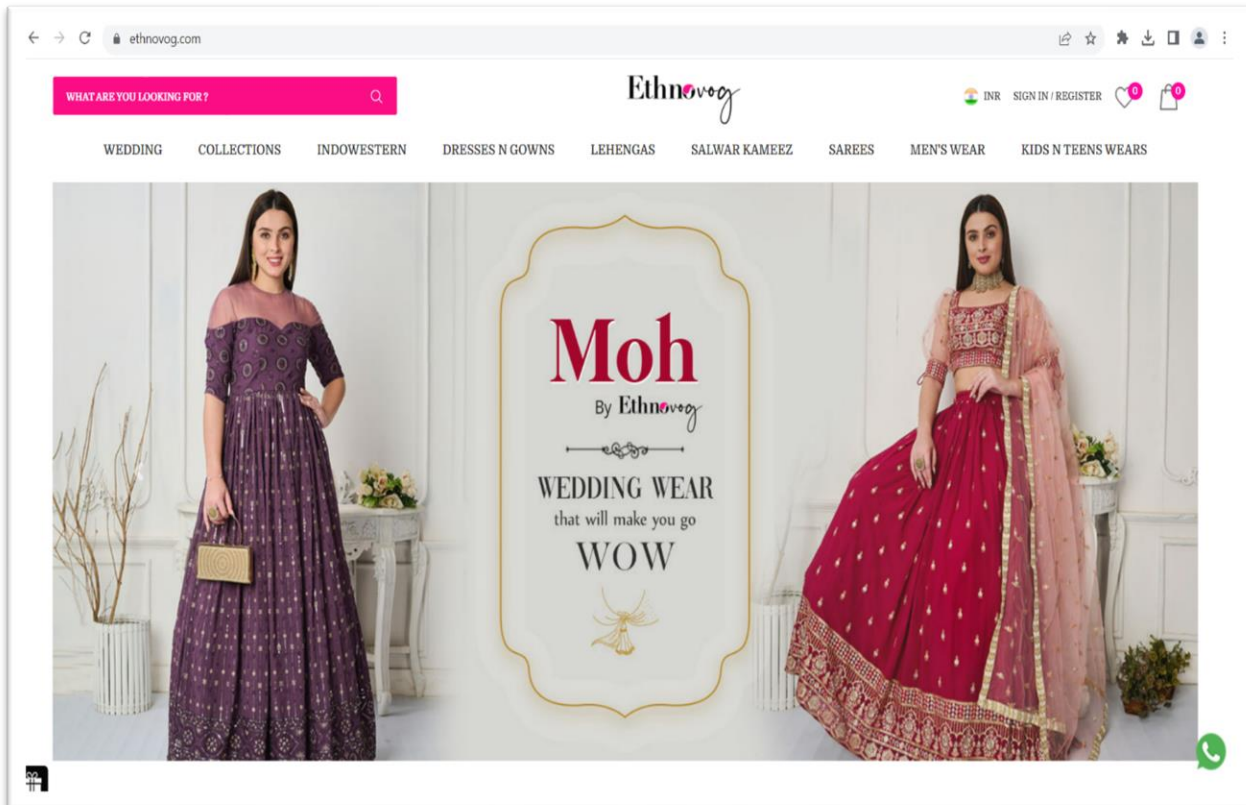
WEBSITE WALKTHROUGH

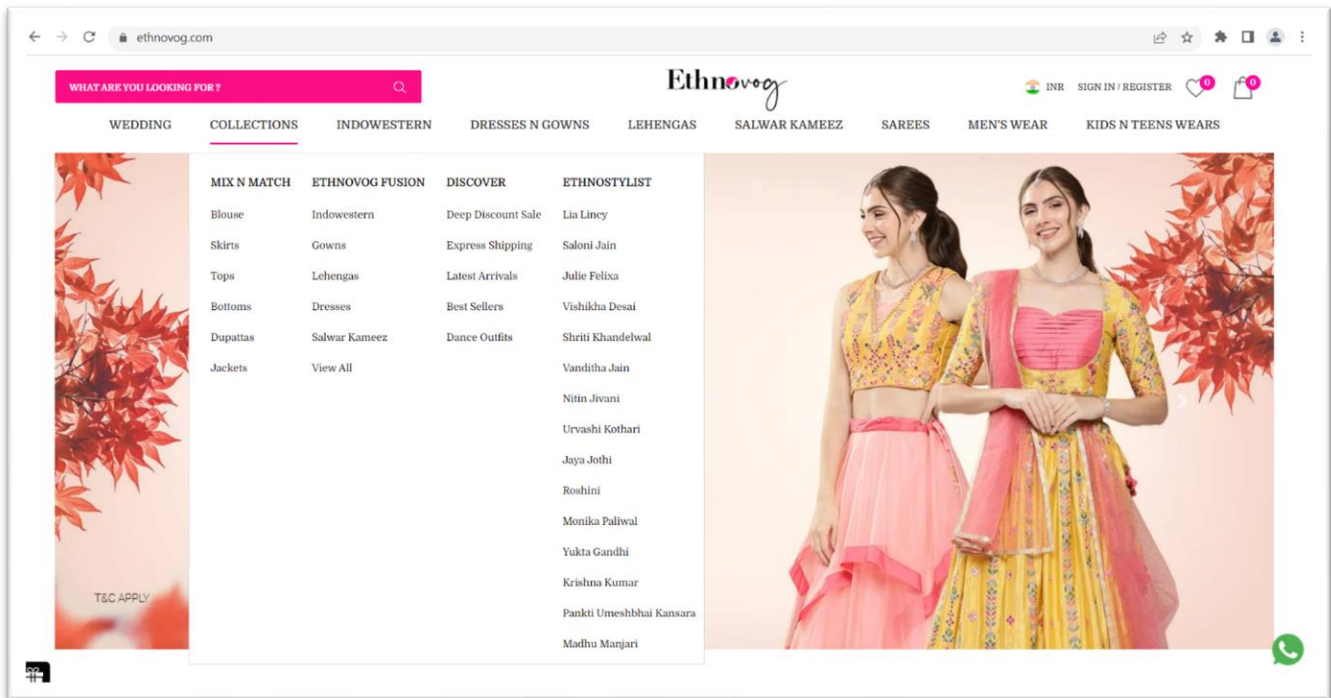
CBAZAAR - www.cbazaar.com





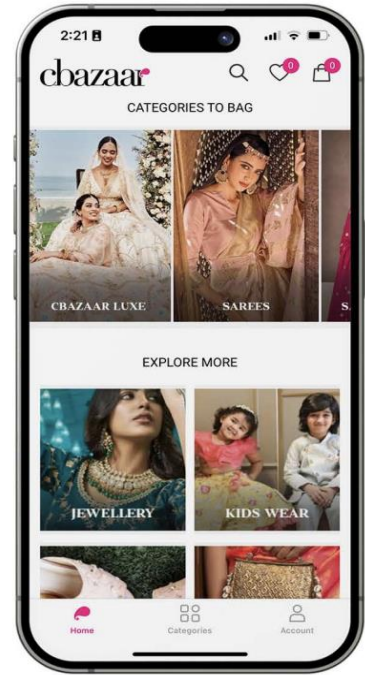
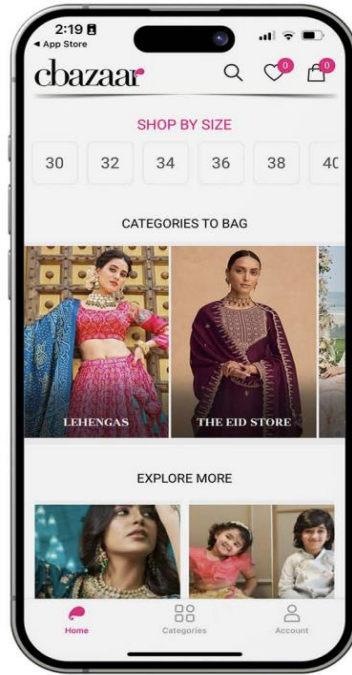
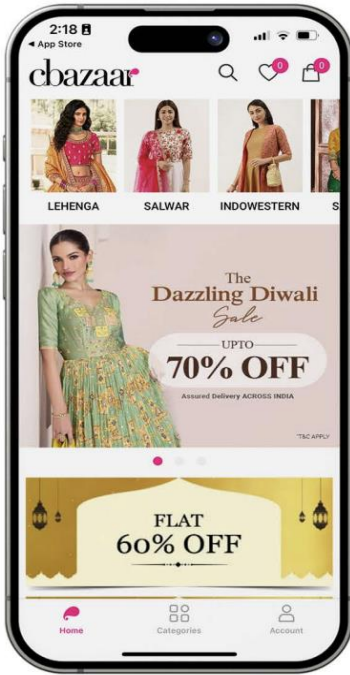
ETHNOVOG - www.ethnovog.com



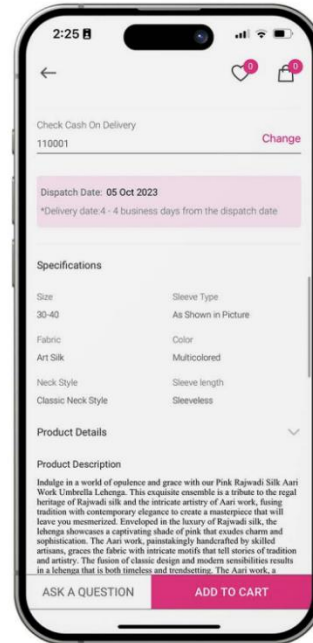


MOBILE APPLICATIONS WALKTHROUGH

CBAZAAR:

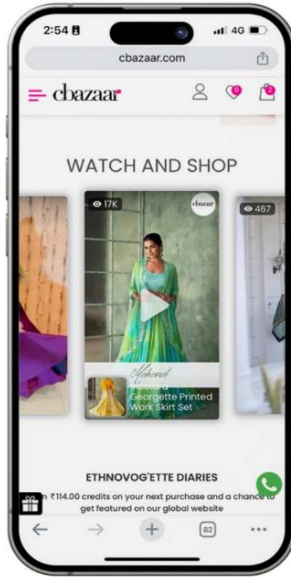
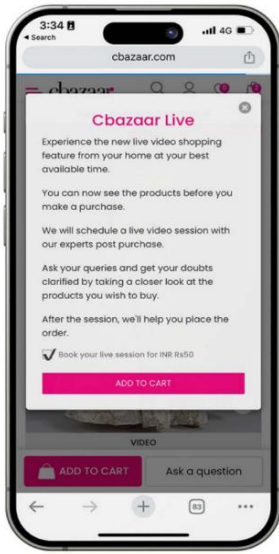


Explore home, enjoy shopping:
Choose size, categories, festivities, discover offers and highlights



Select your product, size, or customize –
Our specialty, Your satisfaction!

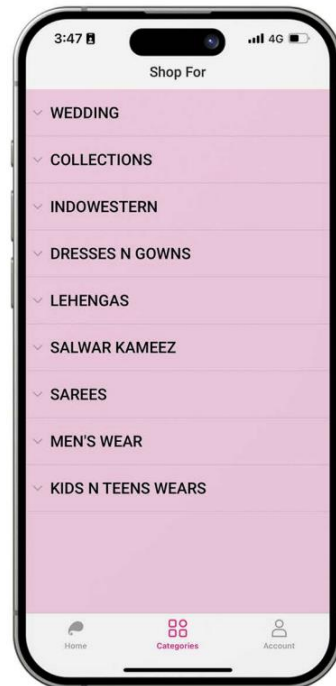
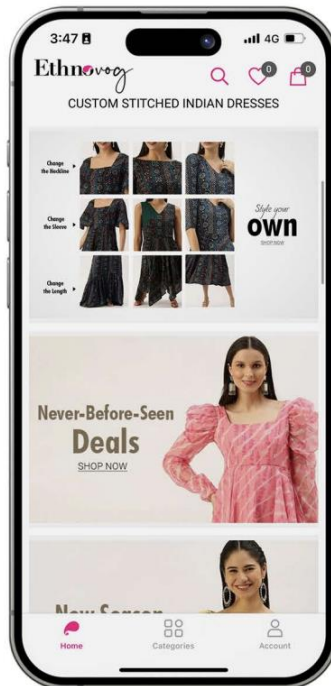
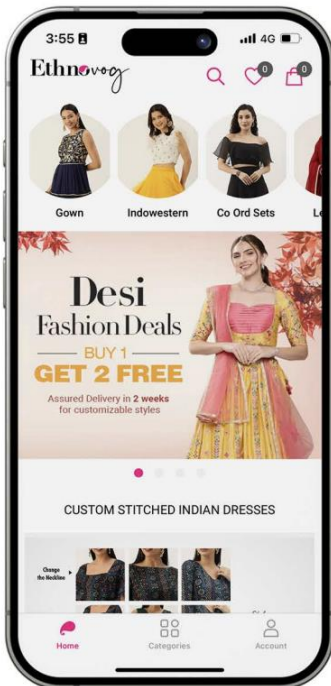
Find All Product Details in
Description & Specification!



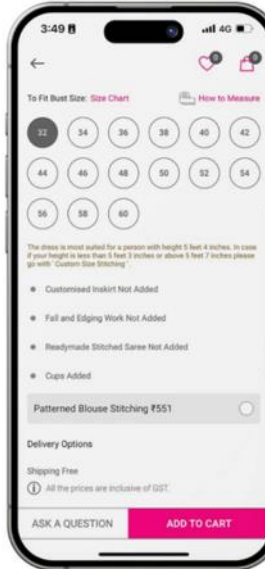
Watch and shop:
Videos and shopping in
one place!!

Cbazaar Live:
Shop with live video, consult experts
& order confidently.

ETHNOVOG



Explore home, enjoy shopping:
explore deals, categories , latest collections,highlights and more!!



Ethnovog:
Customise your outfit,
your way.

DETAIL OF ORDERS, CUSTOMERS AND AVERAGE REVENUE PER ORDER FOR THE PERIODS/YEARS INDICATED BELOW:

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Number of Orders	34,420.0	38,640.0	19,008.0
Number of Customers served	31,133.0	34,541.0	16,470.0
Revenue from operations (Rs. in lakhs)	3,343.5	3,123.3	1,380.0
Average Revenue per Order (in Rs.)	9,035.03	8,083.20	7,260.26

REVENUE BREAK-UP THROUGH ONLINE CHANNELS

Products	FY 2022-23		FY 2021-22		FY 2020-21	
	Amount	In%	Amount	In%	Amount	In%
cbazaar Website	2,443.46	73%	2,303.86	74%	1,155.64	84%
Ethnovog Website	45.72	1%	33.08	1%	20.59	1%
cbazaar Application	221.94	7%	134.72	4%	69.20	5%
Ethnovog Application	13.22	0%	3.81	0%	-	0%
Myntra	578.05	17%	588.65	19%	134.60	10%
Ajio	34.67	1%	59.22	2%	-	0%
Other Channels	6.49	0%	-	0%	-	0%
Total Sales	3,343.55	100%	3,123.35	100%	1,380.03	100%

OUR OPERATIONAL UNIT



AGREEMENTS WITH DELIVERY COMPANIES

We establish agreements with delivery companies, wherein these companies commit to delivering products to our customers. We instruct these delivery companies to pick up products from designated locations and transport them to our customers as per their orders. In cash on delivery orders, these delivery companies also collect the payment in cash from the customers and subsequently transfer these amounts to us.

OUR PRODUCT WISE REVENUE DISTRIBUTION (Category wise)

(Rs. in Lakhs)

Particulars	FY 2022-23		FY 2021-22		FY 2020-21	
	Amount	In%	Amount	In%	Amount	In%
Women's Wear	2,713.91	81%	2,627.51	84%	1,165.96	84.5%
Men's Wear	289.42	9%	213.18	7%	91.36	7%

Kid's Wear	56.95	2%	50.21	2%	34.39	2.5%
Accessories	49.59	1.5%	48.39	1.5%	30.65	2%
Other Operative Income	233.69	7%	184.06	5.5%	57.67	4%
Total Sales	3,343.55	100%	3,123.35	100%	1,380.03	100%

OUR LOCATION

Registered Office	New No. 16, Old No. 13, 1st Floor Prithvi Avenue, Alwarpet Teynampet Chennai, Tamil Nadu – 600018, India
Corporate Office	Plot No. H-139 to 141, Ground Floor and 1st Floor, BRC Compound, Laxminarayan Industrial Estate, Udhana, Surat, Gujarat – 394210, India
Operational Unit and Warehouse	Plot No. H-142 to 143, Ground Floor and 1st Floor, BRC Compound, Laxminarayan Industrial Estate, Udhana, Surat, Gujarat – 394210, India

PLANT & MACHINERY

Our operational units have installed various machines, including CAD Plotter, Sewing Machines, Picco Machine, Steam Press machines and Overlock machine.

CAPACITY UTILIZATION

Our Company being in the E-commerce industry and our products are tailor-made and customized, hence installed capacity and capacity utilization is not applicable to us.

COLLABORATIONS/ TIE – UPS/ JOINT VENTURES

Except as disclosed in this Draft Red Herring Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures as on date of Draft Red Herring Prospectus.

EXPORT AND EXPORT OBLIGATION

Details of Exports is as follows:

Particulars	For the year ended March 31,		
	2023	2022	2021
Exports Sales	2,703.68	2,490.82	1,123.81

Our Company do not have any export obligation as on date.

OUR COUNTRY WISE GEOGRAPHICAL DISTRIBUTION

(Rs. in Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
USA	2,236.75	1,881.56	799.39
India	639.86	632.52	256.22
UK	174.01	325.70	131.05
Canada	158.69	148.49	61.52
Rest of World	134.23	135.07	131.84
Total Sales	3,343.54	3,123.34	1,380.02

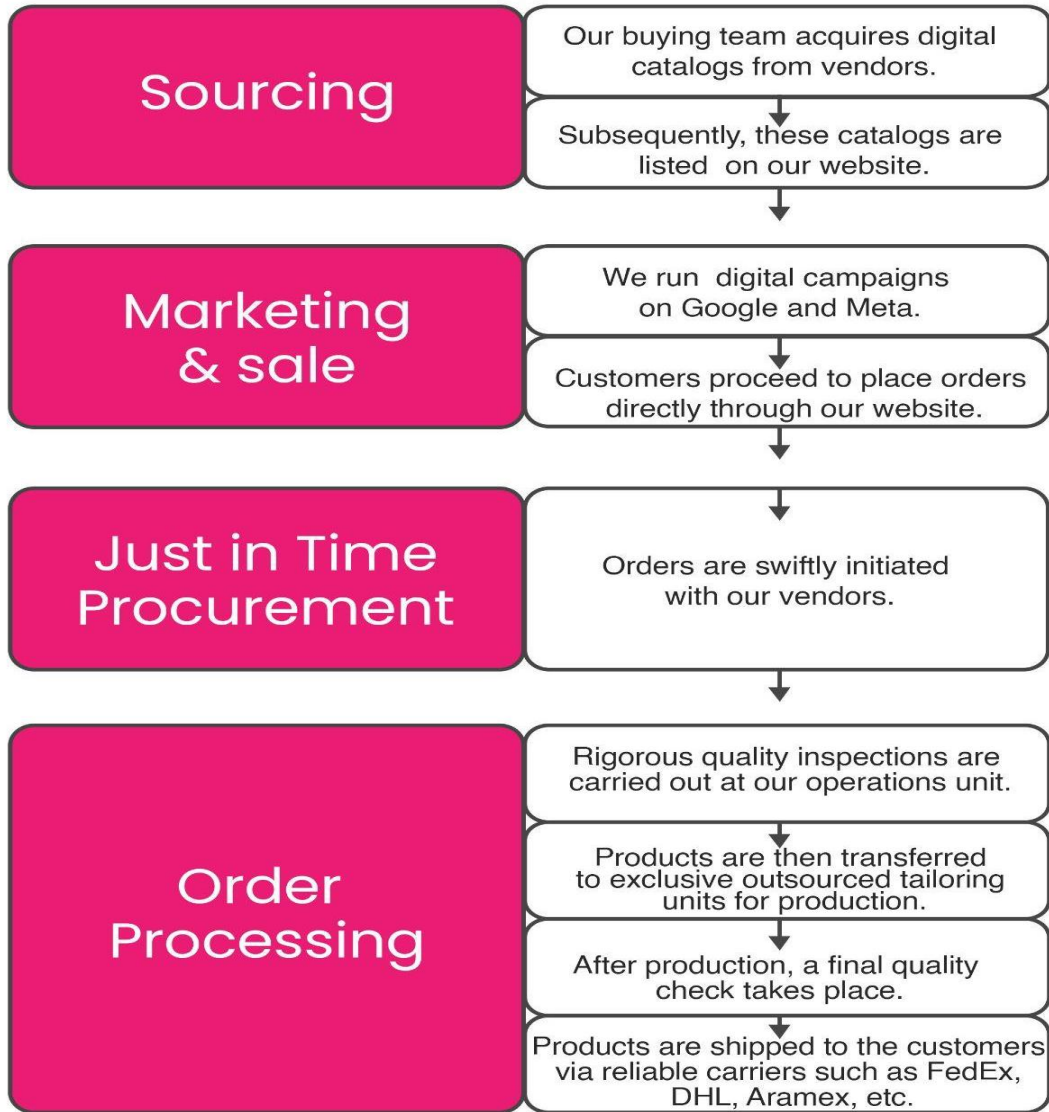
OUR INTERNATIONAL PRESENCE AND OPERATIONS

Our primary sales focus is Indian Ethnic wear, catering primarily to the South Asian Diaspora through our websites, cbazaar.com and ethnovog.com. We directly engage with end consumers and receive orders from many countries, with the United States, United Kingdom, Australia, and Canada serving as our main markets.

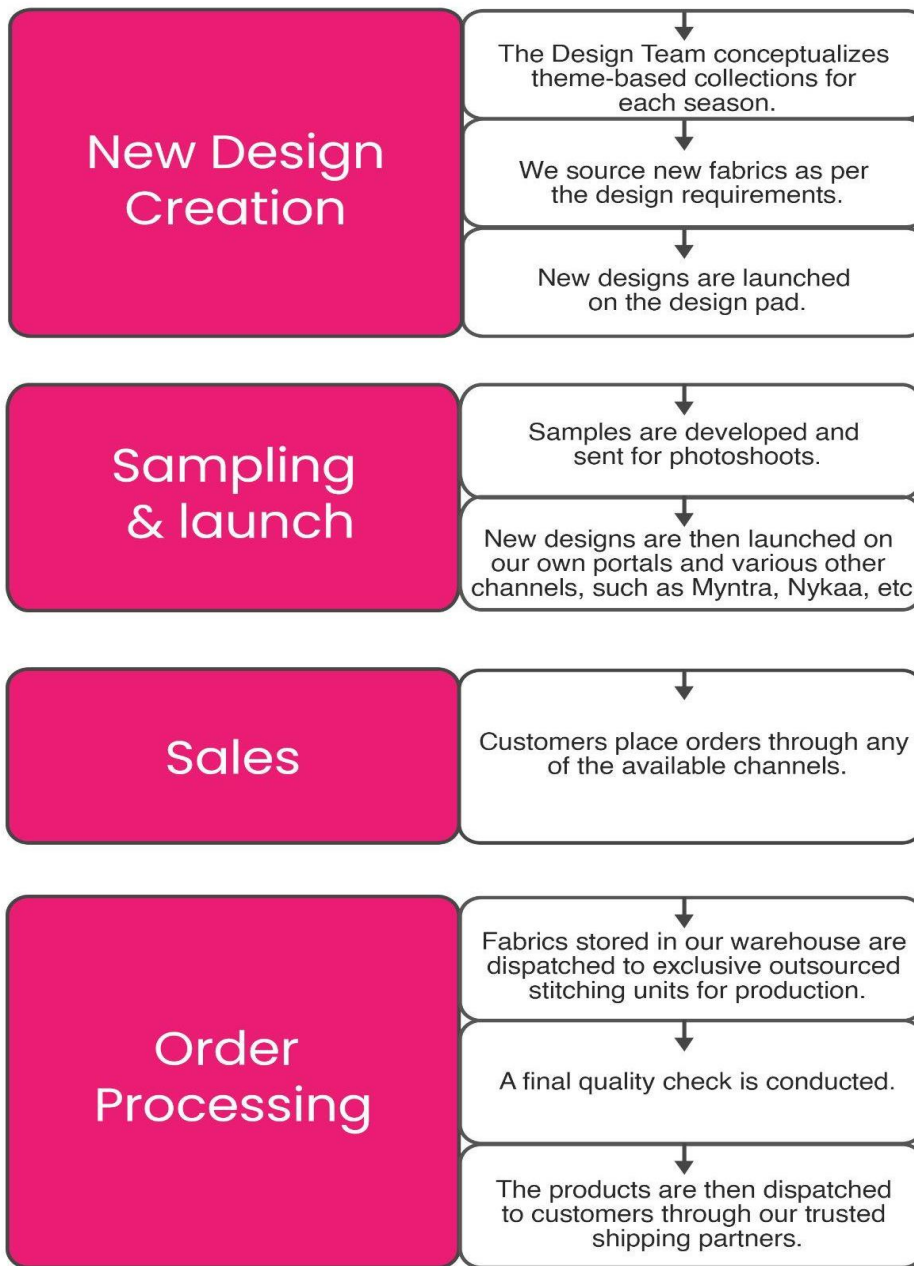
In the international market, all orders are prepaid, while in India, we offer a Cash-on-Delivery (COD) option. We have established a subsidiary in the United States, functioning as a collection agency on our behalf. This subsidiary collects payments from our international customers and regularly transfers the funds to us.

PROCUREMENT PROCESS

Procurement of Vendor Products



Procurement for private label



UTILITIES AND INFRASTRUCTURE FACILITIES

Our registered office is located at Chennai, Tamil Nadu. Our office is equipped with computer systems, servers, relevant software and other communication equipment's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

Raw Materials

Vendor Products: Upon receiving an order, we procure materials from our vendors in either semi-stitched or fully-stitched form.

Private Label: The raw materials primarily consist of fabrics procured from various fabric manufacturers. Additionally, we source essential garment stitching accessories, such as zippers, lining, tulle net, and trims, from non-fabric manufacturers.

Details of top suppliers of our company:

(Amount in Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
Top 5 Suppliers	1,625	1,860	835
Top 10 Suppliers	1,820	2,089	954

Power

Our Company requires power for the requirement of the Office for lighting, systems etc. Adequate power is available which is met through the electric supply.

Water

Water is required for human consumption at office and adequate water sources are available from municipal water supply. The requirements are fully met at the existing premises.

Human Resources

Our Company believe that our employees are key contributors to our business success and its ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

We promote a culture of respect and dignity with our fellow employees irrespective of their age, designation and nature of work. We take pride in having an open-door policy, with our senior management being easily accessible to all employees. We believe in building a passionate, young and an energetic team and in empowering them. We rely in delivering in both happiness to internal and external customers. We are the trendsetters who believe in empowering people that have talent and drive to create benchmarks.

As on August 31, 2023 our Company has 85 employees on payroll. Bifurcation is as follows:

Department	Number of Employees
Order Processing	32
Technology	14
Sourcing Team	11
Marketing Team	7
Finance & Accounts	6
Designing Team	6
Customer Engagement Team	5
HR & Admin	2
CXO	2
Total	85

Our workforce comprises a balanced blend of experienced professionals and young talents, providing us with stability and growth potential benefits. We have effectively executed our growth strategies by leveraging our efficient work processes, skilled resources, and a robust management team.

SALES AND MARKETING

We use digital marketing to target users across the entire marketing funnel, right from creating awareness, driving consideration and conversion by communicating what the brand stands to deliver. Through our marketing media initiatives, a deliberate retention

program and presence across social media, we have not only shaped how consumers perceive the brand Nykaa, but also, how the Indian consumer perceives beauty.

We are trying to increase marketing efforts to communicate our brand story to a large number of online shoppers both internationally and in India. The strategy involves signing up with a well-known designer who would be the key anchor in communicating our brand story involving Styles, Looks, and made-to-measure story.

We would leverage these digital platforms to generate customer leads;

- a. Google Shopping
- b. Facebook / Instagram Shopping
- c. Pinterest

TECHNOLOGY

Our technology platform is a vital enabler and cornerstone of our business strategy. Our platform is proprietary, custom-built, and component-based, serving as a connecting link between our consumers, brand partners, influencers, and internal teams across various lifestyle businesses. A dedicated technology team continuously enhances platform capabilities and improves the consumer shopping experience.

We have designed our platform with simplicity, fault tolerance, scalability, maintainability, and security in mind. This approach allows us to efficiently launch new businesses and provide enhanced experiences to users within existing companies. Our platform architecture adheres to the 'Service Oriented Architecture' model, consisting of four key components: applications, backend services, data, and security.

Information Security and Data Privacy

Information security and data privacy are paramount to us. Our information security program is built upon a foundation of robust information security policies, providing guidelines to protect against security threats and maintain the integrity of our information systems. We implement these policies by deploying controls across all platforms and infrastructure, utilising security solutions, and maintaining a dedicated security team focused on application, network, system security, compliance, and awareness.

We have a comprehensive vulnerability management program to ensure the security of our technology platform and applications. Additionally, we have a disclosure program in place, enabling security researchers to report any platform vulnerabilities. We engage third-party specialists to conduct periodic independent security assessments of our IT infrastructure and applications. All data in transit is encrypted using secure cryptographic protocols, and critical data at rest is also encrypted.

We have established a comprehensive training program to foster a culture of information protection and asset security among our employees. We include:

mandatory online training,
phishing simulations,
regular security awareness communications containing reminders of information security best practices and
onboarding training for new employees.

SUPPLY CHAIN

We collaborate with delivery companies for international orders and orders within India, ensuring the seamless and efficient courier delivery of our products to customers.

INVENTORY MANAGEMENT

Our inventory management is guided by supply chain forecast which depends on factors such as historical sales trends by region, lead time, safety stock, minimum order quantity and replenishment frequency agreed with our brand relationships and vendors. We have negotiated stock correction and return to vendor clauses in our agreements in third party vendors to mitigate the exposure of excess inventory and close of expiry products. Pursuant to our experience in inventory management, we did not experience any material loss on account of obsolescence and expired products in the Financial Years 2023, 2022 and 2021.

COMPETITION

Competition is a significant factor that can impact our business. The big companies have a considerable presence in the market and offer a broad range of products across the world. They have a well-established brand image, large teams, and extensive resources, which enable them to offer products at competitive rates.

Apart from these big players, the market also has several other small and mid-sized product providers. While they may not pose significant competition to us, they are still a threat as they offer competitive pricing and can cater to niche requirements that we may not be able to fulfill. Additionally, new startups are emerging in the market, which are agile, innovative, and are rapidly growing. They are leveraging the latest technologies and are adopting unconventional business models, which can pose a threat to us in the long run.

Our key competitors are a combination of different segments as below:

Online Retailers offering Cross border Commerce

Designer Online brands

Local Retail brands in the US, UK, Canada, and India

We believe 'Cbazaar' would stand out among all the above segments through:

Quick Delivery to international customers - 2 weeks delivery with Made to Measure outfits

Rolling out Trending Designs at a fast rate

Keeping the Price point within minimum range per item which makes it affordable and offers a high degree of 'Value for money'.

INSURANCE

The Details of Insurance policies as on date is as follows:

S.No	Insurance Company	Policy Number	Period of Insurance	Details	Sum Assured	Premium Paid
1.	Bajaj Allianz General Insurance Company Ltd.	OG-23-1801-4010-00003262	From 00:00:00 25-Jan-23 To 24-Jan-24 Midnight	Burglary Insurance Policy- Both Raw Materials (Fabrics And Other Accessories Like Laces, Zippers, Cups, Cancan Etc) And Finished Goods Are Stored At This Location. Orders Are Processed And Shipped From This Location. Primarily It Is A Storage Unit But Minimum Tailoring Works Will Be Done Here As Required By Customers. No Manufacturing Activity Is Involved.	Rs. 5,89,78,205.00	Rs.13,922
2.	Care Health Insurance	48825616	From 00:00:00 hrs. November	Group health insurance policy with primary members 47 & Dependants: 48	Rs. 47,00,000/-	Rs. 2,51,340/-

			08, 2023 to November 07, 2023 Midnight			
3.	Star Health & Allied Insurance Co. Ltd.	P/110000/02/ 2023/000009	From 00:00:00 hrs. January 25, 2023 to January 24, 2024 Midnight	Tailor made Group Personal Accident Insurance Policy Schedule With Death Permanent Total Disability, Permanent partial Disability and Temporary Total disability benefits of Rs. 1,40,00,000/-	Rs. 1,40,00,000/-	Rs. 22,632/-
4.	Bajaj Allianz General Insurance Company Ltd.	OG-23-1801-4057- 00000521	From 00:00:00 hrs. January 25, 2023 to January 24, 2024 Midnight	Fire Insurance Policy for Both Raw Materials (Fabrics And Other Accessories Like Laces, Zippers, Cups, Cancan Etc) And Finished Goods Are Stored At This Location. Orders Are Processed And Shipped From This Location. Primarily It Is A Storage Unit But Minimum Tailoring Works Will Be Done Here As Required By Customers. No Manufacturing Activity Is Involved at Plot No. H-139 to H-141, Laxminarayan Industrial Estate, BRC Compound, Udhna, Vasta Devdi Road, Surat, Gujarat	Rs. 5,89,78,205.00 Plant and machinery: 18,25,078/- Furniture & Fixture: 15,39,545/- Raw Material: Rs. 5,10,00,000/- Electrical Installation: Rs. 27,63,297/-	Rs. 61,972/-
5.	Bajaj Allianz General Insurance Company Ltd.	OG-23-1801-4093- 00000084	From 00:00:00 hrs. January 25, 2023 to January 24, 2024 Midnight	Office Package Insurance	Fire & Allied Perils: Rs. 38,87,832/- Burglary: Rs. 43,87,832/- Money insurance: Rs. 5,00,000/- Breakdown of Office equipments: 2,84,598/- Electronic Equipment: 22,32,141/-	Premium: 36,929/-

					Portable Computers: Rs. 12,83,789/- Fidelity Guarantee: Rs. 5,00,000/- Public Liability: Rs. 20,00,000/-
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PROPERTY


Address of Premises	Owner	Leased / Owned	Acquisition Terms
Ground Floor & 1 st Floor, Plot No. 139 to 141, Laxminarayan Industrial Estate, BRC Compound, Udhna, Surat, Gujarat 394210. Operational unit Address as per website	Ms. Shilpa Piyush Jani	Leased	Lease Period: June 1, 2022 till May 1, 2023 subject to renewal for 5 years from lease commencement date Rent: Rs. 1,38,250/- per month subject to escalation by 10% on June 15, 2024 and June 15, 2026
Ground Floor & 1 st Floor, Plot No. 142, Laxminarayan Industrial Estate, BRC Compound, Udhna, Surat, Gujarat 394210.	Mr. Ajayakumar Natwar Lal Jani	Leased	Lease Period: 33 months from June 1, 2022 till February 01, 2025, subject to renewal for 5 years from lease commencement date. Rent: Rs. 42,750/- per month subject to escalation by 10% on June 15, 2024 and June 15, 2026
1 st Floor, Plot No. 143, Laxminarayan Industrial Estate, BRC Compound, Udhna, Surat, Gujarat 394210.	Pankajkumar Mahipatray Trivedi	Leased	Lease Period: 33 months from June 1, 2022 till February 01, 2025, subject to renewal for 5 years from lease commencement date. Rent: Rs. 18,000/- per month subject to escalation by 10% on June 15, 2024 and June 15, 2026
1 st Floor, Old No. 13, New Door No. 16, Prithvi Avenue, Alwarpet, Ananda Road, Chennai-600018	Ms. S. Kalpana W/o. Mr. JAYaraman Suriyanarayanan	Leased	Lease Period: 2 years w.e.f. April 15, 2022 till April 15, 2024 Rent: Rs. 45,000/- per month
No.3, G 16 th Street, Jogupalya, Halasuru, Bengaluru Urban-560008, Karnataka	N. Rajesh R/o. No. 3, G 16 th Street, Jogupalaya, Halasuru, Bengaluru-560008	Leased	Lease Period: 2 years w.e.f. January 18, 2022 till January 17, 2024 Rent: Rs. 8000/- per month with 5% increase at the end of 1 st year
No.231, 232 & 232, Soukya	Instakart Services Private		NOC dated January 02, 2022

Road, Koraluru Village, Samethanahalli Village, Hoskote Taluk, Bengaluru Rural-560067, Karnataka	limited (Flipcart.com)		
SY No. 524/2, hattanahalli and Madivala Village, Bengaluru, Bengaluru Urban-562107, Karnataka	Amazone		Fulfilment Centre NOC dated April 27, 2023
Building 2 Wh 2. Plot no. 12/P2 IT Sector, Hitech, Defence and Aerospace Park, Bengaluru, Bengaluru Urban-562149, Karnataka	Amazone		Fulfilment Centre NOC dated April 27, 2023

INTELLECTUAL PROPERTY

Set forth below are the trademarks registered/abandoned/objected in the name of our Company under the Trademarks Act, 1999: -

S. No	Brand Name/Logo Trademark	Class	Nature of Trademark and registration number	Owner	Date of Registration/ Application	Authority	Validity
1.		35	Registration no. 3022551	M/S Net Avenue Technologies Private Limited	August 03, 2015	Registrar of Trademarks, Mumbai	August 02, 2025
2.		25 & 35	Serial No. 86696981 Registration No. 4863376	M/S Net Avenue Technologies Private Limited	July 17, 2015	Director of United States, Patent and Trademark Office	July 16, 2025
3.	CBAZAAR	25 & 35	Serial No. 86612209 Registration No. 4863161	M/S Net Avenue Technologies Private Limited	April 28, 2015	Director of United States, Patent and Trademark Office	April 27, 2025
4.	C BAZAAR	18, 25, 35	Trade mark number UK00911335891	M/S Net Avenue Technologies Private Limited	November 10, 2012	Intellectual Property office, Germany	November 10, 2032
5.	CBAZAAR	25	Word Mark 2360308	M/S Net Avenue Technologies Private Limited	July 09, 2012	Registrar of Trademarks, Mumbai	July 08, 2032
7.	Ethnovog	25	Word Mark 5323361	M/S Net Avenue Technologies Private Limited	February 10, 2022	Registrar of Trademarks, Mumbai	February 09, 2032

8.	Ethnovogue by Cbazaar	25	Word Mark 5085796	M/S Net Avenue Technologies Private Limited	August 12, 2021	Registrar of Trademarks, Mumbai	August 11, 2031
9.		25	Word Mark 5085797	M/S Net Avenue Technologies Private Limited	August 12, 2021	Registrar of Trademarks, Mumbai	August 11, 2031

The Details of Domain Name registered on the name of the Company is:

S.No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	https://www.natl.in/about-us.html	D3020639-IN	M/S Net Avenue Technologies Private Limited	June 19, 2008	June 23, 2024
2.	https://www.cbazaar.com/	105482615_DOMAIN_COM-VRSN	M/S Net Avenue Technologies Private Limited	October 23, 2003	October 23, 2024
3.	https://www.ethnovog.com	whois.cloudflare.com, 173.245.58.108	M/S Net Avenue Technologies Private Limited	December 09, 2021	December 09, 2023

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Statutory Approvals” on page 283 of this Draft Red Herring Prospectus.

THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

SEBI REGULATIONS

Securities And Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from the SEBI Act, 1992, SCRA 1956, SCRR 1957 and other rules and regulations, listed entities are mainly regulated by SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

TAX RELATED REGULATIONS

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31st October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states.

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code) in terms of provisions of the Foreign Trade Development and Regulation Act, 1992. Imported goods in India attract basic customs duty, additional customs duty and cesses in terms of the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and the relevant provisions made thereunder. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the assessable value of the goods. Customs duties are administered by Central Board of Indirect Taxes and Customs under the Ministry of Finance

RoDTEP Scheme

RoDTEP stands for Remission of Duties and Taxes on Export Products. It is a new scheme that is applicable with effect from January 1st, 2021, formed to replace the existing [MEIS \(Merchandise Exports from India Scheme\)](#). The scheme will ensure that the exporters receive the refunds on the embedded taxes and duties previously non-recoverable. The scheme was brought about with the intention to boost exports which were relatively poor in volume previously.

BUSINESS/TRADE RELATED LAWS/REGULATIONS

Telemarketing Laws

The Department of Telecommunications ("**DoT**") has framed telemarketing guidelines which regulate commercial messages transmitted through telecommunication services and are applicable to the telemarketing activities by our Company in relation to our business. These guidelines require any person or entity engaged in telemarketing to obtain registration from the DoT. Telemarketing guidelines were issued by the Telecom Regulatory Authority of India ("**TRAI**") as the Telecom Unsolicited Commercial Communications Regulations, 2007 (the "**Unsolicited Communications Regulations**"). The Unsolicited Communications Regulations required telemarketers to, inter alia, obtain registration and discontinue the transmission of unsolicited commercial messages to telephone subscribers registered with a national database established under the regulations. The Unsolicited Communications Regulations have now been replaced with the Telecom Commercial Communications Customer Preference Regulations, 2010 (the "**Customer Preference Regulations**"), issued by the TRAI on December 1, 2010. The Customer Preference Regulations prohibit the transmission of unsolicited commercial communication via calls or SMS, except commercial communication relating to certain categories specifically chosen by the subscribers, certain exempted transactional messages and any message transmitted on the directions of the Government or their authorized agencies, impose penalties on access providers for any violations, require setting-up customer complaint registration facilities by access providers and provide for blacklisting of telemarketers in specified cases. Further, the Customer Preference Regulations prohibit the transmission of commercial messages other than between 9 a.m. to 9 p.m. Under the Customer Preference Regulations, no person, or legal entity who subscribes to a telecom service provided by an access provider, may make any commercial communication without obtaining a registration as a telemarketer from the TRAI.

Consumer Protection (E-Commerce) Rules, 2020 (the "E-commerce Rules")

The E-Commerce Rules regulate the marketing, sale and purchase of goods and services over a digital or electronic network. It restricts the use of any unfair trade practice by e-commerce entities and mandates the establishment of an adequate grievance redressal mechanism and the appointment of a grievance officer. Further, the E-Commerce Rules required all e-commerce entities to appoint a nodal person of contact or an alternate senior designated functionary to ensure compliance with its provisions. Contravention of the E-Commerce Rules will attract penal action in accordance with the Consumer Protection Act, 2019.

Consumer Protection Act, 2019 (the "Consumer Protection Act") and the rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be

practiced by manufacturers, service providers and traders. The definition of “consumer” under the Consumer Protection Act also includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

Section 94 of the Consumer Protection Act, 2019 deals with measures to prevent unfair trade practices in e-commerce, direct selling, etc. it states that for the purposes of preventing unfair trade practices in e-commerce, direct selling and also to protect the interest and rights of consumers, the Central Government may take such measures in the prescribed manner.

Draft National E-Commerce Policy 2019

Draft National E-Commerce Policy Prepared by Government of India addresses six broad areas of the e-commerce ecosystem viz. data, infrastructure development, e-commerce marketplaces, regulatory issues, stimulating domestic digital economy and export promotion through ecommerce. The Policy takes into account interests of all stakeholders including investors, manufacturers, MSMEs, traders, retailers, startups and consumers. The National E-Commerce Policy has been formulated with a vision to provide a level-playing field to all stakeholders, including the individual consumers and MSMEs and start-ups.

The Digital Personal Data Protection Bill, 2022 (“DPDP Bill”)

The DPDP Bill, 2022 is intended to outline the rights and obligations of 'digital nagriks' or citizens, as well as to lay out the methods and standard for data collecting when it comes to entities. The proposed DPDP Bill, 2022 establishes severe penalties for violations of any of the legislation's provisions, which will be determined by the Data Protection Board of India. It provides financial penalties with a cap of ₹500 crores, which proves to be of much higher quantity as compared to the PDP Bill, 2019. The bill does not allow data principals to seek compensation from data fiduciaries for damages incurred because of unlawful processing. In addition, the legislation imposes obligations on data principals, and if they fail to comply with the regulations, fines of up to ₹10,000 can be levied. Some of these obligations include exercising rights in accordance with "the provisions of all applicable laws" and not filing "false or frivolous" complaints with the data fiduciary or the DPB.

The provisions of this Act upon notification, shall apply to the processing of digital personal data within the territory of India where: (a) such personal data is collected from Data Principals online; and (b) such personal data collected offline, is digitized. (2) The provisions of this Act shall also apply to processing of digital personal data outside the territory of India, if such processing is in connection with any profiling of, or activity of offering goods or services to Data Principals within the territory of India.

Information Technology Act, 2000 and Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.

Since our Company is involved in the business of online marketing and selling of its products through e-commerce platform, during the course of sale of their products, it gets access to the personal data including banking details / online payment utilities of the consumers purchasing our products and hence our working is governed by Information Technology Act, 2000. This act governs and provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as —electronic commerce. It highlights the grievous penalties and sanctions that have been enacted by the Parliament of India as a means to protect the e-governance, e-banking, and e-commerce sectors. It is important to note that the IT Act’s scope has now been broadened to include all the latest communication devices. It also gives legal recognition to Digital Signatures and facilitates storage of data. The Act is applicable to any offence or contravention committed outside India as well. If the conduct of person constituting the offence involves a computer or a computerized system or network located in India, then irrespective of his/her nationality, the person is punishable under the Act.

[*The Information Technology \(Reasonable Security Practices and Procedures and Sensitive Personal Data or Information\) Rules, 2011*](#): According to these rules, entities holding individuals’ sensitive personal information must maintain certain security standards that are specified.

Technology Up-Gradation Fund Scheme

Ministry of Textiles has been implementing Technology Up-gradation Funds Scheme (“TUFS”) since 1999 to facilitate technology upgradation of textiles industry in the country. TUFS aims at making available funds to the domestic textile industry of existing units as well as to set up new units with state-of-the-art technology so that its viability and comprehensiveness in the domestic as well as international markets may enhance. TUFS provides for interest reimbursement/capital subsidy/margin money subsidy and has been devised to bridge the gap between the cost of interest and the capital component to ease up the working capital requirement and to reduce the transaction cost, etc. TUFS is an important tool to infuse financial support to the textiles industry and help it capitalize on the vibrant and expanding global and domestic markets, through technology up-gradation, cost effectiveness, quality production, efficiency and global competitiveness.

New Textiles Policy, 2020

The New Textiles Policy, 2020 is aimed at developing in the country a competitive textile sector that is modern, sustainable, and inclusive. This new policy will have a special focus on the manufacturing of apparel and garment, technical textiles, man-made fiber products and exports. It will envisage positioning India as a fully integrated, globally competitive manufacturing and exporting hub and will entail the strategy and action plan for the country's textile and apparel segments while maintaining a pre-eminent position in the handicraft and handloom sectors.

Technical textiles: The Cabinet has approved the [National Technical Textiles Mission](#). The govt. will spend Rs.1,000 crore in developing raw materials for technical textiles; research associations will be asked to produce applications for these.

Production-Linked Incentive Scheme in Textiles Products

In November 2020, the Union Cabinet approved the introduction of the Production-Linked Incentive Scheme in Textiles Products to enhance India's Manufacturing Capabilities as well as Exports. An amount of ₹ 10,683 crore has been approved as an outlay for a period of 5 years. This initiative will be implemented by the Ministry of Textile and is expected to cover forty product categories under man-made fiber.

Textiles Committee Act, 1963

The Textiles Committee Act, 1963 (“TCS”) came into force on August 22, 1964. A textiles committee (“Textiles Committees”) has been established under TCS with the primary objective of ensuring a standard quality of textiles both for domestic and export markets as well as standardization of the type of textile machinery used for production. The Textiles Committee's functions include, among others, the promotion of Indian textiles and textile exports, researching in technical and economic fields, establishing standards for Indian textiles and textile machinery, setting up of laboratories, and data collection. Additionally, the Textiles Committee regulates the imposition of cess on textile and textile machinery that is manufactured in India under TCS.

Textile (Development and Regulation) Order, 2001

The Textile (Development and Regulation) Order, 2001 (“Textile Order”) was brought into force by the Central Government under Section 3 of the Essential Commodities Act, 1955 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner. The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade Marks Act, 1999, except under and limited to the extent of specific authorization by the holder of or applicant for such brand or tradename.

Cotton Control Order, 1986

The Cotton (Control) Order, 1986 (“Cotton Order”) prescribes the maximum quantity of cotton that may be possessed by a manufacturer, a cotton ginning factory, a cotton pressing factory, a cotton ginning and pressing factory and a person (other than a member of a Hindu Undivided Family growing cotton). The Cotton Order establishes the office of the Textile Commissioner as the regulatory body. The Cotton Order further specifies the quality standards that have to be met while picking cotton for the purposes of export and domestic consumption as well as the markings that have to be made on the cotton bale before marketing of the same.

The Bureau of Indian Standards Act, 1986

The Bureau of Indian Standards Act, 1986 (“BIS Act”) was established to provide for the establishment of a bureau (“Bureau”) for the harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith. “Indian Standard” means the standard (including any tentative or provisional standard) established and published by the Bureau, in relation to any article or process indicative of the quality and specification of such article or process and includes - (i) any standard recognized by the Bureau under clause (b) of section 10 of the BIS Act; and (ii) any standard established and published, or recognized, by the Indian Standards Institution and which is in force immediately before the date of establishment of the Bureau.

ENVIRONMENT LAWS

National Environmental Policy, 2006

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:—

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

Environmental Legislations

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”), Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”), aim to prevent, control and abate pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. The Water Act aims to prevent and control water pollution and to maintain or restore water purity and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board. The Forest (Conservation) Act, 1980 (“FCA”) read with Forest (Conservation) Rules, 2003 aim to preserve forest land and provide for restriction on the deforestation of forests or use of forest land for non-forest purpose and requires prior approval for use of forest land for any non-forest purpose. The Environment (Protection) Act, 1986 read with Environment (Protection) Rules, 1986 aim to protect and improve the environment and provide rules for prevention, control and abatement of environment pollution and impose obligation for proper handling, storage, treatment, transportation and disposal of hazardous wastes.,

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

Environment Impact Assessment Notification of 2006

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT

The Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations.

Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIF and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 for regulation on exports of goods and services.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company

Laws related to Overseas Investment by Indian Entities:

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in suppression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI has vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management

(Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

Foreign Trade Policy 2023:

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT (D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services. All exports and imports made up to 31.03.2023 shall, accordingly, be governed by the relevant FTP, unless otherwise specified.

LAWS RELATED TO EMPLOYMENT OF MANPOWER:

Code on Wages, 2019

The Code on Wages, 2019 regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Only few section of the Code has yet been notified vide notification no. S.O. 4604(E) dated December 18, 2020.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

**The Code on Wages, 2019, The Code on Social Security, 2020, (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes.*

Employees Provident Fund and Miscellaneous Provisions Act, 1952

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Employees State Insurance Act, 1948, as amended (the "ESIC Act")

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 ("MWA Rules")
- Industrial (Development and Regulation) Act, 1951 ("IDRA")
- Industrial Disputes Act, 1947 ("ID Act")
- Payment of Bonus Act, 1965 ("POB Act")
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act")
- Equal Remuneration Act, 1976 ("ER Act")
- Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 ("WCA")
- Maternity Benefit Act, 1961 ("Maternity Act")
- Industrial Employment Standing Orders Act, 1946
- Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015,

LAWS RELATING TO INTELLECTUAL PROPERTY

Trademarks Act, 1999

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

The Patents Act, 1970:

The Patents Act, 1970 as amended from time to time, in India has been enacted to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent.

The Designs Act, 2000 (Designs Act)

The objective of Designs Act is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

OTHER GENERAL RULES AND REGULATIONS:

The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

State Laws

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Other regulations

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

PROPERTY RELATED LAWS

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

HISTORY AND CERTAIN CORPORATE MATTERS

BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated on June 07, 2001 as “Net Avenue Technologies Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Tamil Nadu. Subsequently our Company was converted into Public Limited Company and name of company was changed from “Net Avenue Technologies Private Limited” to “Net Avenue Technologies Limited” vide fresh certificate of incorporation dated September 22, 2023 issued by the Registrar of Companies, Chennai.

Our Company was originally promoted by Mr. Rajesh Nahar, Mr. Ritesh Katariya, Mr. Kawarlal M and Ms. Sarala Nahar who were the initial subscribers to the Company’s Memorandum and Articles of Association. Mr. Rajesh Nahar and Mr. Ritesh Katariya are the present promoters of our Company.

As on date of this Draft Red Herring Prospectus, our Company has 15 (fifteen) shareholders.

For information on our Company’s profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer the sections entitled “*Industry Overview*”, “*Our Business*”, “*Our Management*”, “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 113, 128, 168, 188 and 264 respectively.

Address of Registered Office:

The Registered Office of the Company is situated at New No. 16, Old No. 13, 1st Floor Prithvi Avenue, Alwarpet, Chennai-600018, Tamil Nadu, India.

CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

There has not been any change in our Registered Office since incorporation till date of this Draft Red Herring Prospectus except below change:

From	To	With effect from	Reason for Change
5, Club Road, Chetpetchennai, Chennai-600031, Tamil Nadu, India	No.5, Egmore High Road, Egmore, Chennai-600008, Tamil Nadu, India.	August 24, 2001	For Administrative Convenience
No.5, Egmore High Road, Egmore, Chennai-600008, Tamil Nadu, India	B New No. 16, Old No. 13, 1st Floor Prithvi Avenue, Alwarpet Teynampet Chennai-600018, Tamil Nadu, India	August 04, 2023	For Administrative Convenience

MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Key Events / Milestone / Achievements
2001-02	Incorporation of the Company in the name and style of “Net Avenue Technologies Limited”
2017-18	Net Avenue launched its own private label brand, Ethnovog.
2020	Cbazaar.com, owned by Net Avenue Technologies was rated as one of the best online shops in the United States.
2022	Cbazaar.com, owned by Net Avenue Technologies was rated as one of the fastest growing brands in the United States.
2023-24	Converted into Public Limited Company vide fresh certificate of incorporation dated September 22, 2023.

MAIN OBJECTS OF OUR COMPANY

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To establish and carry on the business of buying, selling or otherwise dealing with any kind of good & services, offline or any other means through internet, WAP, e-commerce, M-commerce. Further to import, export, buy, sell, franchisee develop, design

services, agencies for other person, business establishment, non-business establishment, Government agencies, professional of any kind having its presence online, offline, WAP enabled device, e-commerce, M-commerce or any kind of establishment.

2. To establish and/or carry on the business of marketing, advertising, promoting, selling, buying, designing, maintaining warehousing, consulting, counseling, money transferring, payment gateway services, liaisoning, networking, broking, commissioning, importing, exporting, hiring, franchising, Call Centre servicing, logistic services, for any kind of person, business establishment, non-business establishment, professional located in and/or outside India its presence offline, online, WAP Services, e-commerce, M-commerce or any other model for any kind of product and/or services.
3. To establish, carry on and/or deal with in any other manner for any kinds of and/or business services wireless, handhold devices, palmtops, laptops, mobile/cellular phones, gifting logistics, money transfer services, payments gateway services, consulting services, management services or any other kind of services of business or services to Indians, NRIs, Foreign national or any other persons, business concern, non-business concern, Government organization etc.
4. To carry on the business of buying, selling, manufacturing, and dealing in computer and further engage in or carry on the business of designing and manufacturing computer ancillaries including programme another software with intent to export, import, trade or otherwise deal in computers, computer ancillaries, programme, software and to provide consultancy services and training of all kinds of description related to the preparation and maintenance including preservation or storage of information and reports of all kinds, collecting, storing, processing and transmitting information and date of every kind and description, system analysis and design, programming letting on hire processing time, testing and programming letting on hire processing time, and utilization of machine services for solving or aiding commercial, industrial scientific and research problems.
5. To establish satellite network and services related to internet, internet and website and act as internet service provider and consultant in the field of Web designing and development not designing, portal development, e-commerce, e-transfer, e-collect, e-coordination, e-management, net trading, B-school and to develop customized packages for various types of customers in this field.
6. To design develop, buy, sell, import, export, represent, franchise, trade, hire, lease deal with and carry on the business of computer software and information systems including packages software, firmware, customized software, business software, educational software, consumer software, household software, Multimedia, entertainment software, databases, computer languages, software know-hows software, algorithms, software technologies software projects and all other information technology products, applications and services.
7. To act as consultant and render technical and professional services in field of system & software development including developing and trading in common software packages and tailor made software packages, data processing, data conversion, voice mail, data bank, computer research centre, communications systems, audio and video serials. Television programmes, print media, print graphics and media channels.
8. To carry on the business of manufacturers, traders, fabricators, exporters and importers of all kinds of clothing, readymade garments, Jewellery, footwear, hand bags, beauty products and all accessories related to fashion & lifestyle products, or otherwise to act as agents, sub-agents, wholesalers, retailers, representatives, commission agents, franchisers and dealers and manufacturers of all kinds of textiles clothing, wearing apparel, cosmetics, jute linens, furnishing fabrics and fabrics of all kind of readymade garments and clothing, lingerie, hosiery, jewelry & accessories in India or abroad.
9. To own, create, operate and manage online shopping websites, e commerce market places, portals, mobile applications and to create a virtual shopping mall with online catalogue and to provide a convenient shopping experience to its customers for items relating to clothing, jewelry, backpacks, hand bags, beauty products & all kind of accessories related to fashion & lifestyle products.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY SINCE INCORPORATION

The following changes have been made in the Memorandum of Association of our Company since Incorporation:

Sr.No.	Particulars	Date of Meeting	Type of Meeting
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1.	The initial Authorised share capital of our Company was ₹10,00,000 (Ten Lakh) divided into 1,00,000 (One Lakh) Equity Shares of ₹10 each. This Authorised capital was increased to ₹15,00,000 (Fifteen Lakh) divided into 1,50,000 (One Lakh Fifty thousand) Equity Shares of ₹10 each pursuant to a resolution passed by our Shareholders in Extra-Ordinary General Meeting held on March 27, 2003.	March 27, 2003	Extra-Ordinary General Meeting
2.	Company has sub-divided each of the its issued, subscribed, paid up and unissued equity shares of ₹10/- into 10 equity shares of ₹1 each vide resolution passed by its Shareholders in Extra-Ordinary General Meeting held on March 5, 2012.	March 05, 2012	Extra-Ordinary General Meeting
3.	The Authorised share capital of our Company was increased from ₹15,00,000 (Fifteen Lakh) divided into 15,00,000 (Fifteen Lakh) Equity Shares of ₹1 each to ₹25,00,000 (Twenty-Five Lakh) pursuant to a resolution passed by our Shareholders in Extra- Ordinary General Meeting held on March 5, 2012 divided into: <ul style="list-style-type: none"> - 10 (Ten) 'Series A- Class B Equity Shares' of ₹1 each; and - 19,99,990 (Nineteen Lakh Ninety-Nine Thousand Nine Hundred and Ninety) Class A Equity Shares of ₹1 each and - 5,00,000 (Five Lakh) 'Series A Preference Shares' of ₹1 each 	March 05, 2012	Extra-Ordinary General Meeting
4.	The Authorised share capital of our Company was increased from ₹25,00,000 (Twenty-Five Lakh) divided into: <ul style="list-style-type: none"> - 10 (Ten) 'Series A- Class B Equity Shares' of ₹1 each; and - 9,99,990 (Nineteen Lakh Ninety-Nine Thousand Nine Hundred and Ninety) Class A Equity Shares of ₹1 each and - 5,00,000 (Five Lakh) 'Series A Preference Shares' of ₹1 each to ₹36,00,000 (Thirty-Six Lakh) pursuant to a resolution passed by our Shareholders in Extra-Ordinary General Meeting held on October 20, 2014 divided into: <ul style="list-style-type: none"> - 10 (Ten) 'Series A - Class B' Equity Shares of ₹1 each; and - 24,99,980 (Twenty-Four Lakhs Ninety-Nine Thousand Nine Hundred and Eighty) Class A Equity Shares of ₹1 each. - 10 (Ten) Series B - Class B Equity Shares of ₹1 each and - 5,00,000 (Five Lakh) 'Series A Preference Shares' of ₹1 each. - 6,00,000 (Six Lakh) 'Series B Preference Shares' of ₹1 each.; 	October 20, 2014	Extra-Ordinary General Meeting
5.	Amendment in Main object of Company by inserting the Point 8 and 9 in Main Object of our Company	March 16, 2020	Extra-Ordinary General Meeting
6.	Company has reclassified its Authorised Share Capital from ₹36,00,000 (Thirty-Six Lakh) comprising of <ul style="list-style-type: none"> - 10 (Ten) 'Series A - Class B' Equity Shares of ₹1 each; and - 24,99,980 (Twenty-Four Lakhs Ninety-Nine Thousand Nine Hundred and Eighty) Class A Equity Shares of ₹1 each. - 10 (Ten) Series B - Class B Equity Shares of ₹1 each and - 5,00,000 (Five Lakh) 'Series A Preference Shares' of ₹1 each. - 6,00,000 (Six Lakh) 'Series B Preference Shares' of ₹1 each.; to ₹36,00,000(Thirty-Six Lakh) divided into 36,00,000 Equity Shares of ₹1/- each vide Resolution passed by its shareholders in Extra Ordinary General Meeting held on August 16, 2023.	August 16, 2023	Extra-Ordinary General Meeting
7.	The Authorised share capital of our Company was increased from ₹36,00,000 (Thirty-Six Lakh) divided into 36,00,000(Thirty-Six Lakh) Equity Shares of ₹1/- each to ₹2,30,00,000 (Two Crores Thirty Lakh) divided into 2,30,00,000 (Two Crores Thirty Lakh) Equity Shares of ₹1 each pursuant to a resolution passed by our Shareholders in Extra- Ordinary General Meeting held on August 16, 2023.	August 16, 2023	Extra-Ordinary General Meeting

8.	Adoption of MOA as per the provisions of the Companies Act, 2013	September 13, 2023	Extra-Ordinary General Meeting
9.	Conversion of Company into Public limited Company and change in name of company from Net Avenue Technologies Private Limited to Net Avenue Technologies Limited vide fresh Certificate of Incorporation issued by Registrar of Companies, Chennai, dated September 22, 2023	September 13, 2023	Extra-Ordinary General Meeting

ADOPTING NEW ARTICLES OF ASSOCIATION OF THE COMPANY

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-Ordinary General Meeting of the Company dated September 13, 2023

OTHER DETAILS ABOUT OUR COMPANY

For details of our Company's activities, products, growth, technology, marketing strategy, competition and our customers, please refer section titled "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Basis for Issue Price" on pages 128, 264 and 103 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "Our Management" and "Capital Structure" beginning on pages 168 and 77 of this Draft Red Herring Prospectus respectively.

OUR HOLDING COMPANY

As on the date of this Draft Red Herring Prospectus, there is no holding company of our Company.

OUR SUBSIDIARY COMPANY

1. Cbazaar.com Inc (Incorporated in United States of America)

Corporate Information

Cbazaar.com Inc was incorporated on September 27, 2012 in Delaware under State of California. The Registered Office is situated at 10 South Third, 3rd Floor, San Jose CA 95113, USA.

Nature of Business

The main object of company includes, inter alia carrying on online Indian Ethnic Wear Store.

Shareholding of the issuer

S.No.	Name of Shareholder	Shares	In %
1.	Net Avenue Technologies Limited	1,000	100%

Amount of accumulated profits or losses

There are no accumulated profits or losses of our Subsidiary that are not accounted for by our Company in the Consolidated Financial Statements

2. Pioneer Tradings Limited (Incorporated in United Kingdom)

Pioneer Tradings Limited having registration number 04231775 was Subsidiary of our company till February 28, 2023 which is strike off from Registrar of United Kingdom with effect from February 28, 2023 and dissolved on March 07, 2023.

ACQUISITION OF BUSINESSES/UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS IN LAST 10 YEARS

Except acquisition of Net Avenue Inc. (Partnership firm of Mr. Rajesh Nahar and Mr. Ritesh Katariya) in the year 2001-02 and as disclosed in this Draft Red Herring Prospectus, there has been no acquisition of business/undertakings, mergers, amalgamation since incorporation.

CAPITAL RAISING (DEBT / EQUITY)

For details in relation to our capital raising activities through equity, please refer to the chapter titled “*Capital Structure*” beginning on page 77 of this Draft Red Herring Prospectus. For details of our Company’s debt facilities, please refer section “*Restated Financial Statements*” on page 188 of this Draft Red Herring Prospectus.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

There has been no time / cost overrun in setting up projects by our Company.

INJUNCTION OR RESTRAINING ORDER

There are no injunctions/ restraining orders that have been passed against the Company.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS AND CONVERSION OF LOANS INTO EQUITY SHARES

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of this Draft Red Herring Prospectus. Furthermore, except as disclosed in chapter titled “*Capital Structure*” beginning on Page 77 of this Draft Red Herring Prospectus, none of the Company's loans have been converted into equity in the past.

LOCK-OUT OR STRIKES

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lockouts. As on the date of this Draft Red Herring Prospectus, our employees are not unionized.

SHAREHOLDERS OF OUR COMPANY

Our Company has 15 (fifteen) shareholders as on the date of this Draft Red Herring Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 77 of this Draft Red Herring Prospectus.

CHANGES IN THE MANAGEMENT

For details of change in Management, please see chapter titled “*Our Management*” on page 168 of this Draft Red Herring Prospectus.

CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS

There has been no change in the business activities of our Company during last five (5) years from the date of this Draft Red Herring Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material development in chapter titled “*Management’s discussion and analysis of financial conditions & results of operations*” beginning on page 264 of this Draft Red Herring Prospectus.

SHAREHOLDERS AGREEMENTS

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

Further in the past our Company has executed Subscription Agreement dated October 21, 2014 with Forum Synergies India Trust, Chayadeep Ventures LLP, Inventus Capital Partners (Mauritius) Limited, Ojas Partners, Mr. Rajesh Nahar and Mr. Ritesh Katariya are investing in shares of our Company. In Addition to our company has entered into Investor Right Agreement dated October 21, 2014 with public shareholders for defining the right of Shareholders of our Company. Further as the clause of Investor Right Agreement, the agreement will stand terminated before filing of Draft Red Herring Prospectus of our Company and we have received the confirmation letter from investors shareholders for such termination.

COLLABORATION AGREEMENTS

As on the date of this Draft Red Herring Prospectus, our Company is not a party to any collaboration agreements.

MATERIAL AGREEMENT

Our Company has not entered into any material agreements other than the agreements entered into by it in ordinary course of business.

OTHER AGREEMENTS

Non-Compete Agreement

Our Company has not entered into any Non-compete Agreement as on the date of filing of this Draft Red Herring Prospectus.

Joint Venture Agreement

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

Strategic Partners

Except as mentioned in this Draft Red Herring Prospectus, Our Company does not have any strategic partners as on the date of this Draft Red Herring Prospectus.

Financial Partners

Our Company does not have any financial partners as on the date of this Draft Red Herring Prospectus.

Corporate Profile of our Company

For details on the description of our Company's activities, the growth of our Company, please see "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" and "*Basis of Issue Price*" on pages 128, 264 and 103 of this Draft Red Herring Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

As per the Articles of Association, our Company is required to have not less than Three (3) Directors and not more than Fifteen (15) Directors. Currently, our Company have Five (5) directors of which two (2) are Independent Directors.

The following table sets forth the details regarding our Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus:

S. No.	Name, Father's, Age, Designation, Address, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre-Issue)	Other Directorships
1.	<p>Mr. Rajesh Nahar Father Name: Sardarmal Date of Birth: 19/05/1976 Age: 47 Years Designation: Chairman and Managing Director Address: 2E Prince Paradise, 75 Jermiah Road, Vepery, Chennai, Tamil Nadu-600007, India. Occupation: Business Qualifications: Diploma in Business Administration (Marketing) Nationality: Indian DIN: 01015059</p>	<p>Originally appointed on the Board as Additional Director w.e.f. June 07, 2001 and designated as Executive Director on March 27, 2003</p> <p>Further designated as Chairman cum Managing Director w.e.f. September 26, 2023 for five years not liable to retire by rotation.</p>	<p>30,45,000 Equity Shares 19.32.% of Pre- Issue Paid up capital</p>	NIL
2.	<p>Mr. Ritesh Katariya Father Name: Mr. Kavarlal Kataria Date of Birth: 31/08/1976 Age: 47 Years Designation: Whole-Time Director Address: E-1104, Jolly Residency, Vesu, Surat City, Surat, Gujarat-395007 India. Occupation: Business Qualifications: Certificate Programme in Strategic Retail Management and Diploma in Business Administration Nationality: Indian DIN: 01019455</p>	<p>Originally appointed on the Board as Director w.e.f. June 06, 2001.</p> <p>Further designated as Whole-Time Director w.e.f. September 23, 2026 for five years liable to retire by rotation.</p>	<p>35,70,000 Equity Shares; 22.66% of Pre- Issue Paid up capital</p>	NIL
3.	<p>Mr. K. Naresh Kumar Father Name: Mr. Khivraj Katariya Date of Birth: 07/12/1969 Age: 54 Years Designation: Non-Executive Director Address: 4 B Sriram Apartments, 80st Marys Road, Abirampuram, Teynampet, Chennai, Tamil Nadu-600018 India. Occupation: Business Qualifications: Bachelor of Engineering Nationality: Indian DIN: 07026135</p>	<p>Originally appointed on the Board as Non-Executive Director w.e.f. November 07, 2014.</p>	NIL	NIL

S. No.	Name, Father's, Age, Designation, Address, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre-Issue)	Other Directorships
4.	Mr. Rajagopalachari Murali Father Name: Mr. Krishnamachari Rajagopalachari Date of Birth: 09/02/1964 Age: 59 Years Designation: Independent Director Address: 172, Defence Colony, Ekkattuthangal, Guindy Industrial Estate, Chennai, Tamil Nadu-600032, India. Occupation: Business Qualifications: Masters of Business Administration. Nationality: Indian DIN: 00759040	Appointed as Independent Director w.e.f. September 26, 2023 for five years not liable to retire by rotation	NIL	➤ Loanzen Finance Private Limited ➤ Loanzen Technologies Private Limited
5.	Ms. Riya Jain Father Name: Mr. Sripal Jain Date of Birth: 22/09/1997 Age: 26 Years Designation: Independent Director Address: H.No.07, Aravelly Enclave, Near Pallavi Model School, Bowerpally, Tirumalagiri, Hyderabad, Telangana-500009, India. Occupation: Business Qualifications: Bachelor of Business Administration Nationality: Indian DIN: 10309330	Appointed as Independent Director w.e.f. September 26, 2023 for five years not liable to retire by rotation	NIL	NIL

BRIEF PROFILE OF OUR DIRECTORS

1. Mr. Rajesh Nahar, Chairman and Managing Director

Mr. Rajesh Nahar, aged 47 years is Chairman cum Managing Director and also the Promoter of our Company. He holds Diploma in Business Administration (Marketing). He was appointed on the Board on June 07, 2001 and further designated as the Chairman cum Managing Director of the Company on September 23, 2023 for a period of 5 years, not liable to retire by rotation. He has experience of 22 years in our same company. He has been instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His Vision to do business with ethics & to keep up with latest developments and Management practices has helped him provide an overall growth for the company.

2. Mr. Ritesh Katariya, Whole-Time Director

Mr. Ritesh Katariya, aged 47 years is the Whole-Time Director and also Promoter of our Company. He holds Certificate Programme in Strategic Retail Management and Diploma in Business Administration. He was originally appointed on the Board on June 06, 2001 and further designated as Whole-Time Director w.e.f. September 23, 2023. He has experience of 22 years in our same company. He has expertise in the field of Market research, People Management and Team leading which helped for the overall development of the Company.

3. Mr. K Naresh Kumar, Non-Executive Director

Mr. K Naresh Kumar, aged 54 years is Non-Executive Director of our Company. He was originally appointed on the Board as Non-Executive Director on November 07, 2014. He has worked as IT Analyst in TATA Consultancy Services limited. He holds degree in Bachelor of Engineering and has cumulative experience of 23 Years.

4. Mr. Rajagopalachari Murali, Independent Director

Mr. Rajagopalachari Murali, aged 59 years is Independent Director of our Company. He was appointed as Independent Director w.e.f. September 26, 2023. He has degree in Masters of Business Administration. He has worked as a Vice President – Corporate Finance with Unifi wealth Management Limited and has experience of 15 Years in the same.

5. Ms. Riya Jain, Independent Director

Ms. Riya Jain, aged 28 years, is the Independent Director of our Company. She holds degree in Bachelor of Business Administration. She was appointed as Independent Director w.e.f. September 26, 2023.

CONFIRMATIONS

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- None of the above-mentioned Directors are on the RBI list of willful defaulters or fraudulent borrower as on the date of filling of this Draft Red Herring Prospectus.
- Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.
- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Directors and promoters of our company.

Except as disclosed in chapter titled “*Outstanding Litigations and Material Developments*” beginning on Page 277 of this Draft Red Herring Prospectus, there is no criminal cases filed or being undertaken with regard to alleged commission of any offence by any of our directors which also effected the business of our company and none of directors of our Company have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.

Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.

NATURE OF ANY FAMILY RELATIONSHIP BETWEEN ANY OF OUR DIRECTORS

None of the Directors of the Company are related to each other as per Sec 2 (77) of Companies Act, 2013.

ARRANGEMENTS WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were selected as Directors or members of the senior management.

SERVICE CONTRACTS

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

DETAILS OF BORROWING POWERS

Our Company has passed a Special Resolution in the Extra-ordinary General Meeting of the members held on September 26, 2023 authorizing the Board of Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed

by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs. 100 Crore (Rupees hundred Crores only).

COMPENSATION OF OUR MANAGING DIRECTOR AND WHOLE TIME DIRECTORS

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director and Whole Time Director:

Particulars	Mr. Rajesh Nahar	Mr. Ritesh Katariya
Re-Appointment / Change in Designation	September 26, 2023	September 26, 2023
Designation	Managing Director	Whole-Time Director
Term of Appointment	5 Years	5 Years
Remuneration Payable from FY 2023-24	Upto ₹10.00 Lakhs per month	Upto ₹10.00 Lakhs per month
Remuneration paid for Year 2022-23	Rs. 65.16 Lakhs per annum	Rs. 65.01 Lakhs per annum

BONUS OR PROFIT SHARING PLAN FOR OUR DIRECTORS

We have no bonus or profit-sharing plan for our Directors.

SITTING FEE

The Articles of Association of our Company provides that payment of sitting fees to Directors (other than Managing Director & Whole- Time Directors) for attending a meeting of the Board or a Committee thereof shall be decided by the Board of Directors from time to time within the applicable maximum limits. Our Board of Directors has resolved in their meeting dated September 23, 2023 for payment to all Non-Executive Independent Directors for attending each such meeting of the Board or Committee thereof.

SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

Sr. No.	Name of Director	No. of Shares held	Holding in %
1.	Mr. Rajesh Nahar	30,45,000	19.32
2.	Mr. Ritesh Katariya	35,70,000	22.66

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Red Herring Prospectus

Our Articles of Association do not require our directors to hold any qualification Equity Shares in the Company.

INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer- “*Compensation of our Managing Director a Whole Time Directors*” above, under chapter titled “*Our Management*” beginning on page 168 of this Draft Red Herring Prospectus

Our directors may also be regarded as interested their shareholding and dividend payable thereon, if any, Our Directors are also interested to the extent of Equity Shares, if any held by them in our Company or held by their relatives.

Further our director may also be interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our directors may also be interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section “*Our Management*” or the section titled “*Restated Financial Statement - Related Party Transactions*” beginning on page 168 and 188 respectively of this Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our directors do not have any other interest in our business.

INTEREST IN THE PROPERTY OF OUR COMPANY

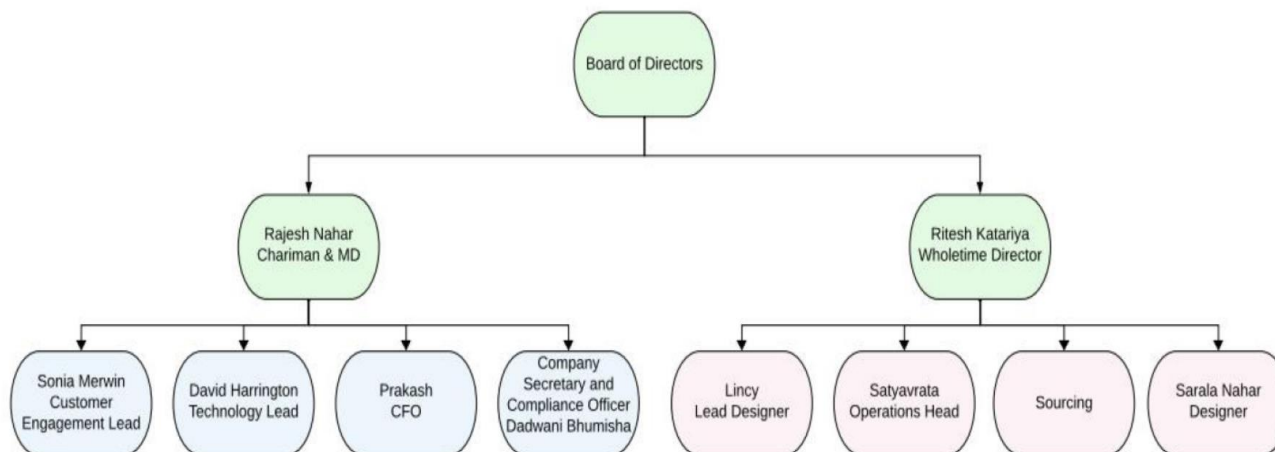
Except as disclosed above and in the chapters titled “*Our Business*” and “*Restated Financial Statement – Related Party Transactions*” and “*History and Certain Corporate Matters*” on page 128, 188 and 162 respectively of this Draft Red Herring Prospectus, our Directors do not have any interest in any property acquired two years prior to the date of this Draft Red Herring Prospectus.

CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS

Sr. No.	Name	Date & Nature of Change	Reasons for Change
1.	Mr. Rajesh Nahar	Re-designated as Chairman and Managing Director w.e.f. September 26, 2023.	To ensure better Corporate Governance
2.	Mr. Ritesh Katariya	Re-designated as Whole-Time Director w.e.f. September 26, 2023.	To ensure better Corporate Governance
3.	Mr. Rajagopalachari Murali	Appointed as Independent Director w.e.f. September 26, 2023.	To ensure better Corporate Governance
4.	Ms. Riya Jain	Appointed as Independent Director w.e.f. September 26, 2023.	To ensure better Corporate Governance

MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure: -



COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and SEBI (ICDR) Regulations, 2018 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of National Stock Exchange of India Limited. The requirements pertaining to constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees have been complied with.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of Five (5) directors of which two (2) are Independent Directors (as defined under Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Our Company has constituted the following committees:

1. Audit Committee

Our Company has constituted an Audit Committee ("Audit Committee"), vide Board Resolution dated September 23, 2023, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of the Company's Equity shares on SME platform of NSE Limited, the constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Rajagopalachari Murali	Chairman	Non-Executive Independent Director
Riya Jain	Member	Non-Executive Independent Director
Ritesh Katariya	Member	Executive Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

A. Tenure: The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B. Meetings of the Committee: The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two independent members at each meeting.

C. Role and Powers: The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulations, 2015 as amended vide Resolution dated September 23, 2023. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Rajagopalachari Murali	Chairman	Non-Executive Independent Director
Rajesh Nahar	Member	Executive Director
Ritesh Katariya	Member	Executive Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
 - Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
 - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
 - Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
 - Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
 - Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
 - Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
 - Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
 - Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulations, 2015 as amended vide Resolution dated September 23, 2023. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Rajagopalachari Murali	Chairman	Non-Executive Independent Director
Riya Jain	Member	Non-Executive Independent Director
K Naresh Kumar	Member	Non-Executive Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

A. Tenure: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings: The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

C. Role of Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole Time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of National Stock Exchange of India Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of National Stock Exchange of India Limited. We

shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME platform of National Stock Exchange of India Limited. The Board of Directors at their meeting held on September 23, 2023 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

OUR KEY MANAGERIAL PERSONNEL/ SENIOR MANAGERIAL PERSONNEL

Our Company is supported by a well-laid team having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel/Senior Managerial Personnel of our Company is given below:

Name, Designation & Educational Qualification	Age (Year)	Date of joining as KMP/SMP	Compensation paid for the F.Y ended 2023 (in Rs Lakhs)	Over all experience (in years)
Name: Mr. Rajesh Nahar Designation: Chairman and Managing Director Qualification: Diploma in Business Administration (Marketing)	47	Chairman and Managing Director w.e.f. September 26, 2023	65.16	22 Years
Name: Mr. Ritesh Kataria Designation: Whole-Time Director Qualification: Certificate Programme in Strategic Retail Management and Diploma in Business Administration	47	Whole time Director w.e.f. September 26, 2023	65.01	22 Years
Name: Mr. A Prakash Designation: Chief Financial Officer Qualification: Master of Business Administration	39	Appointed on September 23, 2023.	-	14 Years
Name - Ms. Dadwani Bhumisha Darshan Designation: Company Secretary & Compliance Officer Qualification: Company Secretary	30	Appointed on September 23, 2023.	-	3 Years
Name: Ms. Sonia Anne Mabel Designation: Lead Customer Support Qualification: Master of Engineering	42	Appointed on September 29, 2023.	-	15 Years
Name: Mr. David Harrington J Designation: Technology Lead Qualification: Bachelor of Engineering	27	Appointed on September 29, 2023.	-	3 Years
Name: Ms. Lincy Designation: Lead Designer Qualification: Master Diploma in Fashion Designing	30	Appointed on September 29, 2023.	-	5Years
Name: Mr. Satyavrata Swain Designation: Operation Head Qualification:	38	Appointed on September 29, 2023.	-	11 Years

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

1. Mr. Rajesh Nahar, Chairman cum Managing Director

Mr. Rajesh Nahar, aged 47 years is Chairman cum Managing Director and also the Promoter of our Company. He holds Diploma in Business Administration (Marketing). He was appointed on the Board on June 07, 2001 and further designated as the Chairman cum Managing Director of the Company on September 23, 2023 for a period of 5 years, not liable to retire by rotation. He has experience of 22 years in our same company. He has been instrumental in taking major policy decision of the Company. He is playing vital role

in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His Vision to do business with ethics & to keep up with latest developments and Management practices has helped him provide an overall growth for the company.

2. Mr. Ritesh Katariya, Whole-Time Director

Mr. Ritesh Katariya, aged 47 years is the Whole-Time Director and also Promoter of our Company. He holds Certificate Programme in Strategic Retail Management and Diploma in Business Administration. He was originally appointed on the Board on June 06, 2001 and further designated as Whole-Time Director w.e.f. September 23, 2023. He has experience of 22 years in our same company. He has expertise in the field of Market research, People Management and Team leading which helped for the overall development of the Company.

3. Mr. A Prakash. Chief Financial Officer

Mr. A Prakash is Chief Financial Officer of our Company. He holds Degree in Master of Business Administration. He looks after the Finance matters of our Company. He has worked as a GET in TATA International Limited and as a Manager in Corporate Finance with Unifi capital private limited. He is associated with our company as a senior manager in Growth Evangelist. He has been Appointed as a Chief Financial Officer with effect from September 23, 2023. He has an overall experience of 14 years in Finance and Accounts related matters.

4. Ms. Dadwani Bhumisha Darshan, Company Secretary and Compliance Officer

Ms. Dadwani Bhumisha Darshan is Company Secretary and Compliance Officer of our Company. She is qualified Company Secretary from institute of Company Secretaries of India. She looks after the secretarial matters of our Company. She joined our Company on September 23, 2023. She has an overall experience of 3 years in secretarial compliances

5. Ms. Sonia Anne Mabel, Lead Customer Support

Ms. Sonia Anne Mabel is Lead Customer Support of our Company. She holds degree of Master of Engineering. She was a Lecturer for 3 years and has worked as customer service executive in MMC infotech private limited. She is associated with our company since 2012 and has been re-designated to current designation with effect from September 29, 2023. She has an overall work experience of 15 years. She is responsible for providing technical assistance to valuable customers with our products. She has an extensive knowledge in customer support services.

6. Mr. David Harrington J, Lead Technology

Mr. David Harrington J is Lead Technology Officer of our Company. He holds degree of Bachelor of Engineering. He is associated with our company since 2022 as a business analyst – IT and has been re-designated to current designation with effect from September 29, 2023. He has an overall work experience of 3 years. He is focussed on ensuring the technical excellence of the company's products. His responsibilities include upholding rigorous coding standards, maintaining superior product quality and spearheading the adoption of cutting-edge technologies.

7. Ms. Lincy, Lead Designer

Ms. Lincy is Lead Designer Officer of our Company. She holds Master Diploma in Fashion Designing. She is associated with our company since 2018 as a fashion designer and has been re designated to current designation with effect from September 29, 2023. She has an overall experience of 5 years in our same company. She is focused on designing of our products.

8. Mr. Satyavrata Swain, Operation Head

Mr. Satyavrata Swain is Operation Head of our Company. He holds degree of Master in Personnel Management and Industrial Relations from Utkal University in April 2008. He is associated with our company since 2015 as an Assistant Manager – HR and has been re designated to current designation with effect from September 29, 2023. He has an overall work experience of 11 years. He is focussed on the overall operations of the company.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

None of the KMP of the Company are related to each other as per Sec 2 (77) of Companies Act, 2013.

We confirm that:

- a. All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- b. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- c. None of our KMPs except Mr. Rajesh Nahar and Mr. Ritesh Katariya are also part of the Board of Directors.
- d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the stub period ended March 31, 2023.
- e. Except for the terms set forth in the appointment Letters the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus except as under:

Sr. No.	Name of KMP	No. of Shares held	Holding in %
1.	Mr. Rajesh Nahar	30,45,000	19.32
2.	Mr. Ritesh Katariya	35,70,000	22.66

- h. Presently, we have ESOP/ESPS policy for our employees.
- i. The turnover of KMPs is not high, compared to the Industry to which our Company belongs.

PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super annuities, ex-gratia/rewards.

CHANGES IN THE KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT IN LAST THREE YEARS:

There have been no changes in the Key Managerial Personnel and senior management of our Company during the last three years except as stated below:

Sr. No.	Name	Designation	Date of Appointment/ Cessation/Promotion/ Transfer	Reasons for Change
1.	Mr. Rajesh Nahar	Chairman cum Managing Director	September 26, 2023	Re-designated as Chairman cum Managing Director
2.	Mr. Ritesh Katariya	Whole-time Director	September 26, 2023.	Re-designated as Whole-Time Director
3.	Mr. A Prakash	Chief Financial Officer	September 23, 2023	Appointed as Chief Financial Officer
4.	Ms. Dadwani Bhumisha Darshan	Company Secretary and Compliance Officer	September 23, 2023	Appointed as Company Secretary and Compliance Officer
5.	Ms. Sonia Anne Mabel	Lead Customer Support	September 29, 2023	Appointed as Lead Customer Support
6.	Mr. David Harrington J	Lead Technology	September 29, 2023	Appointed as Lead Technology
7.	Ms. Lincy	Lead Designer	September 29, 2023	Appointed as Lead Designer

8.	Mr. Satyavrata Swain	Operation Head	September 29, 2023	Appointed as Operation Head
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INTEREST OF KEY MANAGERIAL PERSONNEL IN OUR COMPANY

Apart from shares held in the Company, and to the extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our Key managerial personal are interested in our Company.

Except as provided in this Draft Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Red Herring Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to “Annexure J(ii) - Statement of Related Party Transaction” under chapter “*Restated Financial Statement*” on page 188 of this Draft Red Herring Prospectus.

OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL

Except as stated in this Draft Red Herring Prospectus, there are no other benefits payable to our Key Managerial Personnel.

EMPLOYEES



The details about our employees appear under the Paragraph titled —Human Resource in Chapter Titled — “*Our Business*” beginning on page 128 of this Draft Red Herring Prospectus.

OUR PROMOTER AND PROMOTER GROUP

Mr. Rajesh Nahar and Mr. Ritesh Katariya are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, Mr. Rajesh Nahar and Mr. Ritesh Katariya holds 66,15,000 Equity Shares which constitute 41.98% of the issued and paid-up Equity Share capital of our Company. Our Promoters and Promoter Group will continue to hold the majority of our post- Issue paid-up equity share capital of our Company.

DETAILS OF OUR PROMOTERS: -

	Mr. Rajesh Nahar, Chairman and Managing Director	
	Qualification	Post Graduate Diploma in Business Administration
	Date of Birth	19/05/1976
	Age	47 Years
	Address	2E Prince Paradise, 75 Jermiah Road, Vepery, Chennai-600007, Tamil Nadu, India.
	Experience	22 Years
	Occupation	Business
	Permanent Account Number	AELPR9538K
	Passport Number	W6954247
	Driving License Number	F/TN/001/018627/2004
	No. of Equity Shares held in NATL [% of Shareholding (Pre-Issue)]	30,45,000 Equity Shares of ₹ 1 each; 19.32% of Pre- Issue Paid up capital
	DIN	01015059
	Other Interests	<ul style="list-style-type: none"> ➤ Sardarmal Nahar & Sons ➤ Rajesh Nahar HUF
		Mr. Ritesh Katariya, Whole-time Director
Qualification		Post Graduate Diploma in Business Administration
Date of Birth		31/08/1976
Age		47 Years
Address		5, Egmore High Road, Egmore, Chennai 600008, Tamil Nadu, India.
Experience		22 Years
Occupation		Business
Permanent Account Number		AALPK3396E
Passport Number		J1465819
Driving License Number		GJ05 20220013900
No. of Equity Shares held in NATL [% of Shareholding (Pre-Issue)]		35,70,000 Equity Shares of ₹ 1 each; 22.66% of Pre- Issue Paid up capital
DIN		01019455
Other Interests		<ul style="list-style-type: none"> ➤ Ritesh Katariya HUF ➤ Kawarlal Katariya Sons ➤ Kawarlal Katariya & Sons

For the complete profile of one of our promoters, along with details of her educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see “*Our Management*” on page 168 of this Prospectus.

Declaration

We confirm that the Permanent Account Number, Bank Account Number, Aadhar Card Number, Passport Number and Driving License of the Promoters which are available have been submitted to NSE at the time of filing of Draft Red Herring Prospectus with them.

Present Promoters of Our Company are Mr. Rajesh Nahar and Mr. Ritesh Katariya. Initial subscribers to the MoA of our Company were Mr. Rajesh Nahar, Mr. Ritesh Katariya, Mr. Kawaralal M and Ms. Sarala Nahar. For details of the shareholding acquired by the current promoters of our Company refer the capital buildup of our Promoter under chapter “Capital Structure” beginning on page 77. of this Draft Red Herring Prospectus.

Undertaking/ Confirmations

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

No material regulatory or disciplinary action is taken by stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.

There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.

The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 277 of this Draft Red Herring Prospectus.

None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the promoter group members nor our Group Company have been declared as a willful defaulter or a fraudulent borrower by the RBI or any other government authority nor there are any violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

Common Pursuits/ Conflict of Interest

Cbazaar.com Inc, subsidiary of our company and Ethnoserve Bespoke Services Private Limited, associate of our Company is engaged in similar line of business as our Company as on date of this Draft Red Herring Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Interest in promotion of Our Company

The Promoters are interested to the extent of their shareholding in the Company, and any dividend and distributions which may be made by the Company in future. The related party transactions are disclosed in “*Restated Financial Statements*” and “*Our Management – Interest of Key Managerial Personnel*” on pages 188 & 168 of this Draft Red Herring Prospectus, respectively.

Interest in the property of Our Company

Except as mentioned in this Draft Red Herring Prospectus, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us till date of filing the Prospectus with RoC.

Other Interest of Promoter

Our Promoters Mr. Rajesh Nahar and Mr. Ritesh Katariya are interested to the extent of their shareholding and shareholding of their relatives in our Company. Our Promoter Mr. Rajesh Nahar who is also the Managing Director and Mr. Ritesh Katariya and who are Whole-time Directors of our Company may be deemed to be interested to the extent of their remuneration, as per the terms of their appointment and reimbursement of expenses payable to them. Our Promoters may also be deemed interested to the extent of any unsecured loan given/taken by them to/from our Company.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

Experience of Promoters in the line of business

Our Promoters Mr. Rajesh Nahar and Mr. Ritesh Katariya have experience of 22 and 22 years. The Company shall also endeavour to ensure that relevant professional help is sought as and when required in the future.

Related Party Transactions

For the transactions with our Promoter Group entities please refer to chapter titled “*Restated Financial Statements*” on page 188 of this Draft Red Herring Prospectus.

Except as stated in chapter titled “*Restated Financial Statements*” on page 188 of this Draft Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group do not have any other interest in our business.

Payment or Benefit to Promoters of Our Company

For details of payments or benefits paid to our Promoters, please refer to the chapter titled “*Our Management*” beginning on page 168 of this Draft Red Herring Prospectus. Also refer “*Restated Statement of Related Party Transactions*” under chapter titled “*Restated Financial Statements*” on page 188 of this Draft Red Herring Prospectus.

Companies / Firms from which the Promoters have disassociated themselves in the last (3) three years

None of our Promoters has disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus.

Other ventures of our Promoters

Save and except as disclosed in this section titled “*Our Promoters and Promoter Group*” and “*Group Companies*” beginning on page 181 & 185 respectively of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests as on date of this Draft Red Herring Prospectus.

Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 277 of this Draft Red Herring Prospectus.

OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

Natural Persons who are part of the Promoter Group

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters, are as follows:

Relationship	Mr. Rajesh Nahar	Mr. Ritesh Katariya
Father	Late. Sardarmal Nahar	Kawarlal M
Mother	Kasturi Devi	Kawar Prakash
Spouse	Sarala Nahar	Manjushree
Brother	-	K Mahesh Kumar Dinesh Kumar K
Sister	U Neetu	Anjana Devi
Son	Abhishek Raj Nahar Aryan Nahar	Manav Katariya Pranesh Katariya
Daughter	-	-
Spouse's Father	Manakchand Gadiya	Late. Anopchand Kochar
Spouse's Mother	Suman Kanwar	Ratna bai
Spouse's Brother	Manakchand Rajeshkumar	Subhashchand Kochar Santosh Kumar Sanjay Kumar Kochar Manoj Kumar Kochar Kochar Vinodkumar Vardhaman Kumar Kochar
Spouse's Sister	Sharmila Shalini	Shobha Gulecha

Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

- Ethnoserve Bespoke Services Pvt. Ltd (Associate Company)
- Sardarmal Nahar & Sons
- Rajesh Nahar HUF
- Ritesh Katariya HUF
- Kawarlal Katariya Sons
- Kawarlal Katariya & Sons

OUR GROUP COMPANY

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group companies with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated September 23, 2023 for the purpose of disclosure in relation to Group companies in connection with the Issue, a company shall be considered material and disclosed as a Group companies if such company fulfills both the below mentioned conditions: -

- i. Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations; and
- ii. Our Company has entered into one or more transactions with such company in in any of the last three financial years and stub period as the case of the company as per Restated Financial Statements.

Based on the above, the following Company is identified as our Group Company: -

1. Ethnoserve Bespoke Services Private Limited

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Company for the previous three financial years, extracted from its audited financial statements (as applicable) is available at the website indicated below.

Our Company is providing a link to such website solely to comply with the requirements specified under the SEBI ICDR Regulation.

DETAILS OF OUR GROUP COMPANIES:

1. Ethnoserve Bespoke Services Private Limited

Corporate Information

Ethnoserve Bespoke Services Private Limited was incorporated on January 28, 2017 under the Companies Act, 2013 as a Private Limited Company, bearing Registration No. 114283. The CIN of Ethnoserve Bespoke Services Private Limited is U74999TN2017PTC114283. The Registered Office is situated at Old No.37, New No.54, Five Furlongs Road, Maduvankarai, Chennai-600032, Tamil Nadu, India.

Financial Information

The details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of Ethnoserve Bespoke Services Private Limited for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 available in terms of the SEBI ICDR Regulations are available on its website at www.natl.in

LITIGATIONS

Except as disclosed in the chapter titled '*Outstanding Litigations and Material developments*' on page 277 of this Draft Red Herring Prospectus, there is no other pending litigations against our Group Companies which can have a material impact on our Company.

COMMON PURSUITS

As on the date of this Draft Red Herring Prospectus, our Group Company is engaged in similar line of business.

Related business transactions within our Group Company and significance on the financial performance of the Company

Except as disclosed in the Related Party Transactions in the chapter titled "*Restated Financial Statements*" on page 188 of this Draft Red Herring Prospectus, there are no other related business transactions between Group Company and our company.

BUSINESS INTEREST

Except as disclosed in the Related Party Transactions in the chapter titled “*Restated Financial Statements*” on page 188 of this Draft Red Herring prospectus, our Group Company do not have any business interest in our company.

For further details on risks in relation to transactions being entered into with related parties, see “*Risk Factors*”-We have in the past entered into related-party transactions and may continue to do so in the future” on page 28 of this Draft Red Herring Prospectus.

NATURE AND EXTENT OF INTEREST OF GROUP COMPANY

a) In the promotion of our Company:

Our Group Company does not have any interest in the promotion of our Company.

b) In the properties acquired or proposed to be acquired by our Company in the past three years before filing the Draft Red Herring Prospectus with stock exchange:

Our Group Company does not have any interest in the properties acquired or proposed to be acquired by our Company in the past three years before filing the Draft Red Herring Prospectus with Stock Exchange

c) In transactions for acquisition of land, construction of building and supply of machinery:

Our Group Company are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in last five years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

SECTION VII – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT ON STANDALONE RESTATED FINANCIAL INFORMATION
(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,
The Board of Directors,
Netavenue Technologies Limited

Dear Sir,

We have examined the attached Standalone Restated Audited Financial Information of Netavenue Technologies Limited comprising the Standalone Restated Audited Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 & March 31, 2021 and the Standalone Restated Audited Statement of Profit & Loss, the Restated Audited Cash Flow Statement for the financial year ended March 31, 2023, March 31, 2022 & March 31, 2021, the Standalone Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Financial Information) as approved by the Board of Directors in their meeting held on September 23, 2023 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") as amended (ICDR Regulations"); and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI");
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note").

The Company's Board of Directors is responsible for the preparation of the Standalone Restated Financial Information for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Pune in connection with the proposed IPO. The Standalone Restated Financial Information have been prepared by the management of the Company for the Financial year ended on March 31, 2023, March 31, 2022 & March 31, 2021 on the basis of preparation stated in ANNEXURE – D to the Restated Financial Information. The Board of Directors of the company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

We have examined such Restated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated August 10, 2023 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and,
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

These Standalone Restated Financial Information have been compiled by the management from:

- a) Standalone Audited financial statements of company as at and for the financial year ended March 31, 2023, March 31, 2022 & March 31, 2021 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.

We have audited the special purpose financial information of the Company for the year ended March 31, 2023 prepared by the Company in accordance with the AS for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the "Peer Review Board" of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report dated September 20, 2023 on these

special-purpose financial information to the Board of Directors who have approved these in their meeting held on September 20, 2023.

For the purpose of our examination, we have relied on:

a) Auditors' Report issued by the Statutory Auditor i.e., M/s PKF Sridhar & Santhanam LLP. dated August 04, 2023, September 30, 2022 & September 30, 2021 for the Financial year ended 31st March 2023, 31st March, 2022 & 31st March 2021 respectively.

b) The audit were conducted by the Company's statutory auditor, and accordingly reliance has been placed on the statement of assets and liabilities and statements of profit and loss, the Significant Accounting Policies, and other explanatory information and (collectively, the Audited Financial Statement") examined by them for the said years.

The modification in Standalone restated financials were carried out based on the modified reports, if any, issued by Statutory auditor which is giving rise to modifications on the financial statements as at and for the years ended March 31, 2023 March 31, 2022 & March 31, 2021. There is no qualification of previous auditor for the Financial Statement of March 31, 2023, March 31, 2022 & March 31, 2021.

The audit reports on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the year ended on March 31, 2023 March 31, 2022 & March 31, 2021:-

- a) The Standalone Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- b) The Standalone Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
- c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- d) There were no qualifications in the Audit Reports issued by M/s PKF Sridhar & Santhanam LLP for the Financial Year Ended March 31, 2023, March 31, 2022 & March 31, 2021 which would require adjustments in this Restated Financial Statements of the Company;

e) The Auditors have disclosed following Emphasis of Matter & Other Matter in their audit report:

Financial year	Particulars	Observations
2020-21	Material uncertainty related to Going concern	Without qualifying our opinion, we draw reference to Note 2.1 to the standalone financial statements relating to the going concern, the Company's performance has been impacted by failure to achieve anticipated sales volumes, lack of liquidity due to non-settlement of advances / receivables requiring approval under Foreign Exchange Management Act, 1999 and regulations thereunder resulting in extension of working capital cycle etc and consequential erosion of the net worth of the Company. These events or conditions along with other matters as set forth therein indicate that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern
F.Y. 2020-21	Emphasis of Matter	Attention is drawn to Note 38 to the standalone financial statements regarding the delay in remittances/ collections of certain overdue balances to/from its wholly owned subsidiaries. We understand from management that the Company is in the process of settling the payable balances to its wholly owned subsidiaries in the due course and obtaining such consents / approvals / condonations as may be required from the authorized dealers and other statutory authorities. Attention is drawn to Note 42 to the financial statements, regarding the management's impairment assessment of property, plant and equipment, intangible assets, trade receivables, inventories as at 31 March 2021 being considered as unimpaired /recoverable based on the future operations plans and cash flows wherein projections are made based on the various judgments and estimates related to inflation, discount rates, and implications expected to arise from COVID-19 pandemic, wherein actual results could vary.
F.Y. 2021-22 & F.Y. 2022-23	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.
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- f) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this report;
- g) Adjustments in Standalone Restated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies,
- h) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Information or Restated Summary Financial Statement;
- i) There are no revaluation reserves, which are required to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement.
- j) The related party transaction for purchase & sales of services entered by the company are at arm’s length.
- k) The Company has not paid any dividend since its incorporation.

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- a) The “Standalone Restated Statement of Assets and Liabilities” as set out in ANNEXURE – A to this report, of the Company as at and Financial Year Ended March 31, 2023, March 31, 2022 & March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Standalone Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
- b) The “Standalone Restated Statement of Profit and Loss” as set out in ANNEXURE – B to this report, of the Company for Financial Year Ended March 31, 2023, March 31, 2022 & March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Standalone Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
- c) The “Standalone Restated Statement of Cash Flow” as set out in ANNEXURE – C to this report, of the Company for Financial Year Ended March 31, 2023, March 31, 2022 & March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Standalone Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.

Audit for the financial year ended on March 31, 2023, March 31, 2022 & March 31, 2021 was conducted by M/s PKF Sridhar & Santhanam LLP and Accordingly reliance has been placed on the financial statement examined by them for the said years. Financial Reports included for said years are solely based on report submitted by them.

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for Financial Year Ended March 31, 2023, March 31, 2022 & March 31, 2021 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO.

Restated Standalone Statement of Share Capital, Reserves and Surplus	Annexure – A.1 & Annexure – A.2
Restated Standalone Statement of Long Term Provisions	Annexure – A.3
Restated Standalone Statement of Short Term Borrowings	Annexure – A.5
Restated Standalone Statement of Trade Payables	Annexure – A.6
Restated Standalone Statement of Other Current Liabilities And Short Term Provisions	Annexure – A.7 & Annexure – A.8
Restated Standalone Statement of Fixed Assets	Annexure – A.9
Restated Standalone Statement of Non Current Investment	Annexure – A.10
Restated Standalone Statement of Deferred Tax Assets (Liabilities)	Annexure – A.4
Restated Standalone Statement of Other Non Current Assets	Annexure – A.11
Restated Standalone Statement of Inventories	Annexure - A.12
Restated Standalone Statement of Trade Receivables	Annexure – A.13
Restated Standalone Statement of Cash & Cash Equivalents	Annexure – A.14
Restated Standalone Statement of Short Term Loans & Advances	Annexure – A.15
Restated Standalone Statement of Other Current Assets	Annexure – A.16
Restated Standalone Statement of Revenue from Operations	Annexure – B.1
Restated Standalone Statement of Other Income	Annexure – B.2
Restated Standalone Statement of Cost of Material Consumed	Annexure – B.3
Restated Standalone Statement of Purchase of Stock in Trade	Annexure – B.4
Restated Standalone Statement of Change in Inventories of WIP, Finished Goods & Stock in Trade	Annexure – B.5
Restated Standalone Statement of Employee Benefit Expenses	Annexure - B.6
Restated Standalone Statement of Finance Cost	Annexure - B.7
Restated Standalone Statement of Depreciation & Amortisation	Annexure – B.8
Restated Standalone Statement of Other Expenses	Annexure – B.9
Restated Standalone Statement of Deferred Tax Asset / Liabilities	Annexure – B.10
Material Adjustment to the Standalone Restated Financial Statement	Annexure – E
Restated Standalone Statement of Tax shelter	Annexure – F
Restated Standalone Statement of Capitalization	Annexure – G
Restated Standalone Statement of Contingent Liabilities	Annexure – H
Restated Standalone Statement of Accounting Ratios	Annexure – I
Restated Standalone Statement of related party transaction	Annexure – J

In our opinion and to the best of information and explanation provided to us, the Standalone Restated Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE – D are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. A Y & Company, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in ANNEXURE – A to J of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

For, M/s A Y & CO.
Chartered Accountants
Firm Registration Number: - 020829C
Peer Review No. -013225

CA Arpit Gupta
(Partner)
Membership No.421544
UDIN -
Date:
Place:

NET AVENUE TECHNOLOGIES LIMITED
(FORMERLY KNOWN AS NET AVENUE TECHNOLOGIES PRIVATE LIMITED)

ANNEXURE – A : RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March		
			2023	2022	2021
A.	Equity and Liabilities				
1	Shareholders' Funds				
	Share Capital	A.1	22.13	22.13	22.13
	Reserves & Surplus	A.2	196.67	(3.60)	(292.68)
	Share application money pending allotment		-	-	-
2	Non-Current Liabilities				
	Long-Term Borrowings		-	-	-
	Other Non-Current Liabilities		-	-	-
	Long-Term Provisions	A.3	36.20	35.03	46.02
	Deferred Tax Liabilities (Net)	A.4	-	-	-
3	Current Liabilities				
	Short Term Borrowings	A.5	276.06	84.24	191.07
	Trade Payables :				
	(A) total outstanding dues of micro enterprises and small enterprises; and	A.6	7.13	7.63	5.80
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]	A.6	447.34	512.78	405.25
	Other Current Liabilities	A.7	1,186.10	2,114.17	3,024.09
	Short Term Provisions	A.8	116.01	56.86	10.56
	Total		2,287.64	2,829.24	3,412.23
B.	Assets				
1	Non-Current Assets				
	Property, Plant and Equipment				
	Tangible Assets	A.9	41.01	27.46	11.05
	Intangible Assets	A.9	3.38	0.32	5.11
	Capital Work in progress	A.9	-	-	-
	Intangible Assets Under Development	A.9	0.00	0.00	-
	Non-Current Investments	A.10	-	-	-
	Deferred Tax Assets	A.4	27.16	26.22	26.26
	Amount Recoverable from Net Avenue Welfare Trust		109.60	109.60	109.60
	Other Non Current Assets	A.11	15.56	10.87	6.06
2	Current Assets				
	Current Investments		-	-	-
	Inventories	A.12	722.71	568.47	268.90
	Trade Receivables	A.13	127.83	57.49	70.80
	Cash and Cash Equivalents	A.14	183.98	266.92	112.44
	Short-Term Loans and Advances	A.15	16.48	34.91	41.82
	Other Current Assets	A.16	1,039.93	1,726.97	2,760.19
	Total		2287.64	2829.23	3412.23

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,B & C

For M/s AY & Company
Chartered Accountants
Firm Registration No :

On behalf of Board of Directors

Rajesh Nahar
Chairman Cum Managing
Director
DIN : 1015059

Ritesh Katariya
Whole Time Director
DIN : 1019455

CA Arpit Gupta
Partner
M. No. 421544
UDIN : 23421544BGSQFI3792

Prakash Arthanari
Chief Financial Officer

Bhumisha Darshan Dadwani
Company Secretary

Date : 28.09.2023
Place : Chennai

NET AVENUE TECHNOLOGIES LIMITED
(FORMERLY KNOWN AS NET AVENUE TECHNOLOGIES PRIVATE LIMITED)

ANNEXURE – B : RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS

(Rs. in Lakhs)

Sr. No	Particulars	Note No.	For The Year Ended 31st March		
			2023	2022	2021
A.	Revenue:				
	Revenue from Operations	B.1	3343.54	3123.34	1380.02
	Other income	B.2	105.16	152.60	70.79
	Total revenue		3448.70	3275.94	1450.81
B.	Expenses:				
	Cost of Material Consumed	B.3	558.38	252.55	147.10
	Purchase of Stock in Trade	B.4	702.39	828.82	430.10
	Change in Inventories of WIP, Finished Goods & Stock in Trade	B.5	(259.45)	(223.29)	(36.32)
	Employees Benefit Expenses	B.6	487.22	408.69	285.86
	Finance costs	B.7	9.40	6.24	8.40
	Depreciation and Amortization	B.8	16.61	10.30	4.19
	Other expenses	B.9	1749.38	1703.20	611.82
	Total Expenses		3263.94	2986.50	1451.15
	Profit before exceptional and extraordinary items and tax		184.76	289.44	-0.33
	Exceptional Items		-	-	-
	Profit before extraordinary items and tax		184.76	289.44	-0.33
	Extraordinary items		-	-	-
	Profit before tax		184.76	289.44	-0.33
	Tax expense :				
	Current tax		-	9.77	-
	Deferred Tax	B.10	(0.94)	0.05	(26.26)
	Total Tax Expenses		(0.94)	9.82	(26.26)
	Profit (Loss) for the period from continuing operations		185.70	279.63	25.93
	Earning per equity share in Rs.:				
	(1) Basic		2.21	3.33	0.31
	(2) Diluted		1.96	2.96	0.27

Note : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Balance Sheet and cash flows appearing in Annexure D,A&C.

For M/s AY & Company
Chartered Accountants
Firm Registration No :

On behalf of Board of Directors

CA Arpit Gupta
Partner
M. No. 421544
UDIN : 23421544BGSQFI3792

Rajesh Nahar
Chairman Cum Managing
Director
DIN : 1015059

Ritesh Katariya
Whole Time Director
DIN : 1019455

Prakash Arthanari
Chief Financial Officer

Bhumisha Darshan Dadwani
Company Secretary

Date : 28.09.2023
Place : Chennai

NET AVENUE TECHNOLOGIES LIMITED
(FORMERLY KNOWN AS NET AVENUE TECHNOLOGIES PRIVATE LIMITED)

ANNEXURE – C: RESTATED STANDALONE STATEMENT OF CASH FLOWS

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March		
	2023	2022	2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) before tax	184.76	289.44	(0.33)
Adjustments for:			
Depreciation	16.61	10.30	4.19
Non Cash Items	3.68	0.97	7.37
Finance Cost	7.09	3.79	7.21
Interest Income	(10.23)	(10.08)	(4.77)
Employee Stock Compensation Expenses	14.57	9.43	10.78
Profit on Sale of Property, Plant & Equipments	-	(0.02)	(0.16)
Operating profit before working capital changes	216.48	303.83	24.28
Movements in working capital :			
(Increase)/Decrease in Inventories	(154.24)	(299.57)	(10.68)
(Increase)/Decrease in Trade Receivables	(70.34)	13.31	99.87
(Increase)/Decrease in Short Term Loans & Advances	18.43	6.91	59.85
(Increase)/Decrease in Other Current Assets	687.04	1,033.22	(280.77)
Increase/(Decrease) in Trade Payables	(65.94)	109.36	(56.59)
Increase/(Decrease) in Other Current Liabilities & Short Term Provisions	(861.65)	(885.34)	86.29
Cash generated from operations	(230.22)	281.72	(77.74)
Income tax paid during the year	9.77	-	-
Net cash from operating activities (A)	(239.99)	281.72	(77.74)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Interest Income	10.23	10.08	4.77
Purchase of Fixed Assets	(33.21)	(21.93)	(1.75)
Proceeds from Property Plant & Equipments	-	0.03	0.21
Increase/Decrease in Other Non Current Assets	(4.69)	(4.81)	-
Net cash from investing activities (B)	(27.67)	(16.63)	3.23
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid on borrowings	(7.09)	(3.79)	(7.21)
Proceeds/(Repayment) of Borrowings	191.82	(106.83)	140.12
Net cash from financing activities (C)	184.73	(110.62)	132.92
Net increase in cash and cash equivalents (A+B+C)	(82.93)	154.47	58.40
Cash and cash equivalents at the beginning of the year	266.92	112.44	54.02
Cash and cash equivalents at the end of the year	183.98	266.92	112.44
Cash & Cash Equivalent Comprises			
Cash in Hand	0.39	0.23	0.48
Balance With Bank in Current Accounts	5.50	99.96	10.53
Balance with Bank in Deposits Accounts	178.09	166.73	101.42

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and Statement of Balance Sheet appearing in Annexure C, A & B.

For M/s A Y & Company
Chartered Accountants
Firm Registration No : 020829C

On behalf of Board of Director

CA Arpit Gupta
Partner
M. No. 421544
UDIN : 23421544BGSQFI3792

Rajesh Nahar
Chairman Cum Managing Director
DIN : 1015059

Ritesh Katariya
Whole Time Director
DIN : 1019455

Date : 28.09.2023
Place : Chennai

Prakash Arthanari
Chief Financial Officer

Bhumisha Darshan Dad
Company Secretary

ANNEXURE – D

STANDALONE SUMMARY SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS AS RESTATED

A. COMPANY INFORMATION

Net Avenue Technologies Limited formerly known as 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.

BASIS OF PREPERATION:

- 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.

SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The financial statements are prepared under the historical cost convention on the "Accrual Concept" and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

2. Use of Estimates

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

3. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

Intangible fixed assets and amortization

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

4. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

5. Depreciation

All fixed assets, except capital work in progress, are depreciated on SLM Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition /deletion as the case may be.

6. Investments

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

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.

8. Revenue Recognition

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned and no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gain on sale of investments if any are recognized on completion of transaction. No notional profit/loss are recognized on such investments.

Revenue from sale of product is recognized, net of trade discounts. Sales exclude indirect taxes.

Interest income is recognized on time proportion basis, when it is accrued and due for payment.

9. Borrowing Cost

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

10. Employee Benefits

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized.

11. Taxes on Income

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

12. Foreign Currency Translation

- a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate.
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

13. 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.

14. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

B. NOTES ON ACCOUNTS

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

2. Segment Reporting

The Company at present is engaged in the Business of sale of designer clothes & accessory threw online. In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS –17 are not applicable to the Company.

3. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as March 31, 2023, March 31, 2022 March 31, 2021 except as mentioned in Annexure-H, for any of the years/ stub period covered by the statements.

4. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – J of the enclosed financial statements.

5. Accounting For Deferred Taxes on Income (AS 22)

(Rs. In Lakhs).

Particulars	As at 31st March		
	2023	2022	2021
WDV as per Companies Act, 2013 (A)	44.39	27.78	16.17
WDV as per Income tax Act, 1961 (B)	91.07	74.40	63.93
Difference in WDV (A-B)	(46.68)	(46.61)	(47.76)
Timing Difference due to Provision for Gratuity & Compensated Absences (DTA)	61.21	57.54	56.58
Total Timing Difference	(107.89)	(104.15)	(104.34)
Deferred Tax (Asset)/ Liability '(C)	(27.16)	(26.22)	(26.26)
Resated Closing Balance of Deferred Tax (Asset)/ Liability	(27.16)	(26.22)	(26.26)
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	(26.22)	(26.26)	-
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(0.94)	0.05	(26.26)

6. Post Employment Benefits: The Company has valued its obligations related to Gratuity as follows:

Gratuity			
Particulars (Changes in the Present Value of Obligation)	31.03.2023	31.03.2022	31.03.2021
Present Value of Obligation as at the beginning	65.57	63.49	57.71
Interest Cost	3.64	3.08	3.11
Current Service Cost	5.03	4.40	4.04
Benefits Paid	(2.45)	(4.66)	(2.10)
Actuarial (Gain) / Loss on the Obligation	(2.48)	(0.73)	0.72
Present Value of Obligation as at the end	69.31	65.57	63.49

Gratuity			
Particulars (Changes in the Fair Value of Plan Assets)	31.03.2023	31.03.2022	31.03.2021
Fair Value of Plan Assets as at the beginning	12.03	10.38	11.69
Expected Return on Plan Assets	0.67	0.50	0.63
Employer's Contributions	1.84	5.69	0.14
Benefits Paid	(2.45)	(4.66)	(2.10)
Actuarial Gain / (Loss) on the Plan Assets	0.07	0.12	0.01
Fair Value of Plan Assets as at the end	12.16	12.03	10.38

Gratuity			
Particulars (Expense recognised in P&L)	31.03.2023	31.03.2022	31.03.2021
Current Service Cost	5.03	4.40	4.04
Interest Cost	3.64	3.08	3.11
Expected Return on Plan Assets	(0.67)	(0.50)	(0.63)
Net Actuarial (Gain) / Loss recognised in the period	(2.54)	(0.85)	0.70
Expenses Recognised in statement of Profit and Loss	5.46	612	7.23

Gratuity			
Particulars Assumptions	31.03.2023	31.03.2022	31.03.2021
Discount rate	7.20%	5.55%	4.85%
Salary escalation	5.00%	5.00%	5.00%
Attrition rate	20%- 40%	20%- 40%	20%- 40%

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 2023, March 31, 2022 & March 31, 2021 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
(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	7.13	7.63	5.80
Interest on the above, remaining unpaid at the end of the accounting year	1.55	1.85	1.85
(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.	-	-	

Employee share-based payment plans:

- A. During the year ended 31 March 2014, the Company had formed an ESOP trust, "Net Avenue Technologies Private Limited Employees Welfare Trust". The Company had framed the guidelines on issue of shares to its employees. The ESOP trust has purchased 46,980 shares from the shareholders and subscribed additionally for 38,420 shares issued by the Company at a premium of Rs 232 per share for the purpose of issuing it to the employees. Share premium of Rs 89,13,440 on these shares has been since reversed from Securities premium account. Similarly 38,420 shares (Rs 38,420) have been reduced from share capital as consideration not received. The Company had accounted for the ESOP in accordance with Guidance Note on Accounting for Employee Share Based Payments. Accordingly, the loan given to the ESOP trust has been disclosed as "Amount recoverable from Net Avenue Technologies Private Limited Employees Welfare Trust" in the balance sheet and the shares purchased out of the loan are shown as a part of the share capital. The management believes that the amount of loan receivable from the ESOP trust is fully recoverable based on budgeted plan, and hence no provision is made in the books.

B. Details of the shares reserved for issue under options:

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

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

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

Presumptions used in fair value computations:

Grant date	15-Oct-13	01-Jul-14	Various dates in 2014-15	Various dates in 2015-16	01-Jul-16	01-Jul-17	01-Jul-18	01-Oct-21
Options granted	23400	1500	2500	13600	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	31.03.2023	31.03.2022	31.03.2021
Options granted and outstanding at the beginning of the year	78,416	61,566	61866
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)	(300)
Options granted and outstanding at the end of the year	78,416	78,416	61566

MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

1. Material Regrouping:

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

2. Material Adjustments:

The Summary of results of restatement made in the Audited Financial Statements for the respective period/years and its impact on the profit/ (loss) of the Company is as follows:

(Rs. In Lakhs)

Particulars	For The Year Ended March 31,		
	2023	2022	2021
(A) Net Profits as per audited financial statements (A)	187.31	284.65	(0.33)
Add/(Less) : Adjustments on account of -			
1) Difference on Account of Calculation in Provision for Income Tax	2.26	(9.77)	-
2) Difference on Account of Calculation in Deferred Tax	0.95	(0.05)	26.26
3) Adjustment on Account of Prior Period Income	(4.80)	4.80	
Total Adjustments (B)	(1.59)	(5.02)	26.26
Restated Profit/ (Loss) (A+B)	185.70	279.63	25.93

3. Notes on Material Adjustments pertaining to prior years

(1) Change in Provision for Current Tax

Since the Restated profit has been changed so that the Provision for current tax is also got changed.

(2) Difference on Account of Calculation in Deferred Tax

Deferred Tax not charged in Audited Financials is charged in Restated financials

(3) Difference on Account of Prior Period Items

Income Related to Fiscal 2022 which was credited in Fiscal 2023 under audited financials is now transferred to Fiscal 2022

Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

(Rs. In Lakhs)

Particulars	For The Year Ended March 31,		
	2023	2022	2021
Equity Share Capital & Reserves & Surplus as per Audited financial Statement	199.15	(2.72)	(296.81)
Add/(Less) : Adjustments on account of change in Profit/Loss	19.65	21.24	26.26
Total Adjustments (B)	19.65	21.24	26.26
Equity Share Capital & Reserves & Surplus as per Restated Financial Statement	218.80	18.52	(270.55)

4. Trade Payable Ageing Summary

31.03.2023

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	6.97	0.16	-	-	7.13
(ii) Others	401.28	46.06	-	-	447.34
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	408.26	46.21	-	-	454.47

31.03.2022

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	6.50	1.13	-	-	7.63
(ii) Others	488.29	24.49	-	-	512.78
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	494.79	25.62	-	-	520.41

31.03.2021

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2.50	3.30	-	-	5.80
(ii) Others	123.42	214.49	67.34	-	405.25
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	125.91	217.80	67.34	-	411.05

7. Trade Receivable Ageing Summary

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
31.03.2023						
(i) Undisputed Trade Receivable – considered good	123.39	0.23	4.21	-	-	127.83
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
31.03.2022						
(i) Undisputed Trade Receivable – considered good	19.67	37.82	-	-	-	57.49
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-

31.03.2021							
(i)	Undisputed Trade Receivable – considered good	7.02	63.78	-	-	-	70.80
(ii)	Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-

8. Restated Statement of Accounting Ratios:

S. No.	Particular	Numerator	March 31, 2023	March 31, 2022	March 31, 2021	Reason for Movements
		Denominator				
(a)	Current Ratio	Current Assets	1.03	0.96	0.89	The reasons for increase in current ratio are: Reduction in trade payables and increase in inventory
		Current Liabilities				
(b)	Debt-Equity Ratio	Debt	1.26	4.55	-0.71	Increase in net worth has resulted in lower debt to equity
		Equity				
(c)	Debt Service Coverage Ratio	Net Operating Income	-0.55	1.44	0.42	There was no reduction in loan during the year. This is the reason for negative debt service coverage ratio
		Total Debt Service				
(d)	Return on Equity Ratio	Profit After Tax	156.49%	(221.91%)	(8.97%)	Consistent profit YoY has led to this improvement in return on equity.
		Average Shareholders Equity				
(e)	Trade Receivables turnover ratio (in times)	Net Credit Sales	36.08	48.69	11.43	Trade receivables during the year has increased resulted in lower trade receivables turnover.
		Average Trade Receivables				
(f)	Trade Payable Turnover Ratio (in times)	Net Credit Purchases	2.38	2.85	1.32	Trade payables has gone down during the year which resulted in lower trade payable turnover ratio.
		Average Trade Payables				
(g)	Net capital turnover ratio (in times)	Turnover	57.36	-25.83	-3.61	The reason we had a negative Net Capital Turnover ratio in FY 2021 and FY 2022 was because we had a negative working capital. In FY 2023, we have positive working capital which resulted in positive Net Capital Turnover ratio.
		Net Working Capital				
(h)	Net profit ratio	Profit After Tax	5.55%	8.95%	1.88%	Increase in freight expense has resulted In lower profitability
		Total Sales				
(i)	Return on Capital employed	Operating Profit	48.27%	827.85%	21.64%	We have increased the working capital overdraft limit during the year to fund the inventory resulting in higher capital for the year. This is the reason for drop in return on capital employed ratio.
		Total Capital Employed				

		EBIT				
		Total Interest Service				
(k)	Interest Service Coverage Ratio		20.66	47.39	0.96	We have increased the working capital overdraft limit during the year to fund the inventory resulting in higher interest expense. This is the reason for drop in interest service coverage ratio.
		Turnover	5.18	7.46	5.24	
		Average Inventory				
(l)	Inventory Turnover Ratio					Inventory during the last quarter of the year has increased resulted in lower inventory turnover ratio.

ANNEXURE - A.1 : Restated Standalone Statement of Share Capital

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
0.01% compulsorily convertible and non cumulative Series B preference shares			
Authorised Share Capital			
Equity Shares			
2,499,980 equity shares of INR 1 each	25.00	25.00	25.00
Series A Equity Shares			
10 Series A equity shares of INR. 1 each	0.00	0.00	0.00
Series B Equity Shares			
10 Series B equity shares of INR. 1 each	0.00	0.00	0.00
0.01% compulsorily convertible and non cumulative Series A preference shares			
500,000 preference shares of INR. 1 each	5.00	5.00	5.00
0.01% compulsorily convertible and non cumulative Series B preference shares			
600,000 (31 March 2021: 600,000) preference shares of INR. 1 each	6.00	6.00	6.00
Issued, Subscribed & Fully Paid Up Share Capital			
1,238,420 equity shares of INR. 1 each	12.38	12.38	12.38
Less: Amount recoverable from Net Avenue Technologies Private Limited Employees Welfare Trust - Face value of 38,420 shares allotted to the Trust	-0.38	-0.38	-0.38
Net Paid up Capital	12.00	12.00	12.00
6 Series A equity shares of INR. 1 each	0	0	0
468,614 preference shares of INR. 1 each	4.69	4.69	4.69
544,114 preference shares of INR. 1 each	5.44	5.44	5.44
Total	22.13	22.13	22.13

A.1.1 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.

A.1.2 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.

Notes :**A.1.3 Reconciliation of Number of Shares**

Particulars	As at 31st March		
	2023	2022	2021
Equity Shares			
Shares outstanding at the beginning of the year			
I. Equity shares			
At the beginning and end of the year (face value INR 1 each)	12,38,420	12,38,420	12,38,420
Add: Issued during the year	-	-	-
At the end of the year	12,38,420	12,38,420	12,38,420
II. Series A equity shares			
At the beginning and end of the year (face value INR 1 each)	6	6	6
Add: Issued during the year	-	-	-
At the end of the year	6	6	6
III. 0.01% compulsorily convertible and non cumulative Series A preference shares			
At the beginning and end of the year (face value INR 1 each)	4,68,614	4,68,614	4,68,614
Add: Issued during the year	-	-	-
At the end of the year	4,68,614	4,68,614	4,68,614
IV. 0.01% compulsorily convertible and non cumulative Series B preference shares (face value INR. 1 each)			
At the beginning of the year	5,44,114	5,44,114	5,44,114
Add: Issued during the year	-	-	-
At the end of the year	5,44,114	5,44,114	5,44,114
Reconciliation of the number of shares outstanding with Net Avenue Technologies Private Limited Employees Welfare Trust			
At the beginning of the year	38,420	38,420	38,420
Less: Adjustments	-	-	-
At the end of the year	38,420	38,420	38,420

ANNEXURE – A.2 : Restated Standalone Statement of Reserves and Surplus

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Reserves & Surplus			
General Reserves			
Balance at the beginning of the year	62.99	50.30	49.19
Add: Transfer from employee stock option outstanding	-	12.69	1.11
Balance at the end of the year	62.98729	62.99	50.30
Employee stock option outstanding			
Balance at the beginning of the year	170.84	174.11	164.45
Add: Options granted during the year	14.57	9.43	10.78
Less: Options exercised during the year	0	0.00	0.00
Less: Amount transferred to general reserve on account of forfeiture	0	-12.69	-1.11
Balance at the end of the year	185.41	170.84	174.11
Securities Premium			
Balance as at the beginning of the year	4,257.87	4,257.87	4,257.87
Addition during the year	-	-	-
Issued for Bonus Issue	-	-	-
Balance as at the end of the year	4,257.87	4,257.87	4,257.87
Balance in Statement of Profit & Loss			
Balance as at the beginning of the year	(4,495.30)	(4,774.96)	(4,800.89)
Add: Profit for the year	185.70	279.63	25.93
Less : Prior Period Items	-	-	-
Balance as at the end of the year	(4,309.60)	(4,495.30)	(4,774.96)
Grand Total	196.67	(3.60)	(292.68)

Note A.2.1 : The securities premium account balance is net of INR 89.13/- recoverable from the Net Avenue Technologies Private Limited Employees Welfare Trust.

Note A.2.2 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.3 : Restated Standalone Statement of Long Term Provisions

Particulars	As at 31st March		
	2023	2022	2021
Provision for Gratuity	34.09	32.84	44.05
Provision for Compensated Absences	2.11	2.19	1.96
Total	36.20	35.03	46.02

Note A.3.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.4: Restated Standalone Statement of Deferred Tax Assets/(Liabilities) (Net)

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Deferred Tax Liability			
Related to Fixed Assets	-	-	-
Loss Carried forward	-	-	-
Total (a)	-	-	-
Deferred Tax Assets			
Related to Fixed Assets & Employment Benefits	27.16	26.22	26.26
Total (b)	27.16	26.22	26.26
Net deferred tax asset/(liability){(b)-(a)}	27.16	26.22	26.26

Note A.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.5 : Restated Standalone Statement of Short Term Borrowings

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Secured:			
Bank Overdraft/Cash Credit	150.48	0.39	71.61
Unsecured:			
Employees	6.52	6.52	7.51
Related Parties	119.06	77.33	111.95
Total	276.06	84.24	191.07

Note A.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.6 : Restated Standalone Statement of Trade Payables
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Trade Payables due to			
- Micro and Small Enterprises	7.13	7.63	5.80
- Others			
- Promotor/Promotor Group	-	-	-
- Others	447.34	512.78	405.25
Total	454.47	520.41	411.05

Note A.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.7 : Restated Standalone Statement of Other Current Liabilities
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Interest accrued and due on borrowings	6.02	2.27	0.40
Deferred income	7.85	13.55	6.23
Advance from customers	156.72	322.13	147.65
Accrued Expenses	55.51	76.43	41.65
Other statutory dues payable	24.75	22.64	7.57
Employee benefits payable	53.12	89.32	141.18
Payable to subsidiaries	881.70	1,587.56	2678.08
Payable to Related party	0.27	0.27	0.27
Others	0.16	-	1.05
Grand Total	1,186.10	2,114.17	3,024.09

Note A.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.8 : Restated Standalone Statement of Short Term Provisions
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Provision for Gratuity	23.06	20.70	9.05
Provision for Compensated Absences	1.95	1.81	1.50
Provision for Sales Return Allowance	91.00	24.58	0.00
Provision for Income Tax	0.00	9.77	0.00
Grand Total	116.01	56.86	10.56

Note A.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.10: Restated Standalone Statement of Non Current Investments
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Investment in equity shares			
100 (31 March 2021 : 100) equity shares of Pioneer Tradings Limited, a subsidiary, of GBP 1 each, fully paid up	0.09	0.09	0.09
1,000 (31 March 2021 : 1,000) equity shares of Cbazaar.Com Inc a subsidiary, of USD 1 each, fully paid up	0.63	0.63	0.63
29,412 (31 March 2021 : 29,412) equity shares of Ethnoserve Bespoke Services Private Limited, an associate, of Re 1 each, fully paid up	2.49	2.49	2.49
Less: Impairment in value of investments	(3.21)	(3.21)	(3.21)
Grand Total	-	-	-

Note A.10.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.11 : Restated Standalone Statement of Other Non Current Assets
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Security Deposits	15.86	11.17	6.36
Less: Provision for Deposits	(0.30)	(0.30)	(0.30)
Grand Total	15.56	10.87	6.06

Note A.11.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.12 : Restated Standalone Statement of Inventories
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Raw materials and components	250.70	351.24	104.31
Work-in-progress	106.10	90.12	44.75
Finished goods	513.41	239.35	116.21
Stock-in-trade	134.56	165.15	110.37
Less: Provision for Non moving Inventory	(282.07)	(277.39)	(106.74)
Grand Total	722.71	568.47	268.90

Note A.12.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.13 : Restated Standalone Statement of Trade Receivables
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Outstanding for a period exceeding six months (Unsecured and considered Good)			
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	4.44	37.82	63.78
Others	-	-	-
Outstanding for a period not exceeding 6 months (Unsecured and considered Good)			
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.			
Others	123.39	19.67	7.02
Grand Total	127.83	57.49	70.80

Note A.13.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D.A.B.C.

ANNEXURE – A.14 : Restated Standalone Statement of Cash and Bank Balances
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Cash & Cash Equivalents			
Cash in hand	0.39	0.23	0.48
Balances with Banks:			
In Current Accounts	5.50	99.96	10.53
In Deposit Accounts	178.09	166.73	101.42
Grand Total	183.98	266.92	112.44

Note A.14.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D.A.B.C.

ANNEXURE – A.15 : Restated Standalone Statement of Short Term Loans and Advances
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Prepaid Expenses	6.68	3.32	2.69
Advances to Employees	14.88	8.46	0.73
Advances to Suppliers	1.91	38.02	53.30
Less: Provision for Deposits & Advances	(6.99)	(14.89)	(14.89)
Grand Total	16.48	34.91	41.82

Note A.15.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D.A.B.C.

ANNEXURE – A.16 : Restated Standalone Statement of Other Current Assets
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Balance with Revenue Authorities	100.21	125.18	75.49
Receivable from Subsidiaries	1,013.85	1,722.34	2,814.35
Others	35.00	17.74	12.42
Less: Provision for Doubtful Receivables	(110.28)	(144.63)	(144.63)
Interest Accrued on Fixed Deposits	1.15	1.54	2.56
Compensation Receivable from Myntra	-	4.80	-
Grand Total	1,039.93	1,726.97	2,760.19

Note A.16.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D.A.B.C.

(Rs. In Lakhs)
ANNEXURE – B.1: Restated Standalone Statement of Revenue from Operations

Particulars	As at 31st March		
	2023	2022	2021
Sale of Goods:			
Sale of Products			
Export	2,469.99	2,306.76	1,066.13
Domestic	639.86	632.52	256.22
Other Operating Revenue	233.69	184.06	57.67
Revenue from operations	3343.54	3123.34	1380.02

Note B.1.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D.A.B.C.

ANNEXURE – B.2 : Restated Standalone Statement of Other Income
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Interest income on bank deposits	10.23	10.08	4.77
Foreign exchange fluctuation gain (net)	-	2.75	7.37
Discount received from vendor	21.27	16.25	2.49
Provision no longer required written back / vendor write back	39.79	117.36	36.02
Profit on sale of property, plant and equipment	-	0.02	0.16
Other Non Operating income	33.87	1.34	-
Compensation Received from Myntra	-	4.80	19.98
Grand Total	105.16	152.60	70.79

Note B.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – B.3 : Restated Standalone Statement of Purchase of Cost of Material Consumed
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Inventory of raw materials at the beginning of the year	351.24	104.33	101.06
Add: Purchases during the year	457.84	499.46	150.35
Less : Inventory of raw materials at the end of the year	(250.70)	(351.24)	(104.31)
Grand Total	558.38	252.55	147.10

ANNEXURE – B.4 : Restated Standalone Statement of Purchase of Stock in Trade
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Appears	702.39	828.82	430.10
Grand Total	702.39	828.82	430.10

Note B.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – B.5 : Restated Standalone Statement of Changes in Inventories of Finished Goods, WIP & Stock in Trade
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Inventories at the Begening of the Year			
Work-in-progress	90.12	44.75	23.76
Finished goods	239.35	116.21	73.73
Stock-in-trade	165.15	110.37	137.52
Inventories at the End of the Year			
Work-in-progress	(106.10)	(90.12)	(44.75)
Finished goods	(513.41)	(239.35)	(116.21)
Stock-in-trade	(134.56)	(165.15)	(110.37)
Grand Total	(259.45)	(223.29)	(36.32)

Note B.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows

ANNEXURE – B.6 : Restated Standalone Statement of Employee Benefit Expense
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Salaries, wages and bonus *	437.46	374.11	256.68
Contribution to provident and other funds	24.65	21.07	15.49
Employee stock compensation expenses	14.58	9.43	10.78
Staff welfare expenses	10.53	4.08	2.91
Grand Total	487.22	408.69	285.86

Note B.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – B.7 : Restated Standalone Statement of Finance costs
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Interest paid on Borrowings	7.09	3.79	7.21
Bank Charges & Commission	2.31	2.45	1.19
Grand Total	9.40	6.24	8.40

Note B.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – B.8 : Restated Standalone Statement of Depreciation & Amortization
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Depreciation	15.77	5.51	3.94
Amortization of Intangible Assets	0.84	4.79	0.25
Grand Total	16.61	10.30	4.19

Note B.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – B.9 : Restated Standalone Statement of Other Expenses
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Fabric conversion & Redesign charges	398.04	313.61	149.27
Internet banking and other charges	112.07	103.80	47.56
Marketing expenses	146.78	137.63	26.91
Advertisement and business promotion expenses	379.26	297.60	37.04
Power and fuel	11.80	9.80	8.89
Printing and stationery	8.55	8.51	1.25
Repairs and maintenance			
- Computers	5.89	1.57	0.22
- Others	19.04	3.58	1.46
Insurance	5.43	7.06	2.95
Office expenses	15.47	5.29	4.36
Rates and taxes	4.06	1.86	0.43
Rent	33.50	25.08	20.65
Professional and technical fees (refer note 31)	83.45	85.15	44.94
Travelling and conveyance	10.73	9.10	1.19
Freight and handling charges	490.81	353.58	153.53
	-	-	-
Communication expenses	1.81	8.02	2.77
Provision for non moving inventory	-	170.65	28.89
Foreign exchange fluctuation Loss (net)	0.05	-	-
Provision for advances and other current assets	-	-	-
Bad Debts written off	-	107.97	1.53
Write off of debit balances in payables	-	23.23	6.44
Provision for doubtful debts	-	26.40	68.03
Miscellaneous expenses	22.64	3.70	3.50
Grand Total	1,749.38	1,703.20	611.82

Note B.9.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – B.10 : Restated Standalone Statement of Deferred Tax (Assets)/Liabilities
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
WDV as per Companies Act, 2013 (A)	44.39	27.78	16.17
WDV as per Income tax Act, 1961 (B)	91.07	74.40	63.93
Difference in WDV (A-B)	(46.68)	(46.61)	(47.76)
Timing Difference due to Provision for Gratuity & Compensated Absences (DTA)	61.21	57.54	56.58
Total Timing Difference	(107.89)	(104.15)	(104.34)
Deferred Tax (Asset)/ Liability (C)	(27.16)	(26.22)	(26.26)
Resated Closing Balance of Deferred Tax (Asset)/ Liability	(27.16)	(26.22)	(26.26)
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	(26.22)	(26.26)	-
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(0.94)	0.05	(26.26)

Note B.10.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – A.9 : Restated Standalone Statement of Property, Plant and Equipment

As At 31.03.2023

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2022	Additions	Deletion/Sale	Balance as at 31st March 2023	Balance as at 01st Apr 2022	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31st March 2023	Balance as at 01st Apr 2022	Balance as at 31st March 2023
A. Property Plant & Equipment										
Leasehold Improvements	2.29	-		2.29	2.00	-		2.00	0.30	0.30
Plant & Machinery	10.24	10.60		20.84	4.01	2.64		6.65	6.23	14.18
Office Equipments	23.77	2.30		26.07	22.46	1.19		23.65	1.31	2.42
Furniture & Fixtures	37.40	6.88		44.28	26.61	4.12		30.73	10.79	13.55
Computers	73.43	9.54		82.97	66.93	7.20		74.13	6.50	8.84
Vehicles	3.19	-		3.19	0.85	0.62		1.47	2.34	1.73
Total (A)	150.33	29.31	-	179.64	122.86	15.77	-	138.63	27.47	41.01
Intangible Assets										
Softwares	97.63	3.90		101.53	97.31	0.84		98.15	0.32	3.38
Total (B)	97.63	3.90	-	101.53	97.31	0.84	-	98.15	0.32	3.38
Grand Total (A+B)	247.96	33.21	-	281.17	220.16	16.61	-	236.78	27.79	44.39

As At 31.03.2022

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2021	Additions	Deletion/Sale	Balance as at 31 March 2022	Balance as at 01st Apr 2021	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31 March 2022	Balance as at 01st Apr 2021	Balance as at 31 March 2022
A. Property Plant & Equipment										
Leasehold Improvements	1.97	0.32	-	2.29	1.89	0.11	-	2.00	0.09	0.29
Plant & Machinery	5.72	4.52	-	10.24	3.34	0.67	-	4.01	2.38	6.23
Office Equipments	22.56	1.21		23.77	21.96	0.50		22.46	0.61	1.31
Furniture & Fixtures	29.84	7.56		37.40	25.09	1.52		26.61	4.76	10.79
Computers	67.54	6.06	0.16	73.43	64.56	2.53	0.16	66.93	2.98	6.50
Vehicles	0.93	2.26		3.19	0.68	0.17		0.85	0.25	2.34
Total (A)	128.57	21.93	0.16	150.33	117.52	5.50	0.16	122.86	11.05	27.46
Intangible Assets										
Softwares	97.63	-	-	97.63	92.52	4.79	-	97.31	5.11	0.32
Total (B)	97.63	-	-	97.63	92.52	4.79	-	97.31	5.11	0.32
Grand Total (A+B)	226.20	21.93	0.16	247.96	210.03	10.29	0.16	220.16	16.17	27.78

As At 31.03.2021

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2020	Additions	Deletion/Sale	Balance as at 31 March 2021	Balance as at 01st Apr 2020	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31 March 2021	Balance as at 01st Apr 2020	Balance as at 31 March 2021
A. Property Plant & Equipment										
Tangible Assets										
Leasehold Improvements	1.97	-	-	1.97	1.76	0.13	-	1.89	0.21	0.09
Plant & Machinery	5.19	0.73	0.20	5.72	3.12	0.42	0.20	3.34	2.07	2.38
Office Equipments	22.53	0.04	-	22.56	21.66	0.30	-	21.96	0.87	0.61
Furniture & Fixtures	28.83	1.01	-	29.84	23.39	1.70	-	25.09	5.44	4.76
Computers	67.70	0.02	0.18	67.54	63.44	1.30	0.18	64.56	4.26	2.98
Vehicles	0.93	-		0.93	0.59	0.09		0.68	0.34	0.25
Total (A)	127.15	1.80	0.38	128.57	113.96	3.94	0.38	117.52	13.19	11.05
Intangible Assets										
Softwares	97.63	-	-	97.63	92.27	0.25	-	92.52	5.36	5.11
Total (B)	97.63	-	-	97.63	92.27	0.25	-	92.52	5.36	5.11
Grand Total (A+B)	224.78	1.80	0.38	226.20	206.22	4.19	0.38	210.03	18.56	16.17

A.1.4 Details of Shareholding more than 5% of the aggregate shares in the company

Name of Shareholder	31-Mar-23		31-Mar-22		31-Mar-21	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
I. Equity shares						
Rajesh Nahar	4,35,000	35.13%	4,35,000	35.13%	4,35,000	35.13%
Ritesh Katariya	5,10,000	41.18%	5,10,000	41.18%	5,10,000	41.18%
Net Avenue Technologies Private Limited Employees Welfare Trust	85,400	6.90%	85,400	6.90%	85,400	6.90%
Sarala Nahar	75,000	6.06%	75,000	6.06%	75,000	6.06%
II. Series A equity shares						
Inventus Capital Partners (Mauritius) Ltd	2	33.33%	2	33.33%	2	33.33%
Nadathur Estates Pvt. Ltd. for and on behalf of Ojas Partners	2	33.33%	2	33.33%	2	33.33%
Forum Synergies India Trust	1	16.67%	1	16.67%	1	16.67%
Chayadeep Ventures LLP	1	16.67%	1	16.67%	1	16.67%
III. 0.01% compulsorily convertible and non cumulative Series A preference shares						
Inventus Capital Partners (Mauritius) Ltd	2,35,282	50.21%	2,35,282	50.21%	2,35,282	50.21%
Nadathur Estates Pvt. Ltd. for and on behalf of Ojas Partners	2,33,332	49.79%	2,33,332	49.79%	2,33,332	49.79%
IV. 0.01% compulsorily convertible and non cumulative Series B preference shares						
Inventus Capital Partners (Mauritius) Ltd	74,993	13.79%	74,993	13.79%	74,993	13.79%
Nadathur Estates Pvt. Ltd. for and on behalf of Ojas Partners	74,371	13.67%	74,371	13.67%	74,371	13.67%
Forum Synergies India Trust	1,97,375	36.27%	1,97,375	36.27%	1,97,375	36.27%
Chayadeep Ventures LLP	1,97,375	36.27%	1,97,375	36.27%	1,97,375	36.27%
Total	21,18,134	389.27%	21,18,134	389.27%	21,18,134	189.26%

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.

A.1.5 Shareholding of Promoters						
Name of Shareholder	31-Mar-22		31-Mar-22		31-Mar-21	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Rajesh Nahar	4,35,000	35.13%	4,35,000	35.13%	4,35,000	35.13%
Ritesh Katariya	5,10,000	41.18%	5,10,000	41.18%	5,10,000	41.18%

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.

A.1.6 Change in Shareholding of Promoters						
Name of Shareholder	31-Mar-22		31-Mar-22		31-Mar-21	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Rajesh Nahar	-	0.00%	-	0.00%	-	0.00%
Ritesh Katariya	-	0.00%	-	0.00%	-	0.00%

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.

ANNEXURE – A.5.2							
STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY							
Name of Lender	Amount Sanctioned	Purpose	Rate of interest	Security Offered	Re-Payment Schedule as per Sanction Letter	Moratorium	Outstanding amount as on (as per Books)
							31.03.2023
IDFC Bank Limited	31.50	Working Capital	7.15%	Fixed Deposit	Repayable on demand	Nil	31.66
Indusind Bank Limited	122.11	Working Capital	7.38%	Fixed Deposit	Repayable on demand	Nil	118.82
Total							150.48

Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.5.3							
STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS							
A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from							
Name of Lender	Amount Sanctioned	Purpose	Rate of interest	Security Offered	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
							31.03.2023
Kasturi Devi	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	6.56
Manjushree	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	24.00
Nagarajan.G	NIL	Business	-	Unsecured	Repayable on demand	Nil	2.00
Prakash	NIL	Business	-	Unsecured	Repayable on demand	Nil	4.52
Rajesh Nahar	NIL	Business	-	Unsecured	Repayable on demand	Nil	27.50
Ritesh Katariya	NIL	Business	-	Unsecured	Repayable on demand	Nil	27.50
Rajesh Nahar	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	5.00
Ritesh Katariya	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	22.70
R.Sarala Nahar	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	5.69
Sub Total							125.47

Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure D, A, B,

ANNEXURE – E : STATEMENT OF MATERIAL ADJUSTMENT TO THE RESTATED STANDALONE FINANCIAL STATEMENT

1 Material Regrouping

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

2. Material Adjustments :

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

Particulars	For The Year Ended March 31,		
	2023	2022	2021
(A) Net Profits as per audited financial statements (A)	187.31	284.65	(0.33)
Add/(Less) : Adjustments on account of -			
1) Difference on Account of Calculation in Provision for Income Tax	2.26	(9.77)	-
2) Difference on Account of Calculation in Deferred Tax	0.95	(0.05)	26.26
3) Adjustment on Account of Prior Period Income	(4.80)	4.80	
Total Adjustments (B)	(1.59)	(5.02)	26.26
Restated Profit/ (Loss) (A+B)	185.70	279.63	25.93

3. Notes on Material Adjustments pertaining to prior years

(1) Change in Provision for Current Tax

Since the Restated profit has been changed so that the Provision for current tax is also got changed

(2) Difference on Account of Calculation in Deferred Tax

Deferred Tax not charged in Audited Financials is charged in Restated financials

(3) Difference on Account of Adjustment of Prior Period Income

Income Related to Fiscal 2022 which was credited in Fiscal 2023 under audited financials is now transferred to Fiscal 2022

Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statement:

Particulars	For The Year Ended March 31,		
	2023	2022	2021
Equity Share Capital & Reserves & Surplus as per Audited financial Statement	199.15	(2.72)	(296.81)
Add/(Less) : Adjustments on account of change in Profit/Loss	19.65	21.24	26.26
Total Adjustments (B)	19.65	21.24	26.26
Equity Share Capital & Reserves & Surplus as per Restated Financial Statement	218.80	18.52	(270.55)

ANNEXURE - F : RESTATED STANDALONE STATEMENT OF TAX SHELTERS

Sr. No	Particulars	As at 31st March		
		2023	2022	2021
A	Restated Profit before tax	184.76	289.44	(0.33)
	Income chargeable under Normal Rate	184.76	289.44	(0.33)
	Normal Corporate Tax Rates (%)	25.17%	25.17%	25.17%
	MAT Tax Rates (%)	16.69%	15.60%	15.60%
B	Tax thereon (including surcharge and education cess)			
	Tax on normal profits	46.50	72.85	(0.08)
	Short Term Capital Gain at special rate	-	-	-
	Total	46.50	72.85	(0.08)
	Adjustments:			
C	Permanent Differences			
	Deduction allowed under Income Tax Act	-		
	Exempt Income	-	-	-
	Allowance of Expenses under the Income Tax Act Section 35	-	-	-
	Disallowance of Income under the Income Tax Act	-	0.02	0.16
	Disallowance of Expenses under the Income Tax Act	3.79	165.68	86.19
	Total Permanent Differences	3.79	165.70	86.36
D	Timing Differences			
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013	(0.39)	(1.15)	(6.50)
	Brought Forward Losses	(188.17)	(454.00)	(79.52)
	Total Timing Differences	(188.56)	(455.15)	(86.02)
E	Net Adjustments E= (C+D)	(184.76)	(289.45)	0.33
F	Tax expense/(saving) thereon	(46.50)	(72.85)	0.08
G	Total Income/(loss) (A+E)	(0.00)	(0.00)	(0.00)
	Taxable Income/ (Loss) as per MAT	-	289.44	(0.33)
	Less: Unabsorbed Depreciation	-	228.49	-
	Net Taxable Income as per MAT	-	60.95	(0.33)
I	Income Tax as per normal provision	-	(0.00)	-
J	Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act	-	9.51	-
	Net Tax Expenses (Higher of I,J)	-	9.51	-
K	Relief u/s 90/91		-	-
	Total Current Tax Expenses	-	9.51	-
L	Adjustment for Interest on income tax/ others	-	0.26	-
	Total Current Tax Expenses	-	9.77	-

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE - G : RESTATED STANDALONE STATEMENT OF CAPITALISATION

(Rs. In Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	Debts		
A	Long Term Debt*	-	-
B	Short Term Debt*	276.06	276.06
C	Total Debt	276.06	276.06
	Equity Shareholders Funds		
	Equity Share Capital#	22.13	[•]
	Reserves and Surplus	196.67	
D	Total Equity	218.80	
	Long Term Debt/ Equity Ratio (A/D)	-	
	Total Debt/ Equity Ratio (C/D)	1.26	
Notes :			

* The amounts are consider as outstanding as on 31.03.2023

Post Issue Figures are not available since issue price is not yet finalized

ANNEXURE - H : RESTATED STANDALONE STATEMENT OF CONTINGENT LIABILITIES
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	-	-	-
2. Capital Commitment	-	-	-
3. Income Tax Demand	10.36	10.36	10.36
4. TDS Demands	-	-	-
5. ESIC Demand	-	-	-
Total	10.36	10.36	10.36

ANNEXURE - I : RESTATED STANDALONE STATEMENT OF ACCOUNTING RATIOS

Particulars	As at 31st March		
	2023	2022	2021
Restated PAT as per P& L Account (Rs. in Lakhs)	185.70	279.63	25.93
EBITDA	210.77	305.98	12.25
Actual No. of Equity Shares outstanding at the end of the period	12,00,000	12,00,000	12,00,000
Weighted Average No. of Equity Shares outstanding at the end of the period	84,00,000	84,00,000	84,00,000
Diluted No of Equity Shares Outstanding at the end of the Period	94,51,000	94,51,000	94,51,000
Net Worth	218.80	18.53	-270.55
Current Assets	2090.93	2654.76	3254.14
Current Liabilities	2032.64	2775.68	3636.77
Earnings Per Share			
Basic EPS	2.21	3.33	0.31
Diluted EPS	1.96	2.96	0.27
Return on Net Worth	84.87%	1509.21%	-9.58%
Net Asset Value Per Share			
Pre Bonus	18.23	1.54	-22.55
Post Bonus	2.60	0.22	-3.22
Current Ratio	1.03	0.96	0.89
EBITDA	210.77	305.98	12.25
Nominal Value per Equity share(Rs.)	10	10	10

Notes :

- 1) The ratios have been calculated as below:
 - a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
 - b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.
 - c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
 - d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.
- 2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by bonus issue made in F.Y. 2023-24. In the ratio of 6:1. further Diluted equity Shares are considered by taking total no of shares outstanding as on date+Bonus Issue + potential equity shares
- 3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
- 4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

ANNEXURE - J(i) : RESTATED STANDALONE STATEMENT OF RELATED PARTY DISCLOSURES

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

i. List of Related Parties and Nature of Relationship :

Particulars	Name of Related Parties
a) Key Management Personnel's	Mr. Rajesh Nahar
	Mr. Ritesh Katariya
	Ms. Kasturi Devi
	Mr. Sardarmal Nahar
	Ms. Manju Shree
b) Associate Concern	Ms. Sarala Nahar
	Pioneer Trading Limited (Incorporate in United Kingdom)
	Cbaazar.com Inc. (Incorporate in United States of America)
	Ethnoserve Bespoke Services Private Limited
	NetAvenue Technologies Private Limited Employee Welfare Trust
	Ritesh Kataria HUF
Note 1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.	

ANNEXURE - J(ii) - Transactions carried out with related parties referred to in (i) above, in ordinary course of business:

(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	As at March 31		
		2023	2022	2021
1. Directors Remuneration	Mr. Rajesh Nahar	65.16	64.58	42.00
	Mr. Ritesh Katariya	65.01	64.58	42.00
Total		130.17	129.16	84.00
2. Marketing Internet Banking & Other Expenses	Cbazaar Inc.	571.16	449.83	103.86
3. Collection Received on behalf of Company	Cbazaar Inc.	2,241.10	2,122.56	994.51
4. Payments received out of collection received on behalf of company	Cbazaar Inc.	-1,677.39	-3,091.02	-787.62
	Pioneer Trading Limited	-1,097.81		
5. Business Facilitation Fees	Cbazaar Inc.	4.73	4.37	4.35
6. Interest on Unsecured Loans	Kasturi Devi	1.32	0.79	0.61
	Sardarmal Nahar		-	-
	Manju Shree	2.40	1.22	0.84
	Sarla Nahar	1.42	1.07	0.39
	Ritesh Kataria	0.92	0.71	3.14
	Ritesh Kataria HUF	-	-	0.09
4. Unsecured Loans	Kasturi Devi			
	Opening Balance	6.56	6.48	6.00
	Add: Amount Received during the year	10.00	0.08	3.45
	Less: Amount Paid during the year	10.00	-	2.98
	Closing Balance	6.56	6.56	6.48
	Manju Shree			
	Opening Balance	8.99	11.99	5.00
	Add: Amount Received/ Interest Credited during the year	25.01	-	9.77
	Less: Amount Paid during the year	10.00	3.00	2.78
	Closing Balance	24.00	8.99	11.99
	Rajesh Nahar			
	Opening Balance	27.53	27.53	5.00
	Add: Amount Received/ Interest Credited during the year	5.00	-	27.99
	Less: Amount Paid during the year	-	-	5.46
	Closing Balance	32.53	27.53	27.53
	Ritesh Katariya			
	Opening Balance	27.53	54.23	16.00
	Add: Amount Received/ Interest Credited during the year	25.75	-	48.00
	Less: Amount Paid during the year	3.00	26.71	9.76
	Closing Balance	50.28	27.53	54.23
	Sarala Nahar			
	Opening Balance	6.72	11.72	6.00
	Add: Amount Received/ Interest Credited during the year	0.75	-	5.72
	Less: Amount Paid during the year	1.77	5.00	-
	Closing Balance	5.70	6.72	11.72
	Ritesh Katariya HUF			
	Opening Balance	-	-	-
Add: Amount Received/ Interest Credited during the year	-	-	13.59	
Less: Amount Paid during the year	-	-	13.59	
Closing Balance	-	-	-	

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE - J(iii) - Outstanding Balance as at the end of the year				
(Rs. In Lakhs)				
	Particulars	31.03.202	31.03.2022	31.03.2021
1. Payable/(Receivables)	Kasturi Devi	6.56	6.56	6.48
	Manju shree	24.00	8.99	11.99
	Sarala Nahar	5.70	6.72	11.72
	Rajesh Nahar	32.53	27.53	27.53
	Ritesh Katariya	50.28	27.53	54.23
	Cbazaar Inc.	-49.91	-53.20	-53.35
	Pioneer Trading Limited	-82.24	-81.58	-82.92
	NetAvenue Technologies Private Limited Employee Welfare Trust	-109.60	-109.60	-109.60
	Ethnoserve Bespoke Services Private Limited	0.27	0.27	0.27
Total		-122.42	-166.79	-133.65

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED RESTATED FINANCIAL INFORMATION
(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,
The Board of Directors,
Netavenue Technologies Limited

Dear Sir,

We have examined the attached Consolidated Restated Audited Financial Information of Netavenue Technologies Limited comprising the Consolidated Restated Audited Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 & March 31, 2021 and the Consolidated Restated Audited Statement of Profit & Loss, the Restated Audited Cash Flow Statement for the financial year ended March 31, 2023, March 31, 2022 & March 31, 2021, the Consolidated Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Financial Information) as approved by the Board of Directors in their meeting held on September 28, 2023 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") as amended (ICDR Regulations"); and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI");
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note").

The Company's Board of Directors is responsible for the preparation of the Consolidated Restated Financial Information for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Pune in connection with the proposed IPO. The Consolidated Restated Financial Information have been prepared by the management of the Company for the Financial year ended on March 31, 2023, March 31, 2022 & March 31, 2021 on the basis of preparation stated in ANNEXURE – D to the Restated Financial Information. The Board of Directors of the company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

We have examined such Restated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated August 10, 2023 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and,
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

These Consolidated Restated Financial Information have been compiled by the management from:

- a) Consolidated Audited financial statements of company as at and for the financial year ended March 31, 2023, March 31, 2022 & March 31, 2021 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.

We have audited the special purpose financial information of the Company for the year ended March 31, 2023 prepared by the Company in accordance with the AS for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the "Peer Review Board" of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report dated September 20, 2023 on these

special-purpose financial information to the Board of Directors who have approved these in their meeting held on September 20, 2023.

For the purpose of our examination, we have relied on:

a) Auditors' Report issued by the Statutory Auditor i.e., M/s PKF Sridhar & Santhanam LLP. dated August 04, 2023, September 30, 2022 & September 30, 2021 for the Financial year ended 31st March 2023, 31st March, 2022 & 31st March 2021 respectively.

b) The audit were conducted by the Company's statutory auditor, and accordingly reliance has been placed on the statement of assets and liabilities and statements of profit and loss, the Significant Accounting Policies, and other explanatory information and (collectively, the Audited Financial Statement") examined by them for the said years.

The modification in Consolidated restated financials were carried out based on the modified reports, if any, issued by Statutory auditor which is giving rise to modifications on the financial statements as at and for the years ended March 31, 2023 March 31, 2022 & March 31, 2021. There is no qualification of previous auditor for the Financial Statement of March 31, 2023, March 31, 2022 & March 31, 2021.

The audit reports on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the year ended on March 31, 2023 March 31, 2022 & March 31, 2021:-

- a) The Consolidated Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- b) The Consolidated Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
- c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- d) There were no qualifications in the Audit Reports issued by M/s PKF Sridhar & Santhanam LLP for the Financial Year Ended March 31, 2023, March 31, 2022 & March 31, 2021 which would require adjustments in this Restated Financial Statements of the Company;

e) The Auditors have disclosed following Emphasis of Matter & Other Matter in their audit report:

Financial year	Particulars	Observations
2020-21	Material uncertainty related to Going concern	Without qualifying our opinion, we draw reference to Note 2.1 to the standalone financial statements relating to the going concern, the Company's performance has been impacted by failure to achieve anticipated sales volumes, lack of liquidity due to non-settlement of advances / receivables requiring approval under Foreign Exchange Management Act, 1999 and regulations thereunder resulting in extension of working capital cycle etc and consequential erosion of the net worth of the Company. These events or conditions along with other matters as set forth therein indicate that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern
F.Y. 2020-21	Emphasis of Matter	Attention is drawn to Note 37 to the standalone financial statements regarding the delay in remittances/ collections of certain overdue balances to/from its wholly owned subsidiaries. We understand from management that the Company is in the process of settling the payable balances to its wholly owned subsidiaries in the due course and obtaining such consents / approvals / condonations as may be required from the authorized dealers and other statutory authorities. Attention is drawn to Note 42 to the financial statements, regarding the management's impairment assessment of property, plant and equipment, intangible assets, trade receivables, inventories as at 31 March 2021 being considered as unimpaired /recoverable based on the future operations plans and cash flows wherein projections are made based on the various judgments and estimates related to inflation, discount rates, and implications expected to arise from COVID-19 pandemic, wherein actual results could vary.
F.Y. 2021-22 & F.Y. 2022-23	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.
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- f) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this report;
- g) Adjustments in Consolidated Restated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies,
- h) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Information or Restated Summary Financial Statement;
- i) There are no revaluation reserves, which are required to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement.
- j) The related party transaction for purchase & sales of services entered by the company are at arm's length.
- k) The Company has not paid any dividend since its incorporation.

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- a) The “Consolidated Restated Statement of Assets and Liabilities” as set out in ANNEXURE – A to this report, of the Company as at and Financial Year Ended March 31, 2023, March 31, 2022 & March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Consolidated Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
- b) The “Consolidated Restated Statement of Profit and Loss” as set out in ANNEXURE – B to this report, of the Company for Financial Year Ended March 31, 2023, March 31, 2022 & March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Consolidated Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
- c) The “Consolidated Restated Statement of Cash Flow” as set out in ANNEXURE – C to this report, of the Company for Financial Year Ended March 31, 2023, March 31, 2022 & March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Consolidated Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.

As indicated in our audit reports referred above:

We did not audit the financial statements of Parent as well as subsidiary companies included in the consolidated financial statement of Group whose share of total assets, total revenues, net Cash Flows and share of profit/ loss in its associates and joint ventures included in the consolidated financial statements, for the relevant years is tabulated below, which have been audited by other auditors, M/s **PKF Sridhar & Santhanam LLP**, and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

Subsidiary Companies:

₹ in Lakhs

Particulars	As at/ for the year ended on March 31, 2023	As at/ for the year ended on March 31, 2022	As at / for the year ended on March 31, 2021
Total Assets	42.18	53.60	35.70
Total Revenue	565.51	443.81	113.35
Net cash inflows/ (outflows)	(23.37)	(37.49)	7.37
Share of profit/ loss in its associates	(0.02)	(0.02)	(0.02)
Share of profit/ loss in its joint ventures	NA	NA	NA

Audit for the financial year ended on March 31, 2023, March 31, 2022 & March 31, 2021 was conducted by M/s PKF Sridhar & Santhanam LLP and Accordingly reliance has been placed on the financial statement examined by them for the said years. Financial Reports included for said years are solely based on report submitted by them.

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for Financial Year Ended March 31, 2023, March 31, 2022 & March 31, 2021 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO.

Restated Consolidated Statement of Share Capital, Reserves and Surplus	Annexure – A.1 & Annexure – A.2
Restated Consolidated Statement of Long Term Provisions	Annexure – A.3
Restated Consolidated Statement of Short Term Borrowings	Annexure – A.5
Restated Consolidated Statement of Trade Payables	Annexure – A.6
Restated Consolidated Statement of Other Current Liabilities And Short Term Provisions	Annexure – A.7 & Annexure – A.8
Restated Consolidated Statement of Fixed Assets	Annexure – A.9
Restated Consolidated Statement of Non Current Investment	Annexure – A.10
Restated Consolidated Statement of Deferred Tax Assets (Liabilities)	Annexure – A.4
Restated Consolidated Statement of Other Non Current Assets	Annexure – A.11
Restated Consolidated Statement of Inventories	Annexure - A.12
Restated Consolidated Statement of Trade Receivables	Annexure – A.13
Restated Consolidated Statement of Cash & Cash Equivalents	Annexure – A.14
Restated Consolidated Statement of Short Term Loans & Advances	Annexure – A.15
Restated Consolidated Statement of Other Current Assets	Annexure – A.16
Restated Consolidated Statement of Revenue from Operations	Annexure – B.1
Restated Consolidated Statement of Other Income	Annexure – B.2
Restated Consolidated Statement of Cost of Material Consumed	Annexure – B.3
Restated Consolidated Statement of Purchase of Stock in Trade	Annexure – B.4
Restated Consolidated Statement of Change in Inventories of WIP, Finished Goods & Stock in Trade	Annexure – B.5
Restated Consolidated Statement of Employee Benefit Expenses	Annexure - B.6
Restated Consolidated Statement of Finance Cost	Annexure - B.7
Restated Consolidated Statement of Depreciation & Amortisation	Annexure – B.8
Restated Consolidated Statement of Other Expenses	Annexure – B.9
Restated Consolidated Statement of Deferred Tax Asset / Liabilities	Annexure – B.10
Material Adjustment to the Consolidated Restated Financial Statement	Annexure – E
Restated Consolidated Statement of Tax shelter	Annexure – F
Restated Consolidated Statement of Capitalization	Annexure – G
Restated Consolidated Statement of Contingent Liabilities	Annexure – H
Restated Consolidated Statement of Accounting Ratios	Annexure – I
Restated Consolidated Statement of related party transaction	Annexure – J

In our opinion and to the best of information and explanation provided to us, the Consolidated Restated Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE – D are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. A Y & Company, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in ANNEXURE – A to J of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

For, M/s A Y & CO.
Chartered Accountants
Firm Registration Number: - 020829C
Peer Review No. -013225

CA Arpit Gupta
(Partner)
Membership No.421544
UDIN - 23421544BGSQFH7998
Date: 28.09.2023
Place: Chennai

NET AVENUE TECHNOLOGIES LIMITED
(FORMERLY KNOWN AS NET AVENUE TECHNOLOGIES PRIVATE LIMITED)

ANNEXURE – A : RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March		
			2023	2022	2021
A.	Equity and Liabilities				
1	Shareholders' Funds				
	Share Capital	A.1	22.13	22.13	22.13
	Reserves & Surplus	A.2	211.41	20.44	(250.50)
	Share application money pending allotment		-	-	-
2	Non-Current Liabilities				
	Long-Term Borrowings		-	-	-
	Other Non-Current Liabilities		-	-	-
	Long-Term Provisions	A.3	36.20	35.03	46.02
	Deferred Tax Liabilities (Net)	A.4	-	-	-
3	Current Liabilities				
	Short Term Borrowings	A.5	276.06	84.24	191.07
	Trade Payables :				
	(A) total outstanding dues of micro enterprises and small enterprises; and	A.6	7.13	7.63	5.80
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]	A.6	437.40	534.17	390.25
	Other Current Liabilities	A.7	313.56	534.76	354.52
	Short Term Provisions	A.8	116.01	56.86	10.56
	Total		1,419.90	1,295.26	769.85
B.	Assets				
1	Non-Current Assets				
	Property, Plant and Equipment				
	Tangible Assets	A.9	41.01	27.46	11.05
	Intangible Assets	A.9	3.38	0.32	5.11
	Capital Work in progress	A.9	-	-	-
	Intangible Assets Under Development	A.9	-	-	-
	Non-Current Investments	A.10	0.44	0.46	0.48
	Deferred Tax Assets	A.4	27.16	26.22	26.26
	Amount Recoverable from Net Avenue Welfare Trust		109.60	109.60	109.60
	Other Non Current Assets	A.11	15.56	10.87	6.06
2	Current Assets				
	Current Investments		-	-	-
	Inventories	A.12	722.71	568.47	268.90
	Trade Receivables	A.13	128.43	58.07	71.38
	Cash and Cash Equivalents	A.14	207.48	327.90	138.29
	Short-Term Loans and Advances	A.15	80.13	50.22	51.64
	Other Current Assets	A.16	84.01	115.67	81.07
	Total		1419.90	1295.26	769.85

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,B & C

For M/s AY & Company
Chartered Accountants
Firm Registration No :

On behalf of Board of Directors

CA Arpit Gupta
Partner
M. No. 421544
UDIN : 23421544BGSQFH7998

Rajesh Nahar
Chairman Cum Managing
Director
DIN : 1015059

Ritesh Katariya
Whole Time Director
DIN : 1019455

Prakash Arthanari
Chief Financial Officer

Bhumisha Darshan Dadwani
Company Secretary

Date : 28.09.2023
Place : Chennai

NET AVENUE TECHNOLOGIES LIMITED
(FORMERLY KNOWN AS NET AVENUE TECHNOLOGIES PRIVATE LIMITED)

ANNEXURE – B : RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Rs. in Lakhs)

Sr. No	Particulars	Note No.	For The Year Ended 31st March		
			2023	2022	2021
A.	Revenue:				
	Revenue from Operations	B.1	3343.55	3123.34	1380.02
	Other income	B.2	107.71	152.82	67.52
	Total revenue		3451.26	3276.16	1447.54
B.	Expenses:				
	Cost of Material Consumed	B.3	558.38	252.53	147.10
	Purchase of Stock in Trade	B.4	702.39	828.82	430.10
	Change in Inventories of WIP, Finished Goods & Stock in Trade	B.5	(259.45)	(223.29)	(36.32)
	Employees Benefit Expenses	B.6	487.22	408.69	285.86
	Finance costs	B.7	10.61	7.18	8.97
	Depreciation and Amortization	B.8	16.61	10.30	4.19
	Other expenses	B.9	1760.02	1720.58	610.76
	Total Expenses		3275.79	3004.81	1450.67
	Profit before exceptional and extraordinary items and tax		175.47	271.35	-3.13
	Exceptional Items		-	-	-
	Profit before extraordinary items and tax		175.47	271.35	-3.13
	Extraordinary items		-	-	-
	Profit before tax		175.47	271.35	-3.13
	Tax expense :				
	Current tax		0.00	9.77	-
	Deferred Tax	B.10	(0.94)	0.05	(26.26)
	Total Tax Expenses		(0.94)	9.82	(26.26)
	Share of Loss from Associates		(0.02)	(0.02)	(0.02)
	Profit (Loss) for the period from continuing operations		176.40	261.51	23.11
	Earning per equity share in Rs.:				
	(1) Basic		2.10	3.11	0.28
	(2) Diluted		1.87	2.77	0.24

Note : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Balance Sheet and cash flows appearing in Annexure D,A&C.

For M/s AY & Company
Chartered Accountants
Firm Registration No :

On behalf of Board of Directors

Rajesh Nahar
Chairman Cum Managing
Director
DIN : 1015059

Ritesh Katariya
Whole Time Director
DIN : 1019455

CA Arpit Gupta
Partner
M. No. 421544
UDIN : 23421544BGSQFH7998

Prakash Arthanari
Chief Financial Officer

Bhumisha Darshan Dadwani
Company Secretary

Date : 28.09.2023
Place : Chennai

NET AVENUE TECHNOLOGIES LIMITED
(FORMERLY KNOWN AS NET AVENUE TECHNOLOGIES PRIVATE LIMITED)

ANNEXURE – C: RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March		
	2023	2022	2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) before tax	175.47	271.35	(3.13)
Adjustments for:			
Depreciation	16.61	10.30	4.19
Non Cash Items	84.67	34.95	18.04
Finance Cost	7.09	3.79	7.21
Interest Income	(10.23)	(10.08)	(4.77)
Employee Stock Compensation Expenses	14.57	9.43	10.78
Profit on Sale of Property, Plant & Equipments	-	(0.02)	(0.16)
Operating profit before working capital changes	273.61	310.31	21.54
Movements in working capital :			
(Increase)/Decrease in Inventories	(154.24)	(299.57)	(10.68)
(Increase)/Decrease in Trade Receivables	(70.36)	13.31	99.83
(Increase)/Decrease in Short Term Loans & Advances	(29.91)	1.42	58.07
(Increase)/Decrease in Other Current Assets	31.66	(34.60)	(79.64)
Increase/(Decrease) in Trade Payables	(97.27)	145.75	(85.33)
Increase/(Decrease) in Other Current Liabilities & Short Term Provisions	(221.20)	180.24	(74.12)
Cash generated from operations	(267.71)	316.85	(70.33)
Income tax paid during the year	9.77	-	-
Net cash from operating activities (A)	(277.48)	316.85	(70.33)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Increase in Other Non Current Liabilities	-	-	-
Interest Income	10.23	10.08	4.77
Purchase of Fixed Assets	(33.21)	(21.93)	(1.80)
Proceeds from Sale of Fixed Assets	-	0.03	0.21
Increase in Other Non Current Assets	(4.69)	(4.81)	-
Net cash from investing activities (B)	(27.67)	(16.63)	3.18
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid on borrowings	(7.09)	(3.79)	(7.21)
Proceeds/(Repayment) of Borrowings	191.82	(106.83)	140.12
Net cash from financing activities (C)	184.73	(110.62)	132.92
Net increase in cash and cash equivalents (A+B+C)	(120.41)	189.60	65.77
Cash and cash equivalents at the beginning of the year	327.90	138.29	72.52
Cash and cash equivalents at the end of the year	207.48	327.90	138.29
Cash & Cash Equivalent Comprises			
Cash in Hand	1.64	1.00	1.23
Balance With Bank in Current Accounts	27.75	160.17	35.64
Balance with Bank in Deposits Accounts	178.09	166.73	101.42

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and Statement of Balance Sheet appearing in Annexure C, A & B.

For M/s A Y & Company
Chartered Accountants
Firm Registration No : 020829C

On behalf of Board of Directors

CA Arpit Gupta
Partner
M. No. 421544
UDIN : 23421544BGSQFH7998

Rajesh Nahar
Chairman Cum Managing Director
DIN : 1015059

Ritesh Katariya
Whole Time Director
DIN : 1019455

Date : 28.09.2023
Place : Chennai

Prakash Arthanari
Chief Financial Officer

Bhumisha Darshan Dad
Company Secretary

ANNEXURE – D

CONSOLIDATED SUMMARY SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS AS RESTATED

A. COMPANY INFORMATION

Net Avenue Technologies Limited formerly known as Net Avenue Technologies Private Limited ("the Company" / "the parent" / "the holding company") and its subsidiaries Cbazaar.com Inc, USA and Pioneer Tradings Limited, United Kingdom, collectively called as "the Group". The Company was incorporated on 7 June 2001 as per the provision of the Companies Act, 1956. 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. The subsidiaries acts as a commission and collecting agent for the holding company.

Entity	Country of incorporation	Nature of interest	% of shareholding
Net Avenue Technologies Private Limited ('NATPL')	India	Holding Company	-
Cbazaar.com Inc	United States of America	Subsidiary of NATPL	100%
Pioneer Tradings Limited	United Kingdom	Subsidiary of NATPL (strike off w.e.f. 28.03.2023)	100%
Ethnoserve Bespoke Services Private Limited	India	Associate of NATPL	29%

BASIS OF PREPERATION:

- The consolidated financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated, and in accordance with the generally accepted accounting principles in India ("Indian GAAP"). The consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards ("AS") notified under Section 133 and the other relevant provisions of the Companies Act, 2013 as applicable.
- The Holding Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under Section 133 of the Companies Act, 2013. Accordingly, the Holding Company has complied with the Accounting Standards as mentioned in the aforesaid rules applicable to an SMC. However, the Holding Company has prepared consolidated cash flow statement in accordance with Section 2(40) of the Companies Act, 2013.
- All assets and liabilities have been classified into current or non-current as per the normal operating cycle of the Group 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 Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities..
- 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.

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the parent company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full as per Accounting Standard 21- Consolidated Financial Statements.
- The financial statements of the subsidiary companies and associate company are drawn up to the same reporting date as that of the Holding Company i.e., 31 March 2023. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.

- The difference in the cost of the investment to the parent company of its investment in the subsidiaries at the respective dates on which investment in such entities were made is recognised in the financial statements as goodwill/capital reserve.
- The consolidated financial statements include the share of profit / loss of the associate company which has been accounted as per the 'Equity method', and accordingly, the share of profit / loss of each of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.
- The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances

The financial statements of the foreign integral subsidiaries are translated into Indian rupees as follows:

Revenue items are translated at the respective monthly average rates. Depreciation is translated at the rates used for the translation of the values of the assets on which depreciation is calculated. Monetary items are translated using the closing rate. Non-monetary items, are translated using the exchange rate on the date of transaction i.e., the date when they were acquired. The net exchange difference resulting from the translation of items in the financial statements of foreign integral operations is recognized as income or expense for the year. Contingent liabilities are translated at the closing rate.

SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The financial statements are prepared under the historical cost convention on the "Accrual Concept" and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

2. Use of Estimates

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

3. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

Intangible fixed assets and amortization

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

4. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

5. Depreciation

All fixed assets, except capital work in progress, are depreciated on SLM Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition /deletion as the case may be.

6. Investments

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

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.

8. Revenue Recognition

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned and no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gain on sale of investments if any are recognized on completion of transaction. No notional profit/loss are recognized on such investments.

Revenue from sale of product is recognized, net of trade discounts. Sales exclude indirect taxes.

Interest income is recognized on time proportion basis, when it is accrued and due for payment.

9. Borrowing Cost

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

10. Employee Benefits

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized.

11. Taxes on Income

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

12. Foreign Currency Translation

- a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate.
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

13. 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.

14. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

B. NOTES ON ACCOUNTS

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

2. Segment Reporting

The Company at present is engaged in the Business of sale of designer clothes & accessory threw online. In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS -17 are not applicable to the Company.

3. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). The Holding Company has appointed Pioneer Tradings 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 holding Company, for which the Holding Company pays commission charges to PTL/CB INC. The Holding Company also reimburses certain expenditures like marketing, internet banking and other charges which are incurred on its behalf to PTL/CB INC. The Holding Company based on a legal opinion believes that Service tax is not applicable on such transactions and accordingly, no provision has been made for service tax in these financial statements.

Apart from the above & except as disclosed in Annexhre – H, There are no contingent liabilities as March 31, 2023, March 31, 2022 March 31, 2021.

4. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – J of the enclosed financial statements.

5. Accounting For Deferred Taxes on Income (AS 22)

(Rs. In Lakhs).

Particulars	As at 31st March		
	2023	2022	2021
WDV as per Companies Act, 2013 (A)	44.39	27.78	16.17
WDV as per Income tax Act, 1961 (B)	91.07	74.40	63.93
Difference in WDV (A-B)	(46.68)	(46.61)	(47.76)
Timing Difference due to Provision for Gratuity & Compensated Absences (DTA)	61.21	57.54	56.58
Total Timing Difference	(107.89)	(104.15)	(104.34)
Deferred Tax (Asset)/ Liability '(C)	(27.16)	(26.22)	(26.26)
Resated Closing Balance of Deferred Tax (Asset)/ Liability	(27.16)	(26.22)	(26.26)
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	(26.22)	(26.26)	-
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(0.94)	0.05	(26.26)

6. **Post Employment Benefits:** The Company has valued its obligations related to Gratuity as follows:

Gratuity			
Particulars (Changes in the Present Value of Obligation)	31.03.2023	31.03.2022	31.03.2021
Present Value of Obligation as at the beginning	65.57	63.49	57.71
Interest Cost	3.64	3.08	3.11
Current Service Cost	5.03	4.40	4.04
Benefits Paid	(2.45)	(4.66)	(2.10)
Actuarial (Gain) / Loss on the Obligation	(2.48)	(0.73)	0.72
Present Value of Obligation as at the end	69.31	65.57	63.49

Gratuity			
Particulars (Changes in the Fair Value of Plan Assets)	31.03.2023	31.03.2022	31.03.2021
Fair Value of Plan Assets as at the beginning	12.03	10.38	11.69
Expected Return on Plan Assets	0.67	0.50	0.63
Employer's Contributions	1.84	5.69	0.14
Benefits Paid	(2.45)	(4.66)	(2.10)
Actuarial Gain / (Loss) on the Plan Assets	0.07	0.12	0.01
Fair Value of Plan Assets as at the end	12.16	12.03	10.38

Gratuity			
Particulars (Expense recognised in P&L)	31.03.2023	31.03.2022	31.03.2021
Current Service Cost	5.03	4.40	4.04
Interest Cost	3.64	3.08	3.11
Expected Return on Plan Assets	(0.67)	(0.50)	(0.63)
Net Actuarial (Gain) / Loss recognised in the period	(2.54)	(0.85)	0.70
Expenses Recognised in statement of Profit and Loss	5.46	612	7.23

Gratuity			
Particulars Assumptions	31.03.2023	31.03.2022	31.03.2021
Discount rate	7.20%	5.55%	4.85%
Salary escalation	5.00%	5.00%	5.00%
Attrition rate	20%- 40%	20%- 40%	20%- 40%

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 2023, March 31, 2022 & March 31, 2021 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at		
	31 March 2023	31 March 2022	31 March 2021
(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	7.13	7.63	5.80
Interest on the above, remaining unpaid at the end of the accounting year	1.55	1.85	1.85
(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.	-	-	

Employee share-based payment plans:

- A. During the year ended 31 March 2014, the Company had formed an ESOP trust, "Net Avenue Technologies Private Limited Employees Welfare Trust". The Company had framed the guidelines on issue of shares to its employees. The ESOP trust has purchased 46,980 shares from the shareholders and subscribed additionally for 38,420 shares issued by the Company at a premium of Rs 232 per share for the purpose of issuing it to the employees. Share premium of Rs 89,13,440 on these shares has been since reversed from Securities premium account. Similarly 38,420 shares (Rs 38,420) have been reduced from share capital as consideration not received. The Company had accounted for the ESOP in accordance with Guidance Note on Accounting for Employee Share Based Payments. Accordingly, the loan given to the ESOP trust has been disclosed as "Amount recoverable from Net Avenue Technologies Private Limited Employees Welfare Trust" in the balance sheet and the shares purchased out of the loan are shown as a part of the share capital. The management believes that the amount of loan receivable from the ESOP trust is fully recoverable based on budgeted plan, and hence no provision is made in the books.

B. Details of the shares reserved for issue under options:

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

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

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

Presumptions used in fair value computations:

Grant date	15-Oct-13	01-Jul-14	Various dates in 2014-15	Various dates in 2015-16	01-Jul-16	01-Jul-17	01-Jul-18	01-Oct-21
Options granted	23400	1500	2500	13600	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	31.03.2023	31.03.2022	31.03.2021
Options granted and outstanding at the beginning of the year	78,416	61,566	61866
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)	(300)
Options granted and outstanding at the end of the year	78,416	78,416	61566

MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

1. Material Regrouping:

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

2. Material Adjustments:

The Summary of results of restatement made in the Audited Financial Statements for the respective period/years and its impact on the profit/ (loss) of the Company is as follows:

Particulars	(Rs. In Lakhs)		
	For The Year Ended March 31,		
	2023	2022	2021
(A) Net Profits as per audited financial statements (A)	177.98	266.54	(3.15)
Add/(Less) : Adjustments on account of -			
1) Difference on Account of Calculation in Provision for Income Tax	2.26	(9.77)	-
2) Difference on Account of Calculation in Deferred Tax	0.94	(0.05)	26.26
3) Adjustment on Account of Prior Period Income	(4.80)	4.80	-
Total Adjustments (B)	(1.60)	(5.02)	26.26
Restated Profit/ (Loss) (A+B)	176.39	261.51	23.11

3. Notes on Material Adjustments pertaining to prior years

(1) Change in Provision for Current Tax

Since the Restated profit has been changed so that the Provision for current tax is also got changed.

(2) Difference on Account of Calculation in Deferred Tax

Deferred Tax not charged in Audited Financials is charged in Restated financials

(3) Difference on Account of Prior Period Items

Income Related to Fiscal 2022 which was credited in Fiscal 2023 under audited financials is now transferred to Fiscal 2022

Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

(Rs. In Lakhs)

Particulars	For The Year Ended March 31,		
	2023	2022	2021
Equity Share Capital & Reserves & Surplus as per Audited financial Statement	213.89	21.34	(254.63)
Add/(Less) : Adjustments on account of change in Profit/Loss	19.65	21.24	26.26
Total Adjustments (B)	19.65	21.24	26.26
Equity Share Capital & Reserves & Surplus as per Restated Financial Statement	233.54	42.58	(228.36)

4. Trade Payable Ageing Summary

31.03.2023

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	6.97	0.16	-	-	7.13
(ii) Others	391.73	45.67	-	-	437.40
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	398.71	45.82	-	-	444.53

31.03.2022

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	6.50	1.13	-	-	7.63
(ii) Others	509.68	24.49	-	-	534.17
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	516.18	25.62	-	-	541.80

31.03.2021

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2.50	3.30	-	-	5.80
(ii) Others	123.42	266.83	-	-	390.25
(iii) Disputed dues - MSME					
(iv) Disputed dues – Others					
Total	125.92	270.13	-		396.05

7. Trade Receivable Ageing Summary

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
31.03.2023						
(i) Undisputed Trade Receivable – considered good	123.99	-	4.44	-	-	128.43
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
31.03.2022						
(i) Undisputed Trade Receivable – considered good	19.67	38.40	-	-	-	58.07
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
31.03.2021						
(i) Undisputed Trade Receivable – considered good	7.02	64.36	-	-	-	71.38
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-

8. Restated Statement of Accounting Ratios:

S. No.	Particular	Numerator	March 31, 2023	March 31, 2022	March 31, 2021	Reason for Movements
		Denominator				
(a)	Current Ratio	Current Assets	1.06	0.92	0.64	The reasons for increase in current ratio are: Reduction in trade payables and increase in inventory
		Current Liabilities				
(b)	Debt-Equity Ratio	Debt	1.18	1.98	-0.84	Increase in net worth has resulted in lower debt to equity
		Equity				
(c)	Debt Service Coverage Ratio	Net Operating Income	-0.50	1.27	0.41	There was no reduction in loan during the year. This is the reason for negative debt service coverage ratio
		Total Debt Service				
(d)	Return on Equity Ratio	Profit After Tax	127.77%	-281.50%	-9.42%	Consistent profit YoY has led to this improvement in return on equity.
		Average Shareholders Equity				

(e)	Trade Receivables turnover ratio (in times)	Net Credit Sales	35.86	48.26	11.38	Trade receivables during the year has increased resulted in lower trade receivables turnover.
		Average Trade Receivables				
(f)	Trade Payable Turnover Ratio (in times)	Net Credit Purchases	2.35	2.83	1.32	Trade payables has gone down during the year which resulted in lower trade payable turnover ratio.
		Average Trade Payables				
(g)	Net capital turnover ratio (in times)	Turnover	46.05	-32.09	-4.05	The reason we had a negative Net Capital Turnover ratio in FY 2021 and FY 2022 was because we had a negative working capital. In FY 2023, we have positive working capital which resulted in positive Net Capital Turnover ratio.
		Net Working Capital				
(h)	Net profit ratio	Profit After Tax				Increase in freight expense has resulted In lower profitability
		Total Sales				
(i)	Return on Capital employed	Operating Profit	5.28%	8.37%	1.67%	We have increased the working capital overdraft limit during the year to fund the inventory resulting in higher capital for the year. This is the reason for drop in return on capital employed ratio.
		Total Capital Employed				
(k)	Interest Service Coverage Ratio	EBIT	17.54	38.79	0.65	We have increased the working capital overdraft limit during the year to fund the inventory resulting in higher interest expense. This is the reason for drop in interest service coverage ratio.
		Total Interest Service				
(l)	Inventory Turnover Ratio	Turnover	5.18	7.46	5.24	Inventory during the last quarter of the year has increased resulted in lower inventory turnover ratio.
		Average Inventory				

ANNEXURE - A.1 : Restated Consolidated Statement of Share Capital

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
0.01% compulsorily convertible and non cumulative Series B preference shares			
Authorised Share Capital			
Equity Shares			
2,499,980 equity shares of INR 1 each	2500.00	2500.00	2500.00
Series A Equity Shares			
10 Series A equity shares of INR. 1 each	0.00	0.00	0.00
Series B Equity Shares			
10 Series B equity shares of INR. 1 each	0.00	0.00	0.00
0.01% compulsorily convertible and non cumulative Series A preference shares			
500,000 preference shares of INR. 1 each	5.00	5.00	5.00
0.01% compulsorily convertible and non cumulative Series B preference shares			
600,000 (31 March 2021: 600,000) preference shares of INR. 1 each	6.00	6.00	6.00
Issued, Subscribed & Fully Paid Up Share Capital			
1,238,420 equity shares of INR. 1 each	12.38	12.38	12.38
Less: Amount recoverable from Net Avenue Technologies Private Limited Employees Welfare Trust - Face value of 38,420 shares allotted to the Trust	-0.38	-0.38	-0.38
Net Paid up Capital	12.00	12.00	12.00
6 Series A equity shares of INR. 1 each	0	0	0
468,614 preference shares of INR. 1 each	4.69	4.69	4.69
544,114 preference shares of INR. 1 each	5.44	5.44	5.44
Total	22.13	22.13	22.13

A.1.1 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.

A.1.2 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.

Notes :**A.1.3 Reconciliation of Number of Shares**

Particulars	As at 31st March		
	2023	2022	2021
Equity Shares			
Shares outstanding at the beginning of the year			
I. Equity shares			
At the beginning and end of the year (face value INR 1 each)	12,38,420	12,38,420	12,38,420
Add: Issued during the year	-	-	-
At the end of the year	12,38,420	12,38,420	12,38,420
II. Series A equity shares			
At the beginning and end of the year (face value INR 1 each)	6	6	6
Add: Issued during the year	-	-	-
At the end of the year	6	6	6
III. 0.01% compulsorily convertible and non cumulative Series A preference shares			
At the beginning and end of the year (face value INR 1 each)	4,68,614	4,68,614	4,68,614
Add: Issued during the year	-	-	-
At the end of the year	4,68,614	4,68,614	4,68,614
IV. 0.01% compulsorily convertible and non cumulative Series B preference shares (face value INR. 1 each)			
At the beginning of the year	5,44,114	5,44,114	5,44,114
Add: Issued during the year	-	-	-
At the end of the year	5,44,114	5,44,114	5,44,114
Reconciliation of the number of shares outstanding with Net Avenue Technologies Private Limited Employees Welfare Trust			
At the beginning of the year	38,420	38,420	38,420
Less: Adjustments	-	-	-
At the end of the year	38,420	38,420	38,420

ANNEXURE – A.2 : Restated Consolidated Statement of Reserves and Surplus

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Reserves & Surplus			
General Reserves			
Balance at the beginning of the year	62.99	50.30	49.19
Add: Transfer from employee stock option outstanding	-	12.69	1.11
Balance at the end of the year	62.99	62.99	50.30
Employee stock option outstanding			
Balance at the beginning of the year	170.84	174.11	164.45
Add: Options granted during the year	14.57	9.43	10.78
Less: Options exercised during the year	0	0.00	0.00
Less: Amount transferred to general reserve on account of forfeiture	0	-12.69	-1.11
Balance at the end of the year	185.41	170.84	174.11
Securities Premium			
Balance as at the beginning of the year	4,257.87	4,257.87	4,257.87
Addition during the year	-	-	-
Issued for Bonus Issue	-	-	-
Balance as at the end of the year	4,257.87	4,257.87	4,257.87
Balance in Statement of Profit & Loss			
Balance as at the beginning of the year	(4,481.11)	(4,742.64)	(4,765.75)
Add: Profit for the year	176.40	261.51	23.11
Less : Prior Period Items	-	-	-
Balance as at the end of the year	(4,304.72)	(4,481.11)	(4,742.64)
Capital Reserves	9.86	9.86	9.86
Grand Total	211.41	20.44	(250.50)

Note A.2.1 : The securities premium account balance is net of INR 89.13/- recoverable from the Net Avenue Technologies Private Limited Employees Welfare Trust.

Note A.2.2 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.3 : Restated Consolidated Statement of Long Term Provisions

Particulars	As at 31st March		
	2023	2022	2021
Provision for Gratuity	34.09	32.84	44.05
Provision for Compensated Absences	2.11	2.19	1.96
Total	36.20	35.03	46.02

Note A.3.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows

ANNEXURE – A.4: Restated Consolidated Statement of Deferred Tax Assets/(Liabilities) (Net)

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Deferred Tax Liability			
Related to Fixed Assets	-	-	-
Loss Carried forward	-	-	-
Total (a)	-	-	-
Deferred Tax Assets			
Related to Fixed Assets	27.16	26.22	26.26
Total (b)	27.16	26.22	26.26
Net deferred tax asset/(liability)/(b)-(a)	27.16	26.22	26.26

Note A.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.5 : Restated Consolidated Statement of Short Term Borrowings

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Secured:			
Bank Overdraft/Cash Credit	150.48	0.39	71.61
Unsecured:			
Employees	6.52	6.52	7.51
Related Parties	119.06	77.33	111.95
Total	276.06	84.24	191.07

Note A.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.6 : Restated Consolidated Statement of Trade Payables

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Trade Payables due to			
- Micro and Small Enterprises	7.13	7.63	5.80
- Others			
- Promotor/Promotor Group	-	-	-
- Others	437.40	534.17	390.25
Total	444.53	541.80	396.05

Note A.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.7 : Restated Consolidated Statement of Other Current Liabilities

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Interest accrued and due on borrowings	6.02	2.27	0.40
Deferred income	7.85	13.55	6.23
Advance from customers	156.72	322.13	147.65
Accrued Expenses	55.52	76.43	41.65
Other statutory dues payable	33.90	30.79	16.08
Employee benefits payable	53.12	89.32	141.18
Payable to Related party	0.27	0.27	0.27
Others	0.16	-	1.05
Grand Total	313.56	534.76	354.52

Note A.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.8 : Restated Consolidated Statement of Short Term Provisions

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Provision for Gratuity	23.06	20.70	9.05
Provision for Compensated Absences	1.95	1.81	1.50
Provision for Sales Return Allowance	91.00	24.58	0.00
Provision for Income Tax	0.00	9.77	-
Grand Total	116.01	56.86	10.56

Note A.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.10: Restated Consolidated Statement of Non Current Investments

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Investment in equity shares			
100 (31 March 2021 : 100) equity shares of Pioneer Tradings Limited, a subsidiary, of GBP 1 each, fully paid up	0.09	0.09	0.09
1,000 (31 March 2021 : 1,000) equity shares of Cbazaar.Com Inc a subsidiary, of USD 1 each, fully paid up	0.63	0.63	0.63
29,412 (31 March 2021 : 29,412) equity shares of Ethnoserve Bespoke Services Private Limited, an associate, of Re 1 each, fully paid up	2.49	2.49	2.49
Investment equity shares of Ethnoserve Bespoke Services Private Limited,	0.44	0.46	0.48
Less: Impairment in value of investments	(3.21)	(3.21)	(3.21)
Grand Total	0.44	0.46	0.48

Note A.10.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.11 : Restated Consolidated Statement of Other Non Current Assets

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Security Deposits	15.86	11.17	6.36
Less: Provision for Deposits	(0.30)	(0.30)	(0.30)
Grand Total	15.56	10.87	6.06

Note A.11.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.12 : Restated Consolidated Statement of Inventories

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Raw materials and components	250.70	351.24	104.31
Work-in-progress	106.10	90.12	44.75
Finished goods	513.41	239.35	116.21
Stock-in-trade	134.56	165.15	110.37
Less: Provision for Non moving Inventory	(282.07)	(277.39)	(106.74)
Grand Total	722.71	568.47	268.90

Note A.12.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.13 : Restated Consolidated Statement of Trade Receivables

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Outstanding for a period exceeding six months (Unsecured and considered Good)			
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	4.44	38.40	64.36
Others			
Outstanding for a period not exceeding 6 months (Unsecured and considered Good)			
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.			
Others	123.99	19.67	7.02
Grand Total	128.43	58.07	71.38

Note A.13.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.14 : Restated Consolidated Statement of Cash and Bank Balances

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Cash & Cash Equivalents			
Cash in hand	1.64	1.00	1.23
Balances with Banks:			
In Current Accounts	27.75	160.17	35.64
In Deposit Accounts	178.09	166.73	101.42
Grand Total	207.48	327.90	138.29

Note A.14.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C..

ANNEXURE – A.15 : Restated Consolidated Statement of Short Term Loans and Advances

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Prepaid Expenses	6.98	3.60	2.86
Advances to Employees	14.88	8.46	0.73
Advances to Suppliers	1.91	38.02	53.30
Others	69.68	22.38	16.99
Less: Provision for Deposits & Advances	(13.32)	(22.24)	(22.24)
Grand Total	80.13	50.22	51.64

Note A.15.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.16 : Restated Consolidated Statement of Other Current Assets

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Balance with Revenue/Government Authorities	82.86	109.33	78.51
Interest Accrued on Fixed Deposits	1.15	1.54	2.56
Compensation Receivable from Myntra		4.80	
Grand Total	84.01	115.67	81.07

Note A.16.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – B.1: Restated Consolidated Statement of Revenue from Operations

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Sale of Goods:			
Sale of Products	-	-	-
Export	2,469.99	2,306.76	1,066.13
Domestic	639.86	632.52	256.22
Other Operating Revenue	233.69	184.06	57.67
Revenue from operations	3343.55	3123.34	1380.02

Note B.1.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – B.2 : Restated Consolidated Statement of Other Income

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Interest income on bank deposits	10.23	10.08	4.77
Foreign exchange fluctuation gain (net)	-	-	4.09
Discount received from vendor	21.27	16.25	2.49
Provision no longer required written back / vendor write back	42.34	120.33	36.02
Profit on sale of property, plant and equipment	-	0.02	0.16
Other Non Operating income	33.87	1.34	-
Compensation Received from Myntra	-	4.80	19.98
Grand Total	107.71	152.82	67.52

Note B.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – B.3 : Restated Consolidated Statement of Purchase of Cost of Material Consumed

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Inventory of raw materials at the beginning of the year	351.24	104.31	101.06
Add: Purchases during the year	457.84	499.46	150.35
Less : Inventory of raw materials at the end of the year	(250.70)	(351.24)	(104.31)
Grand Total	558.38	252.53	147.10

ANNEXURE – B.4 : Restated Consolidated Statement of Purchase of Stock in Trade

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Appears	702.39	828.82	430.10
Grand Total	702.39	828.82	430.10

Note B.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – B.5 : Restated Consolidated Statement of Changes in Inventories of Finished Goods, WIP & Stock in Trade

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Inventories at the Beginning of the Year			
Work-in-progress	90.12	44.75	23.76
Finished goods	239.35	116.21	73.73
Stock-in-trade	165.15	110.37	137.52
Inventories at the End of the Year			

Work-in-progress	(106.10)	(90.12)	(44.75)
Finished goods	(513.41)	(239.35)	(116.21)
Stock-in-trade	(134.56)	(165.15)	(110.37)
Grand Total	(259.45)	(223.29)	(36.32)

Note B.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows

ANNEXURE – B.6 : Restated Consolidated Statement of Employee Benefit Expense

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Salaries, wages and bonus *	437.46	374.11	256.68
Contribution to provident and other funds	24.65	21.07	15.49
Employee stock compensation expenses	14.58	9.43	10.78
Staff welfare expenses	10.53	4.08	2.91
Grand Total	487.22	408.69	285.86

Note B.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – B.7 : Restated Consolidated Statement of Finance costs

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Interest paid on Borrowings	7.09	3.79	7.21
Bank Charges & Commission	3.52	3.39	1.76
Grand Total	10.61	7.18	8.97

Note B.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – B.8 : Restated Consolidated Statement of Depreciation & Amortization

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Depreciation	15.77	5.51	3.94
Amortization of Intangible Assets	0.84	4.79	0.25
Grand Total	16.61	10.30	4.19

Note B.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – B.9 : Restated Consolidated Statement of Other Expenses

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
Fabric conversion & Redesign charges	398.04	313.61	149.27
Internet banking and other charges	72.96	75.21	37.71
Marketing expenses	144.77	151.70	25.93
Advertisement and business promotion expenses	414.13	318.81	49.03
Power and fuel	11.80	9.80	8.89
Printing and stationery	8.55	8.51	1.25
Repairs and maintenance			
- Computers	5.89	1.57	0.22
- Others	19.91	3.17	2.27
Insurance	5.43	7.06	2.95
Office expenses	15.47	5.29	4.36
Rates and taxes	4.06	1.86	0.43
Rent	33.50	25.08	20.65
Professional and technical fees	75.89	90.90	41.23
Travelling and conveyance	10.73	9.10	1.19
Freight and handling charges	473.15	345.57	150.37
Communication expenses	27.01	14.87	6.10
Provision for non moving inventory	-	170.65	28.89
Foreign exchange fluctuation Loss (net)	14.12	4.98	-
Provision for advances and other current assets	-	-	-
Bad Debts written off	-	107.97	1.53
Write off of debit balances in payables	-	23.23	6.44
Provision for doubtful debts	-	26.40	68.03
Miscellaneous expenses	24.63	5.24	4.01
Grand Total	1,760.02	1,720.58	610.76

Note B.9.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – B.10 : Restated Consolidated Statement of Deferred Tax (Assets)/Liabilities

(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
WDV as per Companies Act, 2013 (A)	44.39	27.78	16.17
WDV as per Income tax Act, 1961 (B)	91.07	74.40	63.93
Difference in WDV (A-B)	(46.68)	(46.61)	(47.76)
Timing Difference due to Provision for Gratuity (DTA)	61.21	57.54	56.58
Total Timing Difference	(107.89)	(104.15)	(104.34)
Deferred Tax (Asset)/ Liability (C)	(27.16)	(26.22)	(26.26)
Restated Closing Balance of Deferred Tax (Asset)/ Liability	(27.16)	(26.22)	(26.26)
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	(26.22)	(26.26)	-
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(0.94)	0.05	(26.26)

Note B.10.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – A.9 : Restated Consolidated Statement of Property, Plant and Equipment

As At 31.03.2023

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2022	Additions	Deletion/Sale	Balance as at 31st March 2023	Balance as at 01st Apr 2022	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31st March 2023	Balance as at 01st Apr 2022	Balance as at 31st March 2023
A. Property Plant & Equipment										
Leasehold Improvements	2.29	-		2.29	2.00	-		2.00	0.30	0.30
Plant & Machinery	10.24	10.60		20.84	4.01	2.64		6.65	6.23	14.18
Office Equipments	23.77	2.30		26.07	22.46	1.19		23.65	1.31	2.42
Furniture & Fixtures	37.40	6.88		44.28	26.61	4.12		30.73	10.79	13.55
Computers	73.43	9.54		82.97	66.93	7.20		74.13	6.50	8.84
Vehicles	3.19	-		3.19	0.85	0.62		1.47	2.34	1.73
Total (A)	150.33	29.31	-	179.64	122.86	15.77	-	138.63	27.47	41.01
Intangible Assets										
Softwares	97.63	3.90		101.53	97.31	0.84		98.15	0.32	3.38
Total (B)	97.63	3.90	-	101.53	97.31	0.84	-	98.15	0.32	3.38
Grand Total (A+B)	247.96	33.21	-	281.17	220.16	16.61	-	236.78	27.79	44.39

As At 31.03.2022

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2021	Additions	Deletion/Sale	Balance as at 31 March 2022	Balance as at 01st Apr 2021	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31 March 2022	Balance as at 01st Apr 2021	Balance as at 31 March 2022
A. Property Plant & Equipment										
Leasehold Improvements	1.97	0.32	-	2.29	1.89	0.11	-	2.00	0.09	0.29
Plant & Machinery	5.72	4.52	-	10.24	3.34	0.67	-	4.01	2.38	6.23
Office Equipments	22.56	1.21		23.77	21.96	0.50		22.46	0.61	1.31
Furniture & Fixtures	29.84	7.56		37.40	25.09	1.52		26.61	4.76	10.79
Computers	67.54	6.06	0.16	73.43	64.56	2.53	0.16	66.93	2.98	6.50
Vehicles	0.93	2.26		3.19	0.68	0.17		0.85	0.25	2.34
Total (A)	128.57	21.93	0.16	150.33	117.52	5.50	0.16	122.86	11.05	27.46
Intangible Assets										
Softwares	97.63	-		97.63	92.52	4.79		97.31	5.11	0.32
Total (B)	97.63	-	-	97.63	92.52	4.79	-	97.31	5.11	0.32
Grand Total (A+B)	226.20	21.93	0.16	247.96	210.03	10.29	0.16	220.16	16.17	27.78

As At 31.03.2021

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2020	Additions	Deletion/Sale	Balance as at 31 March 2021	Balance as at 01st Apr 2020	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31 March 2021	Balance as at 01st Apr 2020	Balance as at 31 March 2021
A. Property Plant & Equipment										
Tangible Assets										
Leasehold Improvements	1.97	-	-	1.97	1.76	0.13	-	1.89	0.21	0.09
Plant & Machinery	5.19	0.73	0.20	5.72	3.12	0.42	0.20	3.34	2.07	2.38
Office Equipments	22.53	0.04	-	22.56	21.66	0.30	-	21.96	0.87	0.61
Furniture & Fixtures	28.83	1.01		29.84	23.39	1.70		25.09	5.44	4.76
Computers	67.70	0.02	0.18	67.54	63.44	1.30	0.18	64.56	4.26	2.98
Vehicles	0.93	-		0.93	0.59	0.09		0.68	0.34	0.25
Total (A)	127.15	1.80	0.38	128.57	113.96	3.94	0.38	117.52	13.19	11.05
Intangible Assets										
Softwares	97.63	-		97.63	92.27	0.25		92.52	5.36	5.11
Total (B)	97.63	-	-	97.63	92.27	0.25	-	92.52	5.36	5.11
Grand Total (A+B)	224.78	1.80	0.38	226.20	206.22	4.19	0.38	210.03	18.56	16.17

A.1.4 Details of Shareholding more than 5% of the aggregate shares in the company

Name of Shareholder	31-Mar-23		31-Mar-22		31-Mar-21	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
I. Equity shares						
Rajesh Nahar	4,35,000	35.13%	4,35,000	35.13%	4,35,000	35.13%
Ritesh Katariya	5,10,000	41.18%	5,10,000	41.18%	5,10,000	41.18%
Net Avenue Technologies Private Limited Employees Welfare Trust	85,400	6.90%	85,400	6.90%	85,400	6.90%
Sarala Nahar	75,000	6.06%	75,000	6.06%	75,000	6.06%
II. Series A equity shares						
Inventus Capital Partners (Mauritius) Ltd	2	33.33%	2	33.33%	2	33.33%
Nadathur Estates Pvt. Ltd. for and on behalf of Ojas Partners	2	33.33%	2	33.33%	2	33.33%
Forum Synergies India Trust	1	16.67%	1	16.67%	1	16.67%
Chayadeep Ventures LLP	1	16.67%	1	16.67%	1	16.67%
III. 0.01% compulsorily convertible and non cumulative Series A preference shares						
Inventus Capital Partners (Mauritius) Ltd	2,35,282	50.21%	2,35,282	50.21%	2,35,282	50.21%
Nadathur Estates Pvt. Ltd. for and on behalf of Ojas Partners	2,33,332	49.79%	2,33,332	49.79%	2,33,332	49.79%
IV. 0.01% compulsorily convertible and non cumulative Series B preference shares						
Inventus Capital Partners (Mauritius) Ltd	74,993	13.79%	74,993	13.79%	74,993	13.79%
Nadathur Estates Pvt. Ltd. for and on behalf of Ojas Partners	74,371	13.67%	74,371	13.67%	74,371	13.67%
Forum Synergies India Trust	1,97,375	36.27%	1,97,375	36.27%	1,97,375	36.27%
Chayadeep Ventures LLP	1,97,375	36.27%	1,97,375	36.27%	1,97,375	36.27%
Total	21,18,134	389.27%	21,18,134	389.27%	21,18,134	189.26%

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.

A.1.5 Shareholding of Promotors

Name of Shareholder	31-Mar-22		31-Mar-22		31-Mar-21	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Rajesh Nahar	4,35,000	35.13%	4,35,000	35.13%	4,35,000	35.13%
Ritesh Katariya	5,10,000	41.18%	5,10,000	41.18%	5,10,000	41.18%

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.

A.1.6 Change in Shareholding of Promotors

Name of Shareholder	31-Mar-22		31-Mar-22		31-Mar-21	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Rajesh Nahar	-	0.00%	-	0.00%	-	0.00%
Ritesh Katariya	-	0.00%	-	0.00%	-	0.00%

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.

ANNEXURE – A.5.2							
STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY							
Name of Lender	Amount Sanctioned	Purpose	Rate of interest	Security Offered	Re-Payment Schedule as per Sanction Letter	Moratorium	Outstanding amount as on (as per Books)
							31.03.2023
IDFC Bank Lintied	31.50	Working Capital	7.15%	Fixed Deposit	Repayable on demand	Nil	31.66
Indusind Bank Limited	122.11	Working Capital	7.38%	Fixed Deposit	Repayable on demand	Nil	118.82
Total							150.48
Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.							

ANNEXURE – A.5.3							
STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS							
A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from							
Name of Lender	Amount Sanctioned	Purpose	Rate of i	Security Offered	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
							31.03.2023
Kasturi Devi	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	6.56
Manjushree	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	24.00
Nagarajan.G	NIL	Business	-	Unsecured	Repayable on demand	Nil	2.00
Prakash	NIL	Business	-	Unsecured	Repayable on demand	Nil	4.52
Rajesh Nahar	NIL	Business	-	Unsecured	Repayable on demand	Nil	27.50
Ritesh Katariya	NIL	Business	-	Unsecured	Repayable on demand	Nil	27.50
Rajesh Nahar	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	5.00
Ritesh Katariya	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	22.70
R.Sarala Nahar	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	5.69
Sub Total							125.47
Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure D, A, B, C.							

ANNEXURE – E : STATEMENT OF MATERIAL ADJUSTMENT TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENT

1 Material Regrouping

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

2. Material Adjustments :

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

Particulars	For The Year Ended March 31,		
	2023	2022	2021
(A) Net Profits as per audited financial statements (A)	177.98	266.54	(3.15)
Add/(Less) : Adjustments on account of -			
1) Difference on Account of Calculation in Provision for Income Tax	2.26	(9.77)	-
2) Difference on Account of Calculation in Deferred Tax	0.94	(0.05)	26.26
3) Difference on Account of Prior Period Items	(4.80)	4.80	-
Total Adjustments (B)	(1.60)	(5.02)	26.26
Restated Profit/ (Loss) (A+B)	176.40	261.51	23.11
	-		

3. Notes on Material Adjustments pertaining to prior years

(1) Change in Provision for Current Tax

Since the Restated profit has been changed so that the Provision for current tax is also got changed

(2) Difference on Account of Calculation in Deferred Tax

Deferred Tax not charged in Audited Financials is charged in Restated financials

(3) Difference on Account of Prior Period Items

Income Related to Fiscal 2022 which was credited in Fiscal 2023 under audited financials is now transferred to Fiscal 2022

Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Finance

Particulars	For The Year Ended March 31,		
	2023	2022	2021
Equity Share Capital & Reserves & Surplus as per Audited financial Statement	213.89	21.34	(254.63)
Add/(Less) : Adjustments on account of change in Profit/Loss	19.65	21.24	26.26
Total Adjustments (B)	19.65	21.24	26.26
Equity Share Capital & Reserves & Surplus as per Restated Financial Statement	233.54	42.58	(228.36)

ANNEXURE - F : RESTATED CONSOLIDATED STATEMENT OF TAX SHELTERS

Sr. No	Particulars	As at 31st March		
		2023	2022	2021
A	Restated Profit before tax	175.47	271.35	(3.13)
	Restated Profit/(loss) of Subsidiary Companies	(9.32)	(18.09)	(2.79)
	Taxable Income	184.79	289.44	(0.34)
	Income chargeable under Normal Rate	184.79	289.44	(0.34)
	Normal Corporate Tax Rates (%)	25.17%	25.17%	25.17%
	MAT Tax Rates (%)	16.69%	15.60%	15.60%
B	Tax thereon (including surcharge and education cess)			
	Tax on normal profits	46.51	72.85	(0.09)
	Short Term Capital Gain at special rate	-	-	-
	Total	46.51	72.85	(0.09)
	Adjustments:			
C	Permanent Differences			
	Deduction allowed under Income Tax Act	-	-	-
	Exempt Income	-	-	-
	Allowance of Expenses under the Income Tax Act Section 35	-	-	-
	Disallowance of Income under the Income Tax Act	-	0.02	0.16
	Disallowance of Expenses under the Income Tax Act	3.79	165.68	86.19
	Total Permanent Differences	3.79	165.70	86.36
D	Timing Differences			
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013	(0.39)	(1.15)	(6.50)
	Brought Forward Losses	(178.87)	(435.90)	(76.72)
	Total Timing Differences	(179.26)	(437.05)	(83.22)
E	Net Adjustments E= (C+D)	(175.47)	(271.35)	3.13
F	Tax expense/(saving) thereon	(44.16)	(68.29)	0.79
G	Total Income/(loss) (A+E)	0.00	0.00	0.00
	Taxable Income/ (Loss) as per MAT	-	289.44	(0.34)
	Less: Unabsorbed Depreciation	-	228.49	-
	Net Taxable Income as per MAT	-	60.95	(0.34)
I	Income Tax as per normal provision	0.00	0.00	-
J	Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act	-	9.51	-
	Net Tax Expenses (Higher of I,J)	0.00	9.51	-
K	Relief u/s 90/91		-	-
	Total Current Tax Expenses	0.00	9.51	-
L	Adjustment for Interest on income tax/ others	-	0.26	-
	Total Current Tax Expenses	0.00	9.77	-

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE - G : RESTATED CONSOLIDATED STATEMENT OF CAPITALISATION

(Rs. In Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	Debts		
A	Long Term Debt*	-	-
B	Short Term Debt*	276.06	276.06
C	Total Debt	276.06	276.06
	Equity Shareholders Funds		
	Equity Share Capital#	22.13	[•]
	Reserves and Surplus	211.41	
D	Total Equity	233.54	
	Long Term Debt/ Equity Ratio (A/D)	-	
	Total Debt/ Equity Ratio (C/D)	1.18	
Notes :			

* The amounts are consider as outstanding as on 31.03.2023

Post Issue Figures are not available since issue price is not yet finalized

ANNEXURE - H : RESTATED CONSOLIDATED STATEMENT OF CONTINGENT LIABILITIES
(Rs. In Lakhs)

Particulars	As at 31st March		
	2023	2022	2021
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	-	-	-
2. Capital Commitment	-	-	-
3. Income Tax Demand	10.36	10.36	10.36
4. TDS Demands	-	-	-
5. ESIC Demand	-	-	-
Total	10.36	10.36	10.36

ANNEXURE - I : RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

Particulars	As at 31st March		
	2023	2022	2021
Restated PAT as per P& L Account (Rs. in Lakhs)	176.40	261.51	23.11
EBITDA	202.69	288.83	10.03
Actual No. of Equity Shares outstanding at the end of the period	12,00,000	12,00,000	12,00,000
Weighted Average No. of Equity Shares outstanding at the end of the period	84,00,000	84,00,000	84,00,000
Diluted No of Equity Shares Outstanding at the end of the Period	94,51,000	94,51,000	94,51,000
Net Worth	233.54	42.57	-228.37
Current Assets	1222.76	1120.33	611.28
Current Liabilities	1150.16	1217.66	952.20
Earnings Per Share			
Basic EPS	2.10	3.11	0.28
Diluted EPS	1.87	2.77	0.24
Return on Net Worth	75.53%	614.28%	-10.12%
Net Asset Value Per Share			
Pre Bonus	19.46	3.55	-19.03
Post Bonus	2.78	0.51	-2.72
Current Ratio	1.06	0.92	0.64
EBITDA	202.69	288.83	10.03
Nominal Value per Equity share(Rs.)	10	10	10

Notes :

- 1) The ratios have been calculated as below:
 - a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
 - b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.
 - c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
 - d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.
- 2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by bonus issue made on In the ratio of 6:1. further Diluted equity Shares are considered by taking total no of shares outstanding as on date+Bonus Issue + potential equity shares
- 3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
- 4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

ANNEXURE - J(i) : RESTATED CONSOLIDATED STATEMENT OF RELATED PARTY DISCLOSURES

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

i. List of Related Parties and Nature of Relationship :

Particulars	Name of Related Parties
a) Key Management Personnel's	Mr. Rajesh Nahar
	Mr. Ritesh Katariya
	Ms. Kasturi Devi
	Mr. Sardarmal Nahar
	Ms. Manju Shree
b) Associate Concern	Ms. Sarala Nahar
	Ethnoserve Bespoke Services Private Limited
	NetAvenue Technologies Private Limited Employee Welfare Trust
	Ritesh Kataria HUF
Note 1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.	

ANNEXURE - J(ii) - Transactions carried out with related parties referred to in (i) above, in ordinary course of business:

(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	As at March 31		
		2023	2022	2021
1. Directors Remuneration	Mr. Rajesh Nahar	62.16	64.58	42.00
	Mr. Ritesh Katariya	65.01	64.58	42.00
Total		127.17	129.16	84.00
2. Interest on Unsecured Loans	Kasturi Devi	1.32	0.79	0.61
	Sardarmal Nahar		-	-
	Manju Shree	2.40	1.22	0.84
	Sarala Nahar	1.42	1.07	0.39
	Ritesh Katariya	0.92	0.71	3.14
	Ritesh Katariya HUF	-	-	0.09
4. Unsecured Loans	Kasturi Devi			
	Opening Balance	6.56	6.48	6.00
	Add: Amount Received during the year	10.00	0.08	3.45
	Less: Amount Paid during the year	10.00	-	2.98
	Closing Balance	6.56	6.56	6.48
	Manju Shree			
	Opening Balance	8.99	11.99	5.00
	Add: Amount Received/ Interest Credited during the year	25.01	-	9.77
	Less: Amount Paid during the year	10.00	3.00	2.78
	Closing Balance	24.00	8.99	11.99
	Rajesh Nahar			
	Opening Balance	27.53	27.53	5.00
	Add: Amount Received/ Interest Credited during the year	5.00	-	27.99
	Less: Amount Paid during the year	-	-	5.46
	Closing Balance	32.53	27.53	27.53
	Ritesh Katariya			
	Opening Balance	27.53	54.23	16.00
	Add: Amount Received/ Interest Credited during the year	25.75	-	48.00
	Less: Amount Paid during the year	3.00	26.71	9.76
	Closing Balance	50.28	27.53	54.23
	Sarala Nahar			
	Opening Balance	6.72	11.72	6.00
	Add: Amount Received/ Interest Credited during the year	0.75	-	5.72
	Less: Amount Paid during the year	1.77	5.00	-
Closing Balance	5.70	6.72	11.72	
Ritesh Katariya HUF				
Opening Balance	-	-	-	
Add: Amount Received/ Interest Credited during the year	-	-	13.59	
Less: Amount Paid during the year	-	-	13.59	
Closing Balance	-	-	-	

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE - J(iii) - Outstanding Balance as at the end of the year				
(Rs. In Lakhs)				
	Particulars	31.03.2022	31.03.2022	31.03.2021
1. Payable/(Receivables)	Kasturi Devi	6.56	6.56	6.48
	Manju shree	24.00	8.99	11.99
	Saraa Nahar	5.70	6.72	11.72
	Rajesh Nahar	32.53	27.53	27.53
	Ritesh Katariya	50.28	27.53	54.23
	NetAvenue Technologies Private Limited Employee Welfare Trust	-109.60	-109.60	-109.60
	Ethnoserve Bespoke Services Private Limited	0.27	0.27	0.27
Total		9.73	-32.01	2.62

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

OTHER FINANCIAL INFORMATION

On Standalone Basis

Particulars	As at 31st March		
	2023	2022	2021
Restated PAT as per P& L Account (Rs. in Lakhs)	185.70	279.63	25.93
EBITDA	210.77	305.98	12.25
Actual No. of Equity Shares outstanding at the end of the period	12,00,000	12,00,000	12,00,000
Weighted Average No. of Equity Shares outstanding at the end of the period	84,00,000	84,00,000	84,00,000
Diluted No of Equity Shares Outstanding at the end of the Period	94,51,000	94,51,000	94,51,000
Net Worth	218.80	18.53	-270.55
Current Assets	2090.93	2654.76	3254.14
Current Liabilities	2032.64	2775.68	3636.77
Earnings Per Share			
Basic EPS	2.21	3.33	0.31
Diluted EPS	1.96	2.96	0.27
Return on Net Worth	84.87%	1509.21%	-9.58%
Net Asset Value Per Share			
Pre Bonus	18.23	1.54	-22.55
Post Bonus	2.60	0.22	-3.22
Current Ratio	1.03	0.96	0.89
EBITDA	210.77	305.98	12.25
Nominal Value per Equity share(Rs.)	10	10	10

Notes :

1) **The ratios have been calculated as below:**

- a. Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
- b. Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.
- c. Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
- d. Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.

2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by bonus issue made on August 16, 2023. In the ratio of 6:1. further Diluted Equity Shares are considered by taking total no of shares outstanding as on date + potential equity shares.

3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

On Consolidated Basis

Particulars	As at 31st March		
	2023	2022	2021
Restated PAT as per P& L Account (Rs. in Lakhs)	176.40	261.51	23.11
EBITDA	202.69	288.83	10.03
Actual No. of Equity Shares outstanding at the end of the period	12,00,000	12,00,000	12,00,000
Weighted Average No. of Equity Shares outstanding at the end of the period	84,00,000	84,00,000	84,00,000
Diluted No of Equity Shares Outstanding at the end of the Period	94,51,000	94,51,000	94,51,000
Net Worth	233.54	42.57	-228.37
Current Assets	1222.76	1120.33	611.28
Current Liabilities	1150.16	1217.66	952.20
Earnings Per Share			
Basic EPS	2.10	3.11	0.28
Diluted EPS	1.87	2.77	0.24
Return on Net Worth	75.53%	614.28%	-10.12%
Net Asset Value Per Share			
Pre Bonus	19.46	3.55	-19.03
Post Bonus	2.78	0.51	-2.72
Current Ratio	1.06	0.92	0.64
EBITDA	202.69	288.83	10.03
Nominal Value per Equity share(Rs.)	10	10	10

Notes :

1) The ratios have been calculated as below:

- a. Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
 - b. Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.
 - c. Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
 - d. Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.
- 2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by bonus issue made on August 16, 2023. In the ratio of 6:1. further Diluted Equity Shares are considered by taking total no of shares outstanding as on date + potential equity shares.
 - 3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
 - 4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

CAPITALISATION STATEMENT

On Standalone Basis

(Rs. In Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	Debts		
A	Long Term Debt*	-	-
B	Short Term Debt*	276.06	276.06
C	Total Debt	276.06	276.06
	Equity Shareholders Funds		
	Equity Share Capital#	22.13	[•]
	Reserves and Surplus	196.67	
D	Total Equity	218.80	
	Long Term Debt/ Equity Ratio (A/D)	-	
	Total Debt/ Equity Ratio (C/D)	1.26	

*Note: -

1. "The post issue figures are as on 31.03.2023"
2. "The post issue figures are not available since issue price is not yet finalized"

On Consolidated Basis

(Rs. In Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	Debts		
A	Long Term Debt*	-	-
B	Short Term Debt*	276.06	276.06
C	Total Debt	276.06	276.06
	Equity Shareholders Funds		
	Equity Share Capital#	22.13	[•]
	Reserves and Surplus	211.41	
D	Total Equity	233.54	
	Long Term Debt/ Equity Ratio (A/D)	-	
	Total Debt/ Equity Ratio (C/D)	1.18	

*Note: -

1. "The post issue figures are as on 31.03.2023"
2. "The post issue figures are not available since issue price is not yet finalized"

FINANCIAL INDEBTEDNESS

On consolidated basis:

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY (Amount in Lacs)

Name of Lender	Amount Sanctioned	Purpose	Rate of interest	Security Offered	Re-Payment Schedule as per Sanction Letter	Moratorium	Outstanding amount as on (as per Books)
							31.03.2023
IDFC Bank Limited	31.50	Working Capital	7.15%	Fixed Deposit	Repayable on demand	Nil	31.66
Indusind Bank Limited	122.11	Working Capital	7.38%	Fixed Deposit	Repayable on demand	Nil	118.82
Total							150.48

Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.

STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS

A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities

Name of Lender	Amount Sanctioned	Purpose	Rate of interest	Security Offered	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
							31.03.2023
Kasturi Devi	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	6.56
Manjushree	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	24.00
Nagarajan.G	NIL	Business	-	Unsecured	Repayable on demand	Nil	2.00
Prakash	NIL	Business	-	Unsecured	Repayable on demand	Nil	4.52
Rajesh Nahar	NIL	Business	-	Unsecured	Repayable on demand	Nil	27.50
Ritesh Katariya	NIL	Business	-	Unsecured	Repayable on demand	Nil	27.50

Rajesh Nahar	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	5.00
Ritesh Katariya	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	22.70
Sarala Nahar	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	5.70
Sub Total							125.59

On standalone basis:

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY (Amount in Lacs)							
Name of Lender	Amount Sanctioned	Purpose	Rate of interest	Security Offered	Re-Payment Schedule as per Sanction Letter	Moratorium	Outstanding amount as on (as per Books)
							31.03.2023
IDFC Bank Limited	31.50	Working Capital	7.15%	Fixed Deposit	Repayable on demand	Nil	31.66
Indusind Bank Limited	122.11	Working Capital	7.38%	Fixed Deposit	Repayable on demand	Nil	118.82
Total							150.48

Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.

STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS							
A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities							
Name of Lender	Amount Sanctioned	Purpose	Rate of interest	Security Offered	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
							31.03.2023
Kasturi Devi	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	6.56
Manjushree	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	24.00
Nagarajan.G	NIL	Business	-	Unsecured	Repayable on demand	Nil	2.00

Prakash	NIL	Business	-	Unsecured	Repayable on demand	Nil	4.52
Rajesh Nahar	NIL	Business	-	Unsecured	Repayable on demand	Nil	27.50
Ritesh Katariya	NIL	Business	-	Unsecured	Repayable on demand	Nil	27.50
Rajesh Nahar	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	5.00
Ritesh Katariya	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	22.70
Sarala Nahar	NIL	Business	12.00%	Unsecured	Repayable on demand	Nil	5.69
Sub Total							125.59

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled "Risk Factors" beginning on page 28 and "Forward Looking Statements" beginning on page 18, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 including the schedules and notes thereto and the reports thereto, which appear in the section titled "Other Financial Information" on Page No. 258. of the Draft Red Herring Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.

BUSINESS OVERVIEW

Our Company is engaged in online digital direct-to-consumer business for Indian Ethnic wear and accessories. Our company also has presence in international cross-border e-commerce direct-to-consumer for its products. Our product range includes Indian ethnic wear and accessories for women, men, teens and kids.

Our Company was originally incorporated on June 07, 2001 as "Net Avenue Technologies Private Limited" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Tamil Nadu. Subsequently our Company was converted into Public Limited Company and name of company was changed from "Net Avenue Technologies Private Limited" to "Net Avenue Technologies Limited" vide fresh certificate of incorporation dated September 22, 2023 issued by the Registrar of Companies, Chennai.

Our registered office is situated at New No. 16, Old No. 13, 1st Floor Prithvi Avenue, Alwarpet Teynampet Chennai, Tamil Nadu – 600018, India, corporate office at Plot No. H-139 to 141, Ground Floor and 1st Floor, BRC Compound, Laxminarayan Industrial Estate, Udhana, Surat, Gujarat – 394210, India. and operational unit at Plot No. H-142 to 143, Ground Floor and 1st Floor, BRC Compound, Laxminarayan Industrial Estate, Udhana, Surat, Gujarat – 394210, India.

Our core business sells Indian Ethnic wear and accessories, primarily catering to the South Asian Diaspora, a segment we reach through our website and mobile applications. Furthermore, we extend our reach by distributing our products through various prominent E-commerce platforms, including but not limited to Myntra, Nykaa, and Ajio, among others.'

We have crafted our business's foundation through iterative innovation to enhance consumer satisfaction and optimise purchasing behaviour. We acknowledge that the consumer's path to product selection often involves a substantial amount of time dedicated to exploration. Consequently, we are committed to gaining insights into the decision-making process and providing support at crucial junctures throughout a consumer's journey on our platform. To this end, we have strategically integrated across multiple touchpoints, enabling us to engage consumers and curate personalised browsing and purchasing experiences that cater to the diverse needs of our valued customers.

Also Cbazaar.com, owned by Net Avenue Technologies was rated as one of the best online shops in the United States in 2020 and one of the fastest growing brand in the United States in 2022.

OUR VISION: To lead the global Indian ethnic wear market for digitally oriented customers, enhancing their beauty and spirits.

OUR MISSION: To offer customers a carefully curated selection of Indian ethnic wear that guarantees exceptional fit and comfort

OUR BUSINESS OPERATION

We specialize in selling Indian Ethnic wear, catering primarily to the South Asian Diaspora through our websites, cbazaar.com and ethnovog.com. Our direct-to-consumer approach serves customers from many countries, with the United States, United Kingdom, Australia, and Canada being our primary markets.

In the international market, all orders are prepaid, ensuring seamless transactions. For domestic customers in India, we offer the convenience of Cash on Delivery (COD) as a payment option. To facilitate international transactions, we have established a subsidiary in the United States, serving as a collection agency. This subsidiary is responsible for collecting payments from our international customers and transferring them to us every week.

Product categories includes

- Lehenga Choli,
- Salwar Kameez,
- Gowns,
- Kurtas,
- Sherwani,
- Kurta Sets,
- Kids wear
- Accessories

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to Restated Standalone Financial Statements under chapter titled “*Restated Financial Statements*” beginning on page 188 of this Draft Red Herring Prospectus.

- Destruction in our business process.
- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Fail to attract, retain and manage the transition of our management team and other skilled employees;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Ability to respond to technological changes and consumer preferences;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Inability to successfully obtain registrations in a timely manner or at all;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- Recession in the market;
- Changes in laws and regulations relating to the industries in which we operate;
- Effect of lack of infrastructure facilities on our business;
- Our ability to attract, retain and manage qualified personnel;
- Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Uncertainty in relation to effect of the COVID-19 pandemic on our business and operations.
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Fluctuation in exchange rates worldwide.

- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our ability to expand our geographical area of operation;
- Concentration of ownership among our Promoters.

Key Performance Indicators of our Company.

On Standalone Basis

(Rs in lakhs)

Key Financial Performance	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations ⁽¹⁾	3343.54	3123.34	1380.02
EBITDA ⁽²⁾	210.77	305.98	12.25
EBITDA Margin ⁽³⁾	6.30%	9.80%	0.89%
PAT	185.70	279.63	25.93
PAT Margin ⁽⁴⁾	5.55%	8.95%	1.88%

Notes:

(5) Revenue from operation means revenue from sales.

(6) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses

(7) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

(8) PAT Margin is calculated as PAT for the period/year divided by revenue from operations

RESULTS OF OUR OPERATION

On Standalone Basis

(Rs. in Lakhs)

Particulars	For the year ended					
	March 31, 2023	% of Total Income	March 31, 2022	% of Total Income	March 31, 2021	% of Total Income
Revenue from Operations	3343.54	96.95	3123.34	95.34	1380.02	95.12
Other Income	105.16	3.05	152.60	4.66	70.79	4.88
Total Income (A)	3448.70	100.00	3275.94	100.00	1450.81	100.00
EXPENDITURE						
Cost of Material Consumed	558.38	16.19	252.55	7.71	147.10	10.14
Purchase of Stock in Trade	702.39	20.37	828.82	25.30	430.10	29.65
Changes in inventories of Finished Goods, WIP and Traded Goods	(259.45)	-7.52	(223.29)	-6.82	(36.32)	(2.50)
Employee benefits expense	487.22	14.13	408.69	12.48	285.86	19.70
Finance costs	9.40	0.27	6.24	0.19	8.40	0.58
Depreciation and amortization expense	16.61	0.48	10.30	0.31	4.19	0.29
Other expenses	1749.38	50.73	1703.20	51.99	611.82	42.17
Total Expenses (B)	3263.94	94.64	2986.50	91.16	1451.15	100.02
Profit before Exceptional Items(A-B)	184.76	5.36	289.44	8.84	-0.33	(0.02)
Exceptional Items	--	--	--	--	--	--
Profit Before Tax	184.76	5.36	289.44	8.84	-0.33	(0.02)
Tax expense :						
(i) Current tax	--	--	9.77	0.30	-	-

Particulars	For the year ended					
	March 31, 2023	% of Total Income	March 31, 2022	% of Total Income	March 31, 2021	% of Total Income
(ii) Deferred tax	(0.94)	0.03	0.05	0.00	(26.26)	(1.81)
Total Tax Expenses	(0.94)	0.03	9.82	0.30	(26.26)	(1.81)
Profit for the year	185.70	5.38	279.63	8.54	25.93	1.79

REVIEW OF RESTATED FINANCIALS

Key Components of Company's Profit and Loss Statement

Revenue from Sale of Services: Revenue from operations mainly consists from Revenue from Sale of Products through online platforms.

Other Income: Other Income Consist of Interest Income, Discount Received & Provision written back & Other Non-Operating Revenue etc.

Expenses: Company's expenses consist of, Cost of Material Consumed, Purchase of Stock in Trade, Changes in Inventories of WIP, Finished goods & Stock in Trade, Employee benefit expenses, Finance Cost, Depreciation and Amortization expenses & Other Expenses.

Cost of Material Consumed: Cost of material consumed mainly consist Opening Stock of Raw Material, Purchase of Raw Material Less Closing Stock of Raw Material available at the end of reporting period.

Purchase of Stock in Trade: Purchase of Stock in Trade consist of Items purchase for Trading purpose only.

Change in Inventory of WIP, Finished Goods & Stock in Trade: Change in Inventory of WIP, Finished goods & Stock in Trade consist of Difference between opening & closing Stock.

Employee Benefits Expense: Employee benefit expenses includes Salaries and Wages, Employee Stock Compensation Expenses, Staff Welfare Expenses & Contribution to statutory funds.

Finance Cost: Finance Cost mainly consist of Interest on borrowings & other Finance Cost such as Loan processing fees, bank charges etc.

Depreciation and Amortization Expense: We recognize Depreciation and Amortization expense on a WDV Basis as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

Other Expenses: Other Expenses includes Fabric Conversion & Redesigning Charges, Internet banking & other charges, Marketing Expenses, Advertisement & Business Promotion Expenses, Power & Fuel, Repair & Maintenance, Office Expenses, Rent Expenses, Professional & technical Fees, Travelling Expenses, Freight & handing charges and other misc. expenses etc.

FISCAL 2023 COMPARED WITH FISCAL 2022

Revenue from Operation

Revenue from operations had increased by 7.05% from ₹ 3123.34 lakhs in Fiscal 2022 to ₹ 3343.54 lakhs in Fiscal 2023. The change was primarily due to increase in sales of products through exports & Other Operating Revenue.

Other Income

Other income had decreased by 31.09 % from ₹ 152.60 lakhs in Fiscal 2022 to ₹ 105.16 lakhs in Fiscal 2023 due to decrease in Foreign Exchange gain which was decreased from Rs. 2.75 lakhs in fiscal 2022 to NIL in Fiscal 2023, Provisions written back which

was decreased from 117.36 Lakhs in Fiscal 2022 to 39.79 Lakhs in Fiscal 2023 & Compensation Received from Myntra from 4.80 Lakhs in Fiscal 2022 to NIL in Fiscal 2023.

Cost of Material Consumed

Cost of Material Consumed has been increased by 121.10% from Rs. 252.55 lakhs in Fiscal 2022 to Rs. 558.38 Lakhs in Fiscal 2023 since company has Higher opening stock at the beginning of the year.

Purchase of Stock in Trade

Purchase of Stock in Trade during the year has been decreased by 15.25% from Rs. 828.82 lakhs in Fiscal 2022 to Rs. 702.39 Lakhs since company has reduced the trading activities and shifted to manufacturing as cost of material consumed rises.

Change in Inventories of WIP, Finished Goods & Stock in Trade

Change in Inventory of WIP, Finished Goods & Stock in Trade has been decreased by 16.19% from Rs. (223.29) Lakhs in Fiscal 2022 to Rs. (259.45) Lakhs in Fiscal 2023 due to increase in Inventory holding level by the company.

Employee Benefit Expenses

Employee benefit expenses had increased by 19.22% from Rs. 408.69 Lakhs in Fiscal 2022 to Rs. 487.22 Lakhs in Fiscal 2023 majorly due to increase in Salary & Wages from Rs. 374.11 lakhs in Fiscal 2022 to Rs. 437.46 Lakhs in Fiscal 2023, increase in Contribution to statutory fund from Rs. 21.07 Lakhs in Fiscal 2022 to Rs. 24.65 Lakhs in Fiscal 2023, increase in Employee Stock compensation Expenses from Rs. 9.43 Lakhs in Fiscal 2022 to 14.58 Lakhs in Fiscal 2023 & Staff Welfare Expenses from Rs. 4.08 Lakhs in Fiscal 2022 to 10.53 Lakhs in Fiscal 2023.

Finance Costs

Finance Costs had increased by 50.64% from ₹ 6.24 lakhs in Fiscal 2022 to ₹ 9.40 Lakhs in Fiscal 2023. This was primarily due to increase in Interest Expenses from Rs. 3.79 Lakhs in Fiscal 2022 to 7.09 Lakhs in Fiscal 2023.

Depreciation and Amortization Expenses

Depreciation had increased by 61.26% from ₹ 10.30 Lakhs in Fiscal 2022 to ₹ 16.61 lakhs in Fiscal 2023 due to addition of Property Plant & Equipments during the year.

Other Expenses

Other expenses had increased by 2.84% from ₹ 1703.20 lakhs in Fiscal 2022 to ₹ 1751.65 lakhs in Fiscal 2023. The increase was primarily due to increase in Fabric Conversion Charges, Internet Banking charges, Marketing Expenses, Advertisement & business Promotion Expenses, Power & fuel & Freight Handing Charges Etc. and decrease in Provision for non moving inventories, Bad Debts Written Off, Provision for Doubtful Debts etc.

Tax Expenses

The Company's tax expenses had decreased from ₹ 9.82 lakhs in the Fiscal 2022 to ₹ (0.94) lakhs in Fiscal 2023. This was primarily due to decrease in Current Tax which was decreased from 9.77 Lakhs in fiscal 2022 to NIL in fiscal 2023.

Profit after Tax

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 185.70 lakhs in Fiscal 2023 as compared to a net profit of ₹ 279.63 lakhs in Fiscal 2022.

FISCAL 2022 COMPARED WITH FISCAL 2021

Revenue from Operation

Revenue from operations had increased by 126.33% from ₹ 1380.02 lakhs in Fiscal 2021 to ₹ 3123.34 lakhs in Fiscal 2022. The change was primarily due to increase in sales of Products manufactured & traded by the company.

Other Income

Other income had increased by 115.56% from ₹ 70.79 lakhs in Fiscal 2021 to ₹ 152.60 lakhs in Fiscal 2022 due to increase in Interest Income which increased from 4.77 in fiscal 2021 to 10.08 lakhs in fiscal 2022, Increase in Discount Received from Rs. 2.49 Lakhs in Fiscal 2021 to Rs. 16.25 Lakhs in Fiscal 2022 & Increase in Provision written back from 36.02 in Fiscal 2021 to Rs. 117.36 Lakhs in Fiscal 2022.

Cost of Material Consumed

Cost of Material Consumed has been increased by 71.68% from Rs. 147.10 lakhs in Fiscal 2021 to Rs. 252.55 Lakhs in Fiscal 2022 since company has Higher purchases during the year.

Purchase of Stock in Trade

Purchase of Stock in Trade during the year has been increased by 92.70% from Rs. 430.10 lakhs in Fiscal 2021 to Rs. 828.82 Lakhs since company has Trading Purchases during the year.

Change in Inventories of WIP, Finished Goods & Stock in Trade

Change in Inventory of WIP, Finished Goods & Stock in Trade has been decreased by 514.75% from Rs. (36.32) Lakhs in Fiscal 2021 to Rs. (223.29) Lakhs in Fiscal 2022 due to increase in Inventory holding level by the company.

Employee Benefit Expenses

Employee benefit expenses had increased by 42.97% from 285.86 Lakhs in Fiscal 2021 to 408.69 Lakhs in Fiscal 2022 majorly due to increase in Salary & Wages from 256.68 lakhs in Fiscal 2021 to Rs. 374.11 Lakhs in Fiscal 2022 & Contribution to Statutory Funds from Rs. 15.49 Lakhs in Fiscal 2021 to Rs. 21.07 Lakhs in Fiscal 2022.

Finance Costs

Finance Costs had decreased by 25.68% from ₹ 8.40 lakhs in Fiscal 2021 to ₹ 6.24 Lakhs in Fiscal 2022. This was primarily due to decrease in borrowings which results in lower interest cost during the year.

Depreciation and Amortization Expenses

Depreciation had increased by 145.84% from ₹ 4.19 Lakhs in Fiscal 2021 to ₹ 10.30 lakhs in Fiscal 2022 due to addition of Property Plant & Equipments during the year.

Other Expenses

Other expenses had increased by 178.38% from ₹ 611.82 lakhs in Fiscal 2021 to ₹ 1703.20 lakhs in Fiscal 2022. The increase was primarily due to increase Fabric Conversion Charges, Internet Banking charges, Marketing Expenses, Advertisement & business Promotion Expenses, Power & fuel & Freight Handing Charges, Provision for non moving inventories, Bad Debts Written Off etc.

Tax Expenses

The Company's tax expenses had increased from ₹ (26.26) lakhs in the Fiscal 2021 to ₹ 9.82 lakhs in Fiscal 2022. This was primarily due to increase in Current Tax Expenses during the year.

Profit after Tax

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 279.63 lakhs in Fiscal 2022 as compared to a net profit of ₹ 25.93 lakhs in Fiscal 2021.

CASH FLOWS

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
Net Cash from Operating Activities	(239.99)	281.72	(77.74)
Net Cash from Investing Activities	(27.67)	(16.63)	3.23
Net Cash used in Financing Activities	184.73	(110.62)	132.92

Cash Flows from Operating Activities

Net cash from operating activities for fiscal 2023 was at ₹ (239.99) lakhs as compared to the Profit Before Tax at ₹ 184.76 lakhs while for fiscal 2022 Net cash from operating activities was at ₹ 281.72 lakhs as compared to the Profit Before Tax at ₹ 289.44 Lakhs. This was primarily due to adjustments against adjustments against, changes in Working Capital.

Net cash from operating activities for fiscal 2022 was at ₹ 281.72 lakhs as compared to the Profit Before Tax at ₹ 289.44 lakhs while for fiscal 2021, net cash from operating activities was at ₹ (77.74) lakhs as compared to the Profit Before Tax of ₹ (0.33) lakhs. This was primarily due to adjustments against, changes in Working Capital.

Net cash from operating activities for fiscal 2021 was at ₹ (77.74) lakhs as compared to the Profit Before Tax at ₹ (0.33) lakhs.

Cash Flows from Investment Activities

In fiscal 2023, the net cash invested in Investing Activities was ₹ (27.67). lakhs. This was mainly on account of Interest Income, changes in Non-Current Assets & Purchases of Fixed Assets.

In fiscal 2022, the net cash invested in Investing Activities was ₹ (16.63) lakhs. This was mainly on account of Interest Income, changes in Non-Current Assets & Purchases of Fixed Assets

In fiscal 2021, the net cash invested in Investing Activities was ₹ 3.23 lakhs. This was mainly on account of Interest Income, changes in Non-Current Assets & Purchases of Fixed Assets

Cash Flows from Financing Activities

In fiscal 2023, the net cash from financing activities was ₹ 184.73 lakhs. This was on account of proceeds from Borrowings.

In fiscal 2022, the net cash from financing activities was ₹ (110.62) lakhs. This was on account of Repayment of Borrowings & Finance Cost.

In fiscal 2021, the net cash from financing activities was ₹ 132.92 lakhs. This was on account of Proceeds from Borrowings.

On Consolidated Basis

(Rs. in Lakhs)

Particulars	For the year ended					
	March 31, 2023	% of Total Income	March 31, 2022	% of Total Income	March 31, 2021	% of Total Income
Revenue from Operations	3343.55	96.88	3123.34	95.34	1380.02	95.34
Other Income	107.71	3.12	152.82	4.66	67.52	4.66
Total Income (A)	3451.26	100.00	3276.16	100.00	1447.54	100.00
EXPENDITURE						
Cost of Material Consumed	558.38	16.18	252.53	7.71	147.10	10.16

Particulars	For the year ended					
	March 31, 2023	% of Total Income	March 31, 2022	% of Total Income	March 31, 2021	% of Total Income
Purchase of Stock in Trade	702.39	20.35	828.82	25.30	430.10	29.71
Changes in inventories of Finished Goods, WIP and Traded Goods	(259.45)	-7.52	(223.29)	-6.82	(36.32)	(2.51)
Employee benefits expense	487.22	14.12	408.69	12.47	285.86	19.75
Finance costs	10.61	0.31	7.18	0.22	8.97	0.62
Depreciation and amortization expense	16.61	0.48	10.30	0.31	4.19	0.29
Other expenses	1760.02	51.00	1720.58	52.52	610.76	42.19
Total Expenses (B)	3275.79	94.92	3004.81	91.72	1450.67	100.22
Profit before Exceptional Items(A-B)	175.47	5.08	271.35	8.28	-3.13	(0.22)
Exceptional Items	--	--	--	--	--	--
Profit Before Tax	175.47	5.08	271.35	8.28	-3.13	(0.22)
Tax expense :						
(i) Current tax	0.00	0.00	9.77	0.30	-	0.00
(ii) Deferred tax	(0.94)	-0.03	0.05	0.00	(26.26)	(0.94)
Total Tax Expenses	(0.94)	-0.03	9.82	0.30	(26.26)	(0.94)
Profit for the year	176.40	5.11	261.51	7.98	23.11	1.60

REVIEW OF RESTATED FINANCIALS

Key Components of Company's Profit and Loss Statement

Revenue from Sale of Services: Revenue from operations mainly consists from Revenue from Sale of Products through online platforms.

Other Income: Other Income Consist of Interest Income, Discount Received & Provision written back & Other Non-Operating Revenue etc.

Expenses: Company's expenses consist of, Cost of Material Consumed, Purchase of Stock in Trade, Changes in Inventories of WIP, Finished goods & Stock in Trade, Employee benefit expenses, Finance Cost, Depreciation and Amortization expenses & Other Expenses.

Cost of Material Consumed: Cost of material consumed mainly consist Opening Stock of Raw Material, Purchase of Raw Material Less Closing Stock of Raw Material available at the end of reporting period.

Purchase of Stock in Trade: Purchase of Stock in Trade consist of Items purchase for Trading purpose only.

Change in Inventory of WIP, Finished Goods & Stock in Trade: Change in Inventory of WIP, Finished goods & Stock in Trade consist of Difference between opening & closing Stock.

Employee Benefits Expense: Employee benefit expenses includes Salaries and Wages, Employee Stock Compensation Expenses, Staff Welfare Expenses & Contribution to statutory funds.

Finance Cost: Finance Cost mainly consist of Interest on borrowings & other Finance Cost such as Loan processing fees, bank charges etc.

Depreciation and Amortization Expense: We recognize Depreciation and Amortization expense on a WDV Basis as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

Other Expenses: Other Expenses includes Fabric Conversion & Redesigning Charges, Internet banking & other charges, Marketing Expenses, Advertisement & Business Promotion Expenses, Power & Fuel, Repair & Maintenance, Office Expenses, Rent Expenses, Professional & technical Fees, Travelling Expenses, Freight & handling charges and other misc. expenses etc.

FISCAL 2023 COMPARED WITH FISCAL 2022

Revenue from Operation

Revenue from operations had increased by 7.05% from ₹ 3123.34 lakhs in Fiscal 2022 to ₹ 3343.55 lakhs in Fiscal 2023. The change was primarily due to increase in sales of products through exports & Other Operating Revenue.

Other Income

Other income had decreased by 29.52 % from ₹ 152.82 lakhs in Fiscal 2022 to ₹ 107.71 lakhs in Fiscal 2023 due to decrease in Provisions written back which was decreased from 120.33 Lakhs in Fiscal 2022 to 42.34 Lakhs in Fiscal 2023, increase in Discount Received from 16.25 Lakhs in Fiscal 2022 to 21.27 Lakhs in Fiscal 2023.

Cost of Material Consumed

Cost of Material Consumed has been increased by 121.10% from Rs. 252.55 lakhs in Fiscal 2022 to Rs. 558.38 Lakhs in Fiscal 2023 since company has Higher opening stock at the beginning of the year.

Purchase of Stock in Trade

Purchase of Stock in Trade during the year has been decreased by 15.25% from Rs. 828.82 lakhs in Fiscal 2022 to Rs. 702.39 Lakhs since company has reduced the trading activities and shifted to manufacturing as cost of material consumed rises.

Change in Inventories of WIP, Finished Goods & Stock in Trade

Change in Inventory of WIP, Finished Goods & Stock in Trade has been decreased by 16.19% from Rs. (223.29) Lakhs in Fiscal 2022 to Rs. (259.45) Lakhs in Fiscal 2023 due to increase in Inventory holding level by the company.

Employee Benefit Expenses

Employee benefit expenses had increased by 19.22% from Rs. 408.69 Lakhs in Fiscal 2022 to Rs. 487.22 Lakhs in Fiscal 2023 majorly due to increase in Salary & Wages from Rs. 374.11 lakhs in Fiscal 2022 to Rs. 437.46 Lakhs in Fiscal 2023, increase in Contribution to statutory fund from Rs. 21.07 Lakhs in Fiscal 2022 to Rs. 24.65 Lakhs in Fiscal 2023, increase in Employee Stock compensation Expenses from Rs. 9.43 Lakhs in Fiscal 2022 to 14.58 Lakhs in Fiscal 2023 & Staff Welfare Expenses from Rs. 4.08 Lakhs in Fiscal 2022 to 10.53 Lakhs in Fiscal 2023.

Finance Costs

Finance Costs had increased by 47.77% from ₹ 7.18 lakhs in Fiscal 2022 to ₹ 10.61 Lakhs in Fiscal 2023. This was primarily due to increase in Interest Expenses from Rs. 3.79 Lakhs in Fiscal 2022 to 7.09 Lakhs in Fiscal 2023.

Depreciation and Amortization Expenses

Depreciation had increased by 61.26% from ₹ 10.30 Lakhs in Fiscal 2022 to ₹ 16.61 lakhs in Fiscal 2023 due to addition of Property Plant & Equipments during the year.

Other Expenses

Other expenses had increased by 2.29% from ₹ 1720.58 lakhs in Fiscal 2022 to ₹ 1760.02 lakhs in Fiscal 2023. The increase was primarily due to increase in Fabric Conversion Charges, Internet Banking charges, Marketing Expenses, Advertisement & business

Promotion Expenses, Power & fuel & Freight Handling Charges Etc. and decrease in Provision for non-moving inventories, Bad Debts Written Off, Provision for Doubtful Debts etc.

Tax Expenses

The Company's tax expenses had decreased from ₹ 9.82 lakhs in the Fiscal 2022 to ₹ (0.94) lakhs in Fiscal 2023. This was primarily due to decrease in Current Tax which was decreased from 9.77 Lakhs in fiscal 2022 to NIL in fiscal 2023.

Profit after Tax

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 176.40 lakhs in Fiscal 2023 as compared to a net profit of ₹ 261.51 lakhs in Fiscal 2022.

FISCAL 2022 COMPARED WITH FISCAL 2021

Revenue from Operation

Revenue from operations had increased by 126.33% from ₹ 1380.02 lakhs in Fiscal 2021 to ₹ 3123.34 lakhs in Fiscal 2022. The change was primarily due to increase in sales of Products manufactured & traded by the company.

Other Income

Other income had increased by 126.34% from ₹ 67.52 lakhs in Fiscal 2021 to ₹ 152.82 lakhs in Fiscal 2022 due to increase in Interest Income which increased from 4.77 in fiscal 2021 to 10.08 lakhs in fiscal 2022, Increase in Discount Received from Rs. 2.49 Lakhs in Fiscal 2021 to Rs. 16.25 Lakhs in Fiscal 2022 & Increase in Provision written back from 36.02 in Fiscal 2021 to Rs. 120.33 Lakhs in Fiscal 2022.

Cost of Material Consumed

Cost of Material Consumed has been increased by 71.67% from Rs. 147.10 lakhs in Fiscal 2021 to Rs. 252.53 Lakhs in Fiscal 2022 since company has Higher purchases during the year.

Purchase of Stock in Trade

Purchase of Stock in Trade during the year has been increased by 92.70% from Rs. 430.10 lakhs in Fiscal 2021 to Rs. 828.82 Lakhs since company has Trading Purchases during the year.

Change in Inventories of WIP, Finished Goods & Stock in Trade

Change in Inventory of WIP, Finished Goods & Stock in Trade has been decreased by 514.75% from Rs. (36.32) Lakhs in Fiscal 2021 to Rs. (223.29) Lakhs in Fiscal 2022 due to increase in Inventory holding level by the company.

Employee Benefit Expenses

Employee benefit expenses had increased by 42.97% from 285.86 Lakhs in Fiscal 2021 to 408.69 Lakhs in Fiscal 2022 majorly due to increase in Salary & Wages from 256.68 lakhs in Fiscal 2021 to Rs. 374.11 Lakhs in Fiscal 2022 & Contribution to Statutory Funds from Rs. 15.49 Lakhs in Fiscal 2021 to Rs. 21.07 Lakhs in Fiscal 2022.

Finance Costs

Finance Costs had decreased by 19.93% from ₹ 8.97 lakhs in Fiscal 2021 to ₹ 7.18 Lakhs in Fiscal 2022. This was primarily due to decrease in borrowings which results in lower interest cost during the year.

Depreciation and Amortization Expenses

Depreciation had increased by 145.84% from ₹ 4.19 Lakhs in Fiscal 2021 to ₹ 10.30 lakhs in Fiscal 2022 due to addition of Property Plant & Equipments during the year.

Other Expenses

Other expenses had increased by 181.71% from ₹ 610.76 lakhs in Fiscal 2021 to ₹ 1720.58 lakhs in Fiscal 2022. The increase was primarily due to increase Fabric Conversion Charges, Internet Banking charges, Marketing Expenses, Advertisement & business Promotion Expenses, Power & fuel & Freight Handling Charges, Provision for non moving inventories, Bad Debts Written Off etc.

Tax Expenses

The Company's tax expenses had increased from ₹ (26.26) lakhs in the Fiscal 2021 to ₹ 9.82 lakhs in Fiscal 2022. This was primarily due to increase in Current Tax Expenses during the year.

Profit after Tax

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 261.51 lakhs in Fiscal 2022 as compared to a net profit of ₹ 23.11 lakhs in Fiscal 2021.

CASH FLOWS

(₹ in lakhs)

Particulars	For the year ended March 31		
	2023	2022	2021
Net Cash from Operating Activities	(277.48)	316.85	(70.33)
Net Cash from Investing Activities	(27.67)	(16.63)	3.18
Net Cash used in Financing Activities	184.73	(110.62)	132.92

Cash Flows from Operating Activities

Net cash from operating activities for fiscal 2023 was at ₹ (277.48) lakhs as compared to the Profit Before Tax at ₹ 176.40 lakhs while for fiscal 2022 Net cash from operating activities was at ₹ 316.85 lakhs as compared to the Profit Before Tax at ₹ 261.51 Lakhs. This was primarily due to adjustments against, changes in Working Capital.

Net cash from operating activities for fiscal 2022 was at ₹ 316.85 lakhs as compared to the Profit Before Tax at ₹ 261.51 lakhs while for fiscal 2021, net cash from operating activities was at ₹ (70.33) lakhs as compared to the Profit Before Tax of ₹ (3.13) lakhs. This was primarily due to adjustments against, changes in Working Capital.

Net cash from operating activities for fiscal 2021 was at ₹ (70.33) lakhs as compared to the Profit Before Tax at ₹ (3.13) lakhs.

Cash Flows from Investment Activities

In fiscal 2023, the net cash invested in Investing Activities was ₹ (27.67). lakhs. This was mainly on account of Interest Income, changes in Non-Current Assets & Purchases of Fixed Assets.

In fiscal 2022, the net cash invested in Investing Activities was ₹ (16.63) lakhs. This was mainly on account of Interest Income, changes in Non-Current Assets & Purchases of Fixed Assets

In fiscal 2021, the net cash from Investing Activities was ₹ 3.18 lakhs. This was mainly on account of Interest Income, changes in Non-Current Assets & Purchases of Fixed Assets

Cash Flows from Financing Activities

In fiscal 2023, the net cash from financing activities was ₹ 184.73 lakhs. This was on account of proceeds from Borrowings.

In fiscal 2022, the net cash from financing activities was ₹ (110.62) lakhs. This was on account of Repayment of Borrowings & Finance Cost.

In fiscal 2021, the net cash from financing activities was ₹ 132.92 lakhs. This was on account of Proceeds from Borrowings.

INFORMATION REQUIRED AS PER ITEM (II) (C) (IV) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. Unusual or infrequent events or transactions

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Except for any change in economic policy affecting our industry in India, there are no other significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section “Risk Factors” beginning on page 28 in the Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues

Our Company’s future costs and revenues will be determined by growth of industry in which we operate.

5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices

Increases in revenues are by and large linked to increases in volume of our business.

6. Status of any publicly announced New Products or Business Segment

Our Company has not announced any new Product or business segment.

7. Seasonality of business

Our Company’s business is not seasonal but the sales is on upper side during festive and wedding season.

8. Dependence on few customers/ clients

Our Company is engaged in e-commerce business, hence there is no dependency on few customers.

9. Competitive conditions

Competitive conditions are as described under the Chapters “Industry Overview” and “Our Business” beginning on pages 113 and 128, respectively of the Draft Red Herring Prospectus.

10. Details of material developments after the date of last balance sheet i.e. March 31, 2023

After the date of last Balance sheet i.e. March 31, 2023, the following material events have occurred after the last audited period:

1. Company has reclassified its Authorised Share Capital in ordinary Equity Shares in EGM Dated August 16, 2023.
2. The Authorised share capital of our Company was increased from ₹36,00,000 (Thirty-Six Lakh) divided into 36,00,000(Thirty-Six Lakh) Equity Shares of ₹1/- each to ₹2,30,00,000 (Two Crores Thirty Lakh) divided into 2,30,00,000 (Two Crores Thirty Lakh) Equity Shares of ₹1 each pursuant to a resolution passed by our Shareholders in Extra- Ordinary General Meeting held on August 16, 2023.
3. Conversion of 10,12,734 Equity and Preference Share into Ordinary Equity Shares in EGM dated August 16, 2023.
4. Bonus issue in the ratio of 6:1 dated August 16, 2023 issuing 1,35,06,924 Equity shares face value ₹1/- per Equity Share for consideration other than cash.
5. Conversion of Company into Public Limited Company and change in name of company from Net Avenue Technologies Private Limited to Net Avenue Technologies Limited vide fresh Certificate of Incorporation issued by Registrar of Companies, Chennai, dated September 22, 2023
6. Appointment of Mr. Rajesh Nahar as Chairman cum Managing Director and Mr. Ritesh Katariya as whole-time Director in EGM held on September 26, 2023.
7. Appointment of Independent directors in EGM held on September 26, 2023.
8. Appointment of CFO and CS in Board Meeting held on September 23, 2023.
9. Approval of IPO Resolution by Board of Director in Board Meeting held on September 22, 2023 and by shareholders in EGM held on September 26, 2023.
10. Company has formed Audit Committee, Stakeholder Relation Committee and Nomination and Remuneration committee on September 23, 2023.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this DRHP; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this DRHP and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this DRHP; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this DRHP; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.

For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this DRHP:

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of ₹1,00,000.- (Rupees One lakh only) (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at www.natl.in*
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened..

OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER, SUBSIDIARIES, GROUP COMPANIES

PART 1: LITIGATION RELATING TO OUR COMPANY

A. FILED AGAINST OUR COMPANY

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Indirect Tax: NIL

Direct Tax:

A.Y. 2021-22:

As per details available on the website of the Income Tax Department M/s. Net Avenue Technologies Limited (Earlier known as Net Avenue Technologies Private Limited) (hereinafter referred to as the “Assessee”) have been issued with a Demand notice u/s. 143(1)(a) of the Income Tax Act, 1961 bearing reference no. 2022202137107495615C dated August 24, 2022 for an amount of Rs. 49,980/- for A.Y. 2021-22 and the same is pending to be paid in addition to an interest amount of Rs. 6,487/- is pending to be paid.

A.Y. 2020-21:

As per details available on the website of the Income Tax Department M/s. Net Avenue Technologies Limited (Earlier known as Net Avenue Technologies Private Limited) (hereinafter referred to as the “Assessee”) have been issued with a Demand notice u/s. 143(1)(a) of the Income Tax Act, 1961 bearing reference no. 2021202037029626623C dated December 18, 2021 for an amount of Rs. 10,36,180/- for A.Y. 2020-21 and the same has been disputed by the assessee.

Currently as per details available on the website, an amount of Rs. 10,36,180/- along with an interest amount of Rs. 2,17,581/- is pending to be paid.

A.Y. 2011-12:

As per details available on the website of the Income Tax Department M/s. Net Avenue Technologies Limited (Earlier known as Net Avenue Technologies Private Limited) (hereinafter referred to as the “Assessee”) have been issued with a Demand notice u/s. 154 of the Income Tax Act, 1961 bearing reference no. 2013201137006795696C dated May 08, 2013 for an amount of Rs. 17,80,880/- for A.Y. 2011-12 and the same has been disputed by the assessee.

Currently as per details available on the website, an amount of Rs. 16,21,350/- along with an interest amount of Rs. 2,67,120/- is pending to be paid.

5) Other Pending Litigation based on Materiality Policy of our Company:

M/s. Fast Track Logistics (Petitioner) V/s. M/s. Net Avenue Technologies Private Limited; Mr. Rajesh Nahar; Mr. Ritesh Katariya; Mr. Samir Kumar; Mr. Pavan Krishnamurthy; Mr. Khivraj Naresh Kumar; Mr. Hemchand Gurunath Javeri (hereinafter collectively referred to as defendants and individually as Defendant No. 1 to Defendant No. 7 respectively.)

(Original Suit Filing Number: 21159/2018 dated April 02, 2018 and Registration No. 5971 of 2018 dated November 11, 2018 pending before the 44-XIX, Additional Judge, City Civil Court, Chennai)

The plaintiff herein is a provider of custom clearance services including services related services related to international freight forwarding, shipping clearing agents handling imports and export consignment by air & Sea and like. Whereas the first defendant is engaged into the business of manufacturing ethnic garments and exports the same to various customers world wide. As alleged, the plaintiff has been approached by the defendant herein for providing quotations for CHA services for its exports and accordingly availed the services of the plaintiff for its exports as per agreed terms. The plaintiff herein handled the exports from Chennai to various destinations between January 2015 till August 21, 2015 post which request for rate reduction as raised by the defendant, was accepted and the rates were reduced from Rs. 225/- to Rs. 150/- and subsequent invoices were raised accordingly. Later after agreed terms, the plaintiff herein also started handling the defendants shippings from Mumbai port as

well for which due payments were made from time to time. However as stated, the operations of the Chennai office of the plaintiff were badly affected due to heavy rains in during the first week of December 2015 during which period, the defendant slowly moved to different freight forwarders of their choice. The plaintiff has stated to have handled the goods for the defendant during the period from January 2015 till December 2015 and have accordingly raised invoices aggregating to Rs. 81,19,941/- against which a total payment of Rs. 72,19,389/- after deducting a TDS of Rs. 84,391/- is alleged to have been received and an amount of Rs. 9,16,160/- is alleged to stand unleared on account of 18 invoices , even after regular follow-ups. Constrained by this, the plaintiff herein issued a legal notice dated 09.06.2016 to the defendants herein.

Another letter dated 22.09.2016 was issued to the defendant claiming the balance TDS of Rs. 27,169/- which was allegedly not remitted to the account of the plaintiff. As alleged, the defendants herein disputed both the claims of the plaintiff i.e. claim for remaining amount of 18 invoices aggregating to Rs. 9,16,160/- and the balance un-deposited TDS of Rs. 27,169/-. Post issue of subsequent legal notices and claims and communications and being aggrieved with the response received, the instant petition was filed u/s. 7 of the Civil Code of Procedure, by the plaintiff herein claiming recovery of a total amount of Rs. 13,92,749/- (including interest of Rs. 4,49,421/- towards interest calculated @ 18% p.a. from 7 days from the date of each unpaid invoice till 31.03.2018) and the matter is pending before the concerned Court of law.

B. CASES FILED BY OUR COMPANY

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY

A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Direct Tax:

NIL

Indirect Tax:

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Direct Tax:

NIL

Indirect Tax:

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

A. LITIGATION AGAINST OUR SUBSIDIARIES AND /OR GROUP COMPANIES

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) **Other Pending Litigation based on Materiality Policy of our Company**

NIL

B. LITIGATION FILED BY OUR SUBSIDIARIES AND/ OR GROUP COMPANIES

1) **Litigation involving Criminal Laws**

NIL

2) **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

3) **Disciplinary Actions by Authorities**

NIL

4) **Litigation involving Tax Liability**

NIL

5) **Other Pending Litigation based on Materiality Policy of our Company**

NIL

DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this DRHP in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the DRHP

OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of the DRHP, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES

There are no proceedings initiated against our Company for any economic offences.

NON-PAYMENT OF STATUTORY DUES

As on the date of the DRHP there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

MATERIAL FRAUDS AGAINST OUR COMPANY

There have been no material frauds committed against our Company in the five years preceding the year of this DRHP.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters, nor Group Companies and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

DISCLOSURES PERTAINING TO FRAUDULENT BORROWER

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 264 there have been no material developments that have occurred after the Last Balance Sheet Date.

OUTSTANDING DUES TO CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this DRHP) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this DRHP.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

APPROVALS IN RELATION TO OUR COMPANY'S INCORPORATION

1. Certificate of Incorporation dated June 07, 2001 from the Registrar of Companies, Tamil Nadu, RoC-Chennai, under the Companies Act, 1956 as "NET AVENUE TECHNOLOGIES PRIVATE LIMITED." (Company Registration No. U72900TN2001PTC47220)
2. Fresh Certificate of Incorporation dated September 22, 2023 from the Registrar of Companies, Tamil Nadu, RoC-Chennai, under the Companies Act, 2013 from Conversion of Company from "NET AVENUE TECHNOLOGIES PRIVATE LIMITED" to "NET AVENUE TECHNOLOGIES LIMITED" (Company registration no. U72900TN2001PLC047220)

APPROVALS IN RELATION TO THE ISSUE

Corporate Approvals

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on September 22, 2023 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated September 26, 2023 under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated September 30, 2023 and [●] authorized our Company to take necessary action for filing the Draft Red Herring Prospectus and Prospectus respectively with NSE EMERGE.

Approvals from Stock Exchange

1. Our Company has received in- principle listing approval from the NSE EMERGE dated [●] for listing of Equity Shares issued pursuant to the issue.

Other Approvals

1. The Company has entered into a tripartite agreement dated [●] with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Big Share Services Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated [●] with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Big Share Services Private Limited, for the dematerialization of its shares.

APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS

Tax Related Approvals

S.No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	NA	AABCN4202F	Income Tax Department	June 07, 2001	Valid till Cancelled
2.	Tax Deduction and Collection Account Number (TAN)	NA	CHEN04004A	Income Tax Department	April 12, 2002	Valid till Cancelled
3.	Professions Tax Payer Registration certificate (P.T.E.C.) under The Gujarat State Tax On Professions, Traders, Callings And Employments Rules, 1976	M/S Net Avenue Technologies Private Limited Ground Floor And 1 st Floor, Plot No.H-139 To 141, BRC Compound, Laxminarayan Industrial Estate, Surat, Surat-394210, Gujarat	PEC03SZ00064678	Surat Municipal Corporation	September 01, 2022	Valid till Cancelled
4.	Professions Tax Payer Registration certificate (P.T.R.C.)	M/S Net Avenue Technologies Private Limited Ground Floor And 1 st Floor, Plot No.H-139 To 141, BRC Compound, Laxminarayan Industrial Estate, Surat, Surat-394210, Gujarat	PRC03SZ00032657	Surat Municipal Corporation		Valid till Cancelled

GST Registration Certificates issued by Goods and Service Tax department of Respective States:

S.No.	Description	Principal Place of Business	Additional Places of Business	Owner	License Number and Valid from
1.	GST Registration Certificate (Tamil Nadu)	M/S Net Avenue Technologies Private Limited Old No.13, New No.16, 1st Floor, Prithivi Avenue, Alwarpet, Chennai, Chennai-600018, Tamil Nadu	---	Ms. S. Kalpana W/o. Mr. Jayaraman Suriyanarayanan	Certificate number 33AABCN4202F1Z 5 Valid from July 01, 2017
2.	GST Registration Certificate (Karnataka)	M/S Net Avenue Technologies Private Limited No.3, G 16 th Street, Jogupalya, Halasuru, Bengaluru Urban-560008, Karnataka	SY Nos. 231,232 And 232, Soukya Road, Samethanahalli Village, AnugondanahalliHobli, Hoskote Taluk, Bengaluru Rural-560067, Karnataka	NOC dated 02.01.2023 received from Instakart Services Private Limited	Certificate number 29AABCN4202F1Z U Valid from January 29, 2022
			No.209, Soukya Road, Koralluru Village, Samethanahalli Village, Hoskote Taluk, Bengaluru Rural-560067, Karnataka		
			SY No. 524/2, hattanahalli and Madivala Village, Bengaluru, Bengaluru Urban-562107, Karnataka	Fulfilment Centre NOC dated April 27,	

				2023 from Amazone	
			Building 2 Wh 2. Plot no. 12/P2 IT Sector, Hitech, Defence and Aerospace Park, Bengaluru, Bengaluru Urban-562149, Karnataka	Fulfilment Centre NOC dated April 27, 2023 from Amazone	
3.	GST Registration Certificate (Gujarat)	M/S Net Avenue Technologies Private Limited Ground Floor And 1 st Floor, Plot No.H-139 To 141, BRC Compound, Laxminarayan Industrial Estate, Surat, Surat-394210, Gujarat	Ground Floor And 1 st Floor, Plot No.H-139 To 141, BRC Compound, Laxminarayan Industrial Estate, Udhana, Surat, Surat-394210, Gujarat Ground Floor And 1 st Floor, Plot No.H-142, Brc Compound, Laxminarayan Industrial Estate, Surat, Surat-394210, Gujarat 1 st Floor, Plot No.H-143, Brc Compound, Laxminarayan Industrial Estate, Surat, Surat-394210, Gujarat	Leased	Certificate number 24AABCN4202FIZ 4 Valid from July 01, 2017

Registrations related to Labour Laws:

S.No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Udhyam Registration Certificate	M/S Net Avenue Technologies Private Limited No. 14, Ananda Road, Alwarpet, First floor, Ananda Road, Chennai-600018, Tamil Nadu	UDYAM-TN-02-0074352	Ministry of Micro Small & Medium Enterprises	August 09, 2021	Valid till Cancelled
2.	Registration under Employee State Insurance Act (ESIC)	M/S Net Avenue Technologies Private Limited New No. 5, Club Road, Chetpet, Chennai-600031, Tamil Nadu	5189846102	Employees' State Insurance Corporation,	April 04, 2009	Valid till Cancelled
3.	Registration under the Employees Provident fund (EPF)	M/S Net Avenue Technologies Private Limited 36/1, Anna Salai, Knowledge Tower, 4 th Floor, Little Mount, Chennai	Establishment ID: TNMAS0053748000 Labour Identification no.: 1190000468	Employees Provident fund	--	Valid till Cancelled
4.	License to Work a Factory	M/S Net Avenue Technologies Private Limited H-139-141, Laxminarayan Industrial Estate, BRC Compound, Udhana, Ta: Surat City, Dist.: Surat, Gujarat	Regn No. 5968/14109/2023 License No. 50618	Directorate Industrial safety and Health	January 01, 2023	December 31, 2025


Business Related Approvals:

S.No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Import Export Code (IEC)	M/S Net Avenue Technologies Private Limited No.5, Egmore High Road, Egmore, Chennai-600008, Tamil Nadu	0403012422	Ministry of Commerce and Industry Directorate General of Foreign Trade,	August 25, 2003	Valid till cancelled
2.	Registration Cum Membership Certificate from AEPC (Apparel Export Promotion Council)	M/S Net Avenue Technologies Private Limited No.5, Egmore High Road, Egmore, Chennai-600008, Tamil Nadu	AEPC/REG/SM/MER/89200	Apparel Export Promotion Council	June 16, 2015	March 31, 2022

INTELLECTUAL PROPERTY

Trademarks registered/Objected/Abandoned in the name of our company

S. No	Brand Name/Logo Trademark	Class	Nature of Trademark and registration number	Owner	Date of Registration/ Application	Authority	Validity
1.		35	Registration no. 3022551	M/S Net Avenue Technologies Private Limited	August 03, 2015	Registrar of Trademarks, Mumbai	August 02, 2025
2.		25 & 35	Serial No. 86696981 Registration No. 4863376	M/S Net Avenue Technologies Private Limited	July 17, 2015	Director of United States, Patent and Trademark Office	July 16, 2025
3.	CBAZAAR	25 & 35	Serial No. 86612209 Registration No. 4863161	M/S Net Avenue Technologies Private Limited	April 28, 2015	Director of United States, Patent and Trademark Office	April 27, 2025
4.	C BAZAAR	18, 25, 35	Trade mark number UK00911335891	M/S Net Avenue Technologies Private Limited	November 10, 2012	Intellectual Property office, Germany	November 10, 2032
5.	CBAZAAR	25	Word Mark 2360308	M/S Net Avenue Technologies Private Limited	July 09, 2012	Registrar of Trademarks, Mumbai	July 08, 2032
6.	Ethnovog	25	Word Mark	M/S Net	February 10,	Registrar of	February

			5323361	Avenue Technologies Private Limited	2022	Trademarks, Mumbai	09, 2032
7.	Ethnovogue by Cbazaar	25	Word Mark 5085796	M/S Net Avenue Technologies Private Limited	August 12, 2021	Registrar of Trademarks, Mumbai	August 11, 2031
8.		25	Word Mark 5085797	M/S Net Avenue Technologies Private Limited	August 12, 2021	Registrar of Trademarks, Mumbai	August 11, 2031

Domain Name

S.No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	https://www.natl.in/about-us.html	D3020639-IN	M/S Net Avenue Technologies Private Limited	June 19, 2008	June 23, 2024
2.	https://www.cbazaar.com/	105482615_DOMAIN_COM-VRSN	M/S Net Avenue Technologies Private Limited	October 23, 2003	October 23, 2024
3.	https://www.ethnovog.com	whois.cloudflare.com, 173.245.58.108	M/S Net Avenue Technologies Private Limited	December 09, 2021	December 09, 2023

LICENSES APPLIED FOR

S. No	Description	Address of Premises	Authority to which application made	Date of Application and Original registration no. if any	Acknowledgement no.	Purpose
1.	Registration under the Tamil Nadu Industrial Establishments (National Festival and Special Holidays) Act, 1958	M/S Net Avenue Technologies Private Limited Old No.13, New No.16, 1 st Floor, Prithivi Avenue, Alwarpet, Chennai, Chennai-600018, Tamil Nadu	Tamil Nadu Labour Department	September 01, 2023	331569-178251	Fresh Application for Registration
2.	Registration Cum Membership Certificate from AEPC	M/S Net Avenue Technologies Private Limited	Apparel Export Promotion Council	September 26, 2023 AEPC/REG/SM/MER/89200	RCMCRENEWAEPCC00053444A M24	Renewal Application

	(Apparel Export Promotion Council)	No.5, Egmore High Road, Egmore, Chennai-600008, Tamil Nadu				
3.	Registration Certificate under Gujarat Shops and Establishments Act, 2019	M/S Net Avenue Technologies Private Limited Ground Floor And 1st Floor, Plot No.H-142 & 143, Brc Compound, Laxminarayan Industrial Estate, Surat, Surat-394210, Gujarat	Surat Municipal Corporation	September 23, 2023	2023092300047	Fresh Application

LICENSES TO BE APPLIED FOR

S.No.	Description	Address	Issuing Authority	Current Status
1.	Registration Certificate under Karnataka Shops and Commercial Establishments Act, 1961	M/S Net Avenue Technologies Private Limited No.3, G 16 th Street, Jogupalya, Halasuru, Bengaluru Urban-560008, Karnataka	Department of Labour, Government of karnataka	To be Applied
		M/S Net Avenue Technologies Private Limited No.209, Soukya Road, Koraluru Village, Samethanahalli Village, Hoskote Taluk, Bengaluru Rural-560067, Karnataka	Department of Labour, Government of karnataka	To be Applied
2.	Registration under Air & Water Pollution Control Acts	M/S Net Avenue Technologies Private Limited H-139-141, Laxminarayan Industrial Estate, BRC Compound, Udhana, Ta: Surat City, Dist.: Surat, Gujarat	Gujarat Pollution Control Board	To be Applied

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities except that for change of name of the Company pursuant to change of its constitution from Private Limited to Public Limited and for change of address in PF, ESIC and UDHYAM Registration.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

This Issue in terms of this Draft Red Herring Prospectus has been authorized by the Board of Directors pursuant to a resolution dated September 22, 2023 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on September 26, 2023 under section 62 (1) (c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the NSE Emerge for using its name in the Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus pursuant to letter dated [●]. NSE is the Designated Stock Exchange.

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Group Company, our Promoter, our Promoter Group, our Directors, Person in control of Promoter or Company, have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

ASSOCIATION WITH SECURITIES MARKET

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as promoters or directors.

PROHIBITION BY RBI

Neither our Company, our subsidiaries, our Promoter, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter “*Outstanding Litigations And Material Development*” beginning on page 277 of the Draft Red Herring Prospectus.

COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of the Draft Red Herring Prospectus.

ELIGIBILITY FOR THE ISSUE

Our Company is eligible in terms of Regulations 230 of SEBI ICDR Regulations for this Issue*.

*The Company will comply with requirement of Regulation 230 before filing of Prospectus with ROC.

Our Company is eligible for the Issue in accordance with the Regulation 229 (1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue paid-up capital is less than ten crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of NSE i.e. NSE EMERGE).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations.

We confirm that:

1. In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Issue was 100% underwritten and shall not restrict to the minimum subscription level. The BRLM shall underwrite at least 15% of the total Issue size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” beginning on page 65 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus.
4. In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the BRLM and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the market making arrangement see chapter titled “*General Information*” beginning on page 65 of this Draft Red Herring Prospectus.
5. The Post Issue paid up capital of the company will be less than ₹ 25 Crore.
6. The Company has a track record of at least 3 years as on the date of filling Draft Red Herring Prospectus.
7. The Net-worth of our Company is Positive as per latest audited financial statement.
8. Our Company’s net worth and Operating Profit (earnings before interest, depreciation and tax from operations), based on Consolidated Basis and Standalone Restated Financial Statements included in this Draft Red Herring Prospectus for the Fiscals ended March 31, 2023, March 31, 2022 and 2021 are set forth below:

On Consolidated Basis:

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net Worth	233.54	42.57	-228.37
Operating Profit	202.69	288.83	10.03

On Standalone Basis:

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net Worth	218.80	18.53	-270.55
Operating Profit	210.77	305.98	12.25

- (i) Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.
- (ii) Operating Profit has been defined as the Earnings before interest, depreciation and tax from operations.

9. The Company will mandatorily facilitate trading in demat securities and will enter into agreement with both the depositories.
10. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

11. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
12. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
13. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.
14. Our Company has a website i.e., www.natl.in

Other Disclosures:

- 1) We have Disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company in the Draft Red Herring Prospectus.
- 2) There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years. An auditor's certificate will be provided by the issuer to the exchange, in this regard.
- 3) We have Disclosed the details of the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation, For details, please refer the chapter “*Outstanding Litigations & Material Developments*” on page no. 277 of this Draft Red Herring Prospectus.
- 4) We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “*Outstanding Litigation & Material Developments*” on page no. 277 of this Draft Red Herring Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Red Herring Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the SME platform. NSE is the Designated Stock Exchange.
- Our Company has entered into an agreement dated [●] with NSDL and agreement dated [●] with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters will be in dematerialized form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy-five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals – Not required as the object of Issue is working capital requirement, general corporate purpose and issue expenses, for details, please refer the chapter “*Objects of the Issue*” on page no. 94 of this Draft Red Herring Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.

- (b) None of our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrower.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE LEAD MERCHANT BANKER, SHRENI SHARES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, SHRENI SHARES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●]

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Note:

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Chennai in terms of sections 26, 32 and 33 of the Companies Act,

DISCLAIMER FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement entered between the BRLM (Shreni Shares Limited) and our Company on September 28, 2023 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Chennai.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the **account** or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE SME PLATFORM OF NSE

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] dated [●] permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or

completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

FILING

This Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

The copy of the Draft Red Herring Prospectus will not have filed with SEBI and SEBI will not issue any observation on the Draft Red Herring Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Draft Red Herring Prospectus and Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Block No.6, B Wing 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai - 600034, Tamil Nadu, India

LISTING

The Equity Shares of our Company are proposed to be listed on NSE Emerge. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE Emerge (NSE Emerge).

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

CONSENTS

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Peer Review Auditor, Our Banker(s) to the Company*; (b) Book Running Lead Manager, Registrar to the Issue, Banker(s) to the Issue*, Legal Advisor to the Issue, Underwriter(s) to the Issue* and Market Maker to the Issue* to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

** The consent will be taken while registering the Prospectus with Roc.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s A Y & Co., Chartered Accountants, Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

EXPERTS OPINION

Except for the reports in the section “*Other Financial information*” and “*Statement of Possible Tax Benefits*” on page 258 and 109 of this Draft Red Herring Prospectus from the Peer Review Auditors and Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE (5) YEARS

Our Company has not made any previous public or rights issue in India or abroad the five (5) years preceding the date of this Draft Red Herring Prospectus except as disclosed in this Draft Red Herring Prospectus.

PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

For detailed description please refer to section titled “*Capital Structure*” beginning on page 77 of this Draft Red Herring Prospectus.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION ON PREVIOUS ISSUES

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED GROUP-COMPANIES / SUBSIDIARIES/ ASSOCIATES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1B) OF THE COMPANIES ACT, 1956 / SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/RIGHTS ISSUE OF OUR COMPANY AND/OR LISTED GROUP COMPANIES/ SUBSIDIARIES AND ASSOCIATES OF OUR COMPANY

Except as stated in the chapter titled “*Capital Structure*” beginning on page 77 of this Draft Red Herring Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

PERFORMANCE VIS-A-VIS OBJECTS - LAST ISSUE OF GROUP/ASSOCIATE COMPANIES

Except as disclosed in this Draft Red Herring Prospectus, all of our Group/ Associate are unlisted and have not made a public issue of shares.

OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Red Herring Prospectus.

OUTSTANDING CONVERTIBLE INSTRUMENTS

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

OPTION TO SUBSCRIBE

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

STOCK MARKET DATA OF THE EQUITY SHARES

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investor complaints received during the three years preceding the filing of Draft Red Herring Prospectus. Since there are no investor complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on September 23, 2023. For further details on the Stakeholders Relationship Committee, please refer to section titled “*Our Management*” beginning on page 168 of this Draft Red Herring Prospectus.

Our Company has appointed Ms. Dadwani Bhumisha Darshan, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Dadwani Bhumisha Darshan

New No. 16, Old No. 13, 1st Floor Prithvi Avenue,
Alwarpet Chennai-600018, Tamil Nadu, India.
Tel. No.: +91-044-42789289
E-mail: cs@natl.in
Website: www.natl.in

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY

We do not have any listed company under the same management.

CHANGE IN AUDITORS DURING THE LAST THREE (3) YEARS

Except as disclosed in Chapter titled “*General Information*” beginning on Page 65. of this Draft Red Herring Prospectus; there are no changes in the Auditors of the company during the last three years.

CAPITALIZATION OF RESERVES OR PROFITS

Except as disclosed under section titled “*Capital Structure*” beginning on page 77 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

REVALUATION OF ASSETS

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Red Herring Prospectus.

TAX IMPLICATIONS

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “*Statement of Possible Tax Benefits*” beginning on page 109 of this Draft Red Herring Prospectus.

PURCHASE OF PROPERTY

Other than as disclosed in Section “*Our Business*” on page 128 of the Draft Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Red Herring Prospectus, other than property, in respect of which:

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

SERVICING BEHAVIOR

Except as stated in this Draft Red Herring Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled “Our Management” beginning on page 168 and Restated Statement of Related Party Transactions” under chapter titled “Other Financial Information” beginning on page 258 of the Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

EXEMPTION FROM COMPLYING WITH ANY PROVISION OF SECURITY LAWS, IF ANY GRANTED BY SEBI

As on date of Draft Red Herring Prospectus, our company has not availed any exemption from complying with any provision of security laws granted by SEBI

PRICE INFORMATION OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Shreni Shares Limited (Formerly known as Shreni Shares Private Limited):

Sr. No.	Issuer name	Issue size (₹ Crores)	Issue price (Rs.)	Listing Date	Opening price on Listing Date (in Rs.)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 th calendar days from listing
1.	Arihant Academy Limited	14.72	90.00	December 29, 2022	120.10	+53.50% [-3.22%]	+11.44% [-6.81%]	+15.56% [+2.75%]
2.	Srivasavi Adhesive Tapes Limited	15.50	41.00	March 09, 2023	40.00	+38.41% [-0.71%]	+81.95% [+4.78%]	+257.32% [+10.02%]
3.	Bright Outdoor Media Limited	55.48	146.00	March 24, 2023	150.00	+12.98% [+4.40%]	+31.03% [+10.42%]	+217.81% [+16.12%]
4.	Sancode Technologies Limited	5.15	47.00	April 18, 2023	64.00	+75.09% [+3.07%]	+25.60% [+11.49%]	-
5.	Veefin Solutions Limited	46.73	82.00	July 05, 2023	86.05	+57.13% [-0.31%]	-	-
6.	Global Pet Industries Limited	13.23	49.00	July 10, 2023	52.00	+41.02% [+1.11%]	-	-
7.	AccelerateBS India Limited	5.69	90.00	July 19, 2023	109.50	+41.56% [-2.90%]	-	-
8.	C P S Shapers Limited	11.10	185.00	September 07, 2023	450.00	-	-	-
9.	Meson Valves India Limited	31.09	102.00	September 21, 2023	193.80	-	-	-
10.	Marco Cables & Conductors Limited	18.73	36.00	September 28, 2023	38.70	-	-	-

Source: www.bseindia.com / www.nseindia.com

Notes:

1. The BSE SENSEX and CNX NIFTY are considered as the Benchmark Index.
2. Price on BSE/NSE are considered for all the above calculations.
3. In case 30th, 90th and 180th day is not a trading day, closing price of the next trading day has been considered.
4. In case 30th, 90th and 180th day, scripts are not traded then the last trading price has been considered.
5. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the Lead Manager. Hence, disclosure pertaining to recent 10 issues handled by the lead manager are provided.

Summary statement of price information of past issues handled by Shreni Shares Limited (Formerly known as Shreni Shares Private Limited):

Financial Year	Total no. of IPOs	Total funds raised (₹ Crores)	Nos. of IPOs trading at discount on as on 30 th calendar days from listing date			Nos. of IPOs trading at premium on as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			Nos. of IPOs trading at premium as on 180 th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%
2023-2024 [@]	7**	131.72	-	-	-	2	2	-	-	-	-	-	-	-
2022-2023 [#]	10*	156.29	-	-	-	5	2	3	-	-	1	5	-	4
2021-2022	5*	25.00	-	-	-	1	1	3	-	-	-	1	1	3

* The script of Getalong Enterprise Limited, DMR Hydroengineering & Infrastructures Limited, Alkosign Limited, Quality RO Industries Limited and Ekennis Software Service Limited were listed on October 08, 2021, December 07, 2021, February 01, 2022, February 09, 2022 and March 07, 2022 respectively.

**The script of Fidel Softech Limited, SKP Bearing Industries Limited, Olatech Solutions Limited, Ameya Precision Engineers Limited, DAPS Advertising Limited, Amiable Logistics (India) Limited, PNGS Gargi Fashion Jewellery Limited, Arihant Academy Limited, Srivasavi Adhesive Tapes Limited and Bright Outdoor Media Limited were listed on June 10, 2022, July 13, 2022, August 29, 2022, September 08, 2022, November 14, 2022, November 16, 2022, December 20, 2022, December 29, 2022, March 09, 2023 and March 24, 2023 respectively.

***The script of Sancode Technologies Limited, Veefin Solutions Limited, Global Pet Industries Limited, AccelerateBS India Limited, C P S Shapers Limited, Meson Valves India Limited and Marco Cables & Conductors Limited were listed on April 18, 2023, July 05, 2023, July 10, 2023, July 19, 2023, September 07, 2023, September 21, 2023 and September 28, 2023 respectively.

[@]The script of Sancode Technologies Limited, Veefin Solutions Limited, Global Pet Industries Limited, AccelerateBS India Limited, C P S Shapers Limited, Meson Valves India Limited and Marco Cables & Conductors Limited have not completed 180 days from the date of listing.

Note: Rights Issues lead managed by Shreni Shares Limited (Formerly known as Shreni Shares Private Limited) have not been included in the abovementioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.

TRACK RECORD OF PAST ISSUES HANDLED BY LEAD MANAGER

For details regarding track record of the Lead Manager to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: www.shreni.in

NOTE:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

SECTION IX – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2018, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

For details in relation to Issue expenses, see “Objects of the Issue” and “Other Regulatory and Statutory Disclosures” on pages 94 and 289 respectively.

AUTHORITY FOR THE ISSUE

The present Public Issue of Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on September 22, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on September 26, 2023 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

RANKING OF EQUITY SHARES

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to "Main Provisions of the Articles of Association" on page 343 of the Draft Red Herring Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “Dividend Policy” on page 187 of the Draft Red Herring Prospectus.

FACE VALUE AND ISSUE PRICE AND PRICE BAND

The face value of each Equity Share is ₹ 1 and the Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper, [●] a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “*Main provisions of the Articles of Association*” beginning on page 343 of the Draft Red Herring Prospectus.

ALLOTMENT ONLY IN DEMATERIALIZED FORM

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

1. Tripartite agreement dated [●] between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated [●] between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Further, *in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

MINIMUM NUMBER OF ALLOTTEES

The minimum number of allottees in the Issue shall be 50 shareholders in case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

JOINT HOLDERS

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

ISSUE PROGRAM

Events	Indicative Dates
Bid/Offer Opening Date	[●]
Bid/Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI	On or about [●]
ID linked bank account	
Credit of Equity Shares to Demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

Note - Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid-Cum- Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidders on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and NSE Emerge taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid-Cum- Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Offer Closing Date, as is typically experienced in public Offer, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs /RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of syndicate members.

MINIMUM SUBSCRIPTION

In accordance with Regulation 260 (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs. 1,00,000 (Rupees One Lakh) per application.

As per section 39 of the Companies Act 2013, if the “stated minimum amount” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay

interest prescribed under Section 39 read with Rule 11 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

APPLICATION BY ELIGIBLE NRIS, FPIS OR VCFS REGISTERED WITH SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled "Capital Structure" beginning on page 77 of the Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer sub-heading "Main provisions of the Articles of Association" on page 343 of the Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

ALLOTMENT OF SECURITIES IN DEMATERIALIZED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

MIGRATION TO MAIN BOARD

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 Crore by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board or
- If the Paid-Up Capital of our Company is more than ₹10.00 Crore and up to ₹25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The shares offered through this Issue are proposed to be listed on the SME platform of NSE, wherein the Book Running Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE. For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to "*General Information - Details of the Market Making Arrangements for this Issue*" on page 65 of the Draft Red Herring Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto ₹20 Crore	25%	24%

Further, the Market Maker shall give (2) Two ways quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) All Editions of English National Newspaper, [●]; (ii) All editions of Hindi National Newspaper, [●] and (iii) Regional Newspaper, [●] each with wide circulation. In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/ Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Chennai, Tamil Nadu.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is less than Rs. 10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 301 and 311 of the Draft Red Herring Prospectus.

The Issue comprise of a Public Issue of upto 57,00,000 Equity Shares of Face Value of ₹1/- each fully paid (The “Equity Shares”) for cash at a price of [●] per Equity Shares (*including a premium of [●] per equity share*) aggregating to [●] lakhs (“*the issue*”) by our Company of which [●] Equity Shares of [●] each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of [●] Equity Shares of [●] each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute [●] and [●] respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Book Building Process:

Particulars of the Issue ⁽²⁾	Market Maker Reservation Portion	QIBs ⁽¹⁾	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	Up to [●] Equity Shares	Not more than [●] Equity Shares.	Not less than [●] Equity Shares	Not less than [●] Equity Shares
Percentage of offer Size available for allocation	[●]% of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allotment ⁽³⁾	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●]	Proportionate	Proportionate

		Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Mode of Bid	Only through the ASBA process.		Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form			
Minimum Bid Size	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity shares in multiple of [●] Equity shares that Bid size exceeds Rs 2,00,000	[●] Equity Shares in multiple of [●] Equity shares so that the Bid Amount does not exceed Rs 2,00,000
Maximum Bid Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the offer (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed Rs 2,00,000
Trading Lot	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ⁽⁴⁾			

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to “Issue Structure” on page 308 of the Draft Red Herring Prospectus.

1. Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.
2. In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
3. Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.
4. Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

ISSUE PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), is prescribed by SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 effective from issue opening on or after September 01, 2023 on voluntary basis and on or after December 01, 2023 on mandatory basis.

The Issue has been undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public Issues and redressing investor grievances. This circular shall come into force for initial public Issues opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Prospectus. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 modifying the process timelines and extending the implementation timelines for certain measures introduced by the March 16 Circular. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 5,00,000/- shall use the UPI Mechanism.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Our Company, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and

ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus.

Further, our Company, the Promoter and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

Book Building Procedure

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

Phase I: This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is notified vide SEBI Circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 effective from issue opening on or after September 01, 2023 on voluntary basis and on or after December 01, 2023 on mandatory basis for listing in T+3 days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE, at least one day prior to the Bid/ Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Issue is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

Anchor Investors are not permitted to participate in the Issue through the ASBA process.

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour*
Anchor Investor**	White
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

*Excluding Electronic Bid cum Application Form

** Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by Investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic biddingsystem as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
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For applications submitted by investors to intermediaries other than SCSBs:	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

Availability of Draft Red Herring Prospectus and Bid Cum Application Forms

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE (www.nseindia.com) at least one day prior to the Bid/ Issue Opening Date.

Bid cum application for for Anchor Investor shall be made available at the Office of the BRLM.

Who can Bid?

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;

- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

- 1. Minors (except through their Guardians)
- 2. Partnership firms or their nominations
- 3. Foreign Nationals (except NRIs)
- 4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed Rs. 2,00,000.

2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under

existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

METHOD OF BIDDING PROCESS

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Pondicherry Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Pondicherry Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form

- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “*Issue Procedure*” beginning on page 311 of this Draft Red Herring Prospectus
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

Participation by Associates /Affiliates of BRLM and the Syndicate Members

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be

applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

Option to Subscribe in the Issue

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Bidders:

1. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Draft Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income

Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

BIDS BY ANCHOR INVESTORS:

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 Lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 Lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
 - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
 - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
 - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.

- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

BIDS BY ELIGIBLE NRIS:

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

BIDS BY FPI INCLUDING FII'S:

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post- Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

BIDS BY HUFs

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

BIDS BY MUTUAL FUNDS:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

BIDS BY LIMITED LIABILITY PARTNERSHIPS:

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

BIDS BY INSURANCE COMPANIES:

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS UNDER POWER OF ATTORNEY:

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in

whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

BIDS BY PROVIDENT FUNDS / PENSION FUNDS:

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

BIDS BY BANKING COMPANY:

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

BIDS BY SCSB'S:

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

Terms of payment

The entire Issue price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by

the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Payment into Escrow Account for Anchor Investors

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: — “Net Avenue Technologies Limited IPO – Anchor Account- R”
- b. In case of Non-Resident Anchor Investors: — “Net Avenue Technologies Limited IPO – Anchor Account- NR”
- c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - a) the applications accepted by them,
 - b) the applications uploaded by them
 - c) the applications accepted but not uploaded by them or
 - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - (i) The applications accepted by any Designated Intermediaries
 - (ii) The applications uploaded by any Designated Intermediaries or
 - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.

6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
- Name of the Bidder;
 - IPO Name;
 - Bid Cum Application Form Number;
 - Investor Category;
 - PAN (of First Bidder, if more than one Bidder);
 - DP ID of the demat account of the Bidder;
 - Client Identification Number of the demat account of the Bidder;
 - Number of Equity Shares Applied for;
 - Bank Account details;
 - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be

listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Build of the Book

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

Withdrawal of Bids

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

Price Discovery and Allocation

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Signing of Underwriting Agreement and Registering of Red Herring Prospectus/Prospectus with ROC

- a) Our company has entered into an Underwriting Agreement dated [●]
- b) A copy of Red Herring Prospectus will be registered with the ROC and copy of Prospectus will be registered with ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

PRE- ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Draft Red Herring Prospectus with the ROC, publish a pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre- Issue advertisement, we shall state the Bid Opening Date and the Bid/ Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:

Our Company will Issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

GENERAL INSTRUCTIONS:

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/ Issue period and withdraw their Bids until Bid/ Issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

Do's:

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules,

- regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
 3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
 4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
 5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
 6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
 7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
 8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
 9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
 10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
 11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
 12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
 13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
 14. Ensure that the Demographic Details are updated, true and correct in all respects;
 15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
 16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
 17. Ensure that the category and the investor status is indicated;
 18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
 19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
 20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
 21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
 22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
 23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
 24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
 25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have

otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed Rs. 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Other instructions for the Bidders Joint Bids

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Multiple Bids

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Investor Grievance

In case of any pre- Issue or post Issue related problems regarding demat credit / refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

Nomination Facility to Bidders

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

Submission of Bids

- a. During the Bid/ Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b. In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c. For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

GROUND OF TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm assuch shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;

- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/ Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

- a. The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.

- b. Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c. In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

BASIS OF ALLOTMENT

a. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

b. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

c. For QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
 - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
 - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
 - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.
- d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**
- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
 - ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹2 crores;

a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
 - in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

- d) In the event the Issue Price is lower than the Anchor Investor Allocation Price:

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

- e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - Each successful Bidder shall be allotted [●] equity shares; and
 - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

Issuance of Allotment Advice

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment

and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date:

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

Instructions for Completing the Bid Cum Application Form

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the BidCum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com

Bidder's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

Submission of Bid Cum Application Form

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case

Right to Reject Applications

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

Undertakings by Our Company

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Issue Closing date.
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 4) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That our Promoter's contribution in full has already been brought in;
- 6) That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
- 7) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- 8) If our Company does not proceed with the Issue after the Bid/ Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre- Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 9) If our Company withdraws the Issue after the Bid/ Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

Utilization of Issue Proceeds

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Offer, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and

- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;
- b) Tripartite Agreement dated [●] between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. [●]

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI and Master Direction –Foreign Investment In India (updated upto March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION X – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

ARTICLE NO.	INTERPRETATION	HEADING
1.	<p>In these Articles unless there be something in the subject matter or context inconsistent therewith:</p> <p>“The Act” means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.</p> <p>“Articles” means Articles of Association of the Company as originally framed or altered from time to time</p> <p>“Beneficial Owner” shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.</p> <p>“Board” or “Board of Director” means the Collective body of the Board of Directors of the Company.</p> <p>“Chairman” means the Chairman of the Board of the Directors of the Company.</p> <p>“The Company” means Net Avenue Technologies Limited.</p> <p>“Depositories Act, 1996” shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.</p> <p>“Depository” shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.</p> <p>“Directors” mean the Directors for the time being of the Company.</p> <p>“Dividend” includes any interim dividend.</p> <p>“Document” means a document as defined in Section 2 (36) of the Companies Act, 2013.</p> <p>“Equity Share Capital”, with reference to any Company limited by shares, means all share capital which is not preference share capital;</p> <p>“KMP” means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.</p> <p>“Managing Director” means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.</p> <p>“Month” means Calendar month.</p> <p>“Office” means the registered office for the time being of the Company.</p> <p>“Paid-up share capital” or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;</p> <p>“Postal Ballot” means voting by post or through any electronic mode.</p> <p>“Proxy” includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.</p> <p>“Public Holiday” means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.</p> <p>“Registrar” means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.</p> <p>“Rules” means the applicable rules as prescribed under the relevant sections of the Act for time being in force.</p>	Interpretation

	<p>“SEBI” means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.</p> <p>“Securities” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)</p> <p>“Share” means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.</p> <p>“Seal” means the common seal of the Company.</p> <p>“Preference Share Capital”, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—</p> <p>(i) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and</p> <p>(ii) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;</p> <p>“Persons” include corporations and firms as well as individuals.</p> <p>Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.</p> <p>Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.</p> <p>‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.</p>	
2.	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.	Share Capital
3.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.	
4.	Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	Issue of Sweat Equity Shares
5.	The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.	Issue of Debentures
6.	Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions	Issue of Share Certificate

	<p>of issue shall be provided,— one certificate for all his shares without payment of any charges; or several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.</p> <p>The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</p> <p>Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>	
7.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.	
8.	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
9.	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company..	
10.	<p>The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>	Power to pay Commission In connection with the Securities issued
11.	<p>If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>	Variations of Shareholder's rights
12.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.	
13.	Subject to the provisions of section 55 and 62, any preference shares may with the	Issue of

	sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.	Preference Shares
14.	<p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered: to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act. to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62. to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.</p>	Further Issue of shares
15.	<p>The Company shall have a first and paramount lien— on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company: Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>	Lien
16.	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made— unless a sum in respect of which the lien exists is presently payable; or until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>	
17.	<p>To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>	

18.	The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.	
19.	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles: -</p> <p>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</p> <p>b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</p> <p>c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.</p> <p>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</p> <p>e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</p> <p>(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.</p> <p>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p>	Joint Holdings
20.	<p>The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>A call may be revoked or postponed at the discretion of the Board.</p>	Calls on Shares
21.	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.	
22.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	

23.	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.	
24.	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	
25.	The Board— may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.	
26.	Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up. Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.	
27.	The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.	
28.	The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.	
29.	The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles. Each share in the Company shall be distinguished by its appropriate number. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.	
30.	The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	
31.	The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act- the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or any transfer of shares on which the Company has a lien. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.	Transfer of Shares
32.	The Board shall decline to recognise any instrument of transfer unless— the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares. Provided that, transfer of shares in whatever lot shall not be refused.	

	<p>The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),</p> <p>Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred;</p> <p>If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.</p>	
33.	The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay	
34.	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year</p>	
35	The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.	
36.	The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.	Register of Transfers
37.	<p>The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.</p> <p>The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>Option for Investors:</p> <p>Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>Securities in Depository to be in fungible form: - All Securities of the Company held by the Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</p> <p>Rights of Depositories & Beneficial Owners: - Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>Every person holding Securities of the Company and whose name is entered as the</p>	Dematerialisation of Securities

	<p>beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>	
38.	<p>On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p> <p>Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	
39.	<p>Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either— to be registered himself as holder of the share; or to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>	Transmission of Shares
40.	<p>If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>	
41.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall</p>	

	<p>not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>	
42.	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.</p>	
43.	<p>If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p>	
44.	<p>The notice aforesaid shall—</p> <p>name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>	
45.	<p>If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.</p>	
46.	<p>A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>	
47.	<p>A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.</p> <p>The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.</p>	Forfeiture of Shares
48.	<p>A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;</p> <p>The transferee shall thereupon be registered as the holder of the share; and</p> <p>The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p>	
49.	<p>The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.</p>	
50.	<p>Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the</p>	

	sale shall not be impeached by any person.	
51.	Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	
52.	The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	
53.	The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	
54.	The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	
55.	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.	Initial payment not to preclude forfeiture
56.	The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.	
57.	Subject to the provisions of section 61, the Company may, by ordinary resolution,— consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.	Alteration of Share Capital
58.	Where shares are converted into stock,— the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.	Conversion of Shares into Stock

<p>59.</p>	<p>The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, —</p> <p>its share capital; any capital redemption reserve account; or Any share premium account.</p>	<p>Reduction of Capital</p>
<p>60.</p>	<p>The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.</p> <p>The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>	<p>Share Warrants</p>
<p>61.</p>	<p>The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <p>that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <p>paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;</p> <p>partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</p> <p>A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</p> <p>The Board shall give effect to the resolution passed by the Company in pursuance of</p>	<p>Capitalization of Profits</p>

	<p>this -regulation.</p> <p>iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.</p>	
62.	<p>Whenever such a resolution as aforesaid shall have been passed, the Board shall— make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and generally to do all acts and things required to give effect thereto.</p> <p>The Board shall have power— to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>Any agreement made under such authority shall be effective and binding on such members.</p>	
63.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	Buy back of Shares
64.	All General Meetings other than annual general meeting shall be called extraordinary general meetings	
65.	<p>The Board may, whenever it thinks fit, call an extraordinary general meeting. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>	General Meeting
66.	<p>No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p> <p>fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand; thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>	Proceedings at General Meetings
67.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	
68.	If there is no such Chairperson, or if he is not present within fifteen minutes after the	

	time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	
69.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.	
70.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	
71.	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
72.	Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.	Demand for Poll
73.	A poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.	Time of taking Poll
74.	The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Adjournment of Meeting
75.	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— on a show of hands, every member present in person shall have one vote; and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.	
76.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	
77.	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	Voting Rights
78.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian	

	may, on a poll, vote by proxy.	
79.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	
80.	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	
81.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.	
82.	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	
83.	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.	
84.	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	Casting Vote
85.	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.	Representation of Body Corporate
86.	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	Circulation of member's Resolution
87.	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	Resolution requiring special notice
88.	The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date	Resolutions passed at adjourned meeting
89.	The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.	Registration of resolutions and agreements
90.	The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed: in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose. In no case the minutes of proceedings of a meeting shall be attached to any such book	Minutes of proceedings of general meeting and of Board and other meetings

	<p>as aforesaid by pasting or otherwise. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain: the names of the Directors present at the meetings, and in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</p> <p>Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: is or could reasonably be regarded, as defamatory of any person is irrelevant or immaterial to the proceedings; or is detrimental to the interests of the Company.</p> <p>The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p>	
91.	The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.	Minutes to be considered to be evidence
92.	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.	Publication of reports of proceeding of general meetings
93.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Proxy
94.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
95.	<p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>	
96.	The First Directors of the Company shall be: Shri. Rajesh Nahar Shri. Ritesh Katariya Shri. Kawarlal Katariya Smt. Sarala Nahar	Board of Directors
97.	The Directors need not hold any "Qualification Share(s)".	
98	<p>Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:</p> <p>He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his</p>	

	<p>appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p>	
99.	<p>The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them— in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or in connection with the business of the company.</p>	
100.	The Board may pay all expenses incurred in getting up and registering the company.	
101.	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.	
102.	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.	
103.	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.	
104.	<p>Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>	
105.	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.	Retirement and Rotation of Directors
106.	The remaining Directors shall be appointed in accordance with the provisions of the Act.	
107.	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.	
108.	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.	
109.	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.	
110.	Subject to the provision of the Act and these Articles, the Company, at the Annual	

	General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.	
111.	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.	Nominee Director
112.	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.	
113.	The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.	
114.	The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors. Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.	
115	Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.	
116.	The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.	Removal of Director
117.	Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	
118.	On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be	

	heard on the resolution at the meeting.	
119	<p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-, in any notice of the resolution given to members of the Company state the fact of the representations having been made, and send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</p> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p>	
120.	A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.	
121	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.	
122.	<p>If the vacancy is not filled under clause (5) above, it may be filled as a casual vacancy in accordance with the provisions of this Act:</p> <p>Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.</p>	
123.	<p>Nothing in this section shall be taken- as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or as derogating from any power to remove a director under other provisions of this Act.</p>	
124.	<p>Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.</p> <p>In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.</p> <p>In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or In connection with the business of the Company.</p>	Remuneration and sitting fees to Directors including Managing and whole time Directors
125	Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/-(Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he	

	may be entitled to.	
126.	<p>Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.</p> <p>The power to make calls on shareholders in respect of money unpaid on their shares; The Power to authorize buy-back of securities under Section 68 of the Act. Power to issue securities, including debenture, whether in or outside India The power to borrow moneys The power to invest the funds of the Company, Power to Grant loans or give guarantee or provide security in respect of loans Power to approve financial statements and the Board's Report Power to diversify the business of the Company Power to approve amalgamation, merger or reconstruction Power to take over a Company or acquire a controlling or substantial stake in another Company Powers to make political contributions; Powers to appoint or remove key managerial personnel (KMP); Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel; Powers to appoint internal auditors and secretarial auditor; Powers to take note of the disclosure of director's interest and shareholding; Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company; Powers to invite or accept or renew public deposits and related matters; Powers to review or change the terms and conditions of public deposit; Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <p>Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</p> <p>Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</p> <p>Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</p>	<p>Powers and duties of Directors:</p> <p>Certain powers to be exercised by the Board only at meeting</p>
127.	<p>The Board of Directors of the Company shall not except with the consent of the Company in general meeting:</p> <p>sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking; remit, or give time for the repayment of any debt, due by a Director; invest, otherwise than in trust securities, the amount of compensation received by it</p>	<p>Restriction on powers of Board</p>

	<p>as a result of any merger or amalgamation; borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or contribute to bona fide charitable and other funds, aggregate of which ill in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.</p> <p>Nothing contained in sub-clause (a) above shall affect:</p> <p>the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p>	
128.	Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.	
129.	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.	General powers of the Company vested in Directors
130.	<p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <p>to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</p> <p>to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</p>	Specific Power given to Directors

to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;

To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;

To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;

Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;

To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;

To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;

To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;

To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;

To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of

any claims or demands by or against the Company;

Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.

Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.

To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;

To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;

To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.

To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.

At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit;

	<p>and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>	
131.	<p>Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>Subject to the provisions of Sections 197 & 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>	<p>MANAGING DIRECTORS</p> <p>Power to appoint Managing or Whole-time Directors</p>
132.	<p>The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	
133.	<p>The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.</p>	
134.	<p>Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>	
135	<p>The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.</p>	<p>Proceedings of the Board</p>
136.	<p>The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.</p>	
137.	<p>The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>	
138.	<p>The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p>	<p>Delegation of Powers of Board to Committee</p>

139.	A committee may elect a Chairperson of its meetings. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	
140.	A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	
141.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	
142.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held	
143.	Subject to the provisions of the Act— A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer
144.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, manager, Company Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.	
145.	The Board shall provide for the safe custody of the seal. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.	The Seal
146.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	
147.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.	
148.	The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	Dividends and Reserve
149.	Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or	

	<p>credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	
150.	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	
151.	<p>Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
152.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	
153.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	
154.	<p>No dividend shall bear interest against the Company.</p> <p>Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;</p>	
155.	<p>Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.</p>	
156.	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	
157.	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	
158.	<p>The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.</p> <p>No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.</p>	Accounts

<p>159.</p>	<p>Minutes Books of General Meetings</p> <p>The books containing the minutes of the proceedings of any general meeting of the Company shall; be kept at the registered office of the Company, and be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</p> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.</p>	<p>Inspection of Statutory Documents of the Company:</p>
<p>160.</p>	<p>Register of charges:</p> <p>The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours— by any member or creditor without any payment of fees; or by any other person on payment of such fees as may be prescribed,</p> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>	
<p>161.</p>	<p>The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</p> <p>The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p>	<p>Audit</p>
<p>162.</p>	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <p>If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.</p>	<p>Winding up</p>
<p>163.</p>	<p>Every officer of the company shall be indemnified out of the assets of the company</p>	<p>Indemnity</p>

	against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—	
164.	<p>(a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</p> <p>(b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</p>	Secrecy

SECTION XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Draft Red Herring Prospectus, delivered to the Registrar of Companies, for registration. Copies of the above-mentioned contracts and also the documents for inspection referred to hereunder, may be inspected online with Registrar of Companies and at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date. Also, the below-mentioned contracts and also the documents is available for inspection online at website of Company i.e. www.natl.in

MATERIAL CONTRACTS

1. Memorandum of Understanding dated September 28, 2023 between our Company Book Running Lead Manager to the Issue.
2. Agreement dated September 28, 2023 executed between our Company and the Registrar to the Issue (Bigshare Services Private Limited)
3. Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
4. Banker to the Issue Agreement dated [●] among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated [●] between our Company, Book Running Lead Manager and Underwriters.
6. Tripartite Agreement dated [●] among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated [●] among NDSL, the Company and the Registrar to the Issue.
8. Syndicate Agreement dated [●] between our Company, Book Running Lead Manager and Syndicate Member.

MATERIAL DOCUMENTS

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated June 07, 2001 issued by the Registrar of Companies, Tamil Nadu.
3. Fresh Certificate of Incorporation dated September 22, 2023 issued by the Registrar of Companies, Chennai consequent upon Conversion of the Company to Public Company.
4. Copy of the Board Resolution dated September 22, 2023 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated September 26, 2023 authorizing the Issue and other related matters.
6. Copies of Standalone Audited Financial Statements of our Company for the years ended March 31, 2023, 2022 & 2021.
7. Peer Review Auditors Report dated September 28, 2023 on Restated Standalone Financial Statements of our Company for the years ended March 31, 2023, 2022 & 2021.
8. Copy of the Statement of Tax Benefits dated September 28, 2023 from the Peer Review Auditor.
9. Certificate from Peer Review Auditor of the Company dated September 29, 2023 with respect to the KPIs disclosed in this Draft Red Herring Prospectus.
10. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to our Company, Banker to the Issue, Sponsor Bank, Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, as referred to, in their respective capacities.
11. Board Resolution dated September 30, 2023 for approval of Draft Red Herring Prospectus, dated [●] for approval of

Red Herring Prospectus and dated [●] for approval of Prospectus.

12. Due Diligence Certificate from Book Running Lead Manager dated [●] filed with SEBI.
13. Approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on the NSE Emerge.

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, with the consent of shareholder's subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Red Herring Prospectus. No statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Sd/- Mr. Rajesh Nahar <i>Chairman cum Managing Director</i> <i>DIN: 01015059</i>	Sd/- Mr. Ritesh Katariya <i>Whole-Time Director</i> <i>DIN: 01019455</i>
Sd/- Mr. K Naresh Kumar <i>Non-Executive Director</i> <i>DIN: 07026135</i>	Sd/- Ms. Riya Jain <i>Independent Director</i> <i>DIN: 10309330</i>
Sd/- Mr. Rajagopalachari Murali <i>Independent Director</i> <i>DIN: 00759040</i>	

SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY: -

Sd/- Mr. A Prakash <i>Chief Financial Officer</i>	Sd/- Ms. Dadwani Bhumisha Darshan <i>Company Secretary and Compliance Officer</i>
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Date – September 30, 2023

Place – Chennai