

Date: 14.11.2024

To,  
NATIONAL STOCK EXCHANGE OF INDIA LTD  
Listing Department Exchange Plaza  
Plot No. C/1, G Block Bandra Kurla Complex  
Bandra (E), Mumbai 400051

Dear Sir/Madam

**Sub: Statement of Deviation/Variation for Utilization of funds raised through Initial Public Offer for the Quarter ended on September 30, 2024.**

Dear Sir / Madam,

With reference to captioned subject and pursuant to Regulation 32 (1) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, please find enclosed herewith statement of Deviation/variation in utilization of funds raised through Initial Public Offer for the Quarter ended on September 30, 2024.

We would hereby further inform you that the said statement is reviewed by the Audit Committee in its meeting held on November 14, 2024

Thanking You  
Yours Faithfully,

**For NET AVENUE TECHNOLOGIES LIMITED**



**RAJESH NAHAR**  
Managing Director  
DIN: 01015059

STATEMENT OF DEVIATION / VARIATION IN UTILISATION OF FUNDS RAISED THROUGH PUBLIC ISSUE, FOR THE QUARTER ENDED SEPTEMBER 31, 2024.

Name of listed entity	NET AVENUE TECHNOLOGIES LIMITED
Mode of fund raising	Public Issue – SME IPO
Date of raising funds	December 8, 2023 (Trading Approval Dated December 8, 2023 received from NSE SME) (Allotment Made on December 8, 2023)
Amount raised (In Crores)	Fresh Issue: Rs.10.25 Crores i.e. [56,96,000 Equity shares at a price of Rs.18/- per Equity Share (including a share premium of Rs.17/- Per Equity Share)]
Report filed for quarter ended	30.09.2024
Monitoring agency	NA
Monitoring agency name, if applicable	NA
Is there a deviation / variation in use of funds raised	No
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	NA
If yes, date of shareholders approval	NA
Explanation for the deviation / variation	NA
Comments of the audit committee after review	The Proceeds from IPO are utilized for the Objects for which it was raised
Comments of the auditors, if any	No comments

Objects for which funds have been raised and where there has been a deviation, in the following Table

Original object	Modified object, if any	Original allocation	Modified allocation, if any	Funds utilized during 01.04.2024 to 30.09.2024	Funds utilized since listing to till 30.09.2024	Amount of Deviation / Variation for quarter according to applicable object	Remarks, if any
1. To meet working capital requirements and	Not applicable	Rs.120.00 Lakhs	Not applicable	-	Rs.120.00 Lakhs		Not applicable
2. General Corporate Purpose		Rs.82.28 Lakhs		-	Rs.41.14 Lakhs		
3. Public Issue Expenditure		Rs.124.36 Lakhs		-	Rs.124.36 Lakhs		
4. Customer Acquisition - Marketing & Awareness		Rs.698.64 Lakhs		Rs 124 Lakhs	Rs 152.18 Lakhs		

Deviation or variation could mean:

- (a) Deviation in the objects or purpose for which the funds have been raised or
- (b) Deviation in the amount of funds actually utilized as against what was originally disclosed or
- (b) Change in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc.

Thanking You  
 Yours faithfully

**For NET AVENUE TECHNOLOGIES LIMITED**




**RAJESH NAHAR**  
 Managing Director  
 DIN: 01015059

## PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

### Independent Auditor's Certificate relating to the utilisation of the net issuance proceeds as on 30th September 2024 relating to the Initial Public Offer.

To  
The Board of Directors,  
Net Avenue Technologies Limited  
New No.16, Old No.13, 1st Floor, Prithvi Avenue,  
Alwarpet, Chennai - 600 018

1. This certificate is issued for the purpose of certifying the utilisation of the Net issuance proceeds as on 30<sup>th</sup> September 2024 relating to the Initial Public Offer of Net Avenue Technologies Limited.
2. The Report has been prepared in compliance with the requirements of para 80 read with para 32A of Guidance Note on Reports or Certificates for Special Purposes and Standards of Auditing issued by the Institute of Chartered Accountants of India.
3. This certificate is issued in accordance with the terms of our engagement letter and your mail dated 12<sup>th</sup> November 2024.

#### **Management's Responsibility:**

4. Preparation of the certificate is the responsibility of the management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of the internal control relevant to preparation and presentation of the certificate and applying an appropriate basis of preparation and making estimate that are reasonable in the circumstances.
5. Management of the Company is also responsible for ensuring the following:
  - a. Utilization of the net issuance proceeds only towards the "Object of the Issue" as disclosed in the Offer Document
  - b. Deployment of Unutilized funds to a separate Bank Account or as stated in prospectus.
  - c. Maintenance of proper books of accounts and such other records for this purpose.

#### **Auditor's Responsibility:**

6. Our responsibility is certifying the utilisation of the net issuance proceeds as on 30<sup>th</sup> September 2024 relating to the Initial Public Offer of Net Avenue Technologies Limited.
7. We have conducted our examination of the items stated in paragraph 3 above in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the code of Ethics issued by ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality controls (SQC) 1, Quality control for firms that Perform Audits and Reviews of Historical financial Information, and the Other Assurance and Related Service Engagements
9. We believe that our work has given us sufficient basis to express our opinion.
10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence that vary in nature, timing and extent than a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.



11. Our examination of the utilization of funds received for the purposes specified as stated in the Statement was confined to the verification of supporting documentary evidence for the expenditure incurred.
12. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**Summary of work performed:**

- a. Review the Prospectus
- b. Utilisation of proceeds as per bank statement traced to books of accounts as on 30<sup>th</sup> September 2024.
- c. Verify the Fixed Deposits/ other investments made towards unutilised amount of net issuance proceeds relating to the Initial Public Offer.
- d. Verify invoices for amount utilised towards Public Issue Expenses and Customer Acquisition - Marketing & Awareness Expenditure.

**Opinion:**

13. According to the information and explanation provided to us, and to best of our knowledge and belief based on books and records maintained by the Company, we certify that the below mentioned information

SI No	Object as disclosed in the Offer Document *	Amount disclosed in the Offer Document (In Lakhs) (A)	Actual Utilised Amount (B)	Unutilised Amount (C=A-B)	Remarks
1	Customer Acquisition - Marketing & Awareness	698.64	152.18	546.46	
2	General Corporate Expenses	82.28	41.14	41.14	
3	Funding Working Capital Requirement	120.00	120.00	0.00	
4	Public Issue Expenses	124.36	124.36	0.00	
	<b>Total</b>	<b>1025.28</b>	<b>437.68</b>	<b>587.60</b>	

\* As per the Prospectus, "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."

However, the company has deployed funds as below as at 30<sup>th</sup> September 2024:

- a. In Scheduled commercial bank - ₹ 75 lakhs
- b. In Mutual funds - ₹ 414.02 lakhs
- c. Undrawn limit of overdraft facility - ₹ 98.58 lakhs



**Restriction of use:**

14. This certificate has been issued on specific request from the management of M/s Net Avenue Technologies Limited for the purpose certifying the utilisation of the net issuance proceeds as on 30<sup>th</sup> September 2024 relating to the Initial Public Offer.
15. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For **PKF Sridhar & Santhanam LLP**

*Chartered Accountants*

**Firm Registration Number:** 003990S / S200018

*P. Devi*

Devi P

Partner

Membership No. 223137

Date: November 14, 2024

Place: Chennai

UDIN: **24223137BKDFRE7880**

