



AVAX APPARELS AND ORNAMENTS LIMITED

Regd. Office: 611, 6th Floor, Jaina Tower II, Distt Center,

Janak Puri, New Delhi 110058,

CIN: L14101DL2005PLC137127; **Website:** www.avaxapparels.com

E-mail: Info@avaxapparels.com; **Mobile:** 9599497767

05th August 2025

To,

The Department of Corporate Services, BSE Limited, 20 th Floor, P.J.Towers, Dalal Street, Mumbai – 400 001.	National Securities Depository Limited (NSDL) Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai – 400 013
Central Depository Services (India) Limited (CDSL) Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai – 400 013	Skyline Financial Services Private Limited Office No. D-153 A, 1st Floor, Okhla Industrial Area, New Delhi - 110020

Scrip Code: 544337 | Scrip Symbol: AVAX | ISIN: INEONQ401016

Sub: Notice of 20th Annual General Meeting (AGM), E-Voting Period and Cut-Off Date for the purpose of E-Voting under Regulation 30 and Annual Report for the Financial Year 2024-25 of the Company under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Madam/Sir,

With reference to the captioned subject and pursuant to Regulation 30 & 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the “SEBI LODR Regulations, 2015”) as amended from time to time, we wish to inform that the Board of Directors of the Company at their meeting held today i.e., Friday, August 01, 2025 at 01:00 p.m. at Registered Office of the Company at 611, 6th Floor, Jaina Tower II, Distt Center, Janak Puri, New Delhi 110058 inter-alia considered and approved the Annual Report for the Financial Year 2024-25 and Notice of 20th Annual General Meeting (AGM) of the members of the Company which will be held on Friday, August 29, 2025 at 03:30 PM IST through Video Conferencing (VC) or Other Audio Video Means (OAVM).

In compliance with applicable provisions of the Companies Act, 2013 (“Act”) and SEBI Listing Regulations, 2015, read with General Circular No. 9/2024 dated 19 September 2024, and all other applicable circulars issued by Ministry of Corporate Affairs (“MCA”) in this regard and SEBI/HO/CFD/CFDPoD2/P/CIR/2024/133 dated 03 October 2024 and all other applicable circulars issued by the Securities and Exchange Board of India (“SEBI”) in this regard (collectively referred as “MCA and SEBI Circulars”), the AGM will be held without the physical presence of the shareholders at a common venue.

In terms of the provisions of Regulation 30 of the Listing Regulations, 2015, the Notice and Annual Report is enclosed herewith and the same is available on the website of the Company i.e. www.avaxapparels.com and on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

Further, in accordance with the aforesaid MCA and SEBI Circulars, the Notice will be dispatched to the shareholders (as on Friday, August 01, 2025) of the Company, by electronic mode to those shareholders whose email addresses are registered with the Company’s Registrar and Share Transfer Agent/Depositories.

Further, in compliance with Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company will be sending letters, inter alia, containing a web link to access the Annual Report for the financial year FY 2024-25, including the Notice of the AGM, to those shareholders (as on Friday, August 01, 2025) whose email addresses are not registered with the Registrar and Transfer Agent / Depositories.

The Board of Directors of the Company had appointed M/s. G Gupta and Associates, Peer Review Practicing Company Secretaries (FRN.: S2017DE557700) as the Scrutinizer for the E-voting process in the Extra-Ordinary General Meeting to ensure that the E-voting process is conducted in a transparent and fair manner.

The remote e-voting begins on Tuesday, 26th August 2025 (09:00 AM IST) and will end on Thursday, 28th August 2025 (05:00 PM IST) both days inclusive.

Further, the Company has fixed Friday, 22nd August 2025 as the cut-off date to determine the shareholders who are eligible to cast their vote electronically during the remote e-voting period as well as e-voting during the AGM.

You are requested to kindly take note of the above and display the same on notice of the exchange.

Thanking you,
Yours faithfully,

For and on behalf of the Board of Directors
M/s Avax Apparels And Ornaments Limited

Shruti Jain
(Company Secretary and Compliance Officer)
M. No.: A52018

Enclosed: As mentioned above.



20TH ANNUAL REPORT

of

AVAX APPARELS AND ORNAMENTS LIMITED

(FOR THE FINANCIAL YEAR 2024-25)

COMPANY INFORMATION

CIN	L14101DL2005PLC137127
Name	Avax Apparels And Ornaments Limited
Listing Date	January 14, 2025
Registered Office	611, 6th Floor, Jaina Tower II, Distt Center, Janak Puri, New Delhi 110058
Branch Office/ Address at which the books of account are to be maintained	2209 G 1 Street No 1, Bhola Colony, Focal Point, Ludhiana, Ludhiana, Punjab, India, 141010
Board of Directors	Mr. Harinderpal Singh Sodhi, (Managing Director) Mr. Harish Kumar, (Executive Director) Mrs. Deepika Garg, (Executive Director) Mr. Rajat Goel, (Non-Executive Independent Director) Mr. Amitabh Agrawal, (Non-Executive Independent Director) Mr. Pradeep Srivastava, (Non-Executive Independent Director)
Audit Committee	Mr. Amitabh Agrawal, (Chairperson) Mr. Rajat Goel, (Member) Mr. Harish Kumar, (Member)
Nomination And Remuneration Committee	Mr. Rajat Goel, (Chairperson) Mr. Amitabh Agrawal, (Member) Mr. Pradeep Srivastava, (Member)
Stakeholder's Relationship Committee	Mr. Pradeep Srivastava, (Chairperson) Mr. Rajat Goel, (Member) Mrs. Deepika Garg, (Member)
Chief Financial Officer (CFO)	Mr. Vikas Arora
Company Secretary & Compliance Officer	Ms. Shruti Jain
Internal Auditor	M/s VGCA And Associates (Chartered Accountants)
Statutory Auditor	M/s N K S C & Co., (Peer Review Chartered Accountants)
Secretarial Auditor	M/s. G Gupta and Associates, (Peer Review Practicing Company Secretaries)
Registrar & Transfer Agent	Skyline Financial Services Private Limited

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Chairman's Message

Dear Shareholders,

It gives me immense pride and gratitude to present to you the Annual Report for the financial year [2024–2025] of Avax Apparels and Ornaments Limited.

The year gone by has been one of resilience, reinvention, and reaffirmation of our core values. Despite a complex macroeconomic environment and evolving consumer dynamics, we have remained committed to our mission—delivering excellence in apparel and ornaments through innovation, quality, and sustainability.

At Avax, we have always believed in the power of design, craftsmanship, and customer connection. This year, we strengthened our market presence, launched new collections that resonated deeply with our customer base, and expanded our digital and retail footprints. Our apparel division saw encouraging growth driven by both domestic demand and international traction, while our ornaments segment continued to set new benchmarks for design innovation and authenticity.

Operationally, we focused on improving cost efficiencies, enhancing supply chain resilience, and investing in technology-led transformation. These steps have not only contributed to improved financial performance but have also positioned us well for long-term, sustainable growth.

I take this opportunity to thank our dedicated employees, our loyal customers, our esteemed board of directors, and most importantly, you—our valued shareholders—for your unwavering trust and support.

We are confident that with your continued faith, Avax Apparels and Ornaments Limited will scale even greater heights in the years to come.

Warm regards,

Harinderpal Singh Sodhi
Chairman and Managing Director

Avax Apparels and Ornaments Limited



AVAX APPARELS AND ORNAMENTS LIMITED

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NOTICE OF THE 20TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 20TH ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF AVAX APPARELS AND ORNAMENTS LIMITED (“THE COMPANY”) WILL BE HELD THROUGH VIDEO CONFERENCING (“VC”) AND/OR OTHER AUDIO-VISUAL MEANS (“OAVM”) ON FRIDAY, THE 29TH DAY OF AUGUST 2025 AT 03:30 PM IST TO TRANSACT THE FOLLOWING SPECIAL BUSINESS:

ORDINARY BUSINESS

- 1. To receive, consider and adopt the standalone financial statements of the company for the financial year ended March 31st, 2025 along with Reports of the Directors and Auditors thereon:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Audited Balance Sheet, Statement of Profit & Loss and Cash Flow Statement together with accounting policies and notes forming part of the accounts for the year ended March 31, 2025 and Directors’ Report and Auditors’ Report thereon be and the same are hereby considered and adopted.”

- 2. To appoint Mrs. Deepika Garg (DIN: 08730368), who retires by rotation and being eligible, offers herself for re-appointment.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 152 of the Companies Act, 2013 and rules made thereunder (including any statutory modification and re-enactment thereof) and other applicable provisions, if any of the Companies Act, 2013, Mrs. Deepika Garg (DIN: 08730368), who is liable to retire by rotation and being eligible has offered herself for appointment, be and is hereby re-appointed as a Whole Time Director of the Company, liable to retire by rotation.”

- 3. Re-Appointment of Statutory Auditor of the Company**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, after recommendation by the Audit Committee and approval by the board, CA Priyank Goyal, Partner of M/s N K S C & Co., Chartered Accountants. (Firm Registration No. (FRN)- 020076N), New Delhi, from whom certificate pursuant to section 139 of the Companies Act has been received, be and is hereby appointed as the Statutory auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting held in 2030 of the Company for the 5 Financial Years i.e. for the period from 01.04.2025 to 31.03.2030 at a remuneration as may be determined by the Board of Directors of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any director and Key Managerial Personal of the Company be and is hereby authorised, on behalf of the

Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies, Delhi and Haryana.”

SPECIAL BUSINESS

4. To appoint Mr. Rajat Goel (DIN-08228413) as a Non-Executive Independent Director of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 149, 150, 152, 161 of the Companies Act, 2013 read with Schedule IV to the Act and Rules 4 and 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 and regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, after recommendation by the Nomination and Remuneration Committee, Mr. Rajat Goel (DIN-08228413) who was appointed as an Additional Director in the category of Non-Executive Independent Director on the Board of Directors of the Company w.e.f. 01st day of August 2025 be and is hereby appointed as an Non-Executive Independent Director to hold office for a term up to five consecutive years w.e.f. 29th August, 2025 to 28th August, 2030.

RESOLVED FURTHER THAT the Board, after considering the profile, qualifications, experience, and expertise of Mr. Rajat Goel (DIN-08228413), is satisfied that the proposed appointee fulfils all the conditions specified in Section 149(6) of the Companies Act, 2013, for appointment as an Independent Director and is independent of the management of the Company which will be beneficial for the Company's business operations and governance.

RESOLVED FURTHER THAT any director & key managerial personal of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form as return of appointment with the Registrar of Companies, Delhi and Haryana.”

5. To approve the re-appointment and remuneration payable to Mr. Harish Kumar (DIN-09283531) as a Whole Time Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and Articles of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification or re-enactment(s) thereof for the time being in force) and regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, after recommendation by Nomination and Remuneration Committee and Board of Directors, the consent of the members be and is hereby accorded to the re-appointment of Mr. Harish Kumar (DIN- 09283531), as a Whole Time Director of the Company, for a period of three years with effect from September 01, 2025 to August 31, 2028.

RESOLVED FURTHER THAT after recommendation by Nomination and Remuneration Committee and Board of Directors, the consent of the members be and is hereby accorded for fixing the terms of remuneration payable to Mr. Harish Kumar (DIN- 09283531) as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration Committee, including the remuneration to be paid in the event of loss or

inadequacy of profits in any financial year such that the remuneration payable to him shall not exceed Rs. 30,00,000/- Per annum (Rupees Thirty Lakh Only) per year with effect from April 01, 2025 to March 31, 2028 for a period of 3 (three) years, on the terms and conditions, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Nomination and Remuneration Committee and Board of Directors in its meeting held on 01st day of August 2025 to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Directors and Mr. Harish Kumar (DIN- 09283531) such variation or increase in the aforesaid remuneration may be beyond the permissible limits as under the relevant provisions of Section 196, 197 of the Companies Act, 2013 pursuant to notification issued by Ministry of Corporate Affairs (MCA) dated 12 September 2018.

RESOLVED FURTHER THAT the Ministry of Corporate Affairs (MCA) through its notification dated 12th September 2018 under notified provisions of the Companies (Amendment) Act, 2017 (Amendment Act, 2017) and amended schedule V of Companies Act, 2013. Respectively to the same, the Central Government amends Schedule V of Companies Act, 2013 vide Notification dated 12th September, 2018 and amends Part I and Part II related to conditions to be fulfilled for the Appointments and Remuneration of a Managing or Whole-time director or a Manager without the approval of the Central Government but by subject to the approval of members in the general meeting via special resolution.

RESOLVED FURTHER THAT in the event, the Company has no profits or its profits are inadequate during the aforesaid tenure, the managerial remuneration aforesaid consisting of salary, perquisites, allowance, amenities and performance-based incentive shall be paid to Whole-time Director Rs. 30,00,000/- Per annum (Rupees Thirty Lakh Only) as the minimum remuneration as per applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT any director & key managerial personal of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. To approve the re-appointment and remuneration payable to Mrs. Deepika Garg (DIN-08730368) as a Whole Time Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and Articles of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification or re-enactment(s) thereof for the time being in force) and regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 after recommendation by Nomination and Remuneration Committee and Board of Directors, the consent of the members be and is hereby accorded to approve the appointment of Mrs. Deepika (DIN- 08730368), as a Whole Time Director of the Company, for a period of three years with effect from September 01, 2025 to August 31, 2028.

RESOLVED FURTHER THAT after recommendation by Nomination and Remuneration Committee and Board of Directors, the consent of the members be and is hereby accorded for fixing the terms of remuneration payable to Mrs. Deepika (DIN- 08730368) as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration Committee, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year such that the remuneration payable to her shall not exceed Rs. 30,00,000/- Per annum (Rupees Thirty Lakh Only) per year with effect from April 01, 2025 to March 31, 2028 for a period of 3 (three) years, on the terms and conditions, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Nomination and Remuneration Committee and Board of Directors in its meeting held on 01st day of August 2025 to alter and vary the terms and conditions of the said appointment in

such manner as may be agreed between the Directors and Mrs. Deepika (DIN- 08730368) such variation or increase in the aforesaid remuneration may be beyond the permissible limits as under the relevant provisions of Section 196, 197 of the Companies Act, 2013 pursuant to notification issued by Ministry of Corporate Affairs (MCA) dated 12 September 2018.

RESOLVED FURTHER THAT the Ministry of Corporate Affairs (MCA) through its notification dated 12th September 2018 under notified provisions of the Companies (Amendment) Act, 2017 (Amendment Act, 2017) and amended schedule V of Companies Act, 2013. Respectively to the same, the Central Government amends Schedule V of Companies Act, 2013 vide Notification dated 12th September, 2018 and amends Part I and Part II related to conditions to be fulfilled for the Appointments and Remuneration of a Managing or Whole-time director or a Manager without the approval of the Central Government but subject to the approval of members in the general meeting via special resolution.

RESOLVED FURTHER THAT in the event, the Company has no profits or its profits are inadequate during the aforesaid tenure, the managerial remuneration aforesaid consisting of salary, perquisites, allowance, amenities and performance-based incentive shall be paid to Whole-Time director Rs. 30,00,000/- Per annum (Rupees Thirty Lakh Only) as the minimum remuneration as per applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT any director & key managerial personal of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. To approve the payment of managerial remuneration in excess of limits prescribed u/s 197 of the companies act, 2013

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

"RESOLVED THAT in accordance with the provisions of Section 197 of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, after recommendation by Nomination and Remuneration Committee and Board of Directors, the consent of the members be and is hereby accorded to increase the overall limit of managerial remuneration payable beyond specified limits under Section 197 of Companies Act 2013 in respect of any financial year as per notification issued by Ministry of Corporate Affairs (MCA) dated 12 September 2018 under notified provisions of the Companies (Amendment) Act, 2017 (Amendment Act, 2017) and amended schedule V of Companies Act, 2013 thereby Part I and Part II related to conditions to be fulfilled for the Appointments and Remuneration of a Managing or Whole-time director or a Manager without the approval of the Central Government but subject to the approval of members in the general meeting via special resolution.

RESOLVED FURTHER THAT where in any Financial Year, the Company has no profits or profits are inadequate, the overall managerial remuneration paid to Directors shall not exceed Rs. 1,00,00,000/- Per Annum (Rupees One Crore Only).

RESOLVED FURTHER THAT any director & key managerial personal of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

8. Approval for increase in overall borrowing limits of the company as per section 180 (1) (c) of the companies act, 2013

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

“RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the consent of the members be and is hereby accorded (hereinafter referred to as the “Board” which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may 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, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 20 Crore (Rupees Twenty Crores Only).”

RESOLVED FURTHER THAT any director & key managerial personal be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things as they may deem necessary to give effect to the above resolution including but not limited to the appointment of any manager/consultant or any other intermediary in respect of the above offerings and/or to execute all such documents, instruments and writings as may be required.”

9. Approval for creation of mortgage or charge on the assets, properties or undertaking(s) of the company as per section 180(1)(a) of the companies act, 2013

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force and and regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in accordance with the Articles of Association of the Company, the consent of the members be and is hereby accorded (hereinafter referred to as the “Board” which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) be and is hereby accorded to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 20 Crores (Rupees Twenty Crores) at any point of time.

RESOLVED FURTHER THAT any director & key managerial personal be & are hereby severally authorized to take such steps and to do all such acts, deeds and things as may be necessary in this regard and digitally signing and filing the necessary forms and returns, and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution in the interest of the Company.”

10. Approval for threshold of loans/ guarantees, providing of securities and making of investments in securities under section 186 of the companies act, 2013

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

“RESOLVED THAT pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Meetings of

Board and its Powers) Rules, 2014, and such other rules as may be applicable, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force and rules made thereunder and regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 20 Crores (Rupees Twenty Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013;

RESOLVED FURTHER THAT any director & key managerial personal be & are hereby severally authorized to take such steps and to do all such acts, deeds and things as may be necessary in this regard and digitally signing and filing the necessary forms and returns, and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution in the interest of the Company.”

Registered Office:

611, 6th Floor, Jaina Tower II, Distt
Center, Janak Puri, New Delhi 110058

By Order of the Board

Avax Apparels And Ornaments Limited

SD/-

Shruti Jain

Company Secretary and Compliance Officer

M. No.: A52018

Place: Delhi

Date: 01/08/2025

NOTES:

1. In view of the various circulars issued by the Ministry of Corporate Affairs ("MCA Circulars") vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and January 13, 2021 & 28 December, 2022 and Circular No. 09/2023 dated September 25, 2023 and the Securities and Exchange Board of India ("SEBI Circulars") from time to time and in compliance with the provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 20th Annual General Meeting ("AGM") of the Members of the Company is being conducted through Video Conferencing or Other Audio Visual Means ("VC / OAVM"), which does not require physical presence of members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. Hence, the Members can attend and participate at the ensuing AGM through VC/OAVM, and physical attendance of Members is not required.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by Central Depository Services (India) Limited.
3. Pursuant to the provision of the Act, a Member entitled to attend and vote at a meeting is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company, Since the meeting is being held through VC/OAVM, pursuant to MCA Circulars and SEBI circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
4. The Company has appointed FCS Gaurav Gupta, Proprietor of M/s G Gupta & Associates, Peer Review Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
5. A body corporate intending to appoint their authorized representative(s) to attend the Meeting is requested to send a certified copy of the resolution of the Board of Directors or other governing body authorizing such representative(s) to attend and vote on their behalf at the Meeting. The said resolution shall be sent to the Scrutinizer by e-mail at csgauravguptaonline@gmail.com with a copy marked to secretarial@avaxapparels.com.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.avaxapparels.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of Central Depository Services (India) Limited (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com and on the website of Skyline Financial Services Private Limited, the Registrar and Transfer Agent (RTA) of the Company <https://www.skylinerta.com/>.
9. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the meeting is annexed hereto.
10. All documents referred to in the accompanying Notice and the Explanatory Statement have been uploaded on the website of the Company at www.avaxapparels.com. All Shareholders will be able to inspect all documents referred to in the Notice electronically without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to secretarial@avaxapparels.com.
11. The businesses set out in the Notice of this AGM will be transacted through an electronic voting system. Instructions and other information regarding e-voting are given herein below. The Company / Central Depository Services (India) Limited/RTA will also send communication relating to e-voting which inter alia will contain details about User ID and password along with a copy of this Notice to the Members of the Company, separately.
12. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
13. In terms of provisions of section 108 of the Act, as the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the AGM.
14. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
15. Pursuant to section 101 of the Act and the rules made thereunder, the Company is allowed to send communication to the Members electronically. We, thus, request you to kindly register/update your Email ID with your respective Depository Participant and the Company's RTA (in case of physical shares) and make this initiative a success.
16. Members are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in demat mode and with the RTA for physical shares.
17. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to CDSL / the Company.
18. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Reports, Notices, Circulars, etc. from the Company electronically. However, the Members are entitled to receive such communication in physical form, upon making a request for the same, by permitted mode free of cost.
19. Since the AGM will be held through VC/OAVM, the route map, proxy form, and attendance slip are not attached to this Notice.

20. Non-resident Indian members are requested to inform RTA/respective DPs, immediately of (a) Change in their Residential Status on return to India for the purpose of permanent settlement, along with PAN details, (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank along with PIN Code number, if not provided earlier.
21. The remote e-Voting will commence on Tuesday, 26th August 2025 (09:00 AM IST) and will end on Thursday, 28th August 2025 (05:00 PM IST) both days inclusive. The Members whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 22nd August 2025 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 22nd August 2025. During this period, members of the Company holding shares in physical or electronic form as on the Cut-Off Date may cast their vote electronically. The e-Voting will be blocked by CDSL immediately thereafter and will not be allowed beyond the said date and time.
22. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, 22nd August 2025, may obtain the login ID and password by sending a request at the helpdesk helpdesk.evoting@cdslindia.com.
23. Once the votes on the Resolution are casted by the Member, the Member shall not be allowed to change these subsequently.
24. The resolutions shall be deemed to be passed on the date of Annual General Meeting of the Company, subject to receipt of sufficient votes.
25. You can also update your mobile number and Email id in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting in future. The same may be used in case the Member forgets the password and the same needs to be reset.
26. A person who is not a member as on the Cut-off Date should treat this Notice for information purposes only.
27. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the Cut-off Date i.e. Friday, 22nd August 2025 only shall be entitled to avail the facility of remote e- voting or for participation at the AGM and e-voting thereat.
28. The Results declared along with Scrutinizer's Report(s) will be available on the website of the Company at <https://avaxapparels.com/> and on Service Provider's website at <https://www.evotingindia.com> not later than 2 working days from the conclusion of the AGM and shall also be communicated to the Stock Exchanges i.e. BSE Limited at www.bseindia.com.
- 29. THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Tuesday, 26th August 2025 (09:00 AM IST) and end on Thursday, 28th August 2025 (05:00 PM IST) both days inclusive. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 22nd August 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option.

	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> <p>4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider</p>

Depository Participants (DP)	name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant AVAX APPARELS AND ORNAMENTS LIMITED on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial@avaxapparels.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at info@avaxapparels.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at info@avaxapparels.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id.**
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

Registered Office :

611, 6th Floor, Jaina Tower II, Distt
Center, Janak Puri, New Delhi 110058

By Order of the Board

Avax Apparels And Ornaments Limited

SD/-

Shruti Jain

Company Secretary and Compliance Officer

M. No.: A52018

Place: Delhi

Date: 01.08.2025

**AVAX APPARELS AND ORNAMENTS LIMITED****Regd. Office:** 611, 6th Floor, Jaina Tower II, Distt Center, Janak Puri, New Delhi 110058,**CIN:** L14101DL2005PLC137127; **Website:** www.avaxapparels.com**E-mail:** Info@avaxapparels.com; **Mobile:** 9599497767**Disclosure under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-II issued by ICSI****ITEM NO. 2**

Information required to be furnished under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-II issued by ICSI to appoint Mrs. Deepika Garg (DIN: 08730368), who retires by rotation and being eligible, offers herself for re-appointment.

Particulars	Mrs. Deepika Garg
DIN	08730368
Date of Birth	10-08-1990
Age	34 years
Qualifications	Graduate
Experience (including expertise in specific functional area)/Brief Resume	Mrs. Deepika Garg has rich experience in the field of designing and manufacturing of Apparels.
Terms & Conditions	Liable to retire by rotation
Remuneration last drawn in FY 2024-25 (including sitting fees, if any)	7.37 Lacs
Remuneration proposed to be paid in FY 2025-26	Up to Rs 30,00,000/- Per annum including perquisite, Bonus etc.
Date of first appointment on the Board	28-05-2022
Shareholding in the Company as on 31.03.2025	88990
Relationship with other Directors/Key Managerial Personnel	N.A.
Number of meetings of the Board attended during the FY 2024-25	She has attended the 12 Board Meeting during the year
Directorships of other Boards and listed entities, in public NIL companies including deemed public companies	N.A.
Membership / Chairmanship of Committees of other Boards	N.A.

Registered Office :

611, 6th Floor, Jaina Tower II, Distt Center, Janak Puri, New Delhi 110058

By Order of the Board**Avax Apparels And Ornaments Limited****SD/-****Shruti Jain****Company Secretary and Compliance Officer****M. No.: A52018**

Place: Delhi

Date: 01.08.2025



AVAX APPARELS AND ORNAMENTS LIMITED

Regd. Office: 611, 6th Floor, Jaina Tower II, Distt Center,
Janak Puri, New Delhi 110058,

CIN: L14101DL2005PLC137127; **Website:** www.avaxapparels.com

E-mail: Info@avaxapparels.com; **Mobile:** 9599497767

EXPLANATORY STATEMENT **PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

Item No. 3: Re-Appointment of Statutory Auditor of the Company

The Board of Directors at its meeting held on April 25, 2025 had appointed CA Priyank Goyal Partner of M/s. NKSC & Co., Chartered Accountants (FRN.: 020076N), to hold office as the Statutory Auditor of the Company from April 25, 2025 till the conclusion of the upcoming 20th AGM as a consequence of M/s Arvind Manoj and Associates, Chartered Accountants (FRN-028167N) resigning from the office of the Statutory Auditor of the Company vide their resignation letter dated March 11, 2025 resulting into a casual vacancy in the office of Statutory Auditor of the Company.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on May 23rd, 2025 had pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with relevant rules framed thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time, including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, and in accordance with all the relevant circulars issued by Securities and Exchange Board of India in this regard, recommended the appointment of CA Priyank Goyal Partner of M/s. NKSC & Co., Chartered Accountants (FRN.: 020076N), as the Statutory Auditor of the Company to hold office for a period of five (5) years, from the conclusion of the 20th AGM, till the conclusion of the 25th AGM of the Company to be held in the year 2030, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

CA Priyank Goyal Partner of M/s. NKSC & Co., Chartered Accountants (FRN.: 020076N), has consented to the aforesaid appointment and confirmed that their appointment, if made, will be in compliance with the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in accordance with the Companies Act, 2013 and the rules made thereunder. Additionally, the Firm is a Peer Reviewed Firm of Chartered Accountants, and the Peer Review Certificate has already been issued by the ICAI and the same has been placed before the Board for their noting. In accordance with Section 139 of the Companies Act, 2013, the approval of the Members is required for the appointment of the Statutory Auditors and the determination of their remuneration via an ordinary resolution.

The Board of Directors seeks the Members' approval for the appointment of CA Priyank Goyal Partner of M/s. NKSC & Co., Chartered Accountants (FRN.: 020076N) as Statutory Auditors of the Company and for the fixing of their remuneration.

The proposed appointment will be effective from the conclusion of the ensuing 20th Annual General Meeting and will remain in force until the 25th AGM of the Company.

Additional information pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") is provided below:

Name of the Statutory Auditor	CA Priyank Goyal Partner of M/s. NKSC & Co., Chartered Accountants (FRN.: 020076N)
Proposed Fees payable to the Statutory	INR 01.50 Lakh per annum including taxes

Auditors	and others fee.
Terms of Appointment	they shall hold the office of the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting held in 2030 of the Company for the 5 Financial Years i.e. for the period from 01.04.2025 to 31.03.2030
Any material changes in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	There are no material changes. The proposed Fees payable is commensuration with the size of the Company and prevailing market practices in case of Listed entities.
Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed	CA Priyank Goyal is the Partner of M/s. NKSC & Co., Chartered Accountants (FRN.: 020076N) which is a well-established Chartered Accountancy firm. The firm is working in Delhi and Mumbai, with its operations adequately supported by qualified professionals and staff. It is an independent group of companies consisting of Business Advisors and Chartered Accountants, offering an array of services to support companies' accounting, tax and finance needs. The firm has been the statutory auditors of large listed companies to cross section of industries and carries a good professional track-record.

Accordingly, the Board recommends the resolution as set out in Item No. 3 of this Notice for approval of the members of the Company as an Ordinary Resolution. None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 4: To appoint Mr. Rajat Goel (DIN-08228413) as a Non-Executive Independent Director of the Company

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee appointed Mr. Rajat Goel (DIN-08228413), as an Additional Director in the category of Non-Executive Independent Director with effect from August 01, 2025 and pursuant to the provisions of Section 161(1) of the Act and Article 112 of the Articles of Association of the Company, he holds office of Additional Director up to the date of this Annual General Meeting ("AGM") of the Company, who shall not be liable to retire by rotation and will be appointed for five consecutive years in the ensuing 20th Annual General Meeting under section 149(10) of Companies Act, 2013.

Pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies, Mr. Rajat Goel (DIN-08228413), has confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any other authority. Further, he has also confirmed that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director in terms of Section 152 of the Act.

Mr. Rajat Goel (DIN-08228413) does not hold by himself or through his relatives any shares in the Company. Mr. Rajat Goel has given a declaration that he meets the criteria of Independence as provided under section 149(6) of the Companies Act, 2013 and not disqualified/debarred for being appointed as Director.

The Brief profile of Mr. Rajat Goel (DIN-08228413) is as under:

Particulars	Mr. Rajat Goel
Age	36 Years
Qualifications	B.B.A., PGDIB, FCS, LL.B
Experience (including expertise in specific functional area)/Brief Resume	<p>Mr. Rajat Goel, Designated partner of PROFBUS Solutions L.L.P. deals in services related to advisory of accounting, taxation, secretarial and law. He had done Bachelor of Business administration, Post graduate diploma in International Business (M.B.A.), Fellow Member of Institute of company secretaries of India (ICSI) and Bachelor of Law. He is having more than 10 -12 years of experience in various fields. He started his career in 2009 from Xansa Private limited in Noida as an executive in back end department. He has seen companies from bottom position to Top so having an experience to think from lower level to top level management.</p> <p>He was earlier associated with Renowned MNC in Gurugram and Delhi where he handled legal and secretarial department.</p> <p>He has distinguished exposure and experience in corporate legal, secretarial, due diligence, preparation of business plans, RERA registration, Trademark registrations, compliance management including taxation and accounts. In practice as Freelancer, currently looking after all compliances of new start-ups. He also holds certificate in forensic audit conducted by ICSI and Certificate of participation from ICSI RVO.</p> <p>Now he eagerly wants to contribute to top level management as an Independent director.</p>
Terms & Conditions	not be liable to retire by rotation
Remuneration last drawn (including sitting fees, if any)	Nil
Remuneration proposed to be paid	Sitting Fees and Commission as approved by the Board and as per the Nomination and Remuneration Policy of the Company
Date of first appointment on the Board	01/08/2025
Shareholding in the Company as on 01/08/2025	Nil
Relationship with other Directors/Key Managerial Personnel	No
Number of meetings of the Board attended during the year	NA
Directorships of other Boards as on 01/08/2025	1. Satyam Projects Ltd 2. SC Agrotech Limited 3. Profbus Solutions LLP
Committee Memberships and Chairmanships in the Company	Chairman of Nomination and Remuneration Committee, Member of Audit Committee and Stakeholders Relationship Committee
Membership / Chairmanship of Committees of other Boards as on 01/08/2025	NA

Accordingly, the Board recommends the resolution as set out in Item No. 4 of this Notice for approval of the members of the Company as a Special Resolution. Except Mr. Rajat Goel and his

relatives, none of the other Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution as set out at Item No. 4 of the Notice.

Item No. 5: To approve the re-appointment and remuneration payable to Mr. Harish Kumar (DIN-09283531) as a Whole Time Director of the Company

The shareholders at the Extra-Ordinary General Meeting (EGM) held on December 30, 2022, approved the appointment of Mr. Harish Kumar (DIN- 09283531), as a Whole-time Director of the Company for a period of three years with effect from December 30, 2022 to December 29, 2025.

On the basis of the recommendation of the Nomination & Remuneration Committee, the Board of Director in its meeting held on August 01, 2025 decided to (subject to the approval of the Members) to re-appoint Mr. Harish Kumar (DIN- 09283531), as a Whole Time Director of the Company for a further period of Three years with effect from September 01, 2025 to August 31, 2028.

Accordingly, approval of the Members of the Company is sought in terms of Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification and re-enactment(s) thereof, for time being force Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the appointment & fixing the remuneration of Whole Time Director. Further, the company has not made any default in repayment of any of its debts or interest payable thereon.

General Terms and Conditions of the Appointment:

Particulars	Mr. Harish Kumar
DIN	09283531
Date of Birth	10-05-1989
Age	36 years
Qualifications	Graduate
Experience (including expertise in specific functional area)/Brief Resume	Mr. Harish Kumar joined the Company in 2021 as an Executive Director on August 16, 2021 and assumed the role of Whole-Time Director of the Company effective December 30, 2022. Since joining Avax Apparels and Ornaments Limited, he has played a crucial role in leading the Company's sales and marketing initiatives. His innovative approach, deep understanding of customer needs, and ability to anticipate market trends have significantly contributed to the Company's expansion and sustained success. He holds a Bachelor's degree in Arts from Punjab University, Chandigarh, and brings over 12 years of diverse experience as a Business Manager. His professional journey spans strategic planning, sales, and marketing, with a strong focus on driving business growth and operational efficiency.
Terms & Conditions	Liable to retire by rotation
Remuneration last drawn in FY 2024-25 (including sitting fees, if any)	8.84 Lacs p.a.
Remuneration proposed to be paid	Upto Rs 30,00,000/- Per annum
Date of first appointment on the Board	16.08.2021
Shareholding in the Company as on 31.03.2025	218084

Relationship with other Directors/Key Managerial Personnel	N.A.
Number of meetings of the Board attended during the FY 2024-25	He has attended the 12 Board Meeting during the year
Directorships of other Boards	N.A.
Membership / Chairmanship of Committees of other Boards	N.A.

A statement as per Schedule V of the Companies Act 2013:-

I. General information:	
(1) Nature of industry	Trading activity in wearing apparel & silver ornaments and manufacturing of wearing apparel
(2) Date or expected date of commencement of commercial production	Trading activities already started from the date of incorporation & manufacturing started after adding the object clause in MOA on 08.05.2023
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
(4) Financial performance based on given indicators	Performance for the Year 2024-25 <ul style="list-style-type: none"> Gross Revenue: Rs 3,435.86 Lacs Profit After Tax: Rs 163.18 Lacs EPS: 19.77
(5) Foreign investments or collaborations, if any.	Not Applicable
II. Information about the appointee:	
(1) Background details	Mr. Harish Kumar holds a Bachelor's degree in Arts from Punjab University, Chandigarh and has 12 years of experience as a business manager.
(2) Past remuneration	8.84 Lacs p.a. in F.Y. 2024-25
(3) Recognition or awards	Not Applicable
(4) Job profile and his suitability	He is an expert in business administration, sales and marketing.
(5) Remuneration proposed	30 Lacs p.a. As mentioned in the resolution stated above
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility procured by him of the enhanced business activities of the Company proposed remuneration is commensurate with Industry Standards and Board level positions held in similar sized and similarly positioned businesses.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel [or other director], if any.	Not Applicable
III. Other information:	
(1) Reasons of loss or inadequate profits	Not Applicable
(2) Steps taken or proposed to be taken for improvement	Improving the scale of marketing & product quality
(3) Expected increase in productivity and profits in measurable terms	It will be 2 times of the previous year

Accordingly, the Board recommends the resolution as set out in Item No. 5 of this Notice for approval of the members of the Company as a Special Resolution. Except Mr. Harish Kumar and

his relatives, none of the other Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution as set out at Item No. 5 of the Notice.

Item No. 6: To approve the re-appointment and remuneration payable to Mrs. Deepika Garg (DIN-08730368) as a Whole Time Director of the Company

The shareholders at the Extra-Ordinary General Meeting (EGM) held on December 30, 2022, approved the appointment of Mrs. Deepika Garg (DIN-08730368) as a Whole-time Director of the Company for a period of three years with effect from December 30, 2022 to December 29, 2025.

On the basis of the recommendation of the Nomination & Remuneration Committee, the Board of Director in its meeting held on August 01, 2025 decided to (subject to the approval of the Members) to re-appoint Mrs. Deepika Garg (DIN-08730368), as a Whole Time Director of the Company for a further period of Three years with effect from September 01, 2025 to August 31, 2028.

Accordingly, approval of the Members of the Company is sought in terms of Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification and re-enactment(s) thereof, for time being in force Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the appointment & fixing the remuneration of Whole Time Director. Further, the company has not made any default in repayment of any of its debts or interest payable thereon.

General Terms and Conditions of the Appointment:

Particulars	Mrs. Deepika Garg
DIN	08730368
Date of Birth	10-08-1990
Age	34 years
Qualifications	Graduate
Experience (including expertise in specific functional area)/Brief Resume	<p>Mrs. Deepika Garg joined the Company in 2022 as an Executive Director on May 28, 2022 and assumed the role of Whole-Time Director of the Company effective December 30, 2022.</p> <p>She holds a Bachelor's degree in Technology from Lovely Professional University, Jalandhar, and brings over 13 years of professional experience as an IT Consultant. In addition to her technology background, she possesses extensive expertise in the field of apparel design and manufacturing.</p> <p>Her unique combination of IT proficiency and domain knowledge in textiles has enabled her to contribute meaningfully to process optimization, product development, and operational efficiency at Avax Apparels and Ornaments Limited. Mrs. Garg has played an instrumental role in integrating technology with apparel manufacturing, thereby enhancing production quality and streamlining workflows.</p>
Terms & Conditions	Liable to retire by rotation
Remuneration last drawn in FY 2024-25 (including sitting fees, if any)	7.37 Lacs
Remuneration proposed to be paid	Up to Rs 30,00,000/- Per annum including perquisite, Bonus etc.
Date of first appointment on the Board	28-05-2022
Shareholding in the Company as on	88990

31.03.2025	
Relationship with other Directors/Key Managerial Personnel	N.A.
Number of meetings of the Board attended during the FY 2024-25	She has attended the 12 Board Meeting during the year
Directorships of other Boards	N.A.
Membership / Chairmanship of Committees of other Boards	N.A.

A statement as per Schedule V of the Companies Act 2013:-

I. General information:	
(1) Nature of industry	Trading activity in wearing apparel & silver ornaments and manufacturing of wearing apparel
(2) Date or expected date of commencement of commercial production	Trading activities already started from the date of incorporation & manufacturing started after adding the object clause in MOA on 08.05.2023
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
(4) Financial performance based on given indicators	Performance for the Year 2024-25 <ul style="list-style-type: none"> Gross Revenue: Rs 3,435.86 Lacs Profit After Tax: Rs 163.18 Lacs EPS: 19.77
(5) Foreign investments or collaborations, if any.	Not Applicable
II. Information about the appointee:	
(1) Background details	Mrs. Deepika Garg holds a Bachelor's degree in Technology from Lovely Professional University, Jalandhar and has 13 years of experience as a IT consultant and she has rich experience in the field of designing and manufacturing of Apparels.
(2) Past remuneration	7.37 Lacs p.a. in F.Y. 2024-25
(3) Recognition or awards	Not Applicable
(4) Job profile and his suitability	She is an expert in the field of designing and manufacturing of Apparels.
(5) Remuneration proposed	30 Lacs p.a. As mentioned in the resolution stated above
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility procured by him of the enhanced business activities of the Company proposed remuneration is commensurate with Industry Standards and Board level positions held in similar sized and similarly positioned businesses.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel [or other director], if any.	Not Applicable
III. Other information:	
(1) Reasons of loss or inadequate profits	Not Applicable
(2) Steps taken or proposed to be taken for improvement	Improving the scale of designing & product quality
(3) Expected increase in productivity and	It will be 2 times of the previous year

profits in measurable terms	
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Accordingly, the Board recommends the resolution as set out in Item No. 6 of this Notice for approval of the members of the Company as a Special Resolution. Except Mrs. Deepika Garg and his relatives, none of the other Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution as set out at Item No. 6 of the Notice.

Item No. 7: To approve the payment of managerial remuneration in excess of limits prescribed u/s 197 of the companies act, 2013

Pursuant to the provisions of Section 197 of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017, read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company, upon recommendation of the Nomination and Remuneration Committee, has approved an increase in the overall limit of managerial remuneration payable in excess of the limits specified under Section 197 for any financial year in meeting held on August 01, 2025.

This approval is in accordance with the notification issued by the Ministry of Corporate Affairs (MCA) dated 12th September 2018, which brought into force the relevant provisions of the Companies (Amendment) Act, 2017, along with the amended Schedule V of the Companies Act, 2013 which allow the appointment and remuneration of a Managing Director, Whole-Time Director, or Manager without requiring the prior approval of the Central Government. Further, the company has not made any default in repayment of any of its debts or interest payable thereon.

A statement as per Schedule V of the Companies Act 2013:-

I. General information:	
(1) Nature of industry	Trading activity in wearing apparel & silver ornaments and manufacturing of wearing apparel
(2) Date or expected date of commencement of commercial production	Trading activities already started from the date of incorporation & manufacturing started after adding the object clause in MOA on 08.05.2023
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
(4) Financial performance based on given indicators	Performance for the Year 2024-25 <ul style="list-style-type: none"> Gross Revenue: Rs 3,435.86 Lacs Profit After Tax: Rs 163.18 Lacs EPS: 19.77
(5) Foreign investments or collaborations, if any.	Not Applicable
II. Information about the appointee:	
(1) Background details	All KMP are well qualified to handle all financial, technical & marketing matter
(2) Past remuneration	Not Applicable
(3) Recognition or awards	Not Applicable
(4) Job profile and his suitability	Managing Director/Whole time Director
(5) Remuneration proposed	Rs. 100 Lacs p.a. As mentioned in the resolution stated above
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be	Considering the responsibility procured by them of the enhanced business activities of the Company proposed remuneration is commensurate with Industry Standards and

with respect to the country of his origin)	Board level positions held in similar sized and similarly positioned businesses.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel [or other director], if any.	Already director & member of the company
III. Other information:	
(1) Reasons of loss or inadequate profits	Not Applicable
(2) Steps taken or proposed to be taken for improvement	Improving the scale of marketing, designing & product quality
(3) Expected increase in productivity and profits in measurable terms	It will be 2 times of the previous year

Accordingly, the Board recommends the resolution as set out in Item No. 7 of this Notice for approval of the members of the Company as a Special Resolution for payment of such managerial remuneration beyond the prescribed limits, while continuing to comply with the eligibility conditions laid down in the amended Schedule V. Managing Director, Whole Time Director and their relatives, none of the other Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution as set out at Item No. 7 of the Notice.

Item No. 8: Approval for increase in overall borrowing limits of the company as per section 180 (1) (c) of the companies act, 2013

The Company is making efforts to make the Company's position in terms of profit and overall growth strong by taking various steps, and therefore, in order to meet the fund requirement of the Company for long term, the Company may require to borrow from time to time and the existing approved limit may likely to be insufficient in near future and it is therefore, recommended to enhance the borrowing limits of the Company up to Rs. 20 Crores (Rupees Twenty Crores Only).

As per Section 180(1)(c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid-up capital of the company and its free reserve requires approval from the shareholders of the Company.

The Members had previously approved a limit of Rs. 5 Crores (Rupees Five Crores) through a resolution passed on December 30, 2022. It is now proposed to seek fresh approval from the Members, by way of an enabling resolution, to enhance the limit to Rs. 20 Crores (Rupees Twenty Crores Only) over and above the aggregate of the free reserves and securities premium account of the Company at any given point in time, for taking loans.

Accordingly, the Board recommends the resolution as set out in Item No. 8 of this Notice for approval of the members of the Company as a Special Resolution. None of the Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution as set out at Item No. 8 of the Notice.

Item No. 9: Approval for creation of mortgage or charge on the assets, properties or undertaking(s) of the company as per section 180(1)(a) of the companies act, 2013

In accordance with the provisions of Section 180(1)(a) of the Companies Act, 2013, the following powers can be exercised by the Board of Directors with the consent of the company by a Special Resolution:

- To pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company.

The Board is of the view that the in order to further expand the business activities of the Company and for meeting the expenses for capital expenditure, the Company may be further

required to borrow money, either secured or unsecured, from the banks/financial institutions/other body corporate, from time to time, and to pledge, mortgage, hypothecate and/or charge any or all of the movable and immovable properties of the Company and/or whole or part of the undertaking of the Company.

The Board of Directors of the Company proposes to increase the limits to secure such borrowings by pledging, mortgaging, hypothecating the movable or immovable properties of the Company amounting up to Rs. 20 Crores (Rupees Twenty Crores Only) under Sections 180(1)(a) of the Companies Act, 2013, to enable the Board of Directors to create charge on the assets over the Company under the Companies Act, 2013.

Accordingly, the Board recommends the resolution as set out in Item No. 9 of this Notice for approval of the members of the Company as a Special Resolution. None of the Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution as set out at Item No. 9 of the Notice.

Item No. 10: Approval for threshold of loans/ guarantees, providing of securities and making of investments in securities under section 186 of the companies act, 2013

Pursuant to the provisions of Section 186(2) of the Companies Act, 2013 ('Act'), the Company shall not directly or indirectly: - (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is higher. Pursuant to the provisions of Section 186(3) of the 'Act', where the giving of any loan or guarantee or providing any security or the acquisition of securities exceeds the limits specified in Section 186(2) of the "Act", prior approval by means of a Special Resolution passed at a General Meeting is necessary.

In terms of Rule No. 11(1) of the Companies (Meeting of Board and its Powers) Rules ('Rules'), where a loan or guarantee is given or security has been provided by a company to its wholly owned subsidiary or a joint venture, or acquisition is made by a holding company, by way of subscription of securities of its wholly owned subsidiary, the requirement of Section 186(3) of the 'Act' shall not apply, however it will be included for the purpose of overall limit. In the normal course of business, the Company may be required to give loans or guarantees or make investments in excess of the limits specified in Section 186(2) of the 'Act'.

It is now proposed to seek approval from the Members, by way of an enabling resolution, to approve the limit of Rs. 20 Crores (Rupees Twenty Crores) over and above the aggregate of the free reserves and securities premium account of the Company at any given point in time, for providing loans, giving guarantees, and making investments.

Accordingly, the Board recommends the resolution as set out in Item No. 10 of this Notice for approval of the members of the Company as a Special Resolution. None of the Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution as set out at Item No. 10 of the Notice.

Registered Office :

611, 6th Floor, Jaina Tower II, Distt
Center, Janak Puri, New Delhi 110058

By Order of the Board

Avax Apparels And Ornaments Limited

SD/-

Shruti Jain

Company Secretary and Compliance Officer

M. No.: A52018

Place : Delhi

Date : 01.08.2025



AVAX APPARELS AND ORNAMENTS LIMITED

Regd. Office: 611, 6th Floor, Jaina Tower II, Distt Center,
Janak Puri, New Delhi 110058,

CIN: L14101DL2005PLC137127; **Website:** www.avaxapparels.com

E-mail: Info@avaxapparels.com; **Mobile:** 9599497767

DIRECTORS' REPORT

The Members of M/S Avax Apparels And Ornaments Limited

Your Directors have pleasure in presenting the 20th Annual Report of the Company together with the Audited Financial Statements of the Company for the year ended March 31, 2025.

COMPANY'S AFFAIRS & FINANCIAL RESULTS

The Company is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all type of goods on retail as well as on wholesale basis in India or elsewhere along with manufacturing, producing, processing, importing, exporting, buying, selling, distributing, and dealing in all kinds of textiles, including knitted cloth textiles, and readymade garments of all kinds, as well as other similar items that complement clothing and apparel products.

There is no change in the nature of business of the Company during the year under review.

The financial highlights for the Year under review are as under:

PARTICULARS	(Amount in Lacs)	
	Year ended 31.03.2025	Year ended 31.03.2024
Sales and Other Income	3,445.64	2205.98
Profit/(Loss) before Interest and Depreciation	276.09	210.07
Less: Depreciation	32.35	9.35
Less: Interest	15.38	6.64
Profit/(Loss) before Tax	228.37	194.08
Less: Provision for Income Tax	70.51	56.18
Add/(Less): Deferred Tax Assets/ (Liability)	(2.63)	(0.28)
Net Profit/ (Loss) after tax for the Year	160.49	138.19
Earning Per Share (EPS)	15.44	18.06

OPERATIONAL REVIEW

During the year under review, the Company has recorded a Net profit after tax of Rs. 160.49 Lacs the year ended 31st March 2025 as compared to the Net Profit after tax of Rs. 138.19 Lacs the year ended 31st March 2024.

TRANSFER TO RESERVE

In order to conserve the resources of the company with response to future requirement of funds, your Directors, in their wisdom, find it prudent to transfer Rs. 160.49 Lacs to Reserves of the Company, out of profit earned by the Company during the current financial year ended on 31st March, 2025.

CAPITAL STRUCTURE

At present, the Company has only one class of Equity Shares. The authorized share capital of the company is Rs. (in Lacs) 200.00 divided into 20,00,000 equity shares of Rs. 10/- each. During the year, there is a change in the paid-up capital structure of the company. The paid-up share capital of the company is Rs. (in lacs) 103.92 divided into 1039158 equity shares of Rs. 10/- each.

During the Financial year, the Company has increased issued, subscribed and paid-up capital through the Initial Public Offer (IPO) as per table below

S. No	Date of Allotment	No. of equity Shares allotted	Issue Price
1	10/01/2025	274000	70.00

After the IPO allotment, the Company was listed on the SME platform of BSE Limited on 14th January, 2025 and CIN of the Company has been changed from U14101DL2005PLC137127 to L14101DL2005PLC137127.

DIVIDEND

To consider the growth plan of the company, your director has decided not to recommend any dividend for this year. Therefore, no amount due for transfer to IEPF. In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the requirement to formulate a Dividend Distribution Policy applies to the top 1,000 listed entities based on market capitalization. As our Company falls does not fall within this threshold, the formulation and disclosure of a Dividend Distribution Policy is not applicable to us.

CLASS OF SHARES

As on date, the Company has only one class of share capital i.e. Equity Shares of Rs. 10/-each.

WEB LINK OF ANNUAL RETURN, IF ANY.

The company has posted all Annual Return & other information on its website i.e. www.avaxapparels.com.

DEMATERIALISATION OF EQUITY SHARES

The Company's all equity shares had been converted in Dematerialization form in the both depositories that is National Security Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The International Security Identification Number (ISIN) allotted by NSDL and CDSL to the Company is INEONQ401016.

NUMBER OF THE BOARD MEETINGS

The Company has conducted 12 Board meetings during the financial year under review as on: 20.05.2024, 28.06.2024, 12.07.2024, 15.07.2024, 09.08.2024, 13.09.2024, 16.10.2024, 28.10.2024, 14.11.2024, 02.12.2024, 10.01.2025 and 28.03.2025 in respect of the meeting proper notice were given and the proceeding were properly recorded.

Name of the Director	Attendance at Board Meetings during 2024-2025
Harinderpal Singh Sodhi	12
Harish Kumar	12
Deepika	12
Gurvinder Singh Vohra	12
Amitabh Agrawal	08
Pradeep Srivastava	08

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the financial year ended 31st March 2025, the applicable accounting standards had been followed along with proper explanation and no material departure have been made from the same.
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detective fraud and other irregularities;
- (iv) the Director's had prepared the annual accounts on a 'going concern' basis.
- (v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITOR IN HIS REPORT.

The Auditors' Reports does not contain any qualification, reservation or adverse remarks. The notes on financial Statement referred to in the Auditors' Report are self-explanatory and do not require any further comments. No frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.

STATUTORY AUDITORS

During the year CA Priyank Goyal Partner of M/s. NKSC & Co., Chartered Accountants (FRN.: 020076N) had been appointed as the Statutory Auditors of the Company with effect from April 25, 2025 to fill the casual vacancy caused due to the resignation of existing Statutory Auditors – M/s Arvind Manoj and Associates, Chartered Accountants (FRN.: 028167N) pursuant to the applicable provisions of Section 139 of the Companies Act, 2013 and regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 01.04.2024 to 31.03.2025 and will be continued as Statutory Auditors of the Company up to the 20th Annual General Meeting of the Company.

In the upcoming 20th Annual General Meeting of the Company, CA Priyank Goyal Partner of M/s. NKSC & Co., Chartered Accountants (FRN.: 020076N) will be appointed as the Statutory Auditors of the Company for 5 Financial Year i.e. from 01.04.2025 to 31.03.2030 up to the 25th Annual General Meeting of the Company.

During the Financial Year 2024-25, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3)(ca) of the Companies Act, 2013. Auditors' report is self-explanatory and therefore does not require further comments and explanation.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your directors appointed M/s. G Gupta and Associates, Peer Review Company Secretaries as on 28th March, 2025 to undertake the Secretarial Audit for the financial year 2024-25.

The Secretarial Audit Report for the Financial Year ended 31 March, 2025 is annexed herewith in Form MR-3 is attached here with as Annexure - A part of this Board Report. The Secretarial Audit Report does not contain any observation and qualification, reservation or adverse remark.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.-

The Company has well established systems for internal financial controls as the Company had appointed M/s VGCA And Associates (Chartered Accountants) FRN-014283N as an Internal Auditor on 28th day of June 2024 for conducting an internal

audit of the account for the financial year 2024-25 as per the provision applicable on the company.

The role of internal auditors includes but is not limited to review of internal systems, standard operating procedures, adherence to statutory laws & other operational norms, as set by the management, monitoring of implementation of corrective actions required, reviewing of various policies and ensure its proper implementation, etc. The Internal Auditor directly reports to the Audit Committee.

DECLARATION OF INDEPENDENT DIRECTORS

As per the provisions of Section 149 pertaining to the appointment of Independent Directors, a declaration has been received from Independent Directors made U/s 149(6) of the Companies Act, 2013 and The Board of Directors of your Company state that all the Independent Directors meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In opinion of the Board, Mr. Gurvinder Singh Vohra (DIN 09783549), Mr. Amitabh Agrawal (DIN 00124966) & Mr. Pradeep Srivastava (DIN 08706824) independent directors as appointed, all are eligible with regard to their integrity, expertise and experience (including the proficiency).

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

Pursuant to Section 134(3) read with 178 of the Companies Act, 2013, the Nomination and Remuneration policy of the Company which lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and Policies of the Company relating to remuneration to Directors, KMP and other employees is available on the Company's website at <http://www.avaxapparels.com>.

The Company has constituted a committee of the Board of Directors to be called as "*Nomination and Remuneration Committee*" pursuant to the provisions of Section 178 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, modifications or re-enactment thereof, for the time being in force).

During the year under preview, the Company has conducted 1 Nomination and Remuneration Committee meetings during the financial year under review as on 28.06.2024:

Name of the Director	Status in the Committee	Nature of Directorship	Attendance at the Meetings
Amitabh Agrawal	Chairperson	Non-Executive Independent Director	1
Pradeep Srivastava	Member	Non-Executive Independent Director	1
Gurvinder Singh Vohra	Member	Non-Executive Independent Director	1

EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE STATUTORY AUDITOR IN HIS REPORT

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE SECRETARIAL AUDITOR IN HIS REPORT

The observations of the Secretarial Auditors, when read together with the relevant rules are self-explanatory and do not call for any further comment.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013-

Particulars of loans, guarantees or investments made under section 186 of the Companies act, 2013, if any, are given under notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES-

During the year under review, there was no materially significant related party transaction undertaken by the Company under Section 188 of the Companies Act, 2013 read with rules framed there under and Regulation 23 of SEBI (LODR) Regulations, 2015 that may have potential conflict with the interest of the Company. The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto shall be disclosed in Form No. AOC -2 is attached herewith as Annexure B.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO-

The particulars relating to conservation of energy and technology absorption are not applicable to the Company.

FORMAL ANNUAL EVALUATION

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 and the relevant rules made thereunder, the Board of Directors has carried out an annual evaluation of its own performance, the performance of its Committees, and of individual Directors. The evaluation was conducted based on a structured questionnaire covering various aspects of the Board's functioning such as composition, effectiveness, performance of specific duties, strategic decision-making, and contribution of each director. The performance of the Committees was evaluated by considering the adequacy of their composition, frequency of meetings, and effectiveness in discharging their responsibilities. Individual Directors were assessed on parameters such as attendance, active participation, understanding of the company's operations, and contributions during Board and Committee meetings. The evaluation process was facilitated by the Nomination and Remuneration Committee and aimed at improving the overall effectiveness of the Board and its governance practices.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE-

No such order has been passed by any Regulators or Courts or Tribunals.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY-

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, project execution, event, financial, human, environment and statutory compliance.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES-

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

CODE OF CONDUCT

Pursuant to the provisions of Regulations 8 & 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors has formulated, implemented and has in place a comprehensive “Code of Fair Disclosure of Unpublished Price Sensitive Information” & “Code of Conduct for Prevention of the Insider Trading” for regulating, monitoring and reporting the trading by Designated persons of the Company which exemplifies the spirit of good ethics and governance and is applicable to the Designated personnel of the Company which includes Promoters, Promoter Group, Key Managerial Personnel’s, Directors, Senior Management and such other employees of the Company and others in fiduciary relationships and as may be approved by the Board of Directors, from time to time, based on the fact of having access to unpublished price sensitive information.

EXTRACT OF THE ANNUAL RETURN

The information required pursuant to the provisions of Section 134 (3) (a) and Section 92 (3) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 the extract of the Annual Return in Form MGT-9 was required to form part of this report. However, Rule 12(1) of the Rules continued with the requirement of attaching the extract of the annual return in Form No. MGT 9 to the Board’s Report with a new proviso which was inserted by the MCA Notification vide the Companies (Management and Administration) Amendment Rules, 2020 dated August 28, 2020. The new proviso in Rule 12(1) read as follows:

“A company shall not be required to attach the extract of the annual return with the Board’s report in Form No. MGT 9, in case the web link of such annual return has been disclosed in the Board’s report in accordance with sub-section (3) of Section 92 of the Companies Act, 2013”.

So, the company have not attached MGT-9 to the report.

SUBSIDIARY, ASSOCIATES COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The particulars of every Subsidiary, Joint Ventures and Associate Company shall be disclosed in Form No. AOC -1 is attached herewith as Annexure C.

FIXED DEPOSIT

Your company has not accepted any deposit under section 73 and 76 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 and there is no outstanding deposit due for re-payment.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there is no change in the Composition of Board of directors. The Board consists of executive and non-executive directors including independent directors who have wide experience in different disciplines of corporate functioning.

RETIREMENT BY ROTATION

Independent directors hold office for a fixed term not exceeding five years from the date of their appointment and are not liable to retire by rotation.

The Act mandates that at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation.

Accordingly, Mrs. Deepika Garg (DIN: 08730368), Whole-Time Director, being the longest in the office among the directors liable to retire by rotation, retire from the Board this year and, being eligible, have offered himself for re-appointment.

Brief details of Mrs. Deepika Garg (DIN: 08730368) are given in the notice of annual general meeting.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/ unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are applicable to the Company therefore a committee of the Board of Directors had been constituted to be called as “*Audit Committee*” with the following members and The Company has established a vigil mechanism which incorporates a whistle blower policy in terms of the Companies Act, 2013 and the Listing Regulations for Directors and employees to report their genuine concerns.

The Company has conducted 7 Audit committee meetings during the financial year under review as on 20.05.2024, 28.06.2024, 15.07.2024, 16.10.2024, 28.10.2024, 10.01.2025 and 28/03/2025:

Name of the Director	Status in the Committee	Nature of Directorship	Attendance at the Meetings
Amitabh Agrawal	Chairperson	Non-Executive Independent Director	7
Gurvinder Singh Vohra	Member	Non-Executive Independent Director	7
Harish Kumar	Member	Director	7

STAKEHOLDERS RELATIONSHIP COMMITTEE

The provisions of Section 178 (5) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, modifications or re-enactment thereof, for the time being in force) (the “Companies Act, 2013”) and the rules made there under and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI LODR Regulations”), a committee of the Board of Directors has be constituted to be called as “*Stakeholder’s Relationship Committee*” with the following members to address and handle all grievances of Shareholders/Investors. address all grievances of Shareholders/Investors.

The Company has conducted 1 Stakeholder’s Relationship Committee meetings during the financial year under review as on 28.10.2024:

Name of the Director	Status in the Committee	Nature of Directorship	Attendance at the Meetings
Pradeep Srivastava	Chairperson	Non-Executive Independent Director	1
Gurvinder Singh Vohra	Member	Non-Executive Independent Director	1
Deepika	Member	Director	1

SHARES

- The Company has not bought back any of its securities during the year under review
- The Company has not issued any Sweat Equity Shares during the year under review.

- c) The company has not issued any bonus equity shares during the year under review.

EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees

MANAGERIAL REMUNERATION

The company had taken approval of the members of the Company to increase the overall limit of managerial remuneration payable beyond specified limits under Section 197 of Companies Act 2013 in respect of any financial year as per notification issued by Ministry of Corporate Affairs (MCA) dated 12 September 2018 under notified provisions of the Companies (Amendment) Act, 2017 (Amendment Act, 2017) and amended schedule V of Companies Act, 2013 thereby Part I and Part II related to conditions to be fulfilled for the Appointments and Remuneration of a Managing or Whole-time director or a Manager without the approval of the Central Government but by the approval of members in the general meeting in accordance with the provisions of Section 197 of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Details as required under the provisions of section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, inter alia, ratio of remuneration of directors and KMP to median remuneration of employees and percentage increase in the median remuneration is provided as Annexure-D.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In terms of Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a review of the performance of the Company for the year under review Management Discussion and Analysis Report is presented in a separate section which is annexed to this Report as Annexure-E.

CORPORATE GOVERNANCE REPORT

The company has committed to upholding high standards of corporate governance by ensuring transparency, integrity, and accountability in all business practices. The Company adheres to all the applicable provisions of the Companies Act, 2013, the rules framed thereunder, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable to SME-listed entities.

The Company is listed on BSE SME Platform, hence, filing of Corporate Governance report for the year ended March 31, 2025 is not applicable to Company.

GENERAL DISCLOSURE

Your Directors state that there being no transactions with respect to following items during the year under review, no disclosure or reporting is required in respect of the same:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- The Chairman & Managing Director of the Company has not received any remuneration or commission from any of the subsidiary of your Company;
- No application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016;
- No settlements have been done with banks or financial institutions.
- Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company and accordingly such accounts and records are not made and maintained
- There were one Extra-Ordinary General Meeting held during the financial year.

HUMAN RESOURCES

The relations with the employees and associates continued to remain cordial throughout the year. The Directors of your Company wish to place on record their appreciation for the excellent team spirit and dedication displayed by the employees of the Company.

GREEN INITIATIVES

In compliance with Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website www.avaxapparels.com.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION PROHIBITION & REDRESSAL) ACT, 2013

The Company has Zero Tolerance towards sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention Prohibition & Redressal) Act, 2013 and rules thereunder. During the Financial year 2024-25, there was no case filed under the said act and/or policy adopted by the company.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively) issued by the Institute of Company Secretaries of India and approved by the Central Government.

ACKNOWLEDGEMENTS:

Your Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's performance. Your Directors would also like to thank the employee unions, shareholders, customers, dealers, suppliers, bankers, Government and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

For and on behalf of the Board of Directors
Avax Apparels And Ornaments Limited

Harinderpal Singh Sodhi
Managing Director
DIN 09283654

Harish Kumar
Whole Time Director
DIN 09283531

Date: 01.08.2025

Place: Delhi



FORM MR - 3

Secretarial Audit Report for the Financial Year ended 31st March, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

AVAX APPARELS AND ORNAMENTS LIMITED

611 6th Floor Jaina Tower II Distt Centre,
Janak Puri, West Delhi, Delhi, India, 110058

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s AVAX APPARELS AND ORNAMENTS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, thereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **NOT APPLICABLE**;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NOT APPLICABLE**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **NOT APPLICABLE**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **NOT APPLICABLE**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **NOT APPLICABLE**
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;
- (vi) The Company has identified laws specifically to the Company and we have relied upon the representation made by the company and its officer for the system and mechanism framed by the Company for compliances made under.
1. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 2. The Child Labour (Prohibition & Regulation) Act, 1986
 3. The Bonded Labour System (Abolition) Act of 1976

I have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India; and

I further report that:

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The company has listed on the Bombay Stock Exchange on 14th January 2025 therefore the listing compliances were applicable w.e.f. 14th January 2025.

For G Gupta & Associates

Sd/-

Date – 01.08.2025
Place – New Delhi
UDIN – F010940G000912302

Gaurav Gupta
Practicing Company Secretary
FCS 10940, CP 15523
Peer Review No 2010/2022

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.



Annexure- A

To
The Members,
AVAX APPARELS AND ORNAMENTS LIMITED
611 6th Floor Jaina Tower II Distt Centre,
Janak Puri, West Delhi, Delhi, India, 110058

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS-1 to CSAS-4 ("CSAS") prescribed by the ICSI. These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliance may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For G Gupta & Associates

Sd/-

Gaurav Gupta

Practicing Company Secretary

FCS No.10940, COP No.15523

Peer Review No. 2010/2022

Date – 01.08.2025

Place – New Delhi

UDIN – F010940G000912302

**AVAX APPARELS AND ORNAMENTS LIMITED****Regd. Office:** 611, 6th Floor, Jaina Tower II, Distt Center,

Janak Puri, New Delhi 110058,

CIN: L14101DL2005PLC137127; **Website:** www.avaxapparels.com**E-mail:** Info@avaxapparels.com; **Mobile:** 9599497767**Annexure-B****FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto
(Amount in Lacs)

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	NIL
Nature of contracts/ arrangements/ transactions	NIL
Duration of the contracts / arrangements / transactions	NIL
Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
Justification for entering into such contracts or arrangements or transactions	NIL
Date(s) of approval by the Board, if any	NIL
Amount paid as advances, if any	NIL
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Mr. Deepak Kumar (spouse of Ms. Deepika Garg)	Ms. Harvinder Kaur (spouse of Mr. Harinderpal Singh Sodhi)
Nature of contracts/ arrangements/ transactions	Salary/07.20 p.a.	Salary/07.80 p.a.
Duration of the contracts / arrangements / transactions	01.04.2024 to 31.03.2025	01.04.2024 to 31.03.2025
Salient terms of the contracts or arrangements or transactions including the value, if any	-	-
Date(s) of approval by the Board, if any	20.05.2024	20.05.2024

For and on behalf of the Board of Directors
Avax Apparels And Ornaments Limited

Harinderpal Singh Sodhi
Managing Director
DIN 09283654

Harish Kumar
Whole Time Director
DIN 09283531

Date: 01.08.2025**Place:** Delhi

**AVAX APPARELS AND ORNAMENTS LIMITED**

Regd. Office: 611, 6th Floor, Jaina Tower II, Distt Center,
Janak Puri, New Delhi 110058,

CIN: L14101DL2005PLC137127; **Website:** www.avaxapparels.com

E-mail: Info@avaxapparels.com; **Mobile:** 9599497767

Annexure-C**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of
subsidiaries/associate companies/joint ventures**

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts Rs. {in Lacs})

S. No.	Particulars	Details
1.	Name of the subsidiary	N.A.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part “B”: Associates and Joint Ventures

S. No.	Name of Associates or Joint Ventures	Details
1.	Latest audited Balance Sheet Date	N.A.
2.	Date on which the Associate or Joint Venture was associated or acquired	
3.	Shares of Associate or Joint Ventures held by the company on the year end	
	(a) No. Of Shares held	
	(b) Amount of Investment in Associate/Joint Venture	
	(c) Extent of holding %	
4.	Description of how there is significant influence	
5.	Reason why the associate/joint venture is not consolidated	
6.	Networth attributable to shareholding as per latest audited Balance Sheet	
7.	Profit or Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board of Directors
Avax Apparels And Ornaments Limited

Harinderpal Singh Sodhi
Managing Director
DIN 09283654

Harish Kumar
Whole Time Director
DIN 09283531

Date: 01.08.2025
Place: Delhi

**AVAX APPARELS AND ORNAMENTS LIMITED**

Regd. Office: 611, 6th Floor, Jaina Tower II, Distt Center,
Janak Puri, New Delhi 110058,
CIN: L14101DL2005PLC137127; **Website:** www.avaxapparels.com
E-mail: Info@avaxapparels.com; **Mobile:** 9599497767

Annexure-D

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1.

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2024-25:

Name of the Directors	Designation	Ratio to Median Remuneration
Mr. Harinderpal Singh Sodhi	Executive / Managing Director	1.70:1
Mr. Harish Kumar	Executive / Whole Time Director	1.70:1
Mrs. Deepika	Executive/Whole Time Director	1.42:1
Mr. Gurvinder Singh Vohra	Non – Executive/Independent Directors	0.00
Mr. Amitabh Agrawal	Non – Executive/Independent Directors	0.00
Mr. Pradeep Srivastava	Non – Executive/ Independent Directors	0.00

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2024-25:

Name of the Directors/KMP	Designation	Percentage increase in remuneration
Mr. Harinderpal Singh Sodhi	Executive / Managing Director	63.70
Mr. Harish Kumar	Executive / Whole Time Director	63.70
Mrs. Deepika	Executive/Whole Time Director	63.78
Mr. Gurvinder Singh Vohra	Non – Executive/Independent Directors	0.00
Mr. Amitabh Agrawal	Non – Executive/Independent Directors	0.00
Mr. Pradeep Srivastava	Non – Executive/ Independent Directors	0.00
Mr. Rajesh Singla	Chief Financial Officer	8.33
Mrs. Shruti Jain	Company Secretary	8.33

(iii) The percentage increase in the median remuneration of employees in the financial year-Nil (Due to Change in employee Numbers)

(iv) The number of permanent employees on the rolls of company- 8 (including Executive Directors)

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 2024-25- 15.97%

(vi) It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

2. The names of the top ten employees in terms of remuneration drawn and other as applicable

Name	Designation	Remuneration Received	Nature Of Employment	Qualifications And Experience	Date Of Commencement Of Employment	Age Of Such Employee	Last Employment	Percentage Of Equity Shares	Relative Of Any Director Or Manager
Deepak Kumar	Administrative Assistant	6,76,000	Non-Contractual	Post-Graduate	01-04-2023	38		Nil	Spouse of Ms. Deepika, Whole Time Director of the Company
Harinder Kaur	Marketing Assistant	7,45,000	Non-Contractual	Post-Graduate	01-04-2023	35	NA	Nil	spouse of Mr. Harinderpal Singh Sodhi, Managing Director of the Company
Rajesh Singla	Chief Financial Officer	5,20,000	Non-Contractual	Post-Graduate	07-11-2022	38	Simplex Finvest Private Limited	Nil	NA
Shruti Jain	Company Secretary	5,20,000	Non-Contractual	Company Secretary	07-11-2022	34	Central Registration Centre (CRC), Ministry of Corporate Affairs	Nil	NA
Jagdish	Office Assistant	30,000	Non-Contractual	Graduate	01-01-2025	36	NA	Nil	NA

**For and on behalf of the Board of Directors
Avax Apparels And Ornaments Limited**

**Harinderpal Singh Sodhi
Managing Director
DIN 09283654**

**Harish Kumar
Whole Time Director
DIN 09283531**

**Date: 01.08.2025
Place: Delhi**



AVAX APPARELS AND ORNAMENTS LIMITED

Regd. Office: 611, 6th Floor, Jaina Tower II, Distt Center,
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CIN: L14101DL2005PLC137127; **Website:** www.avaxapparels.com

E-mail: Info@avaxapparels.com; **Mobile:** 9599497767

Annexure-E

Management Discussion and Analysis Report

1.

(a) Industry structure and developments

Our Company operates within two distinct business segments, namely, the wholesale trading of knitted cloth, and the online retail of silver ornaments.

Our wholesale trading business is based in the Punjab region of India. We specialize in sourcing and supplying knitted cloth. We have a strong presence in the local market and we have established relationships with many suppliers and manufacturers in the region, which has enabled the company to strengthen its production capabilities, improve quality control, and reduce dependency on external suppliers. This strategic move not only enhances operational efficiency but also allows for greater flexibility in meeting customer demands and quicker turnaround times. By integrating this unit into our supply chain, the company is better positioned to respond to market trends, maintain consistent product standards, and support future growth in both domestic and international markets.

Our online retail of silver ornaments business is conducted through our e-commerce portal <https://blushines.com/>. This platform allows us to directly reach customers across various regions, offering a curated selection of high-quality silver jewellery. Through our online presence, we aim to provide a seamless shopping experience, supported by secure transactions, reliable delivery, and responsive customer service. The portal also enables us to showcase new collections, gather customer feedback, and adapt quickly to evolving fashion trends in the digital marketplace.

(b) Opportunities and Threats

There are so many opportunities for textile sector which may include the following:

1. Government Initiatives- The Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route. SAMARTH scheme, PM-MITRA initiative etc.
2. Sustainability Trend: Rising demand for eco-friendly and recycled synthetic fibers creates new product lines.
3. Road Ahead- The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand.
4. Export Potential: Increasing demand from markets like the USA, EU, and Middle East for synthetic and blended textiles.
5. Digital Transformation: Technology adoption in manufacturing and supply chain offers enhanced efficiency.

There are some threats also for textile sector which may include the following:

1. Changes in government policy
2. Exposure to sharp changes in raw material prices
3. Ongoing conflicts and trade protectionist policies may affect exports.
4. Fluctuating export demand due to global economic uncertainties and shifting trade policies.
5. Labor shortages and rising wages, especially in skilled segments of the workforce.

(c) Segment-wise or product-wise performance

The Company engages in two distinct lines of business:

1. Wholesale trading of knitted clothes

2. Online retail of silver ornaments

The Segment-wise turnover/performance of the Company has been disclosed in the notes to accounts of Financial Statement of the Company in details.

(d) Outlook

The Company is presenting a compelling high-growth small-cap opportunity—with early scalability around manufacturing integration, healthy margin expansion, and a diversified business model. However, its small scale, high competitive pressures, reliance on working capital, and technical indicators flag significant execution and market risks.

(e) Risks and concerns

1. High Dependence on Working Capital
2. Volatility in Raw Material Prices
3. Execution Risk in Manufacturing Expansion
4. Regulatory and Compliance Risk
5. Highly Competitive Markets

The Company has robust risk management and hedging mechanisms in place, including forward contracts, inventory management, and diversified client portfolios.

(f) Internal control systems and their adequacy

The Company has implemented internal control systems that are designed to ensure orderly and efficient conduct of its business, safeguarding of assets, accuracy of accounting records, and compliance with applicable laws and regulations. The company follows standard operating procedures across its textile trading, manufacturing, and e-commerce segments, with clearly defined roles and responsibilities. The Board, through the Audit Committee, regularly assesses the adequacy of these controls, ensuring that any identified weaknesses are addressed promptly. Overall, the current internal control systems are considered adequate for the size and scale of the company's operations, though they will require continuous enhancement as the business expands.

(g) Discussion on financial performance with respect to operational performance (Amount in Lacs)

PARTICULARS	Year ended 31.03.2025	Year ended 31.03.2024
Sales and Other Income	3,445.64	2205.98
Profit/(Loss) before Interest and Depreciation	276.09	210.07
Less: Depreciation	32.35	9.35
Less: Interest	15.38	6.64
Profit/(Loss) before Tax	228.37	194.08
Less: Provision for Income Tax	70.51	56.18
Add/(Less): Deferred Tax Assets/ (Liability)	(2.63)	(0.28)
Net Profit/ (Loss) after tax for the Year	160.49	138.19
Earning Per Share (EPS)	15.44	18.06

(h) Material developments in Human Resources / Industrial Relations front, including number of people employed

The company continues to give utmost importance to Human Resources Development and keeps relations normal. As on 31st March, 2025, there are 8 employees.

(i) Details of significant changes in key financial ratios

Sr. No	Particular s	Calculation	As at March 31, 2025	As at March 31, 2024	% Change
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1	Return on Equity	Net income/ Shareholder equity	24.62 %	43.91%	43.93%
2	Debt Equity Ratio	Total debts/ total equity	0.10	0.23	55.82%
3	Earning per share	Earning available for Equity Shareholder/ Weighted average no. of Share outstanding during the period	19.72	18.06	9.20%
4	Current Ratio	Current asset/ Current liability	2.77	2.29	21.11%
5	Liquid Ratio	(Total current asset- Inventory- Prepaid expense)/ Current liabilities	2.64	2.03	30.03%
6	Return on Capital employed	EBIT/ capital employed	35.62 %	61.68%	-42.25%
7	Net Profit to Sales	Profit after tax/ sale	4.74%	6.26%	-24.39%
8	Trade receivable turnover Ratio	Credit sales/ Average trade receivables	7.00	8.53	-17.93%
9	Trade payable turnover Ratio	Credit purchase/ Average trade payables	33.65	20.92	60.81%
10	Inventory turnover ratio	Cost of goods sold/ Average inventory	75.11	36.53	105.62 %
11	Net capital turnover ratio	Net sales/ Working capital	7.24	10.07	-28.13%

Reason for changes:

(i)	Return on equity ratio	Return on equity decreased due to shares issued during the year via IPO.
(ii)	Debt Equity Ratio	Debt equity ratio has improved due to equity shares issued during the year via IPO.
(iii)	Liquid Ratio	The ratio has improved due to increase in business. However, amount has not been recovered from debtors which gives increase in trade receivables due to increase in credit period.
(iv)	Return on Capital employed	Return on capital employed decreased due to shares issued during the year via IPO. However, business has improved as compared to previous year.
(v)	Trade payable turnover Ratio	The ratio has improved due to increase in business. However, amount has not been paid to trade payables which gives increase in trade payables.
(vi)	Inventory turnover ratio	The ratio has improved due to increase in sales. The number of orders has increased in current year.
(vii)	Net capital turnover ratio	The ratio has decreased as amount has not been recovered from debtors which gives increase in trade receivables due to increase in credit period and consequently working capital has also increased.

(j) Details of any change in Return on Net Worth

During the financial year ended 31st March 2025, the return on net worth of the Company was 24.62% as compared to the previous financial year ended 31st March

2024 which was at 43.91%. It is decreased due to shares issued during the year via IPO.

2. Disclosure of Accounting Treatment

The Company has followed the same accounting treatment as prescribed in the relevant Accounting Standards while preparing the Financial Statements for the period ended 31st March, 2025.

**For and on behalf of the Board of Directors
Avax Apparels And Ornaments Limited**

**Harinderpal Singh Sodhi
Managing Director
DIN 09283654**

**Harish Kumar
Whole Time Director
DIN 09283531**

**Date: 01.08.2025
Place: Delhi**



AVAX APPARELS AND ORNAMENTS LIMITED

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DECLARATION BY THE MANAGING DIRECTOR OF THE COMPANY UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members
Avax Apparels And Ornaments Limited
611, 6th Floor, Jaina Tower II, Distt Center,
Janak Puri, New Delhi 110058

I, Harinderpal Singh Sodhi, Managing Director of Avax Apparels And Ornaments Limited hereby declare that all the Directors and the designated employees in the senior management of the Company have affirmed compliance with the Code of Conduct, as applicable on them, for the Financial Year ended as on March 31, 2025.

Thanking you.

Yours Faithfully,

**For and on behalf of the Board of Directors
Avax Apparels And Ornaments Limited**

**Harinderpal Singh Sodhi
Managing Director
DIN 09283654**

Date: 01.08.2025

Place: Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of Avax Apparels and Ornaments Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Avax Apparels and Ornaments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2025, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
<p>Loss allowance for Trade receivables</p> <p>The Company has trade receivables of ₹ 675.30 lacs as at 31 March 2025.</p> <p>Owing to the nature of operations of the Company and related customer profiles, the Company has long outstanding trade receivable balances, for which appropriate loss allowance is required to be created for expected credit losses using simplified approach in accordance with the requirements of Ind AS 109, Financial Instruments, measuring the loss allowance equal to lifetime expected credit losses.</p> <p>For the purpose of expected credit loss assessment of trade receivables, significant judgment is required by the management to estimate the timing and amount of realization of these receivables basis the past history, customer profiles, and consideration of other internal and external sources of information.</p> <p>We have identified loss allowance on trade receivables as a key audit matter for current year audit.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Understanding the trade receivables process with regards to valuation and testing of controls designed and implemented by the management. • Testing the accuracy of ageing of trade receivables at year end on sample basis. • Obtained a list of outstanding receivables, with the identified significant long outstanding receivables, and discussed plan of recovery lifetime with management. • Circularized balance confirmations to a sample of trade receivables and reviewed the reconciling items, if any. • Verified the appropriateness of judgments regarding provisions for trade receivables and assess as to whether these provisions were calculated in accordance with the Company's provisioning policies. • Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis, as applicable. • Verified the related disclosures made in notes to the financial statements in accordance with Ind AS 115 and Ind AS 109.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The audit of financial statements for the year ended March 31, 2024, was carried out and reported by Arvind Manoj & Associates, Chartered Accountants vide their unmodified audit report dated 28 June 2024, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the financial statements.

Report on Other Legal and Regulatory Requirements

- (1) As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V of the Act.
- (2) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (3) As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying Ind AS financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Ind AS financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with relevant rules issued thereunder;
 - e) On the basis of the written representations received from the directors as on March 31, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of section 164(2) of the Act;

- f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, we give our separate report in “Annexure 2”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under (a) and (b) above contain any material misstatement.
- v. The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.

vi Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **NKSC & Co.**
Chartered Accountants
ICAI Firm Registration No.020076N

Priyank Goyal
Partner
Membership No.: 521986
UDIN: 25521986BMNYPW3420

Place: New Delhi
Date: May 23, 2025

Annexure 1 to the Independent Auditor's Report

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Avax Apparels and Ornaments Limited** on the Ind AS financial statements for the year ended March 31, 2025]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

- (i)
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
 - (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has a regular programme of physical verification of the property, plant & equipment which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on physical verification carried out during the year.
- (c) The Company does not have any immovable property and accordingly, reporting under clause (i)(c) of paragraph 3 of the Order is not applicable.
- (d) The Company has not revalued its property, plant and equipment and/or intangible assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.
- (e) No proceedings have been initiated or are pending against the Company as at March 31, 2025 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)
 - (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed on physical verification carried out during the year.
 - (b) The Company has been sanctioned working capital limits which is not in excess of five crore rupees during the year, in aggregate from banks and/or financial institutions, on the basis of security of current assets. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii) During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause (iii) of paragraph 3 of the Order is not applicable.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.

- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, though there has been a slight delay in a few cases.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable except as below:

Statement of arrears of Statutory Dues outstanding for more than six months

Name of the statute	Nature of the dues	Amount (in lakhs)	Year to which the amount relates	Due Date	Date of Payment	Remarks, if any
Income Tax Act, 1961	Advance Tax	10.47	FY 24-25	15 Sep- 24	Not paid yet	

- (b) According to the information and explanations given to us, disputed dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which were outstanding, at the year-end for a period of more than six months from the date they became payable are as follows:
- (viii) We have not come across any transaction(s) which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not obtain any money by way of term loans during the year/and there were no outstanding term loans at the beginning of the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.
- (d) On an overall examination of the Ind AS financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Companies Act.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, as defined under the Companies Act.

- (x) (a) Based upon the audit procedure performed and the information and explanations given by the management, the Company has utilized the money raised by way of initial public issue offer during the year for the purposes for which they were raised. For details refer note 34.
- (b) Based upon the audit procedure performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable. However, the Company has made a right issue during the year.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.
- (c) There are no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Ind AS Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company did not have an internal audit system for the period under audit. Hence, no Internal Audit Reports of the Company for the aforesaid period were provided.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year and hence, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) According to the information and explanation given to us, The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) and (d) of paragraph 3 of the Order are not applicable.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

- (xviii) There has been resignation of the statutory auditors during the year, however, no issues, objections or concerns were raised by the outgoing auditors.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying Ind AS financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, we believe that material uncertainty exists as on the date of this audit report and due to which the Company may not be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due
- (xx) (a) The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For **NKSC & Co.**
Chartered Accountants
ICAI Firm Registration No. 020076N

Priyank Goyal
Partner
Membership No.: 521986
UDIN: 25521986BMNYPW3420

Place: New Delhi
Date: May 23, 2025

Annexure 2 to the Independent Auditor's Report

[Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Avax Apparels and Ornamenrs Limited** on the Ind AS financial statements for the year ended March 31, 2025]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Avax Apparels and Ornaments Limited ("the Company")** as of March 31, 2025 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to Ind AS financial statements and such internal financial controls over financial reporting with reference to Ind AS financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **NKSC & Co.**

Chartered Accountants

ICAI Firm Registration No.020076N

Priyank Goyal

Partner

Membership No. 521986

UDIN: 25521986BMNYPW3420

Place: New Delhi

Date: May 23, 2025

Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127**Statement of Assets and Liabilities as at March 31, 2025**

(All amounts are Rs. in lakhs unless stated otherwise)

Particulars	Note	As at	As at
		March 31, 2025	March 31, 2024
Assets			
Non-current assets			
Property, plant & equipment	3	182.27	94.63
Intangible asset	4	0.45	0.29
Financial assets			
(i) Other financial assets	5	0.22	0.22
Deferred tax Asset	6	3.38	0.53
		186.32	95.67
Current assets			
Inventories	7	36.58	44.54
Financial assets			
(i) Trade receivables	8	675.30	306.26
(ii) Cash and cash equivalents	9	16.78	25.98
Other current assets	10	13.84	12.16
		742.50	388.94
Total Assets		928.82	484.61
Equity and Liabilities			
Equity			
Equity share capital	11	103.92	76.52
Other equity	12	557.03	238.17
		660.95	314.69
Liabilities			
Current liabilities			
Financial liabilities			
(i) Borrowings	13	66.35	71.50
(ii) Trade payables	14	-	-
- total outstanding dues to micro and small enterprises		-	-
- total outstanding dues of creditors other than micro and small enterprises		141.51	39.10
(iii) Other financial liabilities	15	11.89	-
Other current liabilities	16	1.57	2.55
Current tax liabilities	17	46.55	56.77
		267.87	169.92
Total Equity and Liabilities		928.82	484.61
Summary of material accounting policies	2		
The accompanying notes form an integral part of these financial statements.			

As per our report of even date.

For **NKSC & Co.**

Chartered Accountants

Firm Registration No. 020076N

For and on behalf of the Board of Directors of

Avax Apparels and Ornaments Limited**Priyank Goyal**

Partner

Membership No.: 521986

ICAI UDIN No. 25521986BMNYPW3420

Harish Kumar

Whole Time Director

DIN-09283531

Harinderpal Singh Sodhi

Managing Director

DIN-09283654

Rajesh Singla

CFO

PAN No. CNOPS7915R

Shruti Jain

Company Secretary

M.No. 52018

Place: Delhi

Date: 23-May-25

Place: Delhi

Date: 23-May-25

Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127**Statement of Profit and Loss for the year ended March 31, 2025***(All amounts are Rs. in lakhs unless stated otherwise)*

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Income			
Revenue from operations	18	3,435.86	2,205.98
Other income	19	9.78	-
Total Income		3,445.64	2,205.98
Expenses			
Cost of material consumed	20	134.90	-
Purchases of stock-in-trade	21	2,903.67	1,923.50
Changes in inventories	22	7.96	17.17
Employee benefit expense	23	67.93	37.06
Finance cost	24	15.38	6.65
Depreciation and amortisation expense	25	32.35	9.35
Other expenses	26	55.42	18.15
Total Expenses		3,217.61	2,011.88
Profit before exceptional items and tax		228.03	194.10
Profit before tax		228.03	194.10
Tax expense			
Current tax	35	67.70	56.18
Deferred tax (benefit)/charge	35	(2.85)	(0.28)
Earlier year tax adjustment		-	-
Total tax expense		64.85	55.90
Profit after tax		163.18	138.20
Other comprehensive Income			
Items that will not be reclassified to profit			
- Remeasurement of defined benefit plans		-	-
- Income tax relating to these items		-	-
		-	-
Total Comprehensive Income, net of Tax		163.18	138.20
Earnings per equity share			
-Basic and diluted earnings per share*	27	19.77	18.06

Summary of material accounting policies

The accompanying notes form an integral part of these financial statements.

As per our report of even date.

For NKSC & Co.

Chartered Accountants

Firm Registration No. 020076N

Priyank Goyal

Partner

Membership No.: 521986

ICAI UDIN No. 25521986BMNYPW3420

For and on behalf of the Board of Directors of

Avax Apparels and Ornaments Limited**Harish Kumar**

Whole Time Director

DIN-09283531

Harinderpal Singh Sodhi

Managing Director

DIN-09283654

Rajesh Singla

CFO

PAN No. CNOPS7915R

Shruti Jain

Company Secretary

M.No. 52018

Place: Delhi

Date: 23-May-25

Place: Delhi

Date: 23-May-25

Statement of Cash Flow Statement for the year ended March 31, 2025
(All amounts are Rs. in lakhs unless stated otherwise)

Particulars

Cash flow from operating activities

Profit before tax	228.03	194.10
Adjustments to reconcile profit before tax to cash generated from operating activities		
Depreciation and amortisation expense	32.35	9.35
Finance costs	10.18	2.70
Operating profit before working capital changes	270.56	206.15

Adjustments for (increase)/decrease in operating assets

Inventories	7.96	17.17
Trade receivables	(369.03)	(95.33)
Other financial assets	-	0.79
Other current assets	(1.68)	(1.90)
Other non current asset	-	10.98

Adjustments for increase/(decrease) in operating liabilities

Trade payables	102.41	(105.66)
Other financial liabilities	11.89	-
Other current liabilities	(0.97)	2.27

Cash generated from operations

Less: Income tax paid (net of refunds)

Net cash flow (used in)/generated from operating activities (A)

Cash flows from investing activities

Proceeds from/(payments for) PPE and intangible assets

Net cash flow (used in) from investing activities (B)

Cash flows from financing activities

Payment to/Proceeds from borrowings
Issue of equity shares
Finance costs
Security premium of equity shares (net of share issue expenses)

Net cash flow generated from financing activities (C)

Net (decrease) in cash and cash equivalents (A+B+C)

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

Notes to Statement of cash flows:

(i). **Components of cash and bank balances (refer annexure 9)**

Balances with banks
- on current account
Cash on hand
Cash and bank balances at end of the year

(ii). The above Cash Flow Statement has been prepared in accordance with the "Indirect Method" as set out in the Ind AS - 7 on "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013.

As per our report of even date.

For NKSC & Co.

Chartered Accountants
Firm Registration No. 020076N

Priyank Goyal

Partner
Membership No.: 521986
ICAI UDIN No. 25521986BMNYPW3420

Place: Delhi
Date: 23-May-25

	Year ended March 31, 2025	Year ended March 31, 2024
	228.03	194.10
	32.35	9.35
	10.18	2.70
	270.56	206.15
	7.96	17.17
	(369.03)	(95.33)
	-	0.79
	(1.68)	(1.90)
	-	10.98
	102.41	(105.66)
	11.89	-
	(0.97)	2.27
	21.13	34.47
	(77.93)	(24.77)
	(56.80)	9.70
	(120.15)	(86.52)
	(120.15)	(86.52)
	(5.15)	71.50
	27.40	-
	(10.18)	(2.70)
	155.68	-
	167.75	68.80
	(9.20)	(8.02)
	25.98	34.00
	16.78	25.98

	Year ended March 31, 2025	Year ended March 31, 2024
	16.32	22.31
	0.46	3.67
	16.78	25.98

For and on behalf of the Board of Directors of
Avax Apparels and Ornaments Limited

Harish Kumar
Whole Time Director
DIN-09283531

Harinderpal Singh Sodhi
Managing Director
DIN-09283654

Rajesh Singla
CFO
PAN No. CNOPS7915R

Shruti Jain
Company Secretary
M.No. 52018

Place: Delhi
Date: 23-May-25

Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127**Statement of Changes in Equity for the year ended March 31, 2025***(All amounts are Rs. in lakhs unless stated otherwise)***A. Statement of equity share capital**

Opening balance as at April 1, 2023	76.52
Change in equity share capital	-
Balance as at March 31, 2024	76.52
Change in equity share capital	27.40
Balance as at March 31, 2025	103.92

B. Statement of Other Equity

Particulars	Other Equity		Total
	Securities Premium	Retained earnings	
Opening balance as at April 1, 2023	90.17	9.80	99.97
Addition during the year	-	138.20	138.20
Balance as at March 31, 2024	90.17	148.00	238.17
Addition during the year	-	163.18	163.18
Less: Share issue expenses	(8.72)	-	(8.72)
Add: Share issue premium	164.40	-	164.40
Balance as at March 31, 2025	245.85	311.18	557.03

As per our report of even date.

For NKSC & Co.

Chartered Accountants

Firm Registration No. 020076N

For and on behalf of the Board of Directors of

Avax Apparels and Ornaments Limited**Priyank Goyal**

Partner

Membership No.: 521986

ICAI UDIN No. 25521986BMNYPW3420

Harish Kumar

Whole Time Director

DIN-09283531

Harinderpal Singh Sodhi

Managing Director

DIN-09283654

Rajesh Singla

CFO

PAN No. CNOPS7915R

Shruti Jain

Company Secretary

M.No. 52018

Place: Delhi

Date: 23-May-25

Place: Delhi

Date: 23-May-25

1. Corporate Information

Avax Apparels and Ornaments Limited ("the Company") a limited company domiciled in India was registered on 02 June 2005 as Private Limited under the Companies Act, 1956 having its registered office at 6926, Jaipuria Compound, Clock Tower, Sabzi Mandi, New Delhi-110007.

The Company operates in the wholesale trading and manufacturing of knitted cloth. The company specializes in knitted cloth, which are used for manufacturing of ladies and gents' jackets. The Company also operates in the online retail business of Silver Ornaments.

The Company initially was incorporated as Ethnic Designers Private Limited which was changed to Avax Soft Technologies Limited on 11 October 2021.

2. Summary of Material Accounting Policies

2.1 Basis of preparation & Presentation

The Ind AS financial statements have been prepared to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules. The Ind AS financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2.2 Statement of compliance with Indian Accounting Standards:

These Ind AS Financial Statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The material accounting policies adopted for preparation and presentation of these financial statements are included in Note 2. These policies have been applied consistently by the Company for all the periods presented in these financial statements.

2.3 Current and non-current classification

All assets and liabilities have been classified and presented as current or non-current in accordance with the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

2.4 Functional and presentation currency

These Restated Financial Statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise indicated.

2.5 Use of estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

2.6 Significant management judgements:

- **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.
- **Business model assessment** – The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.
- **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets
- **Classification of leases** – Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contract.
- **Provisions** – At each Balance Sheet date, based on the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

2.7 Significant estimates:

- **Useful lives of depreciable/amortisable assets** – Management reviews its estimate of useful lives, residual values, and method of depreciation of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.
- **Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

2.8 Revenue

The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Standard requires apportioning revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, using a five-step model.

Revenue from sale of goods

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflect the consideration which the Company expects to receive in exchange for those product or services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- b. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products is recognised at a time on which the performance obligation is satisfied.

Recognition in case of local sales is generally recognised on the dispatch of goods.

2.9 Tax expense

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

2.10 Inventories

Raw materials, stores and spares, work-in-progress, manufactured finished goods and traded goods are valued at lower of cost or net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. Cost is determined using first in, first out method of inventory valuation.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.11 Leases

As lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.12 Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances in current accounts and short term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

2.13 Provisions, contingent liabilities, and contingent assets

Provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liability

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

2.14 Property, plant and equipment (including Capital work-in-progress)

Recognition and measurement

All items of property, plant and equipment are stated at historical cost less depreciation. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost net of recoverable taxes (wherever applicable), which includes capitalised borrowing costs less depreciation and impairment, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

On transition to Ind AS, the Company had elected to continue with carrying value of all its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual values

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their useful life using written down value method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as under and the same are equal to lives specified as per schedule II of the Act.

The useful lives of the assets are as under:

Particulars	Useful lives (in years)
Tangible assets:	
Electrical installations	10 Years
Furniture & fixture	10 Years
Computers	3 Years
Computers – Server	6 Years

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Depreciation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

2.15 Intangible assets

Recognition and measurement

An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the Group and where its cost can be reliably measured.

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in the statement of profit and loss.

The useful lives of intangible assets are as follows:

Particulars	Useful lives (in years)
Intangible assets:	
Computer software	5 years

Amortisation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

Losses arising from the retirement of and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the statement of profit and loss.

2.16 Financial instruments

Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition or issue, except for an item recognised at fair value through profit and loss. Transaction cost of financial assets carried at fair value through profit and loss is expensed in the statement of profit and loss.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost,
- Fair value through other comprehensive income (FVOCI), or
- Fair value through profit and loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified to be measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features; prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

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A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Debts investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On Derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement & gain and loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains

and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:-

- Financial assets measured at amortised cost; and
- Financial assets measured at FVOCI- debt investments

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for agreed credit period;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Expected credit loss

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than agreed credit period.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is past due and not recovered within agreed credit period.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets disclosed in the Balance Sheet.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

2.17 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted into equity shares as at the beginning of the period unless they have been issued at a later date.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The operating segments have been identified on the basis of the nature of products/services. Further:

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
2. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.
3. Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.
4. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

The Board of Director(s) are collectively the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025***(All amounts are Rs. in lakhs unless stated otherwise)***3 Property, Plant & Equipment****For the year ended March 31, 2025**

	Gross block (at cost)				Accumulated depreciation				Net block As at March 31, 2025
	As at April 01, 2024	Additions during the year	Disposal/ Adjustment	As at 31-Mar-25	As at April 01, 2024	Depreciation during the year	Disposal/ Adjustment	As at March 31, 2025	
Plant & machinery	64.09	102.00	-	166.09	3.28	21.44	-	24.72	141.37
Furniture and fitting	41.24	5.35	-	46.59	7.71	9.84	-	17.55	29.04
Laptop	0.80	1.92	-	2.72	0.63	0.36	-	0.98	1.74
Website server	0.32	0.06	-	0.38	0.20	0.06	-	0.26	0.12
Motor vehicle	-	10.52	-	10.52	-	0.52	-	0.52	10.00
	106.45	119.85	-	226.30	11.82	32.22	-	44.03	182.27

For the year ended March 31, 2024

	Gross block (at cost)				Accumulated depreciation				Net block As at March 31, 2024
	As at April 01, 2023	Additions during the year	Disposal/ Adjustment	As at March 31, 2024	As at April 01, 2023	Depreciation during the year	Disposal/ Adjustment	As at March 31, 2024	
Plant & Machinery	-	64.09	-	64.09	-	3.28	-	3.28	60.81
Furniture and Fitting	18.81	22.43	-	41.24	2.19	5.52	-	7.71	33.53
Laptop	0.80	-	-	0.80	0.33	0.30	-	0.63	0.17
Website server	0.32	-	-	0.32	0.12	0.08	-	0.20	0.12
	19.93	86.52	-	106.45	2.64	9.18	-	11.82	94.63

(i). The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2025 and year ended March 31, 2024.

(ii). There are no impairment losses recognised for the year ended March 31, 2025 and year ended March 31, 2024.

(iii). There are no exchange differences adjusted in Property, plant & equipment.

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CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025***(All amounts are Rs. in lakhs unless stated otherwise)***4 Intangible Assets****For the year ended March 31, 2025**

	Gross block (at cost)				Accumulated Amortisation				Net block
	As at April 01, 2024	Additions during the year	Disposal/ Adjustment	As at March 31, 2025	As at April 01, 2024	Amortisation during the year	Disposal/ Adjustment	As at March 31, 2025	As at March 31, 2025
Website	0.57	0.30	-	0.87	0.29	0.14	-	0.43	0.44
Software	0.01	-	-	0.01	0.00	0.00	-	0.00	0.01
	0.58	0.30	-	0.88	0.29	0.14	-	0.43	0.45

For the year ended March 31, 2024

	Gross block (at cost)				Accumulated Amortisation				Net block
	As at April 01, 2023	Additions during the year	Disposal/ Adjustment	As at March 31, 2024	As at April 01, 2023	Amortisation during the year	Disposal/ Adjustment	As at March 31, 2024	As at March 31, 2024
Website	0.57	-	-	0.57	0.11	0.18	-	0.29	0.28
Software	-	0.01	-	0.01	-	0.00	-	0.00	0.01
	0.57	0.01	-	0.58	0.11	0.18	-	0.29	0.29

Footnotes:

- (i). There are no internally generated intangible assets.
- (ii). The Company has not carried out any revaluation of intangible assets.
- (iii). There are no other restriction on title of intangible assets.
- (iv). There are no exchange differences adjusted in intangible assets.
- (v). The Company has not acquired intangible assets free of charge, or for nominal consideration, by way of a government grant.

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Avax Apparels and Ornaments Limited

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CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025***(All amounts are Rs. in lakhs unless stated otherwise)***5 Other financial assets (non-current)**

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits	0.22	0.22
Total	0.22	0.22

Footnote:

(i). For explanation on the Company's risk management process, refer annexure 31.

6 Deferred tax assets

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets (refer note 35)	3.38	0.53
Total	3.38	0.53

7 Inventories

Particulars	As at March 31, 2025	As at March 31, 2024
Valued at lower of cost and net realisable value		
Traded goods	36.58	44.54
Total	36.58	44.54

Footnotes:

(i). Inventory are hypothecated as securities for borrowings taken from banks (refer note 13)

8 Trade Receivables

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Undisputed trade receivables — considered good	675.30	306.26
(ii) Undisputed trade receivables — which have significant increase in credit risk	-	-
Less: Impairment loss allowance	-	-
Total	675.30	306.26

Footnotes:

(i). Trade receivables are hypothecated as securities for borrowings taken from banks (refer note 13)

(ii). For explanation on the Company risk management process, refer annexure 31.

(iii). Trade receivables are non-interest bearing and are normally received in the Company's operating cycle.

(iv). No trade receivables are due from director or other officer of the Company and firms or private companies in which any director is a partner, a director or a member either jointly or severally with other persons.

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(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025***(All amounts are Rs. in lakhs unless stated otherwise)***(v). Trade Receivables Ageing**

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured - at amortised cost		
Undisputed trade receivables — considered good		
0-6 months	624.63	290.11
6-12 months	0.07	-
1-2 years	45.45	16.15
2-3 years	5.15	-
More than 3 years	-	-
Undisputed trade receivables -		
0-6 months	-	-
6-12 months	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Less: Impairment loss allowance	-	-
Total	675.30	306.26

9 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks		
- on current account	16.32	22.31
Cash on hand	0.46	3.67
Total	16.78	25.98

Footnote:

(i). The company exposure to Credit risk are disclosed in annexure 31.

10 Other Current Assets

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured considered good		
Balance with government authorities	1.72	-
Advance to others	11.81	12.16
Prepaid expenses	0.31	-
Total	13.84	12.16

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(All amounts are Rs. in lakhs unless stated otherwise)

11 Equity Share Capital

- (i). The Company has only one class of share capital having a par value of ₹ 10 per share, referred to herein as equity shares.

Particulars	As at		As at	
	March 31, 2025		March 31, 2024	
	Number	Amount	Number	Amount
Authorised shares				
Equity Shares (face value of Rs.10 each)	20,00,000	200.00	20,00,000	200.00
	20,00,000	200.00	20,00,000	200.00
Issued, subscribed and fully paid-up shares				
Face value of Rs.10 each fully paid up	10,39,158	103.92	7,65,158	76.52
Total	10,39,158	103.92	7,65,158	76.52

- (ii). **Reconciliation of the shares outstanding at the beginning and end of the year**

Particulars	March 31, 2025		March 31, 2024	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	7,65,158	76.52	7,65,158	76.52
Issued during the year*	2,74,000	27.40	-	-
Shares outstanding at the end of the year	10,39,158	103.92	7,65,158	76.52

*During the year ended March 31, 2025, the Company has issued via IPO 2,74,000 fully paid-up equity shares of face value of ₹ 10/- each at issue price of ₹ 70 per share at a premium of ₹ 60/- per share on January 10, 2025 (refer note 34)

- (iii). **Terms/rights attached to equity shares**

Voting

Each shareholder is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current and previous year.

Liquidation

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

- (iv). The Company has no holding company.

- (v). **Detail of shareholders holding more than 5% of equity share of the Company**

Name of shareholders	As at		As at	
	March 31, 2025		March 31, 2024	
	Holding in numbers	% of Total equity shares	Holding in numbers	% of Total equity shares
Amandeep Singh	1,09,202	10.51%	1,09,202	14.27%
Harish Kumar	2,18,084	20.99%	2,18,084	28.50%
Amritpal Singh Gill	98,045	9.44%	98,045	12.81%
Harinderpal Singh Sodhi	2,18,084	20.99%	2,18,084	28.50%
Shivarjun Byrapaneni Rao	60,000	5.77%	-	0.00%
Deepika	88,990	8.56%	88,990	11.63%
	7,92,405	76.25%	7,32,405	95.72%

- (vi). No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back during the period of 5 years immediately preceding the Balance Sheet date except as below :

	As at	As at
	March 31, 2025	March 31, 2024
Number of shares	2,74,000	-

Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025**

(All amounts are Rs. in lakhs unless stated otherwise)

(vii). Details of share held by Promoters at the end of year

Particular	No. of Share at the beginning of the year	Change during the year	No of share at the end of year	% of Total Shares	% Change during the year
As at March 31, 2025					
Harinderpal Singh Sodhi	2,18,084	-	2,18,084	20.99%	0.00%
Harish Kumar	2,18,084	-	2,18,084	20.99%	0.00%
Total	4,36,168	-	4,36,168	41.97%	
As at March 31, 2024					
Harinderpal Singh Sodhi	2,18,084	-	2,18,084	28.50%	0.00%
Harish Kumar	2,18,084	-	2,18,084	28.50%	0.00%
Total	4,36,168	-	4,36,168	57.00%	

12 Other Equity

Particulars	As at March 31, 2025	As at March 31, 2024
(i). Security premium account		
Opening balance	90.17	90.17
Add: Security premium on issue of shares	164.40	-
Less: Share issue expense (refer note 34)	(8.72)	-
Closing balance	245.85	90.17
(ii). Retained earnings		
Opening balance	148.00	9.80
Add: Profit for the year	163.18	138.20
Closing balance	311.18	148.00
Total Other equity	557.03	238.17

Nature and purpose of Other equity:**(i). Security premium account**

Securities premium has been created upon issue of shares at premium. The reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.

(ii). Retained earnings

Retained earnings represents the surplus in profit and loss account and appropriations.

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Avax Apparels and Ornaments Limited

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CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025**

(All amounts are Rs. in lakhs unless stated otherwise)

13 Borrowings (current)

Particulars	As at March 31, 2025	As at March 31, 2024
Bank overdraft (refer footnote i)	66.35	71.50
Total	66.35	71.50

Footnote:

(i). The company has taken following overdraft limits from Yes bank :

Bank Name	Particulars	As at March 31, 2025	As at March 31, 2024
Yes Bank	Sanction date	27-Jun-24	26-Sep-23
	Rate of Interest	10.5%	10.5%
	Sanctioned limit	154 lakhs	75 lakhs
	Repayment	On demand	On demand

Security details: Yes bank

Security/ Collateral Type	Security details	Facilities applicable	Collateral details
Government Guarantee	CGTMSE- Hybrid	44 lacs	NA
Personal Guarantee	Harinderpal Singh Sodhi	154 lakhs	NA
Personal Guarantee	Harish Kumar	154 lakhs	NA
Personal Guarantee	Deepika	154 lakhs	NA
Personal Guarantee	Kirpal Singh	154 lakhs	NA
Property	Exclusive Charge - on property situated at Property Unit No.B-011/1900,B-011/1900-01, Amar Colony, Street No.2, Chaju Roshan Da, Karkhana, Anaj Mandi Road Barnala, Tehsil & Distt Barnala, Barnala, Punjab- 148101	110 lakhs	NA
Property	Exclusive Charge - on property situated at KILLA No-21/3(3-10)22/2, (5-7)24/2(5-7)25/2(5-7) Vakya Rakba Gas Agency Road, Muktsar, Muktsar, Punjab- 152026	110 lakhs	NA
Current Assets	Exclusive Charge on stock	154 lakhs	NA
Current Assets	Exclusive Charge on book debts	154 lakhs	NA

14 Trade Payables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables		
- total outstanding dues of micro and small enterprises (refer note 28)	-	-
- total outstanding dues of creditors other than micro and small enterprises	141.51	39.10
Total	141.51	39.10

Footnotes:

(i). Trade payables other than due to MSMEs are non-interest bearing and are normally settled in the Company's operating cycle.

(ii). The Company's exposure to currency and liquidity risks are disclosed in note 31.

(iii). Trade payables ageing

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro and small enterprises		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total outstanding dues of creditors other than micro and small enterprises		
Less than 1 year	134.42	38.60
1-2 years	7.09	0.50
2-3 years	-	-
More than 3 years	-	-
Total	141.51	39.10

Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025***(All amounts are Rs. in lakhs unless stated otherwise)***15 Other current financial liabilities**

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Expense payable	11.80	-
Employee related payable	0.09	-
Total	11.89	-

Footnote:

- (i) The Company's exposure to currency and liquidity risks are disclosed in note 31.

16 Other Current Liabilities

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Advance from customer	0.16	0.18
Statutory dues payables	1.41	2.37
Total	1.57	2.55

17 Current Tax Liabilities (net)

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Provision for income tax (net of tax)	46.55	56.77
Total	46.55	56.77

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Avax Apparels and Ornaments Limited

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CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025***(All amounts are Rs. in lakhs unless stated otherwise)***18 Revenue From Operations**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Sale of goods		
Manufacturing	185.43	-
Trading goods	3,248.70	2,205.98
Other operating income		
Sale of scrap	1.73	-
Total	3,435.86	2,205.98

Information required as per Ind AS 115:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Disaggregated revenue information as per geographical markets		
Revenue from customers based in India	3,435.86	2,205.98
Revenue from customers based outside India	-	-
Timing of revenue recognition		
Transferred at a point in time	3,435.86	2,205.98
Trade receivables and contract assets/(liabilities)		
Trade receivables	675.30	306.26

Performance obligation and remaining performance obligation

There are no remaining performance obligations for the period ended March 31, 2025, as the same is satisfied upon delivery of goods.

19 Other Income

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Commission income	9.78	-
Total	9.78	-

20 Cost of material consumed

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening stock	-	-
Purchase of raw material (Yarn)	134.90	-
Closing stock	-	-
Total	134.90	-

21 Purchases of Stock-in-Trade

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Purchases of knitted clothes	2,903.67	1,923.50
Total	2,903.67	1,923.50

22 Changes in inventories

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventories at beginning of the year		
Finished goods	44.54	61.71
	44.54	61.71
Inventories at end of the year		
Finished goods	36.58	44.54
	36.58	44.54
Decrease/(increase) in inventories	7.96	17.17

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CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025***(All amounts are Rs. in lakhs unless stated otherwise)***23 Employee benefit expense**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salary, wages, bonus and other benefits	42.88	21.76
Director remuneration	25.05	15.30
Total	67.93	37.06

Footnotes

(i). For salary/remuneration paid to related parties refer note 29.

24 Finance costs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest on borrowings	8.41	2.30
Interest on delay in payment of statutory dues	5.20	3.95
Other borrowing cost	1.77	0.40
Total	15.38	6.65

25 Depreciation and amortisation expense

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on property, plant and equipment (refer note 3)	32.21	9.17
Amortisation on intangible asset (refer note 4)	0.14	0.18
Total	32.35	9.35

26 Other expenses

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Tour & travelling expenses	4.22	1.79
Power & fuel	20.49	-
Advertisement expense	0.16	-
Legal and professional expenses (refer footnote)	15.97	2.42
Bank charges	0.43	0.27
Rent expenses	4.68	10.98
Repair and maintenance- building	7.50	-
Business promotion	1.12	0.08
Office expenses	0.40	1.22
Insurance	0.19	1.26
Software expenses	0.05	0.10
Miscellaneous expenses	0.21	0.03
Total	55.42	18.15

Footnote:**(i). Payment of remuneration to auditors (excluding GST)**

	Year ended March 31, 2025	Year ended March 31, 2024
- Statutory audit	0.80	0.60
- Tax audit	0.25	-
Total	1.05	0.60

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(All amounts are Rs. in lakhs unless stated otherwise)

27 Earnings per share

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(a). Basic and diluted earnings per share (in Rs.)		
From continuing operations attributable to the equity holders of the Company	19.77	18.06
(b). Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit from continuing operation attributable to the equity share holders	163.18	138.20
Profit attributable to the equity holders of the company used in calculating basic and diluted earnings per share	163.18	138.20

(c) Weighted average number of shares used as the denominator

Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share*	8,25,213	7,65,158
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At present, the Company does not have any dilutive potential equity share.

28 In terms of Section 22 of Chapter V of Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006), the disclosures of payments due to any supplier are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:		
- Principal amount due to any supplier	-	-
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-

The Company is in the process of identifying Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore, it is not possible for the Company to ascertain whether payment to such enterprises has been done within 45 days from the date of acceptance of supply of goods or services rendered by such enterprises and to make requisite disclosure except as disclosed above.

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Avax Apparels and Ornaments Limited

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CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025**

(All amounts are Rs. in lakhs unless stated otherwise)

29 Related party disclosures**A. List of related parties where control exists and/or with whom transactions have taken place**

In accordance with the requirements of Ind AS 24 on Related party disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

Relationship	Name of related party
Key Management Personnel (KMP)	Mr. Rajesh Singla (CFO) Shruti Jain (Company Secretary)
Director	Mr. Harinderpal Singh Sodhi Mr. Harish Kumar Mrs. Deepika
Relatives of KMPs	Deepak Kumar Harvinder Kaur (Wife of Harinderpal Singh Sodhi)

B. Details of related party transactions are as below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1. Salary/ remuneration given to Directors and KMPs		
Harinderpal Singh Sodhi	8.84	5.40
Harish Kumar	8.84	5.40
Rajesh Singla	5.20	4.80
Shruti Jain	5.20	4.80
Deepika	7.37	4.50
2. Salary given to relatives of KMPs		
Deepak Kumar	6.76	5.88
Harvinder Kaur	7.45	6.00
Total	49.66	36.78

C. Balance outstanding with or from related parties as at:

Particulars	As at March 31, 2025	As at March 31, 2024
1. Director Remuneration Payables		
Harvinder Kaur	0.09	-
Total	0.09	-

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(All amounts are Rs. in lakhs unless stated otherwise)

29 Related party disclosures**A. List of related parties where control exists and/or with whom transactions have taken place**

In accordance with the requirements of Ind AS 24 on Related party disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

Relationship	Name of related party
Key Management Personnel (KMP)	Mr. Rajesh Singla (CFO) Shruti Jain (Company Secretary)
Director	Mr. Harinderpal Singh Sodhi Mr. Harish Kumar Mrs. Deepika
Relatives of KMPs	Deepak Kumar Harvinder Kaur (Wife of Harinderpal Singh Sodhi)

B. Details of related party transactions are as below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1. Salary/ remuneration given to Directors and KMPs		
Harinderpal Singh Sodhi	8.84	5.40
Harish Kumar	8.84	5.40
Rajesh Singla	5.20	4.80
Shruti Jain	5.20	4.80
Deepika	7.37	4.50
2. Salary given to relatives of KMPs		
Deepak Kumar	6.76	5.88
Harvinder Kaur	7.45	6.00
Total	49.66	36.78

C. Balance outstanding with or from related parties as at:

Particulars	As at March 31, 2025	As at March 31, 2024
1. Director Remuneration Payables		
Harvinder Kaur	0.09	-
Total	0.09	-

30 Operating Segments

A. Basis for Segmentation

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's management and internal reporting structure. The chief operating decision maker identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

In accordance with Ind AS-108 "Operating Segments" and based on "Management Evaluation", the Chief Operating Decision Maker ("CODM) evaluates the Group's performance and allocates resources based on the analysis of various performance indicators of business segments. Accordingly, information has been presented along these business segments. The accounting principles used in preparation of financial results are consistently applied to compute the revenue and results of reportable segments. The Board of Directors examines the Company's performance from business activities perspective and have identified the following reportable segments of its business:

Reportable segments

Knitted Clothes
Online Retail Sale- Silver Ornaments

Operations

The Company operates in the wholesale trading of knitted cloth.
The Company operates in the online retail business of silver ornaments

B. Information about reportable segments

Segment assets, segment liabilities and Segment profit and loss are measured in the same way as in the financial statements.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing, if any, is determined on an arm's length basis.

For the year ended March 31, 2025

Segment revenue - revenue from external customers
Segment results
Segment assets
Segment liabilities

	Reportable Segments			Total
	Knitted Clothes	Ornaments	Unallocable	
Segment revenue - revenue from external customers	3,434.51	1.35	-	3,435.86
Segment results	389.32	-	-	389.32
Segment assets	710.42	1.45	216.94	928.82
Segment liabilities	141.51	-	126.36	267.87

For the year ended March 31, 2024

Segment revenue - revenue from external customers
Segment results
Segment assets
Segment liabilities

	Reportable Segments			Total
	Knitted Clothes	Ornaments	Unallocable	
Segment revenue - revenue from external customers	2,126.18	79.80	-	2,205.98
Segment results	227.00	38.31	-	265.31
Segment assets	348.86	1.94	133.81	484.61
Segment liabilities	39.10	-	130.82	169.92

Reconciliations of information on reportable segments

(i) Revenues

Total revenue for reportable segments

Knitted Clothes
Ornaments

Total

	Year ended March 31, 2025	Year ended March 31, 2024
Knitted Clothes	3,434.51	2,126.18
Ornaments	1.35	79.80
Total	3,435.86	2,205.98

(All amounts are Rs. in lakhs unless stated otherwise)

	Reportable Segments		
Knitted Clothes	Ornaments	Unallocable	Total
478.68	-	-	478.68
433.12	-	-	433.12
349.25	-	-	349.25
1,261.05	-	-	1,261.05

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CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025***(All amounts are Rs. in lakhs unless stated otherwise)***31 Fair value measurement and Financial instruments****a). Financial instruments – by category and fair values hierarchy**

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31 March, 2025

Particulars	Carrying value			Fair value measurement using		
	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets						
Non current						
Other financial assets	-	0.22	0.22	-	-	-
Total	-	0.22	0.22	-	-	-
Current						
Cash and cash equivalents	-	16.78	16.78	-	-	-
Trade receivables	-	675.30	675.30	-	-	-
Total	-	692.08	692.08	-	-	-
Financial liabilities						
Current						
Borrowings	-	66.35	66.35	-	-	-
Trade payables	-	141.51	141.51	-	-	-
Other financial liabilities	-	11.89	11.89	-	-	-
Total	-	219.75	219.75	-	-	-

As at 31 March, 2024

Particulars	Carrying value			Fair value measurement using		
	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets						
Non current						
Other financial assets	-	0.22	0.22	-	-	-
Total	-	0.22	0.22	-	-	-
Current						
Cash and cash equivalents	-	25.98	25.98	-	-	-
Trade receivables	-	306.26	306.26	-	-	-
Total	-	332.24	332.24	-	-	-
Financial liabilities						
Current						
Borrowings	-	71.50	71.50	-	-	-
Trade payables	-	39.10	39.10	-	-	-
Total	-	110.60	110.60	-	-	-

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Fair value hierarchy**Level 1:** It includes financial instruments measured using quoted prices.**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The carrying amounts of trade receivables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of financial assets and financial liabilities is similar to the carrying value as there is no significant differences between carrying value and fair value.

b). Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i). Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Trade receivables	675.30	306.26
Cash and cash equivalents	16.78	25.98

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's credit risk is primarily to the amount due from customers and loans. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The Company has not applied expected credit loss model as per Ind AS 109 used to assess the impairment loss or gain on trade receivables. However the Company based upon historical experience determines an impairment allowance for loss on receivables.

When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.

The gross carrying amount of trade receivables is 675.30 Lacs (PY: 31 March 24: Rs.306.26 Lacs). Trade receivables are generally realised within the credit period.

The Company's exposure to credit risk for trade receivables are as follows:

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Not due	-	-
0-90 days past due	624.61	247.20
90 to 180 days past due	0.03	42.92
180-365 days	0.07	-
365-730 days	45.45	16.14
More than 730 days	5.14	-
Total	675.30	306.26

Movement in the allowance for impairment in respect of trade receivables:

	Year ended	Year ended
	March 31, 2025	March 31, 2024
Balance at the beginning	-	-
Impairment loss recognised	-	-
Balance at the end	-	-

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(All amounts are Rs. in lakhs unless stated otherwise)

(ii). Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position of Rs. 16.78 Lacs (PY: 31 March 2024: Rs. 25.98 Lacs) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from Company companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

Exposure to liquidity risk

Following are the remaining contractual maturities of financial liabilities at the reporting date.

As at 31-Mar-2025

Particulars	Carrying amount	Contractual cash flows			Total
		Less than one year	Between one to five years	More than five years	
Borrowings	66.35	66.35	-	-	66.35
Trade payables	141.51	141.51	-	-	141.51
Total	207.86	207.86	-	-	207.86

As at 31-Mar-2024

Particulars	Carrying amount	Contractual cash flows			Total
		Less than one year	Between one to five years	More than five years	
Borrowings	71.50	71.50	-	-	71.50
Trade payables	39.10	39.10	-	-	39.10
Total	110.60	110.60	-	-	110.60

(iii). Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Since the company do not have any Loan on fluctuating interest rate from Banks and does not operate in foreign country, hence it does not attract any market risk.

32 Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars

Borrowings

Less: Cash and bank balances**Adjusted net debt (A)****Total equity (B)****Adjusted net debt to adjusted equity ratio (A/B)**

	As at March 31, 2025	As at March 31, 2024
Borrowings	66.35	71.50
Less: Cash and bank balances	(16.78)	(25.98)
Adjusted net debt (A)	49.57	45.52
Total equity (B)	660.95	314.69
Adjusted net debt to adjusted equity ratio (A/B)	7.50%	14.47%

Avax Apparels and Ornaments Limited

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CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025**

(All amounts are Rs. in lakhs unless stated otherwise)

33 Accounting ratios

Sr. No.	Particulars	Calculation	As at March 31, 2025	As at March 31, 2024	% Change	Reason
1	Return on Equity	Net income/ Shareholder equity	24.62%	43.91%	-43.93%	(i)
2	Debt Equity Ratio	Total debts/ total equity	0.10	0.23	-55.82%	(ii)
3	Earning per share	Earning available for Equity Shareholder/ Weighted average no. of Share outstanding during the period	19.72	18.06	9.20%	*N.A.
4	Current Ratio	Current asset/ Current liability	2.77	2.29	21.11%	*N.A.
5	Liquid Ratio	(Total current asset- Inventory- Prepaid expense)/ Current liabilities	2.64	2.03	30.03%	(iii)
6	Return on Capital employed	EBIT/ capital employed	35.62%	61.68%	-42.25%	(iv)
7	Net Profit to Sales	Profit after tax/ sale	4.74%	6.26%	-24.39%	*N.A.
8	Trade receivable turnover Ratio	Credit sales/ Average trade receivables	7.00	8.53	-17.93%	*N.A.
9	Trade payable turnover Ratio	Credit purchase/ Average trade payables	33.65	20.92	60.81%	(v)
10	Inventory turnover ratio	Cost of goods sold/ Average inventory	75.11	36.53	105.62%	(vi)
11	Net capital turnover ratio	Net sales/ Working capital	7.24	10.07	-28.13%	(vii)

*N.A. Not applicable, variance is below the threshold.

Reason for changes:

- (i) Return on equity ratio Return on equity decreased due to shares issued during the year via IPO.
- (ii) Debt Equity Ratio Debt equity ratio has improved due to equity shares issued during the year via IPO.
- (iii) Liquid Ratio The ratio has improved due to increase in business. However, amount has not been recovered from debtors which gives increase in trade receivables due to increase in credit period.
- (iv) Return on Capital employed Return on capital employed decreased due to shares issued during the year via IPO. However, business has improved as compared to previous year.
- (v) Trade payable turnover Ratio The ratio has improved due to increase in business. However, amount has not been paid to trade payables which gives increase in trade payables.
- (vi) Inventory turnover ratio The ratio has improved due to increase in sales. The number of orders has increased in current year.
- (vii) Net capital turnover ratio The ratio has decreased as amount has not been recovered from debtors which gives increase in trade receivables due to increase in credit period and consequently working capital has also increased.

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Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025***(All amounts are Rs. in lakhs unless stated otherwise)*

- 34 During the year ended March 31, 2025 pursuant to initial public offering (IPO) 2,74,000 equity shares of Rs. 10 each were allotted to public at a premium of Rs. 60 per share. The shares were listed at BSE on January 14, 2025, pursuant to IPO. The details of the utilisation of IPO proceeds till March 31, 2025 is as under:

Particulars	No. of shares	Price per share	Amount
Gross proceeds from IPO- Fresh issue	2,74,000	70	191.80
Gross proceeds from IPO- Selling shareholders	-	-	-
Total share issue expenses			20.00
Net proceeds from IPO			171.80

The utilisation of net proceeds of the IPO are as below:

Objects	Amount	Utilised till March 31, 2025	Remarks
Working Capital Requirement	150.00	150.00	
General Corporate Purposes	21.80	18.08	Pending utilization the amounts have been parked in the current account of the company
Issue expenses	20.00	8.72	

Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025***(All amounts are Rs. in lakhs unless stated otherwise)***35 Income Taxes****A. Particulars****Income tax expense**

Current tax

Income tax for earlier years

Deferred tax expense

Change in recognised temporary differences

	Year ended March 31, 2025	Year ended March 31, 2024
Current tax	67.70	56.18
Income tax for earlier years	-	-
Deferred tax expense	(2.85)	(0.28)
	64.85	55.90

B. Reconciliation of effective tax rate**Particulars****Profit before tax**

Tax using the Company's domestic tax rate (A)

Tax effect of:

Disallowed expense

Income tax for earlier years

Total (B)

(A)+(B)

	Year ended March 31, 2025		Year ended March 31, 2024	
	Rate	Amount	Rate	Amount
Profit before tax		228.03		194.10
Tax using the Company's domestic tax rate (A)	27.82%	63.44	27.82%	54.00
Tax effect of:				
Disallowed expense		1.41		1.90
Income tax for earlier years		-		-
Total (B)		1.41		1.90
(A)+(B)		64.85		55.90

C. Movement in deferred tax balances**For the year ended March 31, 2025****Particulars****Deferred tax assets**

Unabsorbed losses

Property, plant and equipments and Intangibles

Trade receivables

Total**Deferred tax assets (net)**

	As at 31 March, 2024	Recognised in P&L	Recognised in OCI	As at 31 March, 2025
Unabsorbed losses	-	-	-	-
Property, plant and equipments and Intangibles	0.53	2.85	-	3.38
Trade receivables	-	-	-	-
Total	0.53	2.85	-	3.38
Deferred tax assets (net)	0.53	2.85	-	3.38

For the year ended March 31, 2024**Particulars****Deferred tax assets**

Unabsorbed losses

Property, plant and equipments and Intangibles

Trade receivables

Total**Deferred tax assets (net)**

	As at 31 March, 2023	Recognised in P&L	Recognised in OCI	As at 31 March, 2024
Unabsorbed losses	-	-	-	-
Property, plant and equipments and Intangibles	0.25	0.28	-	0.53
Trade receivables	-	-	-	-
Total	0.25	0.28	-	0.53
Deferred tax assets (net)	0.25	0.28	-	0.53

Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127**Notes to the Ind AS Financial Statements for the year ended March 31, 2025**

(All amounts are Rs. in lakhs unless stated otherwise)

36 Other statutory compliances**(i) Details with respect to the Benami Properties:**

No proceedings have been initiated or pending against the entity under the Benami Transactions (prohibition) Act, 1988.

(ii) Undisclosed income:

The Company does not have transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(iii) Crypto currency:

The Company have not traded or invested in Crypto currency or Virtual Currency.

(iv) Struck off companies:

The Company do not have any transactions with companies struck off.

(v) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

(vi) The Company does not have any immovable property whose title deeds are not held in the name of the Company.

(vii) Charge Registered with Registrar of Charges (ROC):

The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(viii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(ix) The Company does not receive any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

37 The Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. .

38 These financial statements were approved for issue by the Board of Directors on May 23, 2025.

39 Previous year's figures

Previous year's figures have been regrouped/reclassified as per the current year's presentation for the purpose of comparability.

As per our report of even date.

For NKSC & Co.

Chartered Accountants

Firm Registration No. 020076N

Priyank Goyal

Partner

Membership No.: 521986

ICAI UDIN No. 25521986BMNYPW3420

For and on behalf of the Board of Directors of

Avax Apparels and Ornaments Limited

Harish Kumar

Whole Time Director

DIN-09283531

Harinderpal Singh Sodhi

Manging Director

DIN-09283654

Rajesh Singla

CFO

PAN No. CNOPS7915R

Shruti Jain

Company Secretary

M.No. 52018

Place: Delhi

Date: 23-May-25

Place: Delhi

Date: 23-May-25