



AVAX APPARELS AND ORNAMENTS LIMITED

ADDENDUM



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(Please scan QR Code to view the Addendum)



AVAX APPARELS AND ORNAMENTS LIMITED
CIN: U14101DL2005PLC137127

Our Company was originally incorporated on June 2, 2005 as a private limited company under the name and style of "Ethnic Designers Private Limited" under the provisions of Companies Act, 1956 with the Registrar of Companies, NCT of Delhi & Haryana. Further, the Object of the Company was changed vide a fresh Certificate of Incorporation dated October 4, 2021 issued by Registrar of Companies, NCT of Delhi & Haryana. Subsequently, the name of the Company was changed to Avax Soft Technologies Private Limited vide a fresh Certificate of Incorporation dated October 11, 2021 issued by Registrar of Companies, NCT of Delhi & Haryana. Further, our Company was converted into a public limited company and the name of the Company was changed to Avax Soft Technologies Limited vide a fresh Certificate of Incorporation dated November 18, 2022. The Company's name further changed to AVAX APPARELS AND ORNAMENTS LIMITED vide a fresh Certificate of Incorporation dated June 15, 2023 issued by Registrar of Companies, NCT of Delhi & Haryana. For further details, please refer to "Our History and Certain Other Corporate Matters" on page 111 of the Draft Prospectus.

Registered Office: 611 6th Floor Jaina Tower II Distt. Centre Janakpuri, West Delhi, Delhi- 110058

Tel No: +011-44750642/ +91-9599497767; Email: secretarial@avaxapparels.com

Contact Person: Shruti Jain, Company Secretary & Compliance Officer; Website: <https://www.avaxapparels.com>

OUR PROMOTERS: (i) HARINDERPAL SINGH SODHI (ii) HARISH KUMAR

ADDENDUM TO THE DRAFT PROSPECTUS DATED AUGUST 17, 2023: NOTICE TO THE INVESTORS ("THE ADDENDUM")	
<p>INITIAL PUBLIC OFFER OF 2,74,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF AVAX APPARELS AND ORNAMENTS LIMITED ("OUR COMPANY" OR "AAOL" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ 70 PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ 191.80 LAKHS ("PUBLIC ISSUE") OUT OF WHICH 14,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ 70 PER EQUITY SHARE FOR CASH, AGGREGATING ₹ 9.8 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 2,60,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ 70 PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ 182 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.36% AND 25.02% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO "THE ISSUE" BEGINNING ON PAGE 36 OF THIS DRAFT PROSPECTUS.</p>	
<p>Potential Bidders may note the following:</p> <ol style="list-style-type: none"> In the sections offer document summary, risk factors, particular of the issue – object of the issue , about the company- our business, history and certain corporate matters, our management ,our promoter group , restated financial statements, management’s discussion and analysis of financial condition and results of operations, information required as per Item (II) (C) (I) Of Part A Of Schedule VI To the Sebi Regulations – BSE eligibility criteria, legal and other information, other regulatory and statutory disclosures provided herein below as a part of addendum modification have been updated. <p>The above is to be read in conjunction with the Draft Prospectus and accordingly their references in the Draft Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Prospectus.</p> <p>On behalf of AVAX APPARELS AND ORNAMENTS LIMITED</p> <p>Sd/- Mrs. Shruti Jain Company Secretary and Compliance Officer Place: Delhi Date: July 18, 2024</p>	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 SKI CAPITAL SERVICES LIMITED SEBI Registration No.: INM000012768 Address: 718, Dr Joshi Road, Karol Bagh, New Delhi- 110005 Telephone No: +91-011-45046026 Email ID: aaolipo@skicapital.net Contact Person: Mr. Manick Wadhwa / Mr. Ghanisht Nagpal	 SKYLINE FINANCIAL SERVICES PRIVATE LIMITED SEBI Registration No.: INR000003241 Address: Office No. D-153 A, 1st Floor, Okhla Industrial Area, New Delhi - 110020 Tel No: +91-011-26812682 Website: skylinerta.com Email ID: ipo@skylinerta.com Contact Person: Mrs. Rati Gupta
ISSUE PROGRAMME	



AVAX APPARELS AND ORNAMENTS LIMITED

ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]
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**COVER PAGE****Mention number of Equity shares**

DETAILS OF THE ISSUE				
TYPE	FRESH ISSUE SIZE	OFFER FOR SALE (₹ IN LAKHS)	TOTAL ISSUE (₹ IN LAKHS)	ELIGIBILITY & SHARE ALLOCATION
Fresh Issue	Upto 274,000 Equity shares aggregating to ₹ 191.80 Lakhs	Nil	191.80	This issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. For details in relation to share allocation among NIIs and RIIs, please refer to "The Issue" on page 36

SECTION II**SUMMARY OF OFFER DOCUMENTS****OBJECTS OF THE ISSUE**

The Company's business requires high working capital due to long credit period of about 180 days. Going forward, with in house manufacturing the Company expects to reduce working capital cycle. However, working capital shall remain a key factor for growth of our business.

SUMMARY OF FINANCIAL INFORMATION*(Amount in Lakhs)*

Particulars	For the year ended March 31		
	2024	2023	2022
Share Capital	76.52	76.52	1.08
Net Worth	314.68	176.49	1.65
Revenue (Total Income)	2205.98	1470.21	28.87
Profit after Tax	138.19	69.44	1.01
Earnings per share Basic and Diluted*	18.06	9.07	0.94
Net Asset Value per Equity Share (in ₹)*	41.13	23.07	15.28
Total borrowings			
- Long Term	-	-	-
- Short Term	71.50	-	30

*Face Value per share in FY 2020-21 and FY 2021-22 is Rs 1 each and in FY 2022-23 is Rs 10 each has been adjusted for fair comparison.



SECTION III
RISK FACTORS

5. We depend on a limited number of customers for a significant portion of our revenue. The loss of any of our major customer due to any adverse development or significant reduction in business from our major customer may adversely affect our business, financial condition, results of operations and future prospects.

Added table:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (Rs Lakhs)	In %	Amount (Rs Lakhs)	In %	Amount (Rs Lakhs)	In %
Top 5 Customers	1279.28	57.99	664.98	45.23	25.79	85.69
Top 10 Customers	1922.88	87.17	984.35	66.95	25.79	85.69

06. We have experienced negative cash flows from operating and investing activities in the past.

We have in the past, and may in the future, experience negative cash flows from operating, investing and financing activities. The following table sets forth our net cash inflow/(outflow) from operating, investing and financing activities for the periods/years indicated:

Particulars	For the year ended March 31,		
	2024	2023	2022
Net Cash from Operating Activities	10.95	(35.67)	(13.98)
Net Cash from Investing Activities	(86.52)	(17.91)	(2.58)
Net Cash used in Financing Activities	67.55	73.45	30.00

The negative operating cash flows is mainly on account of steep increase in Trade receivables which is balanced to an extent by increase in trade payables but still remains negative. The negative investing cash flows in on account of purchase of property, plant & equipment.

Any negative cash outflows from operating activities over extended periods, or significant cash outflows in the short term from investing and financing activities, could have an adverse impact on our cash flow requirements, business operations and growth plans. As a result, our cash flows, business, future financial performance and results of operations could be adversely affected. For further details, see “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” on page 201.

(Moved Risk factor 22 to 6 and vice-versa)

1. Our Company is dependent on few suppliers for purchase of product. Loss of any of these large suppliers may affect our business operations.

**Added table:**

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (Rs Lakhs)	In %	In %	In %	Amount (Rs Lakhs)	In %
Top 5 Suppliers	1568.15	81.53	804.20	58.85	28.38	100
Top 10 Suppliers	1840.57	95.69	1145.22	83.81	28.38	100

8. Our Company has entered into certain related party transactions and may continue to do so in the future.

Our Company has entered into few related party transactions with our Promoters and Directors in the past. The related party transaction is in form of remuneration to KMPs of Rs 19.80 lakhs which is 1.43% of total Revenues.

While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation.

10. The Company has delayed payment of Statutory dues.

Although funds that are being kept in reserve to meet unforeseen expenses and to maintain a healthy cash balance. Our Company has delayed payment of statutory dues, specifically advance tax, which is attributable to a cash flow mismatch as substantial amounts are blocked in working capital.

Any further delay in payment of statutory dues may lead to penalties, which could adversely affect the Company's financial position and operations.

12. We do not own our registered office.

Our company has taken Our Registered Office located at 611 6th Floor Jaina, Tower II Distt. Centre Janakpuri, West Delhi, Delhi- 110058 on rental basis from Mr. Vinod Malhotra and Mrs. Dipti Malhotra for a period of 2 years from 05th September 2022 to 04th September 2024. For details on the property operated from by the Company and other details please see "*Our Business*" beginning on page 92 of the Draft Prospectus.

We cannot assure you that we will be able to renew our lease in the future, on commercially acceptable terms or at all. We also cannot assure you that, if required to vacate our current premises, we would be able to obtain alternative arrangements for the premises, on commercially acceptable terms or at all. Relocation of our business operations may disrupt our operations and entail substantial costs, which could have an adverse effect on our business, prospects, results of operations and financial condition. Further, the lease deeds for our properties may not be adequately registered or stamped and consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty or registration.

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



AVAX APPARELS AND ORNAMENTS LIMITED

We have not entered into any non-compete agreement with our Promoters. Our Promoter, Mr. Harinderpal Singh Sodhi holds 50% equity shareholding in M/s Avax Industries Private Limited which is into similar line of business. We cannot assure you that our Promoters who has common interest in said entities will not favour the interest of the said entities as a result; conflicts of interests may arise in allocating business opportunities amongst our Company and our Promoter Group Entity in circumstances where our respective interests diverge. There can be no assurance that our Promoters or our Promoter Group Entity or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, please refer to “Common Pursuits” under “Our Promoters” on Page of 133 this Draft Prospectus.

13. The Company in future may have only one line of business which is the textile business and the trading in silver ornaments may be negligible or may not exist at all

The company operates in two primary lines of business: textiles and trading in silver ornaments. However, due to a strategic focus on textiles, the silver business now contributes just approximately 3.62% of the total Revenue. In future, the Company may only have one main line of business which is the textile business and hence there may be no Revenues coming from trading in silver ornaments.

20. The Company changed its name from M/s Avax Soft Technologies Ltd. to M/s Avax Apparels and Ornaments Ltd. An addendum to this effect has not been executed with CDSL and NSDL. This may result in improper reflection of name in CDSL and NSDL depositories.

The Company changed its name from M/s Avax Soft Technologies Ltd. to M/s Avax Apparels and Ornaments Ltd. An addendum to this effect could not be executed with NSDL and CDSL depositories. The failure of depositories to update the name of the Company in their records could result in improper reflection of name. However, the Company has already taken steps and confirmed with CDSL and NSDL that changes in name has been effected in their records.



AVAX APPARELS AND ORNAMENTS LIMITED

**SECTION IV
INTRODUCTION
THE ISSUE
SUMMARY OF OUR FINANCIAL INFORMATION**

Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

Restated Statement of Assets and Liabilities

(All amounts are ₹ in Lacs, unless stated otherwise)

Particulars	Annexure	As at		
		31-Mar-24	31-Mar-23	31-Mar-22
Assets				
Non-current assets				
Property, plant & equipment	3	94.63	17.28	2.58
Intangible asset	4	0.29	0.47	-
Financial assets				
(i) Other financial assets	5	0.22	1.01	-
Deferred tax Asset	6	0.53	0.25	-
Other non current asset	7	-	10.98	9.75
		95.66	29.99	12.33
Current assets				
Inventories	8	44.54	61.71	-
Financial assets				
(i) Trade receivables	9	306.26	210.94	25.79
(ii) Cash and cash equivalents	10	25.98	34.00	14.13
Other current assets	11	12.16	10.25	5.40
		388.94	316.90	45.33
Total Assets		484.60	346.89	57.66
Equity and Liabilities				
Equity				
Equity share capital	12	76.52	76.52	1.08
Other equity	13	238.16	99.97	0.58
		314.68	176.49	1.66
Liabilities				
Current liabilities				
Financial liabilities				
(i) Borrowings	14	71.50	-	30.00
(ii) Trade payables	15			
- total outstanding dues to micro and small enterprises		-	-	-
- total outstanding dues of creditors other than micro and small enterprises		39.10	144.75	25.48
Deferred tax liability	16	-	-	0.03
Other current liabilities	17	2.56	0.28	0.20
Current tax liabilities	18	56.77	25.37	0.30
		169.93	170.40	56.01
Total Equity and Liabilities		484.60	346.89	57.67

Summary of significant 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

Priyank Goyal

Partner

Membership No.: 521986

ICAI UDIN No. 24521986BKFKTY6307

For and on behalf of the Board of Directors of

Avax Apparels and Ornaments Limited

Harish Kumar

Director

DIN-09283531

Harinderpal Singh Sodhi

Director

DIN-09283654

Rajesh Singla

CFO

PAN No. CNOPS 7915R

Shruti Jain

Company Secretary

M.No. 52018

Place: Delhi

Date: 15-Jul-2024

Place: Delhi

Date: 15-Jul-2024



AVAX APPARELS AND ORNAMENTS LIMITED

Avax Apparels and Ornaments Limited
(Formerly known as Avax Soft Technologies Limited)
Restated Statement of Profit and Loss
(All amounts are ₹ in Lacs, unless stated otherwise)

Particulars	Annexure	For the year ended		
		31-Mar-24	31-Mar-23	31-Mar-22
Income				
Revenue from operations	19	2,205.98	1,470.20	28.87
Other income	20	-	0.01	-
Total Income		2,205.98	1,470.21	28.87
Expenses				
Purchases of stock-in-trade	21	1,923.50	1,366.51	27.17
Changes in inventories	22	17.17	(61.71)	-
Employee benefit expense	23	37.06	33.89	-
Finance cost	24	6.64	1.94	-
Depreciation and amortisation expense	25	9.35	2.75	0.00
Other expenses	26	18.18	32.29	0.35
Total Expenses		2,011.90	1,375.68	27.52
Restated Profit before exceptional items and tax		194.08	94.53	1.35
Restated Profit before tax		194.08	94.53	1.35
Tax expense				
Current tax	35	56.18	25.38	0.30
Deferred tax (benefit)/charge	35	(0.28)	(0.28)	0.03
Earlier year tax adjustment		-	-	-
Total tax expense		55.90	25.09	0.33
Restated Profit after tax		138.19	69.44	1.01
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		138.19	69.44	1.01
Earnings per equity share				
-Basic and diluted earnings per share*	27	18.06	9.07	0.94

*Face Value per share in FY 2021-22 is Rs 1 each and in FY 2022-23 and FY 2023-24 is Rs 10 each.

This is the restated statement of profit and loss referred to in our report of even date.
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. 24521986B KFKTY6307

Harish Kumar
Director
DIN-09283531

Harinderpal Singh Sodhi
Director
DIN-09283654

Rajesh Singla
CFO
PAN No. CNOPS7915R

Shruti Jain
Company Secretary
M.No. 52018

Place: Delhi
Date: 15-Jul-2024

Place: Delhi
Date: 15-Jul-2024



AVAX APPARELS AND ORNAMENTS LIMITED

Avax Apparels and Ornaments Limited
(Formerly known as Avax Soft Technologies Limited)
Restated Statement of Cash Flow Statement
(All amounts are ₹ in Lacs, unless stated otherwise)

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Cash flow from operating activities			
Profit/(Loss) before tax	194.09	94.53	1.35
Adjustments to reconcile profit before tax to cash generated			
Depreciation and amortisation expense	9.35	2.75	0.00
Interest income	-	(0.01)	-
Finance costs	3.95	1.94	-
Operating profit before working capital changes	207.39	99.21	1.35
Adjustments for (increase)/decrease in operating assets			
Inventories	17.17	(61.71)	-
Trade receivables	(95.33)	(185.15)	(25.79)
Other financial assets	0.79	(1.01)	-
Other current assets	(1.90)	(4.85)	(5.40)
Other non current asset	10.98	(1.21)	(9.75)
Adjustments for increase/(decrease) in operating liabilities			
Trade payables	(105.66)	119.27	25.48
Other non-financial liabilities	33.68	25.14	0.14
Cash (used in)/generated from operations	67.13	(10.31)	(13.98)
Less: Income tax paid (net of refunds)	(56.18)	(25.37)	-
Net cash flow (used in)/generated from operating activities	10.95	(35.68)	(13.98)
Cash flows from investing activities			
Proceeds from/(payments for) PPE and intangible assets	(86.52)	(17.92)	(2.58)
Interest income	-	0.01	-
Net cash flow from investing activities (B)	(86.52)	(17.91)	(2.58)
Cash flows from financing activities			
Payment to/Proceeds from borrowings	71.50	(30.00)	30.00
Issue of equity shares	-	75.43	-
Finance costs	(3.95)	(1.94)	-
Security premium of equity shares	-	90.17	-
Bonus shares issued	-	(60.21)	-
Net cash inflow from/(used in) financing activities (C)	67.55	73.45	30.00
Net increase (decrease) in cash and cash equivalents (A+B+C)	(8.02)	19.86	13.44
Cash and cash equivalents at the beginning of the year	34.00	14.13	0.69
Cash and cash equivalents at the end of the year	25.98	34.00	14.13

Notes to Statement of cash flows:

(i). Components of cash and bank balances (refer annexure 10)	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Cash and cash equivalents	25.98	34.00	14.13
Cash and bank balances at end of the year	25.98	34.00	14.13

(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

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

Priyank Goyal
Partner
Membership No.: 521986
ICAI UDIN No. 24521986B KFKTY6307

Harish Kumar
Director
DIN-09283531

Harinderpal Singh Sodhi
Director
DIN-09283654

Rajesh Singla
CFO
PAN No. CNOPS 7915R

Shruti Jain
Company Secretary
M.No. 52018

Place: Delhi
Date: 15-Jul-2024

Place: Delhi
Date: 15-Jul-2024



SECTION V
GENERAL INFORMATION

Expert Opinion on ROC Search Report:

M/s G Gupta and Associates,
Peer Review Practicing Company Secretaries
A 4/8 First Floor Sector 15, Rohini,
New Delhi, 110089
Email id.: csgauravguptaonline@gmail.com
Contact person: CS Gaurav Gupta

EXPERT OPINION

Our Company has received written consents dated February 6, 2024 from Peer Review Auditor namely, M/s NKSC & Co., Chartered Accountants, M/s. Vakalat India, Advocates and M/s G Gupta and Associates, Peer Review Practicing Company Secretaries, to include their name as an “expert” as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act.

The Peer Review Auditor M/s NKSC & Co., Chartered Accountants has given their expert opinion, as included in this Draft Prospectus, in relation to the Restated Financial Information, the examination report dated February 6, 2024 on the same, and the statement of Special Tax Benefits dated February 6, 2024. Further, M/s. Vakalat India, Advocates has given their expert opinion, as included in this Draft Prospectus, in relation to the Outstanding Litigations and Material Developments dated February 06, 2024 and M/s G Gupta and Associates, Peer Review Practicing Company Secretaries has given their expert opinion, in relation to RoC Search Report dated February 22, 2024, as included in this Draft Prospectus.

Aforementioned consents have not been withdrawn as on the date of this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.



SECTION VI
CAPITAL STRUCTURE

A. *List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of this Draft Prospectus:*

S.No.	Name of shareholders	No. of Equity Shares held#*	% of Paid up Capital**
1.	Harish Kumar	2910	0.38%
2.	Harinderpal Singh Sodhi	2910	0.38%
3.	Amandeep Singh	2500	0.33%
4.	Amritpal Singh Gill	2500	0.33%

B. *List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of this Draft Prospectus:*

S.No.	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital**
1.	Harinderpal Singh Sodhi	218084	28.50
2.	Harish Kumar	218084	28.50
3.	Deepika	88990	11.63
4.	Amandeep Singh	109202	14.27
5.	Amrinderpal Singh Sodhi	98045	12.82
6.	Surinder Kaur	10798	1.41
7.	Kuldeep Kaur Gill	21955	2.87

C. *List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Prospectus:*

S.No.	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital**
1.	Harinderpal Singh Sodhi	218084	28.50
2.	Harish Kumar	218084	28.50
3.	Deepika	88990	11.63
4.	Amandeep Singh	109202	14.27
5.	Amrinderpal Singh Sodhi	98045	12.82
6.	Surinder Kaur	10798	1.41

**AVAX APPARELS AND ORNAMENTS LIMITED**

7.	Kuldeep Kaur Gill	21955	2.87
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Adjusted for share capital consolidation on May 11, 2022 from Face Value Re. 1 to Face Value ₹ 10 per share.

*The Company has not issued any convertible instruments like warrants, debentures etc. since its incorporation and there are no outstanding convertible instruments as on date of this Draft Prospectus.

** The % has been calculated based on existing (pre-issue) Paid up Capital of the Company.



SECTION VII
PARTICULARS OF THE ISSUE
OBJECTS OF THE ISSUE

THE OBJECTS OF THE ISSUE ARE: -

Our Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects:

1. To meet out the Working Capital requirements of the Company;
2. To meet out the General Corporate Purposes;

(Collectively referred as the "Objects")

DETAILS OF UTILIZATION OF ISSUE PROCEEDS

1. Working Capital Requirements:

Since 2021, our Company is in business of wholesale trading of garments and online retail of silver ornaments. The business of the Company is working capital intensive; hence it will meet the requirement to the extent of ₹ 150 Lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirements of the business.

The reason for additional Working Capital is Wholesale trading of knitted cloth and online retail of silver ornaments both require substantial upfront investments to purchase inventory. As our business continues to expand in both of these areas, we require additional working capital to sustain our operations. With increased working capital, we can prioritize investment in inventory management, boost our marketing efforts, and enhance our online retail capabilities. This will enable us to meet the rising demand for our products and effectively scale our business operations.

The Company's business requires high working capital due to long credit period of about 180 days. Going forward, with in house manufacturing the Company expects to reduce working capital cycle by trying to get orders which has lesser credit period. However, working capital shall remain a key factor for growth of our business.

Details of Estimation of Working Capital requirements are as follows:

(₹ In Lakhs)

Particulars	(Amount in Rs Lakhs)					
	31-03-2021 Audited	31-03-2022 Audited	31-03-2023 Audited	31-03-2024 Audited	31-03-2025 Projected	31-03-2026 Projected
Current Assets						
Inventories	-	-	61.71	44.54	83.33	97.22
Trade Receivables	-	25.79	210.94	306.26	416.67	486.11
Cash and Cash Equivalents	0.69	14.13	34.00	25.98	15.00	15.00
Other Current Assets	-	5.40	10.25	12.16	30.00	30.00
Total (A)	0.69	45.32	316.90	388.94	545.00	628.33
Current Liabilities						
Trade Payables	-	25.48	144.75	39.10	262.50	306.25
Borrowings	-	30	-	71.50	60.00	100.00
Deferred tax liabilities	-	0.03	-	-	-	-
Current tax liabilities	-	0.3	25.37	2.56	25.00	25.00
Other Current Liabilities	0.06	0.2	0.28	56.77	10.00	10.00
Total (B)	0.06	56.01	170.4	169.92	357.50	441.25
Total Working Capital Gap (A) - (B)	0.63	-10.69	146.50	219.02	187.50	187.08
Funding Patterns						
Short-term borrowing & Internal Accruals				219.02	37.50	187.08
Issue Proceeds					150.00	-

**Key assumptions for working capital projections made by the Company:**

Particulars	31-03-2021 Audited	31-03-2022 Audited	31-03-2023 Audited	31-03-2024 Audited	31-03-2025 Projected	31-03-2026 Projected
Debtors (in days)	-	321.61	51.65	49.98	50	50
Creditors (in days)	-	337.55	38.13	7.28	35	35
Inventories (in days)	-	-	15.11	7.27	10	10

Justifications for working capital projections made by the Company:

Aspect	Justification
Trade Receivables	Our credit terms have stabilized at around 50 days and are projected to remain the same. In the initial period the credit terms were very high due to business being new and relationships and networks were being built. Now that the credit terms have stabilized to about 50 days which reflects the market practices. We do not see much change in the credit terms unless some unforeseen factors affect market demand and supply.
Trade Payables	Our trade payables are projected to remain at about 35 days which reflects market practices. However, in 2023-24 the trade payables reduced to 7.28 days which is because of temporary raw material constraints for which company paid forthwith to secure raw materials. However, going forward we see credit period remaining 35 days which is reflective of market practices.
Inventories	Our inventory holding period was about 15 days in 2023 which came down to about 7.27 days in 2024. It is projected to remain about 10 days of turnover. Inventory is kept keeping in view the orders in hand and the supply or raw materials in the market. We anticipate inventory holding period to be 10 days in the foreseeable future
Other Current Assets	Other Current Assets have increased over the period. These includes balance with Government authorities, advance to employees, advance to third parties, advance rent and prepaid expenses. These are incurred as and when required.
Other Current Liabilities	Other Current Liabilities have increased over the period. These includes expenses payable, statutory dues payable and interest accrued but not due.
Cash and Cash equivalents	Cash and cash equivalents reflect cash and bank balances at the end of the year. The Company maintains some liquidity to meet day-to-day expenses of the Company
Current tax liabilities	These reflect income tax and other liabilities payable by the Company.

SCHEDULE OF IMPLEMENTATION

Our Company intends to utilize the Net Proceeds after deducting issue expenses for the following objects:

(₹ in Lakh)

**AVAX APPARELS AND ORNAMENTS LIMITED**

S. No.	Particulars	Estimated Utilization of Net Proceeds (Financial Year 2024-25)
1	Working Capital Requirement	150.00
2	General Corporate Purposes	21.80
Total		171.80

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects

DEPLOYMENT OF FUNDS

The Company has received the Sources and Deployment Funds Certificate dated February 16, 2024 from M/s Arvind Manoj and Associates, Chartered Accountants. The certificate states that the Company has deployed amounts aggregating ₹15.00 Lakh. Details of the deployment of funds as on February 16, 2024, as per the certificate are as follows:

(₹ in Lakh)

Particulars	Source of fund	Amount
Issue Expenses	Internal Accrual	15.00
Total		15.00

**BASIS FOR ISSUE PRICE****QUANTITATIVE FACTORS**

Information presented below relating to the Company is based on the Restated Financial Statements. Some of the quantitative factors which form the basis or computing the price are as follows:

1. Basic & Diluted Earnings Per Share (EPS), as restated:

Period	Basic & Diluted EPS (₹)	Weight
2023-24	18.06	3
2022-23	9.07	2
2021-22*	9.4	1
Weighted Average EPS	12.21	6
EPS for Mar 31, 2024	18.06	

*Face Value in 2021-22 was Rs 1 each and in FY2022-23 Face Value was Rs 10 each. To make fair comparison, EPS of 2021-22 has been accordingly adjusted.

Note:

- EPS Calculations have been done in accordance with Accounting Standard 20- "Earning per Share" issued by the Institute of Chartered Accountants of India.
- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period.
- Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- For the purpose of 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 except where the results are anti-dilutive.

2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹70 /- per Equity Share of face value ₹10/- each fully paid up.

Particulars	P/E Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for period ended Mar 31, 2024	3.88
P/E ratio based on the Weighted Average EPS, as restated	5.73

Industry P/E of Trading Textile Products:

Highest	164.90
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Lowest	15.52
Average	90.21

Note: Industry Peer may be modified for finalisation of Issue Price before filing Prospectus with RoC. There are no Industry Peers in the same business mix. Market prices as on February 07, 2024.

3. Return on Net Worth (RONW)

Period	Return on Net Worth (%)	Weights
2023-24	43.91%	3
2022-23	39.34%	2
2021-22	61.33%	1
Weighted Average	45.29%	6
Mar 31, 2024	43.91%	

Note:

- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year end.
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.
- Net worth is the aggregate value of the paid-up share capital of the Company and reserves and surplus, excluding revaluation reserves and attributable to equity holders.

4. Net Asset Value per Equity Share

Particulars	Net Asset Value (NAV) in ₹
2023-24	41.13
2022-23	23.07
2021-22*	15.28
NAV for Mar 31, 2024	41.13
NAV Post-Issue	48.74
Issue Price	70

*Face Value in FY 2021-22 was Rs 1 each and in FY2022-23 Face Value was Rs 10 each. To make fair comparison, NAV of 2021-22 has been accordingly adjusted.

Note: Net Asset Value has been calculated as per the following formula:



AVAX APPARELS AND ORNAMENTS LIMITED

NAV = Net worth excluding preference share capital and revaluation reserve/Outstanding number of Equity shares outstanding during the year or period.

5. Comparison with industry peers

Trading/Textile Industry

#	Name of the company	Face Value (Per Share)	CMP	EPS (Rs)	P/E Ratio	RON W (%)	NAV (₹ Per share)	PAT (₹ In Lakh)
1	Avax Apparels and Ornaments Limited.	10	70	18.06	3.88	43.91%	41.13	138.19
Peer Group								
2	Anand Rayons Limited	10	45.20	2.09	21.60	9.02 %	24.2	300
3	Aarnav Fashions Limited	10	55.0	1.33	41.3	3.2%	42.4	600

Source: <https://www.bseindia.com/markets/Equity/EQReports/IndustryView.html?expandable=2&page=IN020301003%20&scripname=Trading%20-%20Textile%20Products>

Notes:

- Considering the nature and turnover of business of the Company the peers are not strictly comparable. However, the same have been included for broader comparison.
- The figures for Avax Apparels and Ornaments Limited are based on the restated results for the period ended March 31, 2024.
- The figures for the peer group are based on trailing to market.
- Current Market Price (CMP) is the closing price of the respective scrip as on July 17, 2024.

- The Face Value of our shares is ₹10 per Equity Share and the Issue Price is ₹70 per Equity Share which is 7 times the Face Value.
- The Issue Price has been determined by our Company in consultation with the Lead Manager and justified by our Company in consultation with the Lead Manager on the basis of above parameters. Investors should read the above-mentioned information along with sections titled “**Our Business**”, “**Risk Factors**” and “**Financial Information**” beginning on page 92, 16 and 142 respectively including important profitability and return ratios to have a more informed view.

8. Key Financial and Operational Performance Indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated January 31, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company.



AVAX APPARELS AND ORNAMENTS LIMITED

Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this red herring prospectus. Further, the KPIs herein have been certified by M/s Arvind Manoj & Associates, Chartered Accountants, by their certificate dated February 16,2024.

For details of our other operating metrics disclosed elsewhere, refer “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on pages 92, and 201 respectively. Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later. Any change in these KPIs, during the aforementioned period, will be disclosed by the Company. Up till that, the ongoing KPIs shall continue to be certified as certified by M/s Arvind Manoj & Associates, Chartered Accountants, by their certificate dated February 16,2024. Key Financial Performance Indicators of our Company:

(Amount in Rs Lakhs)			
Particulars	Financial year ended		
	Mar 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	2,205.98	1,470.20	28.87
EBITDA	210.06	99.22	1.35
EBITDA margin (%)	9.52%	6.75%	4.67%
ROCE (%)	37.50%	40.45%	3.20%
ROE (%)	43.91%	39.34%	61.21%
PAT margin (%)	6.26%	4.72%	3.51%
Net Working capital days	36.24	36.37	-135.16

Notes:-

1. To compute the aforementioned financial key performance indicators (KPIs), the relevant numerical values are from disclosed information within the Restated Consolidated Financial Information.
2. Revenue from Operation: Restated revenue from operating activities of the business as reported in Restated Financial Information (i.e. excluding other income)

Formula used to derive the above ratios is as under: -

KPI metrics	Formula
EBITDA	Earnings Before Interest Tax and Depreciation
EBITDA margin (%)	(EBITDA/Revenue from Operations)*100
ROCE (%)	(EBIT/ Capital Employed)*100
ROE (%)	(Profit after Tax/Average Shareholder’s Equity)*100
PAT margin (%)	(Profit after Tax/ Revenue from Operation) *100
Net working capital days	(Working Capital*365)/Net Sales

Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company.

KPI metrics	Explanation
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AVAX APPARELS AND ORNAMENTS LIMITED

EBITDA	The company has higher EBITDA which indicates that the company has high operating cash profits
EBITDA margin (%)	The EBITDA % of the company is continuously improving which indicates that the operative earnings/profits of the company are continuously increasing.
ROCE (%)	It is better to determine the profitability of company than return on equity. Higher ROCE indicates better performance of the company.
ROE (%)	A high return on Equity indicates that the company is more successful in generating profit internally.
PAT margin (%)	This ratio indicates the percentage of money the company earns per each rupee of revenue.
Net working capital days	Net working capital days describes how many days it takes for a company to convert its working capital into revenue.
Debt to equity ratio (times)	The D/E ratio is considered to be a gearing ratio, a financial ratio that compares the owner's equity or capital to debt, or funds borrowed by the company.
Fixed assets turnover ratio (times)	The fixed asset turnover ratio reveals how efficient a company is at generating sales from its existing fixed assets.
	KPIs disclosed in the offer document should be comprehensive and explanation shall be provided on how these KPIs have been used by the management historically to analyse, track or monitor the operational and/or financial performance of the Issuer Company.

COMPARISON OF KPI WITH LISTED INDUSTRY PEERS

Key Financial Performance	(Amount in Rs Lakhs)					
	Anand Rayons Limited			Aarnav Fashions Limited		
	Mar 31, 2024	March 31, 2023	March 31, 2022	Mar 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	34,426	33,650	33,405	35,649	39,691	42,057
EBITDA	735	722	811	2,744	1,238	2,455
EBITDA margin (%)	2.14%	2.15%	2.14%	7.70%	3.12%	5.84%
ROCE (%)	14.46%	14.86%	18.07%	7.00%	5.71%	9.39%
ROE (%)	8.63%	9.53%	9.81%	3.35%	0.22%	5.47%
PAT margin (%)	0.91%	0.94%	0.88%	1.69%	0.10%	2.25%
Net working capital days	42.21	42.15	39.3	83.35	78.59	96.61



OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means Avax Apparels and Ornaments Limited.

All financial information stated in this section is extracted and therefore should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 16 and 138 respectively.

BUSINESS OVERVIEW

The Company engages in two distinct lines of business:

- Wholesale trading
- Online retail of silver ornaments

Wholesale trading:

The Company operates in the wholesale trading of knitted cloth. They directly buy from manufacturers and supply wholesale to companies and readymade garment manufacturers in Punjab. The company specializes in knitted cloth, which are used for manufacturing of ladies and gents' jackets.

The company's key advantages in wholesale trading include a geographical advantage, being located in the hub of cloth manufacturing. Additionally, the growing demand for these products and the strong business relationships of the management also contribute to the company's success in this segment.

Manufacturing of Knitted Cloth

The company has recently purchased machinery for manufacturing of knitted cloth. The Company is going to start manufacturing very soon, a step towards backward integration. We aim to manufacture what we have been outsourcing till now. This would increase our profit margins going forward. Also we expect, this would allow us to get work which has less credit period involved thereby reducing our high working capital requirements

Online retail silver ornaments business:

The Company operates in the business of online retail of silver ornaments. They offer a wide range of designs and articles with a choice of weight of products, such as silver rings, silver ladies pajeb, silver gents kada, silver plate set, silver glass, silver bangles, silver bowls, silver chains, and other silver jewellery. They are capable of supplying in all major cities across the country.

The company's key advantages in this business include operating in the affordable silver ornaments sector, an increase in demand for silver ornaments in Indian markets, the ability to replicate gold jewellery designs in silver, and access to exclusive Punjabi ethnic designs.

Our company is led by two promoters namely, Mr. Harinderpal Singh Sodhi as Managing Director and Mr. Harish Kumar as Executive (Whole Time) Director of the Company. Mr. Harinderpal Singh Sodhi worked as a Business Manager at Guru Nanak Kissan Sewa Kender from March 2014 to March 2022 and Mr. Harish Kumar worked as a business proprietor at Kunika Traders- Muktsar from May 2013 to March 2022.

SWOT ANALYSIS



<i>Strength</i>	<i>Weakness</i>
<ul style="list-style-type: none"> ● Locational advantage ● Good network and connections with the players in the Sector ● Excellent Customer Relations ● Experienced and professional Team ● Good Track record of the management 	<ul style="list-style-type: none"> ● Limited financial resources ● Limited pricing power due to emerging competition ● Limited experience specifically in silver ornament sales.
<i>Opportunity</i>	<i>Threats</i>
<ul style="list-style-type: none"> ● Government thrust under Make in India Policy ● Good demand knitted cloth and silver ornaments, the demand is expected to grow further ● Positive Government Initiatives ● Increasing share of the market 	<ul style="list-style-type: none"> ● Changes in government policy ● Exposure to sharp changes in raw material prices.

DETAILS OF THE MARKET

Knitted Cloth:

The knitted cloth market in India is a significant contributor to the country's textile industry, with a wide range of products being produced and exported to various countries around the world.

The Indian knitted cloth market is known for its high-quality products and competitive pricing, which has helped it to establish a strong presence in the global market. The major products being produced include t-shirts, sweaters, jerseys, and other knitwear garments, which are exported to countries such as the United States, Europe, and the Middle East.

The Indian government has implemented several measures to support and promote the growth of the knitted cloth market, including providing subsidies and incentives to textile manufacturers and exporters. Additionally, the government has set up special economic zones and textile parks to attract investments and encourage the growth of the textile industry.

The knitted cloth industry in India is also known for its large number of small and medium-sized enterprises (SMEs) which play a vital role in the production and manufacturing of knitted cloth. These SMEs are known for their flexibility and adaptability, which allows them to quickly respond to the changing market conditions and customer demands.

However, the knitted cloth market in India also faces some challenges such as the competition from cheaper imports, lack of modern technology and the high cost of raw materials. Despite these challenges, the market is expected to continue growing in the coming years, driven by increasing demand for high-quality knitted cloth products in the global market.

Overall, the knitted cloth market in India is a vital contributor to the country's textile industry, with a wide range of high-quality products being produced and exported to various countries around the world. Government support, a large number of SMEs and adaptability to changing market conditions have helped the market to establish a strong presence in the global market.

Online retail of silver ornaments:

The online market for silver ornaments in India is a rapidly growing industry, with a large number of websites and e-commerce platforms offering a wide range of silver jewellery products. Some of the key players in the Indian online



silver jewellery market offer a wide range of silver jewellery products such as silver earrings, silver bangles, silver chains, silver pendants, and silver rings.

The silver ornaments market in India has grown significantly in recent years, driven by factors such as increasing disposable incomes, changing consumer preferences, and the growing popularity of online shopping. The market is also driven by the increasing use of social media platforms and digital marketing, which have made it easier for consumers to discover and purchase silver jewellery products online.

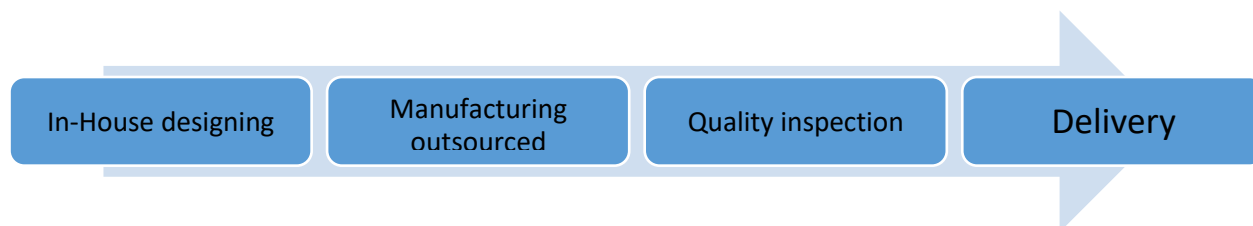
In terms of product offerings, the Indian online silver jewellery market is highly diversified, with a wide range of products available to cater to different tastes and preferences. From traditional designs to modern and contemporary styles, the market offers a variety of silver jewellery products to suit different occasions and budgets. Many of the online marketplaces also offer customization options, allowing customers to design their own silver jewellery products.

In terms of pricing, the Indian online silver jewellery market is competitive, with a wide range of products available at different price points. Prices of silver ornaments depend on the weight, design and craftsmanship. The online retailers also offer discounts and deals throughout the year, making it more affordable for consumers to purchase silver jewellery products.

Overall, the online market for silver ornaments in India is a rapidly growing industry, with a wide range of products, competitive pricing and a lot of options to choose from. Due to the COVID-19 pandemic, the online market has seen a surge in the demand for silver ornaments as people were hesitant to visit physical stores.

BUSINESS STRATEGY AND PROCESS FLOW

Process of wholesale trading business is described below: -



Our Company maintains an in-house designing team to create customized designs based on customer preferences. After design selection by customer, orders are outsourced to third-party manufacturers. A quality assurance team conducts thorough inspections to ensure high standards. Only output meeting quality criteria proceed to final delivery to customers.

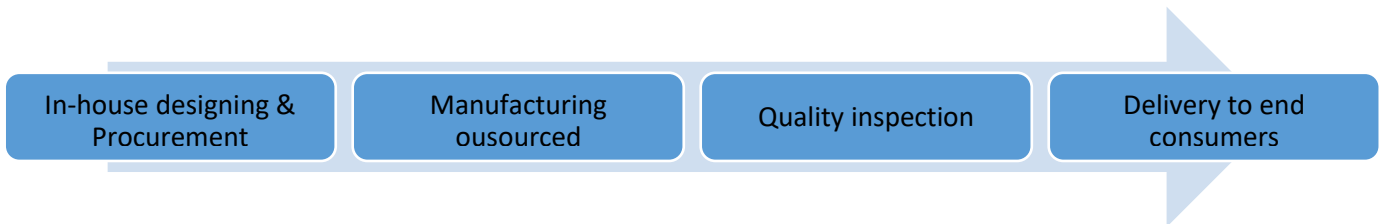
1. **In-house designing:** We maintain an in-house Designing team responsible for crafting bespoke designs tailored to our customers' preferences. Upon design completion, customers have the opportunity to meticulously select their preferred designs and specify the quantity of pieces they wish to order.
2. **Manufacturing outsourced:** Following the design selection phase, the orders are meticulously outsourced to a network of manufacturers. Our rigorous selection process ensures that each manufacturer meets our stringent standards for quality and craftsmanship.
3. **Quality inspection:** Upon receipt of the manufactured pieces, our quality assurance team conducts thorough inspections to ensure adherence to our high-quality standards.



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4. **Delivery:** Only pieces that meet our rigorous quality criteria proceed to the final stage of delivery to our valued customers.
5. **In-house manufacturing:** The Company is going to start manufacturing very soon, a step towards backward integration. We aim to manufacture what we have been outsourcing till now. This would increase our profit margins going forward. Also we expect, this would allow us to get work which has less credit period involved thereby reducing our high working capital requirements.

Process of silver ornaments business is described below: -



The company's process includes in-house design creation to meet customer preferences, securing raw materials like silver bars with third-party manufacturers, online design selection by customers, outsourcing manufacturing to a trusted network, rigorous quality inspection by our team, and delivery of items that meet the quality standards.

1. **Design Creation:** Our in-house Designing team specializes in crafting unique designs to meet the specific preferences of our customers.
2. **Raw Material Procurement:** We secure our raw materials, specifically silver bars, and entrust their safekeeping to third-party vendor through formal agreement. The vendor serve as custodian, ensuring the integrity and security of the materials.
3. **Design Selection Process:** Customers have the convenience of selecting their preferred designs through our user-friendly online platform.
4. **Outsourcing:** Upon design selection, the manufacturing process is outsourced to a vendor.
5. **Quality Inspection:** Our quality assurance team meticulously inspects the received pieces to ensure they meet our stringent quality standards. Only items that pass this rigorous evaluation proceed to the next stage.
6. **Efficient Delivery:** Once the quality check is complete and the pieces meet our standards, we proceed with the delivery process to ensure timely and satisfactory fulfilment of customer orders.

NATURE OF OUR PRODUCT AND PRODUCT RANGE

Our primary offerings consist of knitted cloth for wholesale trading and silver ornaments for retail sales via our ecommerce platform.

Knitted Cloth:

Products



Finished products

Note: For illustration purposes only, our product range is not limited to the products shown as above.

Silver Ornaments:

Products	
	
Men's silver jewellery	Ethnic Punjabi gold-plated silver jewellery
	
Ethnic Punjabi women's jewellery	

Note: For illustration purposes only, our product range is not limited to the products shown as above.

PRODUCT WISE BREAKUP

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (Rs Lakhs)	In %	Amount (Rs Lakhs)	In %	Amount (Rs Lakhs)	In %
Knitted Cloths	2126.18	96.38	1223.31	83.21	24.56	85.09
Silver Ornaments	79.80	3.62	246.89	16.79	4.32	14.91

**OUR CLIENT BASE**

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (Rs Lakhs)	In %	Amount (Rs Lakhs)	In %	Amount (Rs Lakhs)	In %
Top 5 Customers	1279.28	57.99	664.98	45.23	25.79	85.69
Top 10 Customers	1922.88	87.17	984.35	66.95	25.79	85.69

OUR SUPPLIER BASE

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (Rs Lakhs)	In %	In %	In %	Amount (Rs Lakhs)	In %
Top 5 Suppliers	1568.15	81.53	804.20	58.85	28.38	100
Top 10 Suppliers	1840.57	95.69	1145.22	83.81	28.38	100

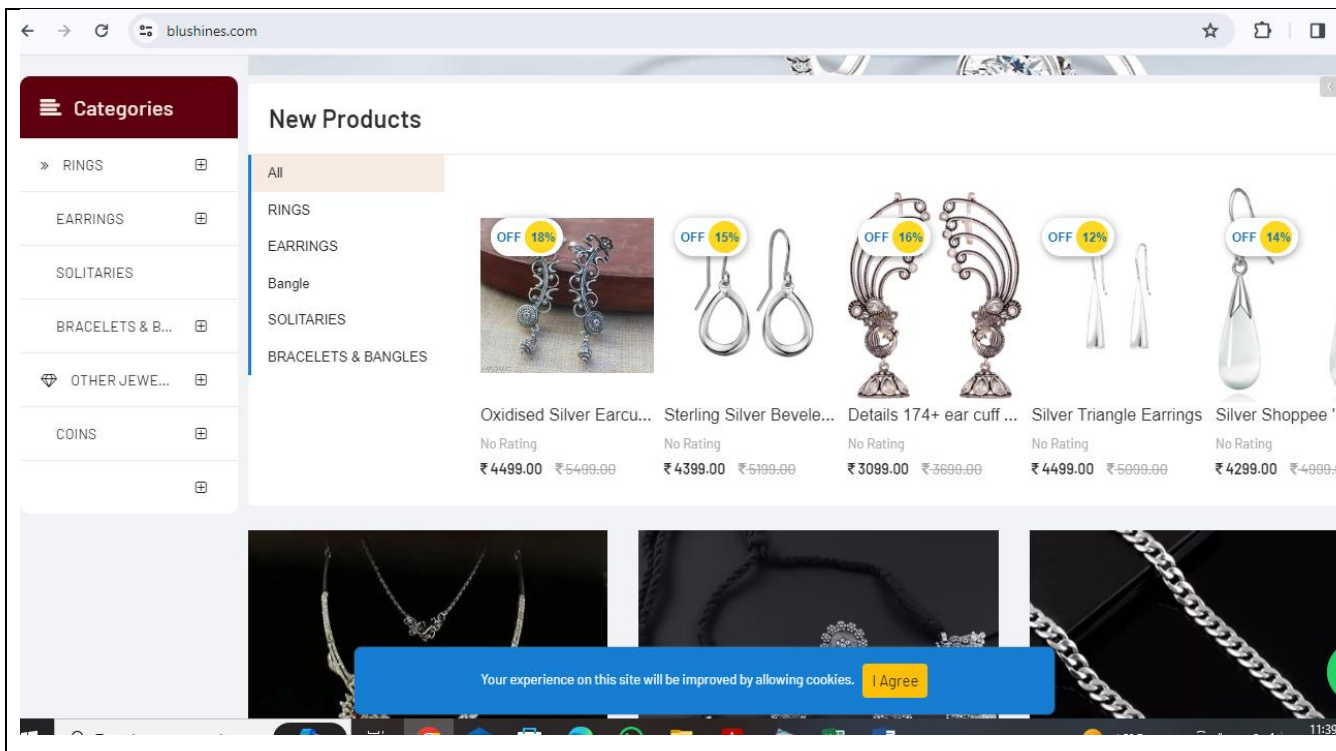
PLACE OF BUSINESS OF THE COMPANY

We operate our business from the following locations:

S. No.	Description	State	Owned by	Location	Status & size	Validity
1	Registered Office	Delhi	Vinod Malhotra and Dipti Malhotra	#611, 6 th floor, Jaina Tower-II, District Centre, Janakpuri, New Delhi 110058	Lease Deed dated 05.09.2022 between Avax Apparels and Ornaments Ltd. and the owners of the office space. Size of unit: 481 sq. ft.	04.09.2024

2	Branch Office	Punjab	S. Kirpal Singh	Bura Gujar Road, Muktsar 152026, Punjab	Rent Agreement dated 20.10.2023 between Avax Apparels and Ornaments Ltd. and the owner of the premises Size of unit: 300 sq. ft.	19.09.2024
3	Factory cum Warehouse	Punjab	Surinder Kaur	2209 G/1, St. No.1,Bhola Colony, Ludhiana 141010, Punjab	Rent Agreement dated 30.09.2023 between Avax Apparels and Ornaments Ltd. and the owner of the premises Size of unit: 2500 sq. ft.	30.11.2024

Our e-commerce portal (<https://blushines.com/>)





Our Factory cum warehouse premises



PLANT AND MACHINERY

As of the date of this Draft Prospectus, the Company has purchased machinery from M/s Saini Exports. Details are as follows:

S No	Product	Brand	Expected Life*	Machinery Model	Description
1	High Speed Knitting Machine with GSJZ 360, 10G (Intarsia Special 16 Feeder)	Jack	7 Years	2021	A high-speed knitting machine designed for fully fashioned items, equipped with Intarsia special 16 feeder for intricate patterns.
2	Online 5KWA UPS S.N.-AF 0516 15U 5K 213	Microtek	5 Years	2023	An online UPS system ensuring uninterrupted power supply for machinery.
3	Air Compressor Complete	Elgi	5 Years	2021	A complete air compressor setup for machinery operation.
4	Gen Set 15 KWA with Sound Proof Canopy	Kirloskar	10 Years	2021	A 15 KWA generator set with soundproof canopy for machinery operation.



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5	Commercial A C Indoor & Outdoor 2	Mitsubishi	5 Years	2021	A commercial air conditioning unit designed for cooling machinery in both indoor and outdoor settings.
6	Yarn Rewinder	Jack	7 Years	2021	A device used for re-winding yarn and settling threads efficiently.
7	Single Needle Lock Stitching Machine	Jack	5 Years	2023	A stitching machine with a single needle for creating lock stitches.
8	Double Needle Lock Stitching Machine	Jack	5 Years	2023	A double needle stitching machine that produces two rows of lockstitches simultaneously.
9	5 Thread Overlock Machine	Jack	5 Years	2023	An overlock machine with 5 threads, designed to automate the cardigan stitching process.
10	4 Thread Overlock Machine	Jack	5 Years	2023	An overlock machine with 4 threads for automatically stitching cardigans.
11	4 Thread Overlock and Interlock Machine	Jack	5 Years	2023	A machine that combines 4-thread overlock and interlock stitching, specifically for ladies' cardigans.
12	3tf/Lft Sewing Machine	Jack	5 Years	2023	A sewing machine designed for the complete stitching of ladies' cardigans.
13	3tf/L Sewing Machine	Jack	5 Years	2023	Another version of the sewing machine, also for completing ladies' cardigan stitching.

*Based on internal management estimates.

List of Machinery purchased

S.NO	NAME OF PRODUCTS	NEW/SECOND HAND/MODEL	PCS	VALUE
MACHINERY				
1	FULLY FASHION HIGH SPEED KNITTING MACHINE	SECOND HAND/2020	5	37,85,000
2	ONLINE 5KWA UPS	NEW/2023	1	29,000
3	AIR COMPRESSOR COMPLETE	SECOND HAND/2020	1	39,000
4	GENERATOR SET 15KWA WITH SOUND PROOF	SECOND HAND/2020	1	2,80,000
5	COMMERCIAL AIR CONDITIONER INDOOR AND OUTDOOR	NEW/2023	1	65,000
6	YARN REWINDER	SECOND HAND/2020	1	15,000
7	DOUBLE NEEDLE LOCK STICH MACHINE	NEW/2023	3	6,15,000
MACHINERY PARTS				
1	5TO/L	NEW/2023	5	3,65,000
2	4TO/L	NEW/2023	5	3,30,000
3	3TF/L	NEW/2023	5	3,85,000
4	3TF/LFT	NEW/2023	5	2,26,000
5	4TO/LCT	NEW/2023	5	2,75,000
Total				64,09,000

CAPACITY UTILIZATION

The Company is yet to install the machineries purchased as on date of Draft Prospectus.

**COLLABORATIONS/ TIE-UPS/ JOINT VENTURES**

The Company does not have any Collaboration/Tie Ups/ Joint Ventures, as on date of Draft Prospectus.

SUBSIDIARIES/ ASSOCIATE COMPANIES

The Company does not have any subsidiaries or associate companies, as on date of Draft Prospectus.

EXPORT AND EXPORT OBLIGATION

The Company does not have any export sales or export obligations, as on date of this Draft Prospectus.

UTILITIES & INFRASTRUCTURE FACILITIES***Infrastructure Facilities***

Our registered office is situated #611, 6th floor, Jaina Tower-II, District Centre, Janakpuri, New Delhi 110058, India and the warehouse is located at 2209 G/1, St. No.1, Bhola Colony, Ludhiana Punjab 141010, India and is well equipped with adequate equipment and other facilities which are required for our business operations. Our e-commerce portal blueshines.com is hosted on cloud servers and does not require physical infrastructure at our location.

Power

Our Company requires power for the normal requirement of the factory and for lighting, Computer systems etc. Adequate power is available which is met through the commercial electric supply by Punjab State Power Corporation Limited.

Water

The Company does not require water facilities required for business purposes. The requirements are fully met for human consumption at the existing premises.

HUMAN RESOURCES

We have a qualified and professional employee base of 7 fulltime employees as on date of this Draft Prospectus. Our majority workforce are skilled workmen. Many of our employees, particularly the senior management, have been working with our Company since inception. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, execution of services within time and quality, we believe human capital is one of the most valuable assets of our Company as their technical know-how and skill sets position us at a competitive advantage over our competitors in providing some of our services.

Job profile wise employee break up as following:

Job Profile	Number of Employees
Accounts	1
Compliance	1
Information Technology	1
Office Admin & Quality	1
Sales, Purchase & Design	3

Total	7
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MARKETING

Mr. Harinderpal Singh Sodhi as Managing Director and Mr. Harish Kumar as Executive Directors of the Company, are qualified and experienced in marketing, and together head the overall marketing of our Company’s services.

Our management also conducts sales promotion events, which gives us a platform to interact with clients and expand our market recognition. We develop & maintain strong relationships with our clients. Our business is dependent on developing & maintaining strong relationships with the various parties and the clients. We will continue to develop and maintain these relationships and alliances.

We have strong expertise in sourcing quality cloth and silver ornaments for which we are fast becoming known for in the market. The present situation after Russian-Ukraine war, has resulted in market being divided between China and anti-China manufacturers boosting our wholesale trading business.



Sales promotion event organized at Ludhiana, Punjab on November 3, 2022.

BUSINESS STRATEGY

1. Expand our current business relationships

Our goal is to build long-term sustainable business relationships with our customers to generate increasing revenues. We plan to continue to expand the scope and range of products provided to our existing customers by continuing to build our expertise and extending our capabilities. Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer base. Our ability to maintain and improve the products we offer to customers enables us to generate stable revenue and minimize customer complaints.



We now focus on guiding the overall experience of our customer which is intended to upgrade the experience of customer to one of much greater engagement and satisfaction.

2. Improving operational efficiencies

Our Company intends to improve efficiencies to achieve cost reductions so that they can be competitive. We believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions with new range of products, will enable us to penetrate into new catchment areas within these regions and optimize our infrastructure. As a result of these measures, our company will be able to increase its market share and profitability.

3. Optimal utilization of resources

Our Company constantly endeavors to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for providing our products which enables us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use. We also intend to continue to build on our inclusive culture to ensure our employees remain engaged and committed to delivering exceptional service.

4. Enhancing existing production and product quality

We believe quality service and products of global standards will be of utmost importance for customer retention and repeat-order flow. We intend to have close interaction with our customers in a bid to strengthen our relationships with them. We train our employees to consistently design and deliver client focused solutions. We believe that our quality products have earned us a goodwill from our customers, which has resulted in repeat services orders from many of them.

5. To build-up a professional organization

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks etc. We have a blend of the experience and the sufficient staff for taking care of our day-to-day operations. We also consult with external agencies on a case-to-case basis on technical and financial aspects of our business. We wish to make it sounder and stronger in times to come

INSURANCE

Insurance policies purchased by our Company:

S. No.	Name of policy & Coverage	Policy No.	Coverage starts	Coverage ends	Sum insured
1	ICICI Bharat Sookshma Udyam Suraksha (All Kinds Of Garments Cloth Knitted Hosiery And Goods Related To Insured Trade)	1016/304294373/00/000	29.08.2023	28.08.2024	₹30,00,000/-
2	ICICI Lombard Burglary Insurance Policy (All Kinds Of Garments Cloth Knitted Hosiery And Goods Related To Insured Trade)	4002/304294384/00/000	29.08.2023	28.08.2024	₹30,00,000/-

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3	ICICI Jeweler's Package Policy Sookshma	4093/S/304293885/00/000	29.08.2023	28.08.2024	₹30,00,000/-
4	Icici Lombard Burglary Insurance Policy (Plant & Machinery & Stocks)	4002/326642916/00/000	26.01.2024	25.01.2025	₹15,00,000/-
5	Icici Lombard Msme Suraksha Kavach (Complete Fire Insurance of (Plant & Machinery & Stocks))	1021/326642915/00/000	26.01.2024	25.01.2025	₹15,00,000/-

INTELLECTUAL PROPERTY

Our Company has applied for three (3) trademarks, particulars whereof are as under:

S. No.	Nature of IP	Trade Mark	Class	Status
1	Trade Mark	Blushine, a Luxury Life	25	Registration Applied
2	Trade Mark	Blushine, a Luxury Life	14	Registration Applied
3	Trade Mark	Avax	24	Registered
4	Domain	avaxtech.com	-	Registered
5	Domain	avaxtech.in	-	Registered
6	Domain	avaxtechnologies.com	-	Registered
7	Domain	blushines.com	-	Registered
8	Domain	blushine.co.in	-	Registered
9	Domain	blushine.in	-	Registered
10	Domain	avaxapparels.com	-	Registered

FINANCIAL ACHIEVEMENTS OF THE COMPANY



AVAX APPARELS AND ORNAMENTS LIMITED
(Amount ₹ in Lakhs)

Sr. No.	Particulars	Calculation	As at		
			31-Mar-24	31-Mar-23	31-Mar-22
1	Return on Equity	Restated net income/ Restated shareholder equity	43.91%	39.34%	61.33%
2	Debt Equity Ratio	Restated total debts / Restated total equity	0.23	-	18.14
3	Earning per share	Earning available for Equity Shareholder/ Weighted average no. of Share outstanding during the period	18.06	9.07	0.94
4	Current Ratio	Restated current asset/ Restated current liability	2.29	1.86	0.81
5	Liquid Ratio	(Total restated current asset- Restated inventory- Restated prepaid expense)/ Restated current liabilities	2.03	1.50	0.81
6	Return on Capital employed	Restated EBIT/ Restated capital employed	61.68%	53.56%	81.43%
7	Net Profit to Sales	Restated profit after tax/ Restated sale	6.26%	4.72%	-23.56%
8	Debtors turnover Ratio	Restated credit sales/ Restated average trade receivables	8.53	12.42	-0.24
9	Creditors turnover Ratio	Restated credit purchase/ Restated average trade payables	20.92	16.05	-0.24

OPERATIONAL SEGMENTED REVENUES

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (Rs Lakhs)	In %	Amount (Rs Lakhs)	In %	Amount (Rs Lakhs)	In %
Knitted Cloths	2126.18	96.38	1223.31	83.21	24.56	85.09
Silver Ornaments	79.80	3.62	246.89	16.79	4.32	14.91

INDEBTEDNESS

For details of indebtedness please refer to “*Statement on Financial Indebtedness*” on page 199 of this Draft Prospectus.

COMPETITION

Whole trading: The wholesale clothing market is typically characterized by a large number of relatively small firms that compete with each other to provide a wide variety of clothing products to retailers. The market is also typically fragmented, with no single company dominating the industry.

Online retail: The market structure of online retail of silver ornaments can be characterized as competitive and fragmented. There are many small and medium-sized companies that sell silver ornaments online, and no single company dominates the industry. These companies typically compete with each other based on factors such as price, product quality, and customer service. In addition, the rise of e-commerce has made it easier for consumers to compare prices and shop around, further increasing competition in the market.

**OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS****KEY EVENTS AND MILESTONES:**

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Particulars
2005	Incorporation of our Company.
2021	Name changed to Avax Soft Technologies Private Limited
2021	Change of objects and start of wholesale trading business
2022	Foray into silver ornaments business and successful launch of our online retail portal, blueshines.com
2022	Conversion of our Company from private to public and name changed to Avax Soft Technologies Limited
2023	Company name changed to Avax Apparels and Ornaments Limited
2024	The company has purchased machineries for producing knitted cloth



OUR MANAGEMENT

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Prospectus:

S.No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship
1	<p>Mr. Harinderpal Singh Sodhi</p> <p><i>Designation:</i> Managing Director</p> <p><i>Address:</i> 405, Street No. 1-6, Gandhi Nagar, Muktsar, Punjab 152026</p> <p><i>Date of Birth:</i> November 22, 1990</p> <p><i>Qualification:</i> Bachelors of Arts in 2011 from Shridhar University, Pilani, Rajasthan.</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term :</i> For a period of 3 years</p> <p>Date of First Appointment: August 16, 2021</p> <p><i>Date of Appointment as MD:</i> November 07, 2022 and subsequently on 31st October 2023</p> <p><i>DIN:</i> 09283654</p>	33	Avax Industries Private Ltd.
2	<p>Mr. Harish Kumar</p>		NIL



	<p>Designation: Executive (Whole-Time) Director</p> <p>Address: Street No. 9, Dashmesh Nagar, Bawa colony, Muktsar, Punjab 152026</p> <p>Date of Birth: May 10, 1989</p> <p>Qualification: Bachelors of Arts in 2011 from Punjab University, Chandigarh.</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: For a period of 3 years from December 30,2022</p> <p>Date of First Appointment: August 16, 2021</p> <p>Date of Appointment as WTD: December 30, 2022</p> <p>DIN: 09283531</p>	35	
3	<p>Mrs. Deepika</p> <p>Designation: Executive (Whole-Time) Director</p> <p>Address: C 465, Top Floor, Saraswati Vihar, New Delhi 110034</p> <p>Date of Birth: August 10, 1990</p>	33	NIL



	<p>Qualification: B. Tech in computer science in 2012 from Lovely Professional University, Jalandhar.</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: For a period of 3 years from December 30,2022</p> <p>Date of First Appointment: May 28, 2022</p> <p>Date of Appointment as WTD: December 30, 2022</p> <p>DIN: 08730368</p>		
4	<p>Mr. Amitabh Agrawal</p> <p>Designation: Non-Executive Independent Director</p> <p>Address: T-10, Flat No-203, Parsvnath Regalia, Sahibabad, Ghaziabad, Uttar Pradesh 201005</p> <p>Date of Birth: May 11, 1975</p> <p>Qualification: Company Secretary</p> <p>Occupation: Private Service</p> <p>Nationality: Indian</p> <p>Term: For a period of 5 years from December 30,2022</p>	49	<ol style="list-style-type: none">1. Siddhika Coatings Limited2. Sir Bio Tech India Private Limited3. Shreesri Buildtech Private Limited4. Gpj Buildwell Private Limited5. Rounak Buildtech Private Limited6. Life Style Build Tech Private Limited7. J And R Home Developers Private Limited8. Kedia Projects Private Limited9. Aakarshan Buildwell Private Limited10. Eternity Township Private Limited11. Goodluck Housing And Promoters Private Limited12. Shree Maa Mercantiles Private Limited13. New Wave Dwellers Private Limited



	DIN: 00124966		
5	<p>Mr. Gurvinder Singh Vohra</p> <p>Designation: Non-Executive Independent Director</p> <p>Address: H.No. 1096, Sector 39, Urban Estate, Chandigarh Road, Ludhiana, Punjab 141010</p> <p>Date of Birth: May 21, 1961</p> <p>Qualification: Higher Secondary Certificate</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: For a period of 5 years from November 9, 2022</p> <p>DIN: 09783549</p>	62	NA
6	<p>Mr. Pradeep Srivastava</p> <p>Designation: Non-Executive Independent Director</p> <p>Address: 71 Balmukand Khand Giri Nagar, Near Kalkaji Bus Depo Kalkaji, South Delhi Delhi 110019</p> <p>Date of Birth: August 11, 1983</p> <p>Qualification: L.L.B. from Chaudhary Charan Singh University, Meerut</p> <p>Occupation: Private Service</p> <p>Nationality: Indian</p>	40	NA



	Term: For a period of 5 years from December 30, 2022		
	DIN: 08706824		

TERMS AND CONDITIONS OF EMPLOYMENT OF THE DIRECTORS**i. Executive Directors**

Name	Mr. Harinderpal Singh Sodhi
Designation	Managing Director
Period	For a period of 3 years
Date of approval of shareholder	NA
Remuneration	₹ 5.4 Lakhs for the period April to March 2024
Perquisite	Re-imburement of travelling, lodging, boarding expenses, all cost and other charges incurred by him in the discharge and execution of his duties as Managing Director.

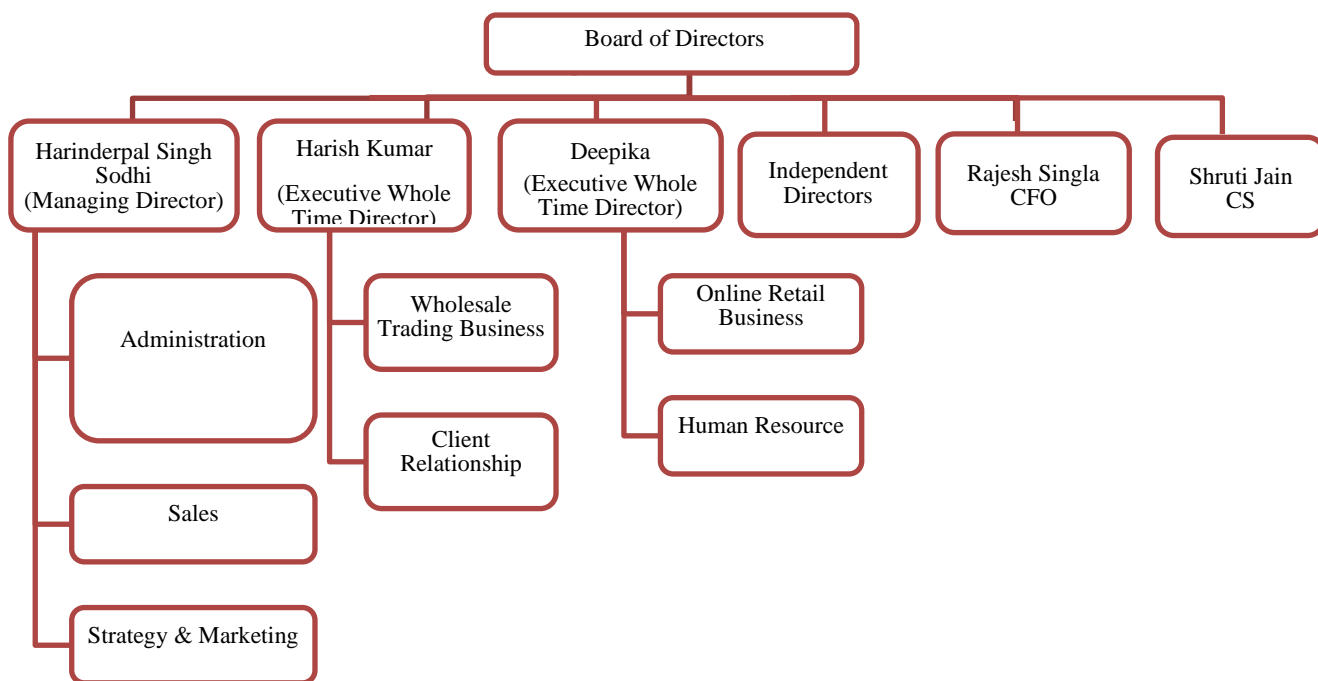
Name	Mr. Harish Kumar
Designation	Executive (Whole-Time) Director
Period	For a period of 3 years
Date of approval of shareholder	December 30, 2022
Remuneration	₹ 5.4 Lakhs for the period April to March 2024
Perquisite	Re-imburement of travelling, lodging, boarding expenses, all cost and other charges incurred by him in the discharge and execution of his duties as Executive Director.

Name	Mrs. Deepika
Designation	Executive (Whole-Time) Director
Period	For a period of 3 years
Date of approval of shareholder	December 30, 2022
Remuneration	₹ 4.5 Lakhs for the period April to March 2024

Perquisite	Re-imbusement of travelling, lodging, boarding expenses, all cost and other charges incurred by her in the discharge and execution of her duties as Executive Director.
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Management Organization Structure

The Management Organization Structure of the company is depicted from the following chart;



NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on December 23, 2022. The Committee was reconstituted on 6th October 2023. As on the date of this Draft Prospectus the Nomination and Remuneration Committee comprises of:

Name of the Director	Status in the Committee	Nature of Directorship
Amitabh Agrawal	Chairperson	Independent Director
Gurvinder Singh Vohra	Member	Independent Director
Pradeep Srivastava	Member	Independent Director

**KEY MANAGERIAL PERSONNEL**

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

Name	: Mr Harinderpal Singh Sodhi
Designation	: Managing Director
Date of Appointment	: November 07, 2022
Term of Office	: 3 Years
Expiration of Term	: October 31, 2026
Qualification	: Graduate
Previous Employment	: Guru Nanak Kissan Sewa Kender
Overall Experience	: He is Promoter and Managing Director of our Company. He completed Bachelor's in Art in 2011 from Shridhar University, Pilani, Rajasthan. He has an experience of nearly 8 years working as a Business Manager. He is an expert in business administration, sales and marketing.
Remuneration paid in Apr – Mar 2024)	: ₹ 5,40,000 /-

Name	: Mr Harish Kumar
Designation	: Executive (Whole-Time) Director
Date of Appointment	: December 30, 2022
Term of Office	: 3 Years
Expiration of Term	: December 29, 2025
Qualification	: Graduate
Previous Employment	: M/s Kanika Traders
Overall Experience	: He is an Executive (Whole-Time) Director of the Company, appointed on August 16, 2022. He holds a Bachelor's degree in Arts from Punjab University, Chandigarh and has 9 years of experience in wholesale trading.
Remuneration paid in Apr – Mar 2024)	: ₹ 5,40,000 /-

Name	: Mrs Deepika
Designation	: Executive (Whole-Time) Director
Date of Appointment	: December 30, 2022
Term of Office	: 3 Years
Expiration of Term	: December 29, 2025



Qualification	: Graduate
Previous Employment	: Sebiz Infotech Private Limited
Overall Experience	: She is an Executive (Whole-Time) Director of the Company, appointed on May 28, 2022. She holds a B.Tech degree in Computer Science from Lovely Professional University, Jalandhar and has 5 years of experience as an IT Consultant.
Remuneration paid in Apr – Mar 2024)	: ₹4,50,000 /-

Name	: Mr. Rajesh Singla
Designation	: Chief Financial Officer
Date of Appointment	: November 7, 2022
Qualification	: Post-Graduate
Previous Employment	: Simplex Finvest Private Limited
Overall Experience	: He is a MBA post- graduate and has been associated with our company. He is responsible for the work relating to the Accounting, Finance, Taxation and Banking field of our Company.
Remuneration paid in Apr – Mar 2024)	: ₹3,35,000 /-

Name	: Mrs. Shruti Jain
Designation	: Company Secretary & Compliance Officer
Date of Appointment	: November 7, 2022
Qualification	: Company Secretary
Previous Employment	: Central Registration Centre (CRC), Ministry of Corporate Affairs
Overall Experience	: She is a qualified Company Secretary with 5 years and 5 months of experience.
Remuneration paid in Apr – Mar 2024)	: ₹3,60,000 /-

Notes:

- 1) All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- 2) There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel was selected as a director or member of senior management.
- 3) None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company. However, our Company has appointed certain Key Managerial Personnel for which our company has not executed any formal service contracts; although they abide by their terms of appointments.

**OUR PROMOTER GROUP****A. Companies, partnership and proprietorship firms forming part of our Promoter Group are as follows:**

Particulars	Entity
Anybody corporate in which 20% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoters or any one or more of his immediate relative is a member.	M/s Avax Industries Private Limited
Any company in which a company (mentioned above) holds 20% of the total holding	NA
Any HUF or firm in which the aggregate share of the promoters and his immediate relatives is equal to or more than 20% of the total holding	NA



SECTION IX
FINANCIAL INFORMATION
RESTATED FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL STATEMENT

The Board of Directors

Avax Apparels and Ornaments Limited,

[Formerly known as Avax Soft Technologies Limited]

611- 6th Floor, Jaina Tower II,

District Centre, Janakpuri,

Delhi -110058

Respected Sirs,

1. We have examined, the attached Restated Financial Statement of Avax Apparels and Ornaments Limited (the “**Company**” or the “**Issuer**”) comprising the Restated Summary of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows for the year ended March 31 2024, March 31 2023 and March 31 2022 and the summary statement of significant accounting policies, and other explanatory information (collectively, the “Restated Financial Statements”), as approved by the Board of Directors of the Company at their meeting held on 15 July 2024 for the purpose of inclusion in the Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“**IPO**”) prepared in terms of the requirements of:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (“**the Act**”);
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (“**ICDR Regulations**”); and
- c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by The Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).

2. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Statement for the purpose of inclusion in the Draft Prospectus/Prospectus to be filed with the Stock Exchange where the equity shares of the Company are proposed to be listed (“**Stock Exchange**”) [i.e. Bombay Stock Exchange SME Platform], in connection with the proposed IPO. The Restated Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Annexure 1 & 2 to the Restated Financial Statements. The Restated



AVAX APPARELS AND ORNAMENTS LIMITED

Financial Statements have been extracted by the management from the Audited Financial Statements of the Company for the period/year ended March 31 2024, March 31 2023, and March 31 2022. The Board of Directors of the company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statements. The Board of Directors of the company are also responsible for identifying and ensuring that the company complies with the Act, the ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Statements taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 23rd December, 2022 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note - The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

4. These Restated Financial Statements have been compiled by the management from:

The Restated Financial Statements also contains the proforma Ind AS financial information as at and for the year ended March 31 2024, March 31 2023 and March 31 2022. The proforma Ind AS financial information have been prepared by making Restated Ind AS adjustment to the audited Ind AS financial statements as at and for the year ended March 31 2024, March 31 2023 and year ended March 31 2022 which have been approved by the Board of Directors at their meeting held on 15 July 2024 as described in Annexure 1 & 2 to the Restated Financial Statements.

5. For the purpose of our examination, we have relied on:

Financial Statements for the period ended 31st March 2024, 31st March 2023 and 31st March 2022 have been audited by respectively M/s M P Gupta & Associates (FY 2021-22) and Arvind Manoj & Associates (FY 2022-23)



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and FY 2023-24) and accordingly reliance has been placed on the financial information examined by them for the said years. The Financial Report included for these years is based solely on the report submitted by them. However, we have carried out the re-audit of the financial statement for the period ended 31st March 2024 and 31st March 2023 as required by SEBI regulations.

6. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Statements:

- a) have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31st March 2024, March 31, 2023 and 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications
- b) have been prepared after incorporating Ind AS adjustments to the audited Ind AS financial statements as at and for the period/years ended 31st March 2024, March 31 2023 and March 31 2022 as described in Annexure 1 & 2 to the Restated Financial Statements;
- c) does not contain any qualifications requiring adjustments; and
- d) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

7. The Restated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited Ins AS financial statements mentioned in paragraph 4 above.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us and other auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. We, NKSC & Co., Chartered Accountants have been subjected to the peer review process of The Institute of Chartered Accountants of India (“ICAI”) and hold a valid Certificate No. 014317 dated 16 June 2022 issued by the “Peer Review Board” of the ICAI.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the Prospectus to be filed with SEBI, SME Platform of BSE, and Registrar of Companies, Delhi in connection with the proposed IPO. Our report should not be used, referred to or distributed or any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.



AVAX APPARELS AND ORNAMENTS LIMITED

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

CA Priyank Goyal
Partner
Membership No.: 521986
UDIN: 24521986BKFKTY6307

Date: 15 July 2024
Place: New Delhi

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AVAX APPARELS AND ORNAMENTS LIMITED

Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

Restated Statement of Assets and Liabilities

(All amounts are ₹ in Lacs, unless stated otherwise)

Particulars	Annexure	As at		
		31-Mar-24	31-Mar-23	31-Mar-22
Assets				
Non-current assets				
Property, plant & equipment	3	94.63	17.28	2.58
Intangible asset	4	0.29	0.47	-
Financial assets				
(i) Other financial assets	5	0.22	1.01	-
Deferred tax Asset	6	0.53	0.25	-
Other non current asset	7	-	10.98	9.75
		95.66	29.99	12.33
Current assets				
Inventories	8	44.54	61.71	-
Financial assets				
(i) Trade receivables	9	306.26	210.94	25.79
(ii) Cash and cash equivalents	10	25.98	34.00	14.13
Other current assets	11	12.16	10.25	5.40
		388.94	316.90	45.33
Total Assets		484.60	346.89	57.66
Equity and Liabilities				
Equity				
Equity share capital	12	76.52	76.52	1.08
Other equity	13	238.16	99.97	0.58
		314.68	176.49	1.66
Liabilities				
Current liabilities				
Financial liabilities				
(i) Borrowings	14	71.50	-	30.00
(ii) Trade payables	15	-	-	-
- total outstanding dues to micro and small enterprises		-	-	-
- total outstanding dues of creditors other than micro and small enterprises		39.10	144.75	25.48
Deferred tax liability	16	-	-	0.03
Other current liabilities	17	2.56	0.28	0.20
Current tax liabilities	18	56.77	25.37	0.30
		169.93	170.40	56.01
Total Equity and Liabilities		484.60	346.89	57.67

41.13

Summary of significant 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

Priyank Goyal

Partner

Membership No.: 521986

ICAI UDIN No. 24521986B KFKTY6307

For and on behalf of the Board of Directors of

Avax Apparels and Ornaments Limited

Harish Kumar

Director

DIN-09283531

Harinderpal Singh Sodhi

Director

DIN-09283654

Rajesh Singla

CFO

PAN No. CNOPS 7915R

Shruti Jain

Company Secretary

M.No. 52018

Place: Delhi

Date: 15-Jul-2024

Place: Delhi

Date: 15-Jul-2024



AVAX APPARELS AND ORNAMENTS LIMITED

Avax Apparels and Ornaments Limited
(Formerly known as Avax Soft Technologies Limited)
Restated Statement of Profit and Loss
(All amounts are ₹ in Lacs, unless stated otherwise)

Particulars	Annexure	For the year ended		
		31-Mar-24	31-Mar-23	31-Mar-22
Income				
Revenue from operations	19	2,205.98	1,470.20	28.87
Other income	20	-	0.01	-
Total Income		2,205.98	1,470.21	28.87
Expenses				
Purchases of stock-in-trade	21	1,923.50	1,366.51	27.17
Changes in inventories	22	17.17	(61.71)	-
Employee benefit expense	23	37.06	33.89	-
Finance cost	24	6.64	1.94	-
Depreciation and amortisation expense	25	9.35	2.75	0.00
Other expenses	26	18.18	32.29	0.35
Total Expenses		2,011.90	1,375.68	27.52
Restated Profit before exceptional items and tax		194.08	94.53	1.35
Restated Profit before tax		194.08	94.53	1.35
Tax expense				
Current tax	35	56.18	25.38	0.30
Deferred tax (benefit)/charge	35	(0.28)	(0.28)	0.03
Earlier year tax adjustment		-	-	-
Total tax expense		55.90	25.09	0.33
Restated Profit after tax		138.19	69.44	1.01
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		138.19	69.44	1.01
Earnings per equity share				
-Basic and diluted earnings per share*	27	18.06	9.07	0.94
		3.00	2.00	1.00

*Face Value per share in FY 2021-22 is Rs 1 each and in FY 2022-23 and FY 2023-24 is Rs 10 each.

This is the restated statement of profit and loss referred to in our report of even date.
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. 24521986BKFKTY6307

Harish Kumar
Director
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Director
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Rajesh Singla
CFO
PAN No. CNOPS 7915R

Shruti Jain
Company Secretary
M.No. 52018

Place: Delhi
Date: 15-Jul-2024

Place: Delhi
Date: 15-Jul-2024



AVAX APPARELS AND ORNAMENTS LIMITED

Avax Apparels and Ornaments Limited
(Formerly known as Avax Soft Technologies Limited)
Restated Statement of Cash Flow Statement
(All amounts are ₹ in Lacs, unless stated otherwise)

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Cash flow from operating activities			
Profit/(Loss) before tax	194.09	94.53	1.35
Adjustments to reconcile profit before tax to cash generated			
Depreciation and amortisation expense	9.35	2.75	0.00
Interest income	-	(0.01)	-
Finance costs	3.95	1.94	-
Operating profit before working capital changes	207.39	99.21	1.35
Adjustments for (increase)/decrease in operating assets			
Inventories	17.17	(61.71)	-
Trade receivables	(95.33)	(185.15)	(25.79)
Other financial assets	0.79	(1.01)	-
Other current assets	(1.90)	(4.85)	(5.40)
Other non current asset	10.98	(1.21)	(9.75)
Adjustments for increase/(decrease) in operating liabilities			
Trade payables	(105.66)	119.27	25.48
Other non-financial liabilities	33.68	25.14	0.14
Cash (used in)/generated from operations	67.13	(10.31)	(13.98)
Less: Income tax paid (net of refunds)	(56.18)	(25.37)	-
Net cash flow (used in)/generated from operating activities	10.95	(35.68)	(13.98)
Cash flows from investing activities			
Proceeds from/(payments for) PPE and intangible assets	(86.52)	(17.92)	(2.58)
Interest income	-	0.01	-
Net cash flow from investing activities (B)	(86.52)	(17.91)	(2.58)
Cash flows from financing activities			
Payment to/Proceeds from borrowings	71.50	(30.00)	30.00
Issue of equity shares	-	75.43	-
Finance costs	(3.95)	(1.94)	-
Security premium of equity shares	-	90.17	-
Bonus shares issued	-	(60.21)	-
Net cash inflow from/(used in) financing activities (C)	67.55	73.45	30.00
Net increase (decrease) in cash and cash equivalents (A+B+C)	(8.02)	19.86	13.44
Cash and cash equivalents at the beginning of the year	34.00	14.13	0.69
Cash and cash equivalents at the end of the year	25.98	34.00	14.13

Notes to Statement of cash flows:

(i). Components of cash and bank balances (refer annexure 10)	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Cash and cash equivalents	25.98	34.00	14.13
Cash and bank balances at end of the year	25.98	34.00	14.13

- (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

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

Priyank Goyal
Partner
Membership No.: 521986
ICAI UDIN No. 24521986B KFKTY 6307

Harish Kumar
Director
DIN-09283531

Harinderpal Singh Sodhi
Director
DIN-09283654

Rajesh Singla
CFO
PAN No. CNOPS 7915R

Shruti Jain
Company Secretary
M.No. 52018

Place: Delhi
Date: 15-Jul-2024

Place: Delhi
Date: 15-Jul-2024

**Restated Statement of Changes in Equity***(All amounts are ₹ in Lacs, unless stated otherwise)***A. Restated statement of equity share capital**

Opening Balance as at 01-Apr-2022	1.08
Change in equity share capital	75.43
Balance as at 31-Mar-2023	76.52
Change in equity share capital	-
Balance as at 31-Mar-2024	76.52

B. Restated Statement of Other Equity

Particulars	Other Equity		Total
	General reserve	Retained earnings	
Balance as at 01-Apr-2022	4.02	(3.44)	0.58
Adjustments during the period	-	69.44	69.44
Less: Transfer for Bonus Issue	(4.02)	(56.19)	(60.21)
Add: Rights Issue	90.17	-	90.17
Balance as at 31-Mar-2023	90.17	9.80	99.97
Adjustments during the period	-	138.19	138.19
Less: Transfer for Bonus Issue	-	-	-
Add: Rights Issue	-	-	-
Balance as at 31-Mar-2024	90.17	147.99	238.16

As per our report of even date.

For NKSC & Co.Chartered Accountants
Firm Registration No. 020076NFor and on behalf of the Board of Directors of
Avax Apparels and Ornaments Limited**Priyank Goyal**Partner
Membership No.: 521986
ICAI UDIN No. 24521986BKFKTY6307**Harish Kumar**Director
DIN-09283531**Harinderpal Singh Sodhi**Director
DIN-09283654**Rajesh Singla**CFO
PAN No. CNOPS7915R**Shruti Jain**Company Secretary
M.No. 52018Place: Delhi
Date: 15-Jul-2024Place: Delhi
Date: 15-Jul-2024



Accounting Policies

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 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.

The Company now changed its name from Avax Soft Technologies Limited to Avax Apparels and Ornaments Limited on 15 June 2023 as per provisions of the Companies Act with the approval of the Central Government.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation & Presentation

The Restated Statement of assets and liabilities of the Company as at March 31, 2024, March 31, 2023, and March 31, 2022 and the related Restated Statement of profits and losses, changes in equity and cash flow for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 and accompanying annexures to Restated Statement (hereinafter collectively called "Restated Financial Statement") have been prepared specifically for inclusion in the draft red herring prospectus to be filed by the Company with the Stock Exchanges in connection with proposed initial public offer of equity shares of Rs. 10 each of the Company (the "Offering"). The Company has prepared the Restated Statement on the basis that it will continue to operate as a going concern. The Restated Financial Statements have been prepared to comply in all material respects with the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act")
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") and
- c) Guidance Note on Reports in Company Prospectuses (Revised 2019) ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI")

The Restated Financial Statements has been compiled from:

- a) audited financial statements of the Company as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on 15 July 2024, 25 June 2023 and August 01, 2022 respectively;

These Restated Financial Statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value a) Certain financial assets and



liabilities measured at fair value (refer accounting policy regarding financial instruments) and consistent with previous year subject to changes in accounting policies. The Restated Financial Statements are presented in INR, and all values are rounded to the nearest lacs, except when otherwise indicated.

2.2 Statement of compliance with Indian Accounting Standards:

These Restated 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 significant accounting policies adopted for preparation and presentation of these financial statements are included in Annexure 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).

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.

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Annexures to the Restated Financial Statements

(All amounts are ₹ in Lacs, unless stated otherwise)

Annexure 3 - Restated Statement of Property, Plant & Equipment

For the FY 23-24

	Gross block (at cost)				Accumulated depreciation				Net block
	As at 01-Apr-23	Additions during the year	Disposal/ Adjustment	As at 31-Mar-24	As at 01-Apr-23	Depreciation during the year	Disposal/ Adjustment	As at 31-Mar-24	As at 31-Mar-24
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	2.65	9.17	-	11.82	94.63

For the FY 22-23

	Gross block (at cost)				Accumulated depreciation				Net block
	As at 01-Apr-22	Additions during the year	Disposal/ Adjustment	As at 31-Mar-23	As at 01-Apr-22	Depreciation during the year	Disposal/ Adjustment	As at 31-Mar-23	As at 31-Mar-23
Electrical fittings	2.58	4.98	-	7.56	0.00	1.23	-	1.24	6.33
Furniture and Fitting	-	11.25	-	11.25	-	0.96	-	0.96	10.29
Laptop	-	0.80	-	0.80	-	0.33	-	0.33	0.47
Website server	-	0.32	-	0.32	-	0.12	-	0.12	0.20
	2.58	17.35	-	19.93	0.00	2.64	-	2.65	17.28

For the FY 21-22

	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2021	Additions during the year	Disposal/ Adjustment	As at 31-Mar-22	As at 01-Apr-21	Depreciation during the year	Disposal/ Adjustment	As at 31-Mar-22	As at 31-Mar-22
Electrical fittings	-	2.58	-	2.58	-	0.00	-	0.00	2.58
	-	2.58	-	2.58	-	0.00	-	0.00	2.58

Footnotes:

(i). The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2024, March 31, 2023 & March 31, 2022.

(ii). There are no impairment losses recognised for the year ended March 31, 2024, March 31, 2023 & March 31, 2022.

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



Annexures to the Restated Financial Statements

(All amounts are ₹ in Lacs, unless stated otherwise)

Annexure 4 - Restated Statement of Intangible Assets

For the FY 23-24

	Gross block (at cost)				Accumulated Amortisation				Net block
	As at 01-Apr-23	Additions during the year	Disposal/ Adjustment	As at 31-Mar-24	As at 01-Apr-23	Amortisation during the year	Disposal/ Adjustment	As at 31-Mar-24	As at 31-Mar-24
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

For the FY 22-23

	Gross block (at cost)				Accumulated Amortisation				Net block
	As at 01-Apr-22	Additions during the year	Disposal/ Adjustment	As at 31-Mar-23	As at 01-Apr-22	Amortisation during the year	Disposal/ Adjustment	As at 31-Mar-23	As at 31-Mar-23
Website	-	0.57	-	0.57	-	0.11	-	0.11	0.47
	-	0.57	-	0.57	-	0.11	-	0.11	0.47

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.
- (vi). The company do not own any Intangible assets as at 31 March 2022.



Annexures to the Restated Financial Statements

(All amounts are ₹ in Lacs, unless stated)

Annexure 4(2) -Restated Statement of Material Adjustments

Summarised below are the Restatement adjustments made to the profit after tax of the Audited Financial Statements of the Company for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 and their consequential impact on the profit/ (loss) of the Company:

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
A) Net profit/(loss) after tax as per audited financials statements	135.88	69.44	0.99
B) Adjustments			
(i) Other adjustments			
Depreciation and amortisation expense	0.46	-	-
Current tax	13.26	-	-
Employee benefit expense	(5.70)	-	-
Other expenses	(5.47)	-	-
(ii) Adjustments due to prior period items	-	-	-
(iii) Deferred tax impact on adjustments in (i) and (ii), as	(0.27)	-	0.02
Total adjustments before tax	2.28	-	0.02
Restated profit/(loss) before tax adjustments	138.16	69.44	1.01

Summarised below are the Restatement adjustments made to the profit after tax of the Audited Financial Statements of the Company for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 and their consequential impact on the total equity of the Company:

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
A) Total Equity as per audited financials statements	312.38	176.49	1.63
B) Adjustments			
(i) Other adjustments			
Depreciation and amortisation expense	0.46	-	-
Current tax	13.26	-	-
Employee benefit expense	(5.70)	-	-
Other expenses	(5.47)	-	-
(ii) Adjustments due to prior period items	-	-	-
(iii) Deferred tax impact on adjustments in (i) and (ii), as	(0.27)	-	0.02
Total adjustments before tax	2.28	0.00	0.02
Restated profit/(loss) before tax adjustments	314.66	176.49	1.65

**Annexures to the Restated Financial Statements***(All amounts are ₹ in Lacs, unless stated otherwise)***Annexure 5 - Restated Statement of Other Financial Assets (non-current)**

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Security deposits	0.22	1.01	-
Total	0.22	1.01	-

Footnote:

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

Annexure 6 - Restated Statement of Deferred tax assets

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Deferred tax assets	0.53	0.25	-
Total	0.53	0.25	-

Annexure 7 - Restated Statement of Other Non Current Assets

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Capital advance	-	10.98	9.75
Total	-	10.98	9.75



Annexure 8 - Restated Statement of Inventories

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Valued at lower of cost and net realisable value			
Stock-in-trade	44.54	61.71	-
Total	44.54	61.71	-

Annexure 9 - Restated Statement of Trade Receivables

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
(i) Undisputed trade receivables — considered good	306.26	210.94	25.79
(ii) Undisputed trade receivables — which have significant	-	-	-
Less: Impairment loss allowance	-	-	-
Total	306.26	210.94	25.79

Footnotes:

No trade receivables are hypothecated as securities for borrowings taken from banks .

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

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

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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Trade Receivables Ageing

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Unsecured - at amortised cost			
Undisputed trade receivables — considered good			
0-6 months	290.12	157.87	25.79
6-12 months	-	53.06	-
1-2 years	16.15	-	-
2-3 years	-	-	-
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	306.26	210.93	25.79

**Annexure 10 - Restated Statement of Cash and Cash Equivalents**

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Cash on hand	3.67	0.18	3.88
Balances with banks	22.31	33.82	10.26
Total	25.98	34.00	14.13

Footnote:

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

Annexure 11 - Restated Statement of Other Current Assets

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Balance with government authorities	-	2.78	0.40
Advance to employees	-	-	4.50
Advance to others	12.16	7.20	-
Advance rent	-	-	0.50
Prepaid expenses	-	0.27	-
Total	12.16	10.25	5.40



Annexures to the Restated Financial Statements

(All amounts are ₹ in Lacs, unless stated otherwise)

Annexure 12 - Restated Statement of 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	31-Mar-24		31-Mar-23		31-Mar-22	
	Number	Amount	Number	Amount	Number	Amount
Authorised shares						
Equity Shares	20,00,000	200.00	20,00,000	200.00	2,00,000	2.00
Note 1: On 11-May-22 equity shares were consolidated from Rs. 1 each to Rs. 10 each per Share	-	-	-	-	-	-
	20,00,000	200.00	20,00,000	200.00	2,00,000	2.00
Issued, subscribed and fully paid-up shares						
Equity Shares	7,65,158	76.52	7,65,158	76.52	1,08,200	1.08
Note 1: On 11-May-22 equity shares were consolidated from Rs. 1 each to Rs. 10 each per Share						
Total	7,65,158	76.52	7,65,158	76.52	1,08,200	1.08

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

Particulars	31-Mar-24		31-Mar-23		31-Mar-22	
	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	7,65,158	76.52	1,08,200	1.08	1,08,200	1.08
Shares Consolidated from Rs. 1 to Rs. 10 each	-	-	(97,380)	-	-	-
Issued during the year*	-	-	7,54,338	75.43	-	-
Shares outstanding at the end of the year	7,65,158	76.52	7,65,158	76.52	1,08,200	1.08

*During the year ended March 31, 2023, the Company has preferential allotted 1,990 fully paid-up equity shares of face value of ₹ 10/- each at issue price of ₹ 10 per share on June 03, 2022.

On 11 November 2022, the Board has approved the issue of bonus shares in the ratio of 47:1 and hereby allotted 602,070 shares of Rs. 10 each.

Pursuant to rights issue, the Company has allotted 150,278 shares of face value of Rs. 10 each at Rs. 70 per share.

Further, the Company has neither issued any shares with differential voting rights nor issued any sweat equity shares during the FY 2023-24.

(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	31-Mar-24		31-Mar-23		31-Mar-22	
	Holding in numbers	% of Total equity shares	Holding in numbers	% of Total equity shares	Holding in numbers	% of Total equity shares
Amandeep Singh	1,09,202	14.27%	1,09,202	14.27%	25,000	23.11%
Harish Kumar	2,18,084	28.50%	2,18,084	28.50%	29,100	26.89%
Amritpal Singh Gill	98,045	12.81%	98,045	12.81%	25,000	23.11%
Harinderpal Singh Sodhi	2,18,084	28.50%	2,18,084	28.50%	29,100	26.89%
Deepika	88,990	11.63%	88,990	11.63%	-	0.00%
Mr. Shailesh Kumar Gupta	-	0.00%	-	0.00%	-	0.00%
Raghunath Holding and Finlease Pvt Ltd	-	0.00%	-	0.00%	-	0.00%
Prabhu Dhan Travels Pvt Ltd	-	0.00%	-	0.00%	-	0.00%
	7,32,405	95.72%	7,32,405	95.72%	1,08,200	100.00%

(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.

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

Particular	Promoter Name	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, 2024						
Equity shares of INR 10 each fully paid	Harinderpal Singh Sodhi	2,18,084	-	2,18,084	28.50%	0.00%
Equity shares of INR 10 each fully paid	Harish Kumar	2,18,084	-	2,18,084	28.50%	0.00%
Total		4,36,168	-	4,36,168	57.00%	
As at March 31, 2023						
Equity shares of INR 10 each fully paid	Harinderpal Singh Sodhi	29,100	1,88,984	2,18,084	28.50%	649.43%
Equity shares of INR 10 each fully paid	Harish Kumar	29,100	1,88,984	2,18,084	28.50%	649.43%
Total		58,200	3,77,968	4,36,168	57.00%	
As at March 31, 2022						
Equity shares of INR 1 each fully paid	Harinderpal Singh Sodhi	-	29,100	29,100	26.89%	100.00%
Equity shares of INR 1 each fully paid	Harish Kumar	-	29,100	29,100	26.89%	100.00%
Total		-	58,200	58,200	53.79%	73



Annexure 13 - Restated Statement of Other Equity

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
(i). Security premium account			
Opening balance	90.17	4.02	4.02
Less: Transfer on bonus issue	-	(4.02)	-
Add: Security premium on right issue	-	90.17	-
Closing balance	90.17	90.17	4.02
(ii). Retained earnings			
Opening balance	9.80	(3.44)	(4.47)
Add: Profit for the year	138.19	69.44	1.01
Less: Transfer on bonus issue	-	(56.19)	-
Add: Transferred from accumulated other comprehensive income	-	-	-
Closing balance	147.99	9.80	(3.44)
Total Other equity	238.16	99.97	0.58

Nature and purpose of Other equity:

(i). General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from / to retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

(ii). Retained earnings

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

**Annexures to the Restated Financial Statements***(All amounts are ₹ in Lacs, unless stated otherwise)***Annexure 14 - Restated Statement of Borrowings (current)**

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Bank overdraft (refer footnote iii)	71.50	-	-
Loan from Directors	-	-	30.00
Total	71.50	-	30.00

Footnote:

(i). Loan from Directors interest free and are repayable at demand.

(ii). For loan taken from related parties refer annexure 29.

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

Bank overdraft Facility	Particulars	As at	As at
		31-Mar-24	31-Mar-24
Yes Bank	Sanction date	26-Sep-23	71.50
	Rate of Interest	10.5%	
	Sanctioned limit	75 lakhs	
	Repayment	On demand	

Security details: Yes bank	Facilities Available
Primary security:	
Hyphothecation of stock and book debts (current assets) of the borrower on first pari pas u basis with Yes bank.	Overdraft- 75 lakhs
Equitable mortgage on property.	Overdraft- 37.5 lakhs
Government Guarantee :	
Cover 75%	Overdraft- 37.5 lakhs
Personal Guarantee :	
i) Harinderpal Singh Sodhi	Overdraft- 75 lakhs
ii) Harish Kumar	Overdraft- 75 lakhs
iii) Deepika	Overdraft- 75 lakhs

**Annexure 15 - Restated Statement of Trade Payables**

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Trade payables due			
- to micro and small enterprises	-	-	-
- to others	39.10	144.75	25.48
Total	39.10	144.75	25.48

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		
	31-Mar-24	31-Mar-23	31-Mar-22
Trade payables due to micro and small enterprises			
Less than 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
Trade payables due to others			
Less than 1 year	38.60	144.75	25.48
1-2 years	0.50	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
Total	39.10	144.75	25.48

**Annexure 16 - Restated Statement of Deferred Tax Liability**

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Deferred tax liability (refer annexure 35)	-	-	0.03
Total	-	-	0.03

Annexure 17 - Restated Statement of Other Current Liabilities

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Expense payable	-	-	0.20
Interest accrued but not due	-	-	-
Statutory dues payables	2.74	0.28	-
Total	2.56	0.28	0.20

Annexure 18 - Restated Statement of Current Tax Liabilities (net)

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Provision for income tax [net of advance tax Rs.- nil (previous year Rs. nil)]	56.77	25.37	0.30
Total	56.77	25.37	0.30

**Annexures to the Restated Financial Statements***(All amounts are ₹ in Lacs, unless stated otherwise)***Annexure 19 - Restated Statement of Revenue From Operations**

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Sale of products			
Trading goods	2,205.98	1,470.20	28.87
Total	2,205.98	1,470.20	28.87

Information required as per Ind AS 115:

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Disaggregated revenue information as per geographical markets			
Revenue from customers based in India	2,205.98	1,470.20	28.87
Revenue from customers based outside India	-	-	-
Timing of revenue recognition			
Transferred at a point in time	2,205.98	1,470.20	28.87
Trade receivables and contract assets/(liabilities)			
Trade receivables	306.26	210.94	25.79

Performance obligation and remaining performance obligation

There are no remaining performance obligations for the year ended March 31, 2024, as the same is satisfied upon delivery of goods/services.

Annexure 20 - Restated Statement of Other Income

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Other income	-	-	-
Interest income	-	0.01	-
Total	-	0.01	-

Annexure 21 - Restated Statement of Purchases of Stock-in-Trade

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Purchases of stock-in-trade	1,923.50	1,366.51	27.17
Total	1,923.50	1,366.51	27.17



Annexure 22 - Restated Statement of Changes in Inventories

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Inventories at beginning of the year			
Stock-in-trade	61.71	-	-
	61.71	-	-
Inventories at end of the year			
Stock-in-trade	44.54	61.71	-
	44.54	61.71	-
Decrease/(increase) in inventories	17.17	(61.71)	-

Annexure 23 - Restated Statement of Employee Benefit Expense

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Director remuneration	15.30	28.20	-
Salary, wages, bonus and other benefits	21.76	5.69	-
Total	37.06	33.89	-

Footnotes

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

Annexure 24 - Restated Statement of Finance Costs

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Interest on borrowings	2.30	-	-
Interest on statutory dues	3.95	1.94	-
Other borrowing cost	0.40	-	-
Total	6.64	1.94	-

Annexure 25 - Restated Statement of Depreciation and Amortisation Expense

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Depreciation on property, plant and equipment (refer annexure 3)	9.17	2.64	0.00
Amortisation on intangible asset (refer annexure 4)	0.18	0.11	-
Total	9.35	2.75	0.00



Annexure 26 - Restated Statement of Other Expenses

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Tour & travelling expenses	1.79	4.03	-
Advertisement expense	-	0.30	-
Legal and professional expenses	2.42	11.39	0.20
Bank charges	0.27	0.03	0.00
Rent expenses	10.98	5.81	0.09
Business promotion	0.08	7.71	0.01
Office expenses	1.22	2.06	-
Trademark expenses	-	0.14	-
Insurance	1.26	0.09	-
Software expenses	0.10	0.72	-
Packing charges	-	-	-
Miscellaneous expenses	0.06	0.00	0.04
Total	18.18	32.29	0.35

Footnote:

(i). Payment of remuneration to auditors (excluding GST)	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
- Statutory audit	0.60	0.58	0.20
Total	0.60	0.58	0.20

Annexure 27 - Restated Statement of Earnings Per Share

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
(a). Restated basic and diluted earnings per share (in Rs.)			
From continuing operations attributable to the equity holders of the Company	18.06	9.07	0.94
(b). Reconciliations of earnings used in calculating earnings per share			
Restated basic earnings per share			
Profit from continuing operation attributable to the equity share holders	138.19	69.44	1.01
Profit attributable to the equity holders of the company used in calculating basic and diluted earnings per share	138.19	69.44	1.01
(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*	7,65,158	7,65,158	1,08,200
At present, the Company does not have any dilutive potential equity share.			

*Face Value per share in FY 2021-22 is Rs 1 each and in FY 2022-23 and FY 2023-24 is Rs 10 each.



Annexures to the Restated Financial Statements

(All amounts are ₹ in Lacs, unless stated otherwise)

Annexure 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		
	31-Mar-24	31-Mar-23	31-Mar-22
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as			
- Trade payables	-	-	-
- 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 year.	-	-	-
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.



Annexure 29 - Restated statement of 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)
Director	Mr. Amritpal Singh Gill (Till May 28, 2022)
	Mr. Ajay Kumar Jain (Till September 27, 2021)
	Mr. Vijay Mishra (Till September 27, 2021)
	Mr. Amandeep Singh (Till May 28, 2022)
	Mr. Harinderpal Singh Sodhi (From 16 August 2021)
	Mr. Harish Kumar (From 16 August 2021)
	Mrs. Deepika (w.e. from May 28, 2022)
Relatives of KMPs	Harvinder Kaur (Wife of Harinderpal Singh Sodhi (Director))
	Kuldeep Kaur (Wife of Amritpal Singh Gill Till May 28, 2022)

B. Details of related party transactions are as below:

Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
1. Loan taken from			
Amandeep Singh	-	-	10.00
Amritpal Singh Gill	-	-	10.00
Harinderpal Singh	-	-	5.00
Harish Kumar	-	-	5.00
Total	-	-	30.00
2. Loan repaid to			
Amandeep Singh	-	10.00	-
Amritpal Singh Gill	-	10.00	-
Harinderpal Singh	-	5.00	-
Harish Kumar	-	5.00	-
Total	-	30.00	-
3. Salary/remuneration given to Directors and KMPs			
Harinderpal Singh Sodhi	5.40	7.35	-
Harish Kumar	5.40	7.35	-
Rajesh Singla	4.80	1.12	-
Harvinder Kaur	6.00	6.00	-
Deepika	4.50	6.00	-
Amandeep Singh	-	0.75	-
Amritpal Singh Gill	-	0.75	-
Total	26.10	29.32	-

... Continued from previous page

C. Balance outstanding with or from related parties as at

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
1. Director Remuneration Payables			
Amandeep Singh	-	-	0.75
Amritpal Singh Gill	-	-	0.75
Deepika	-	-	0.50
Harinderpal Singh Sodhi	-	6.75	0.75
Rajesh Singla	-	-	-
Harvinder Kaur	-	-	0.50
Kuldeep Kaur	-	-	0.50
Harish Kumar	-	6.75	0.75
	-	13.50	4.50
2. Borrowings (Current)			
Amandeep Singh	-	-	10.00
Amritpal Singh Gill	-	-	10.00
Harinderpal Singh	-	-	5.00
Harish Kumar	-	-	5.00
Total	-	-	30.00

**Annexures to the Restated Financial Statements***(All amounts are ₹ in Lacs, unless stated otherwise)***Annexure 30- Restated Statement of 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.

The Board of Directors examines the Company's performance from business activities perspective and have identified the following reportable segments of its

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, 2024	Reportable Segments			
	Knitted Clothes	Ornaments	Unallocable	Total
Segment revenue - revenue from external customers	2,126.18	79.80	-	2,205.98
Segment results	227.00	38.31	-	265.31
Segment assets	306.28	44.52	133.81	484.62
Segment liabilities	39.10	-	130.82	169.92



For the year ended March 31, 2023	Reportable Segments			
	Knitted Clothes	Ornaments	Unallocable	Total
Segment revenue - revenue from external customers	1,223.31	246.89	-	1,470.20
Segment results	98.94	66.45	-	165.39
Segment assets	229.22	43.43	74.24	346.89
Segment liabilities	144.45	0.31	97.14	241.90

For the year ended March 31, 2022	Reportable Segments			
	Knitted Clothes	Ornaments	Unallocable	Total
Segment revenue - revenue from external customers	24.56	4.31	-	28.87
Segment results	0.29	1.40	-	1.69
Segment assets	25.79	-	31.87	57.66
Segment liabilities	25.48	-	30.53	56.01

Reconciliations of information on reportable segments

(i) Revenues	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Total revenue for reportable segments			
Knitted Clothes	2,126.18	1,223.31	24.56
Ornaments	79.80	246.89	4.31
Total	2,205.98	1,470.20	28.87



(ii) Total comprehensive income	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Total profit before tax for reportable segments			
Knitted Clothes	227.00	98.94	0.29
Ornaments	38.31	66.45	1.40
	265.31	165.39	1.69
Other income	-	0.01	-
Unallocated expenses:			
Finance costs	6.64	33.89	-
Employee benefit expense	37.06	1.94	-
Depreciation and amortisation expense	9.35	2.75	0.00
Other expenses	18.18	32.29	0.35
	194.07	94.53	1.32
Profit before exceptional items and tax			
Less: Exceptional items	-	-	-
Profit before tax	194.07	94.53	1.32
Tax expenses	55.90	25.09	0.33
Profit after tax	138.17	69.44	0.99
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
- Remeasurement of equity instruments	-	-	-
- Remeasurement of defined benefit plans	-	-	-
- Income tax relating to these items	-	-	-
Total comprehensive income	138.17	69.44	0.99

(iii) Assets	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Total assets for reportable segments			
Knitted Clothes	306.28	229.22	25.79
Ornaments	44.52	43.43	-
Unallocated assets			
Property plant and equipments	94.63	17.28	2.58
Intangible asset	0.29	0.47	-
Other financial asset	0.22	1.01	-
Deferred tax assets	0.53	0.25	-
Other non current asset	-	10.98	9.75
Cash and cash equivalent	25.98	34.00	14.13
Other current asset	12.16	10.25	5.40
Total assets	484.60	346.89	57.65



(iv) Liabilities	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Total liabilities for reportable segments			
Knitted Clothes	39.10	144.45	25.48
Ornaments	-	0.31	-
Unallocated liabilities			
Borrowings	71.50	71.50	30.00
Deferred tax liability	-	-	0.03
Other current liabilities	2.56	0.28	0.20
Current tax liabilities	56.77	25.37	0.30
Total	169.93	241.91	56.01

For the year ended March 31, 2024

(v) Customers having reportable sale more than 10%	Reportable Segments			
	Knitted Clothes	Ornaments	Unallocable	Total
Customer 1	394.22	38.45	-	432.67
Customer 2	273.50	41.30	-	314.80
Customer 3	187.87	0.05	-	187.92
Total	855.59	79.80	-	935.39



Annexures to the Restated Financial Statements

(All amounts are ₹ in Lacs, unless stated otherwise)

Annexure 31 - Restated Statement of 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-Mar-2024

Particulars	Carrying value			Fair value measurement using		
	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets						
Current						
Cash and cash equivalents	-	25.98	25.98	-	-	-
Trade receivables	-	306.26	306.26	-	-	-
Other financial assets	-	0.22	0.22	-	-	-
Total	-	332.47	332.47	-	-	-
Financial liabilities						
Current						
Borrowings	-	71.50	71.50	-	-	-
Trade payables	-	39.10	39.10	-	-	-
Total	-	110.60	110.60	-	-	-

As at 31-Mar-2023

Particulars	Carrying value			Fair value measurement using		
	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets						
Current						
Cash and cash equivalents	-	34.00	34.00	-	-	-
Trade receivables	-	210.94	210.94	-	-	-
Other financial assets	-	1.01	1.01	-	-	-
Total	-	245.95	245.95	-	-	-
Financial liabilities						
Current						
Trade payables	-	144.75	144.75	-	-	-
Total	-	144.75	144.75	-	-	-



As at 31-Mar-2022

Particulars	Carrying value			Fair value measurement using		
	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial Assets						
Current						
Cash and cash equivalents	-	14.13	14.13	-	-	-
Trade receivables	-	25.79	25.79	-	-	-
Total	-	39.92	39.92			
Financial liabilities						
Current						
Trade payables	-	25.48	25.48	-	-	-
Borrowings	-	30.00	30.00	-	-	-
Total	-	55.48	55.48			

**Annexures to the Restated Financial Statements***(All amounts are ₹ in Lacs, unless stated otherwise)**... Continued from previous page***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

Particulars	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Trade receivables	306.26	210.94	25.79
Cash and cash equivalents	25.98	34.00	14.13



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 306.26 Lacs (PY: 31 March 23: Rs.210.94 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		
	31-Mar-24	31-Mar-23	31-Mar-22
Not due	-	-	-
0-90 days past due	247.41	131.10	25.79
90 to 180 days past due	42.92	26.77	-
180-365 days	-	53.06	-
365-730 days	16.15	-	-
More than 730 days	-	-	-
Total	306.47	210.93	25.79

Movement in the allowance for impairment in respect of trade receivables:	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Balance at the beginning	-	-	-
Impairment loss recognised	-	-	-
Balance at the end	-	-	-

**(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. 25.98 Lacs (PY: 31 March 2023: Rs. 34. 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-2024

Particulars	Carrying amount	Contractual cash flows			
		Less than one year	Between one to five years	More than five years	Total
Borrowings	71.50	71.50	-	-	71.50
Trade payables	39.10	38.60	0.50	-	39.10
Total	110.60	110.10	0.50	-	110.60

As at 31-Mar-2023

Particulars	Carrying amount	Contractual cash flows			
		Less than one year	Between one to five years	More than five years	Total
Borrowings	-	-	-	-	-
Trade payables	144.75	144.75	-	-	144.75
Total	144.75	144.75	-	-	144.75



As at 31-Mar-2022

Particulars	Carrying amount	Contractual cash flows			
		Less than one year	Between one to five years	More than five years	Total
Borrowings	30.00	30.00	-	-	30.00
Trade payables	25.48	25.48	-	-	25.48
Total	55.48	55.48	-	-	55.48

(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

Annexure 32 - Restated Statement of 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 equity. 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	As at		
	31-Mar-24	31-Mar-23	31-Mar-22
Borrowings	71.50	-	30.00
Less: Cash and bank balances	(25.98)	(34.00)	(14.13)
Adjusted net debt (A)	45.52	(34.00)	15.87
Total equity (B)	314.68	176.49	1.66
Adjusted net debt to adjusted equity ratio (A/B)	0.14	(0.19)	9.59



Restated Statement of Assets and Liabilities

(All amounts are ₹ in Lacs, unless stated otherwise)

Annexure 33 - Restated Statement of Accounting Ratios 45.29%

Sr. No.	Particulars	Calculation	As at		
			31-Mar-24	31-Mar-23	31-Mar-22
1	Return on E equity	Restated net income/ Restated shareholder equity	43.91%	39.34%	61.33%
2	Debt E equity Ratio	Restated total debts/ Restated total	0.23	-	18.14
3	E arning per share	E arning available for E equity S shareholder/ Weighted average no. of S hare outstanding during the period	18.06	9.07	0.94
4	Current Ratio	Restated current asset/ Restated current liability	2.29	1.86	0.81
5	Liquid Ratio	(Total restated current asset- Restated inventory- Restated prepaid expense)/ Restated current liabilities	2.03	1.50	0.81
6	Return on Capital employed	Restated E BIT/ Restated capital employed	61.68%	53.56%	81.43%
7	Net Profit to Sales	Restated profit after tax/ Restated sale	6.26%	4.72%	-23.56%
8	Debtors turnover Ratio	Restated credit sales/ Restated average trade receivables	8.53	12.42	-0.24
9	Creditors turnover Ratio	Restated credit purchase/ Restated average trade payables	20.92	16.05	-0.24

**Restated Statement of Assets and Liabilities***(All amounts are ₹ in Lacs, unless stated otherwise)***Annexure 34 - Restated Statement of Capitalisation**

Particulars	Pre offer as at 31-Mar-2024	Post Issue
Debt:		
Long-term Borrowings	-	-
Short-term Borrowings	71.50	-
Current maturities of long term borrowing	-	-
Total Debt (A)	71.50	-
Shareholders Fund:		
Equity share capital	76.52	-
Reserves and Surplus	238.16	-
Total Shareholders Fund (B)	314.68	-
Total Debt /Shareholders Fund (A/B)	0.23	-



Annexures to the Restated Financial Statements

(All amounts are ₹ in Lacs, unless stated otherwise)

Annexure 35 - Restated Statement of Income Taxes

A. Particulars	For the year ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Income tax expense			
Current tax	56.18	25.38	0.30
Income tax for earlier years	-	-	-
Deferred tax expense			
Change in recognised temporary differences	(0.28)	(0.28)	0.03
	55.90	25.10	0.33

B. Reconciliation of effective tax rate

Particulars	For the year ended			
	31-Mar-24		31-Mar-23	
	Rate	Amount	Rate	Amount
Profit before tax		194.08		94.53
Tax using the Company's domestic tax rate (A)	26.00%	50.46	26.00%	24.58
Tax effect of:				
Temporary differences		-		0.53
Income tax for earlier years		-		(0.01)
Total (B)		-		0.52
(A)+(B)		50.46		25.10



C. Movement in deferred tax balances

Particulars	As at 31-Mar-2023	Recognised in P&L	Recognised in OCI	As at 31-Mar-2024
Deferred tax assets				
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 liabilities				
Employee benefits	-	-	-	-
Investments (non-current)	-	-	-	-
Total	-	-	-	-
Deferred tax assets (net)	0.25	0.28	-	0.53

Particulars	As at 31-Mar-2021	Recognised in P&L	Recognised in OCI	As at 31-Mar-2022
Deferred tax assets				
Unabsorbed losses	-	-	-	-
Trade receivables	-	-	-	-
Total	-	-	-	-
Deferred tax liabilities				
Property, plant and equipments and Intangibles	-	0.03	-	0.03
Borrowings	-	-	-	-
Security deposits	-	-	-	-
Investments (non-current)	-	-	-	-
Total	-	0.03	-	0.03
Deferred tax assets (net)	-	(0.03)	-	(0.03)



AVAX APPARELS AND ORNAMENTS LIMITED

Annexure -36 Restated Statement of Other Statutory Compliances

Details with respect to the Benami Properties:

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

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).

Crypto currency:

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

Struck off companies:

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

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

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.

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.

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

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

Priyank Goyal

Partner
Membership No.: 521986
ICAI UDIN No. 24521986B KFKTY6307

Harish Kumar

Director
DIN-09283531

Harinderpal Singh Sodhi

Director
DIN-09283654

Rajesh Singla

CFO
PAN No. CNOPS7915R

Shruti Jain

Company Secretary
M.No. 52018

Place: Delhi
Date: 15-Jul-2024

Place: Delhi
Date: 15-Jul-2024

STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors,
Avax Apparels and Ornaments Limited
(Formerly Known as Avax Soft Technologies Limited)
611- 6th Floor, Jaina Tower II,
District Centre, Janakpuri,
Delhi -110058

Sub: Statement of Possible Special Tax Benefits Available to the Company and its shareholders prepared in accordance with the requirements under Schedule VI-PART A, Clause (9) (L) of the SEBI (ICDR) Regulations, 2018, as amended (the "Regulations")

Dear Sirs,

We hereby report that the enclosed annexure prepared by the management of **Avax Apparels and Ornaments Limited**, states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act") presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and its subsidiary and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of Equity shares ("the Issue") by the Company.

We do not express any opinion or provide any assurance as to whether:

1. The Company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits have been/would be met
3. the revenue authorities courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.



No assurance is given that the revenue authorities/Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For, M/s. NKSC & Co.
Chartered Accountants
Firm Registration No.: 020076N

CA Priyank Goyal
Partner
Membership No.: 521986
UDIN: 24521986BKFKTY6307

Date: 15 July 2024

Place: New Delhi

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ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholder under the Income Tax Act 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act") presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

You Should Consult Your Own Tax Advisors Concerning The Indian Tax Implications And Consequences Of Purchasing, Owning And Disposing Of Equity Shares In Your Particular Situation.

A. Special Tax Benefits To The Company: Nil

B. Special Tax Benefits To The Shareholder: Nil

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

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**STATEMENT OF FINANCIALS INDEBTEDNESS**

To,

The Board of Directors,
Avax Apparels and Ornaments Limited
 (Formerly Known as Avax Soft Technologies Limited)
 611- 6th Floor, Jaina Tower II,
 District Centre, Janakpuri,
 Delhi -110058

Dear Sir,

Below is the summary of loans outstanding as at 31st March 2024 in the books of accounts of **Avax Apparels and Ornaments Limited**.

Name of Lender	Loan agreement/Ac. No.	Purpose	Rate of Interest	Sanctioned Amount	Outstanding amount as at 31 March, 2024
Yes Bank	Overdraft Facility	Working Capital	10.5%	75 lakhs	71.50 lakhs

Security details:	Facilities Available
Primary security:	
Hypothecation of stock and book debts (current assets) of the borrower on first pari passu basis with Yes bank.	Overdraft- 75 lakhs
Equitable mortgage on property.	Overdraft- 37.5 lakhs
Government Guarantee:	
Cover 75%	Overdraft- 37.5 lakhs
Personal Guarantee:	
i) Harinderpal Singh Sodhi	Overdraft- 75 lakhs
ii) Harish Kumar	Overdraft- 75 lakhs
iii) Deepika	Overdraft- 75 lakhs

For, M/s. NKSC & Co.
Chartered Accountants
 Firm Registration No.: 020076N

CA Priyank Goyal
 Partner
 Membership No.: 521986
 UDIN: 24521986BKFKTZ8102
 Date: 15 July 2024
 Place: New Delhi

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AVAX APPARELS AND ORNAMENTS LIMITED

OTHER FINANCIAL INFORMATION

Particulars	Financial year ended		
	Mar 31, 2024	March 31, 2023	March 31, 2022
EBITDA (Rs Lakhs)	210.06	99.22	1.35
Earning Per Share (EPS)			
Basic*	18.06	9.07	9.37
Diluted*	18.06	9.07	9.37
Return on Net Worth (RONW%)	43.91%	39.34%	61.21%
Net Asset Value per Share (NAV)*	41.13	23.07	15.31

** Adjusted FY2022 by consolidating FV Rs 1 to Rs 10 for fair comparison*

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AVAX APPARELS AND ORNAMENTS LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR AND STUB PERIOD

As per mutual discussion between the Board of the Company and Lead Manager, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Draft Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:

- *The Company has purchased machineries from M/s Saini exports for manufacturing of knitted cloth.*

SUMMARY OF MAJOR ITEMS OF INCOME AND EXPENDITURE

Particulars	For the year ended					
	31-Mar-24	% of Revenue	31-Mar-23	% of Revenue	31-Mar-22	% of Revenue
Income						
Revenue from operations	2,205.98	100.00	1,470.20	100.00	28.87	100.00
Other income	-		0.01	0.00	-	
Total Income	2,205.98	100.00	1,470.21	100.00	28.87	100.00
Expenses						
Purchases of stock-in-trade	1,923.50	87.19	1,366.51	92.95	27.17	94.13
Changes in inventories	17.17	0.78	(61.71)	(4.20)	-	-
Employee benefit expense	37.06	1.68	33.89	2.31	-	-
Finance cost	6.64	0.30	1.94	0.13	-	-
Depreciation and amortisation expense	9.35	0.42	2.75	0.19	0.00	0.00
Other expenses	18.18	0.82	32.29	2.20	0.35	1.20
Total Expenses	2,011.90	91.20	1,375.68	93.57	27.52	95.34
Restated Profit before exceptional items and tax	194.08	8.80	94.53	6.43	1.35	4.66
Restated Profit before tax	194.08	8.80	94.53	6.43	1.35	4.66
Tax expense						
Current tax	56.18	2.55	25.38	1.73	0.30	1.04
Deferred tax (benefit)/charge	(0.28)	(0.01)	(0.28)	(0.02)	0.03	0.11
Earlier year tax adjustment	-	-	-	-	-	-
Total tax expense	55.90	2.53	25.09	1.71	0.33	1.15
Restated Profit after tax	138.19	6.27	69.44	4.72	1.01	3.51
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	138.19	6.27	69.44	4.72	1.01	3.51

*Face Value per share in FY 2021-22 is Rs 1 each and in FY 2022-23 and FY 2023-24 is Rs 10 each.



AVAX APPARELS AND ORNAMENTS LIMITED

Particulars	For the year ended				
	31-Mar-24	% increase	31-Mar-23	% increase	31-Mar-22
Income					
Revenue from operations	2,205.98	50.05%	1,470.20	4992.74%	28.87
Other income	-	-100.00%	0.01	0.03%	-
Total Income	2,205.98	50.05%	1,470.21	4992.77%	28.87
Expenses					
Purchases of stock-in-trade	1,923.50	40.76%	1,366.51	4928.64%	27.17
Changes in inventories	17.17	-127.83%	(61.71)	-	-
Employee benefit expense	37.06	9.35%	33.89	-	-
Finance cost	6.64	241.61%	1.94	-	-
Depreciation and amortisation expense	9.35	239.86%	2.75	-	0.00
Other expenses	18.18	-43.69%	32.29	9213.90%	0.35
Total Expenses	2,011.90	46.25%	1,375.68	4898.48%	27.52
Restated Profit before exceptional items and tax	194.08	105.31%	94.53	6919.89%	1.35
Restated Profit before tax	194.08	105.31%	94.53	6919.89%	1.35
Tax expense					
Current tax	56.18	121.39%	25.38	8358.57%	0.30
Deferred tax (benefit)/charge	(0.28)	-1.72%	(0.28)	-974.12%	0.03
Earlier year tax adjustment	-	-	-	-	-
Total tax expense	55.90	122.77%	25.09	7450.70%	0.33
Restated Profit after tax	138.19	99.01%	69.44	6745.97%	1.01
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	138.19	99.01%	69.44	6745.97%	1.01

*Face Value per share in FY 2021-22 is Rs 1 each and in FY 2022-23 and FY 2023-24 is Rs 10 each.

YEAR ENDED MARCH 31, 2024 COMPARED WITH YEAR ENDED MARCH 31, 2023

Revenue from Operation

Revenue from operations increased by 50.05% from ₹1,470.21 lakhs in Fiscal March, 2023 to ₹2,205.98 lakhs for the Fiscal March 2024. The change was primarily due to an increase in sales of knitted cloth.

The Company's Knitted cloth has better demand and acceptance in the market resulting in higher Sales Revenue.

Other Income

Other income was Nil for the period April to March 2024. There is no interest income received by the Company.

Purchase of Stock in Trade

Purchase of Stock in Trade had increased by 40.76% from ₹1366.51 lakhs in Fiscal March 2023 to ₹1,923.50 Lakhs for the period April to March 2024. This change was primarily due to an increase in scale of operations in knitted cloth.

Changes in Inventory of Finished Goods, Work in Progress & Stock in Trade



AVAX APPARELS AND ORNAMENTS LIMITED

These Expenses had decreased from 61.71 Lakhs in Fiscal March, 2023 to ₹44.54 Lakhs in period April to March 2024. This change was primarily due to change in inventory.

Employee Benefit Expenses

Employee benefit expenses had increased by 9.35% from 33.89 Lakhs in Fiscal March 2023 to ₹ 37.06 lakhs in the period April to March 2024. This increase is due to increase in salaries and slight increase in workforce of the Company due to increase in business of the Company

Finance Costs

Finance Costs had increased from ₹1.94 lakhs in Fiscal Year ended March, 2023 to ₹6.64 lakhs in the period April to March 2024 This was primarily due to interest costs on loan taken during the financial year.

Depreciation and Amortization Expenses

Depreciation had increased from ₹2.75 Lakhs in Fiscal March, 2023 to ₹9.35 lakhs in the period April to March 2024. The increase in depreciation is due to depreciation on Company assets acquired in FY 2023-24.

Other Expenses

Other expenses had decreased by 43.69% from ₹32.29 lakhs in Fiscal March, 2023 to ₹18.18 lakhs in the period April to March 2024. The steep decline is on account of steep fall in legal and professional expenses, business promotion expenses, tours & travelling expenses and software expenses.

Tax Expenses

The Company's tax expenses had increased by 122.77% from ₹25.09 lakhs in the Fiscal March, 2023 to ₹55.90 lakhs for the period April to March 2024. This was primarily due to higher profit before tax during the financial year.

Profit after Tax

After accounting for taxes at applicable rates, our Company reported net profit of ₹138.19 lakhs for the period April to March 2024 compared to ₹69.44 lakhs in Fiscal March, 2023.

With growth in Revenues, the Company is seeing an increase in Net Profits of the Company. The Net Profit margin has improved to 6,27% of Revenues due to less than commensurate increase in Costs and expenses.

**Cash Flows**

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
Net Cash from Operating Activities	10.95	(35.67)	(13.98)
Net Cash from Investing Activities	(86.52)	(17.91)	(2.58)
Net Cash used in Financing Activities	67.55	73.45	30.00

Cash Flows from Operating Activities

Net cash from Operating activities for the period ended March 2024 was 10.95 lakhs. The positive operating cash flows is mainly on account of increase in Net Profit before tax. It is reduced to a large extent by increase in Trade receivables which is balanced to an extent by increase in trade payables.

Net cash from operating activities for the year ended March, 2023 was at negative ₹35.67 lakhs as compared to negative ₹13.98 for Fiscal 2022.

Net cash from operating activities for the period ended Fiscal 2022 was at negative ₹13.98 Lakhs as compared to ₹0.4 Lakhs for Fiscal 2021.

Net cash from operating activities for the period ended Fiscal 2021 was at ₹0.4 Lakhs.

Cash Flows from Investment Activities

Net cash from Investing activities for the period ended March 2024 was negative ₹86,52 lakhs. The negative investing cash flows in on account of purchase of property, plant & equipment.

Net cash from investment activities for the year ended March, 2023 was at negative ₹17.91 Lakhs as compared to negative ₹2.58 Lakhs for Fiscal 2022.

Net cash from investment activities for the period ended Fiscal 2022 was at negative ₹2.58 Lakhs as compared to Nil for Fiscal 2021.

Cash Flows from Financing Activities

Net cash from Financing activities for the period ended March 2024 was ₹67.55 lakhs. This is on account of bank loans taken by the Company.

Net cash from financing activities for the year ended March, 2023 was ₹73.45 Lakhs as compared to ₹30.00 Lakhs for Fiscal 2022.

Net cash from financing activities for the period ended Fiscal 2022 was Rs 30 lakhs as compared to Nil for Fiscal 2021.



AVAX APPARELS AND ORNAMENTS LIMITED

INFORMATION REQUIRED AS PER ITEM (II) (C) (I) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:

1. Income and Sales on account of major product/main activities

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (Rs Lakhs)	In %	Amount (Rs Lakhs)	In %	Amount (Rs Lakhs)	In %
Knitted Cloths	2126.18	96.38	1223.31	83.21	24.56	85.09
Silver Ornaments	79.80	3.62	246.89	16.79	4.32	14.91



SECTION X

LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Outstanding dues to Creditors

As per the materiality policy adopted by the Board of our Company in its meeting held on December 23, 2022 the outstanding dues to creditors in excess of 10% of the consolidated profit after tax (PAT) of the Company, as per the last audited financial statements; or where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed the above mentioned thresholds, if similar litigations put together collectively exceed 10% of the consolidated profit after tax of the Company will be considered material.

Based on the same, as on March 31, 2024, our Company had outstanding dues to creditors as follows:

Nature of Creditors	Amount (₹ In Lakh)
Micro, Small and Medium Enterprises	Nil
Others	39.10
Dues to Related Parties	Nil

Further, on March 31, 2023 the Company has no outstanding amount to any micro-enterprises and small enterprises and medium enterprises based on the available information and records.

Details of Material Dues to creditors as required under the SEBI (ICDR) Regulations have been disclosed on the company's website at <https://www.avaxapparels.com>.



SECTION XI

OTHER REGULATORY AND STATUTORY DISCLOSURES

BSE ELIGIBILITY NORMS:

1. The Company has been incorporated under the Companies Act, 1956 in India.
2. The post issue paid up capital of the Company (face value) will not be more than ₹2,500.00 Lakh.
3. The Company has positive Net worth (excluding revaluation reserves) which is ₹314.68 Lakh as per the audited financial Statements as on March 31, 2024.
4. Net Tangible Asset of the Company is ₹ 314.39 Lakh as on March 31, 2024 which is more than ₹150 Lakh.
5. The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for at least any 1 out of 3 financial years preceding the application and its net-worth should be positive and that the Company has track record of 3 years.

(Amount in Rs Lakhs)

Particulars	Mar 31, 2024	March 31, 2023	March 31, 2022
EBITDA	210.06	99.22	1.35
Net Tangible Assets	314.39	176.02	1.66
Net Worth	314.68	176.49	1.66
Net Asset Value per Share (NAV)*	41.13	23.07	15.31

* Adjusted FY2022 by consolidating FV Rs 1 to Rs 10 for fair comparison

Other Requirements

- The company shall mandatorily facilitate trading in demat securities and will entered into an agreement with both the depositories. Also the Equity Shares allotted through this Issue will be in dematerialized mode.
- Our Company has a live and operational website: <https://www.avaxapparels.com>
- Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- There is no winding up petition against our Company that has been accepted by a court.
- There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.
- There has been no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the BSE SME.



AVAX APPARELS AND ORNAMENTS LIMITED

SECTION XIV OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus to be delivered to the RoC for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered office: 611 6th Floor Jaina tower 2, Distt Center Janakpuri, Delhi 110058, India.

From the date of filing this Draft Prospectus with the Stock Exchange to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

MATERIAL CONTRACTS

Modified the date of Agreement:

1. Tripartite Agreement dated November 9, 2022 between NSDL, our Company and Registrar to the Issue; and
2. Tripartite Agreement dated November 9, 2022 between CDSL, our Company and Registrar to the Issue.

MATERIAL DOCUMENTS FOR THE ISSUE

Modified with updated Peer Review Auditors Report:

1. Peer Review Auditors Report dated July 15, 2024 on Restated Financial Statements of our Company for the period ended 31st March 2024, 31th March, 2023 and 31st March 2022.
2. The Report dated July 15, 2024 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Prospectus.



AVAX APPARELS AND ORNAMENTS LIMITED

SECTION XV DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 1956, notified provisions of Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. We further certify that all the statements made in this Draft Prospectus are true and correct.

Signed by the Directors of our Company				
S.N.	Name	Category	Designation	Signature
1.	Mr. Harinderpal Singh Sodhi	Executive	Managing Director	Sd/-
2.	Mr. Harish Kumar	Executive	Whole Time Director	Sd/-
3.	Mrs. Deepika	Executive	Whole Time Director	Sd/-
4.	Mr. Amitabh Agarwal	Non-Executive	Independent Director	Sd/-
5.	Mr. Pradeep Srivastava	Non-Executive	Independent Director	Sd/-
6.	Mr. Gurvinder Singh Vohra	Non-Executive	Independent Director	Sd/-
Signed by the Chief Financial Officer and Company Secretary of our Company				
7.	Mr. Rajesh Singla	Key Management Personnel	Chief Financial Officer	Sd/-
8.	Mrs. Shruti Jain	Key Management Personnel	Company Secretary & Compliance Officer	Sd/-

Place: New Delhi

Date: July 22, 2024