

INDEPENDENT AUDITOR'S REPORT

To the Members of Avax Apparels and Ornaments Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

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

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

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

Key Audit Matters

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



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

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

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



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

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

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

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

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

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

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

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

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



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

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

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

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

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



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

Other matter

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

Report on Other Legal and Regulatory Requirements

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



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

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

(c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under (a) and (b) above contain any material misstatement.

 - v. The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.



NKSC & Co.

Chartered Accountants

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

For **NKSC & Co.**

Chartered Accountants

ICAI Firm Registration No. 020076N




Priyank Goyal

Partner

Membership No.: 521986

UDIN: 25521986BMNYPW3420

Place: New Delhi

Date: May 23, 2025

Annexure 1 to the Independent Auditor's Report

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

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

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



- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, though there has been a slight delay in a few cases.

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

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

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

- (b) According to the information and explanations given to us, disputed dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which were outstanding, at the year-end for a period of more than six months from the date they became payable are as follows:
- (viii) We have not come across any transaction(s) which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not obtain any money by way of term loans during the year/and there were no outstanding term loans at the beginning of the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.



- (d) On an overall examination of the Ind AS financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Companies Act.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, as defined under the Companies Act.
- (x) (a) Based upon the audit procedure performed and the information and explanations given by the management, the Company has utilized the money raised by way of initial public issue offer during the year for the purposes for which they were raised. For details refer note 34.
- (b) Based upon the audit procedure performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable. However, the Company has made a right issue during the year.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.
- (c) There are no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Ind AS Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company did not have an internal audit system for the period under audit. Hence, no Internal Audit Reports of the Company for the aforesaid period were provided.



- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year and hence, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) According to the information and explanation given to us, The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) and (d) of paragraph 3 of the Order are not applicable.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year, however, no issues, objections or concerns were raised by the outgoing auditors.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying Ind AS financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, we believe that material uncertainty exists as on the date of this audit report and due to which the Company may not be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due
- (xx) (a) The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For **NKSC & Co.**

Chartered Accountants

ICAI Firm Registration No. 020076N




Priyank Goyal

Partner

Membership No.: 521986

UDIN: 25521986BMNYPW3420

Place: New Delhi

Date: May 23, 2025

Annexure 2 to the Independent Auditor's Report

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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





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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For **NKSC & Co.**

Chartered Accountants

ICAI Firm Registration No.020076N



Priyank Goyal

Partner

Membership No. 521986

UDIN: 25521986BMNYPW3420

Place: New Delhi

Date: May 23, 2025

Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127

Statement of Assets and Liabilities as at March 31, 2025

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

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

Summary of material accounting policies

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
Priyank Goyal
 Partner

Membership No.: 521986

ICAI UDIN No. 25521986BMNYPW3420



Place: Delhi

Date: 23-May-25

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

Harish Kumar
Harish Kumar
 Whole Time Director
 DIN-09283531

Rajesh Singla
Rajesh Singla
 CFO
 PAN No. CNOPS7915R

Place: Delhi

Date: 23-May-25

Harinderpal Singh Sodhi
Harinderpal Singh Sodhi
 Managing Director
 DIN-09283654

Shruti Jain
Shruti Jain
 Company Secretary
 M.No. 52018



Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127**Statement of Profit and Loss for the year ended March 31, 2025**

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

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

Summary of material accounting policies

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

As per our report of even date.

For NKSC & Co.

Chartered Accountants

Firm Registration No. 020076N


Priyank Goyal
 Partner

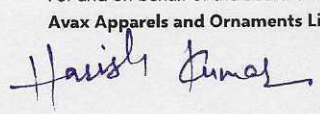
Membership No.: 521986

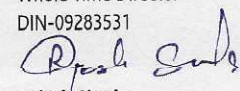
ICAI UDIN No. 25521986BMNYPW3420



Place: Delhi

Date: 23-May-25

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

Harish Kumar
 Whole Time Director
 DIN-09283531


Rajesh Singla
 CFO
 PAN No. CNOPS7915R


Harinderpal Singh Sodhi
 Managing Director
 DIN-09283654


Shruti Jain
 Company Secretary
 M.No. 52018

Place: Delhi

Date: 23-May-25



Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127**Statement of Cash Flow Statement for the year ended March 31, 2025**

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

Particulars**Cash flow from operating activities**

Profit before tax

Adjustments to reconcile profit before tax to cash generated from operating activities

Depreciation and amortisation expense

Finance costs

Operating profit before working capital changes**Adjustments for (increase)/decrease in operating assets**

Inventories

Trade receivables

Other financial assets

Other current assets

Other non current asset

Adjustments for increase/(decrease) in operating liabilities

Trade payables

Other financial liabilities

Other current liabilities

Cash generated from operations**Less:** Income tax paid (net of refunds)**Net cash flow (used in)/generated from operating activities (A)****Cash flows from investing activities**

Proceeds from/(payments for) PPE and intangible assets

Net cash flow (used in) from investing activities (B)**Cash flows from financing activities**

Payment to/Proceeds from borrowings

Issue of equity shares

Finance costs

Security premium of equity shares (net of share issue expenses)

Net cash flow generated from financing activities (C)**Net (decrease) in cash and cash equivalents (A+B+C)**

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year**Notes to Statement of cash flows:****(i). Components of cash and bank balances (refer annexure 9)**

Balances with banks

- on current account

Cash on hand

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

As per our report of even date.

For NKSC & Co.

Chartered Accountants

Firm Registration No. 020076N

Priyank Goyal
Partner

Membership No.: 521986

ICAI UDIN No. 25521986BMNYPW3420



Place: Delhi

Date: 23-May-25

For and on behalf of the Board of Directors of
Avax Apparels and Ornaments Limited**Harish Kumar**
Whole Time Director
DIN-09283531**Rajesh Singla**
CFO
PAN No. CNOPS7915R**Harinderpal Singh Sodhi**
Managing Director
DIN-09283654**Shruti Jain**
Company Secretary
M.No. 52018

Place: Delhi

Date: 23-May-25



	Year ended March 31, 2025	Year ended March 31, 2024
Cash flow from operating activities		
Profit before tax	228.03	194.10
Adjustments to reconcile profit before tax to cash generated from operating activities		
Depreciation and amortisation expense	32.35	9.35
Finance costs	10.18	2.70
Operating profit before working capital changes	270.56	206.15
Adjustments for (increase)/decrease in operating assets		
Inventories	7.96	17.17
Trade receivables	(369.03)	(95.33)
Other financial assets	-	0.79
Other current assets	(1.68)	(1.90)
Other non current asset	-	10.98
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	102.41	(105.66)
Other financial liabilities	11.89	-
Other current liabilities	(0.97)	2.27
Cash generated from operations	21.13	34.47
Less: Income tax paid (net of refunds)	(77.93)	(24.77)
Net cash flow (used in)/generated from operating activities (A)	(56.80)	9.70
Cash flows from investing activities		
Proceeds from/(payments for) PPE and intangible assets	(120.15)	(86.52)
Net cash flow (used in) from investing activities (B)	(120.15)	(86.52)
Cash flows from financing activities		
Payment to/Proceeds from borrowings	(5.15)	71.50
Issue of equity shares	27.40	-
Finance costs	(10.18)	(2.70)
Security premium of equity shares (net of share issue expenses)	155.68	-
Net cash flow generated from financing activities (C)	167.75	68.80
Net (decrease) in cash and cash equivalents (A+B+C)	(9.20)	(8.02)
Cash and cash equivalents at the beginning of the year	25.98	34.00
Cash and cash equivalents at the end of the year	16.78	25.98

	Year ended March 31, 2025	Year ended March 31, 2024
Balances with banks		
- on current account	16.32	22.31
Cash on hand	0.46	3.67
Cash and bank balances at end of the year	16.78	25.98

Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127**Statement of Changes in Equity for the year ended March 31, 2025**

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

A. Statement of equity share capital

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

B. Statement of Other Equity

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

As per our report of even date.

For NKSC & Co.

Chartered Accountants

Firm Registration No. 020076N


Priyank Goyal

Partner

Membership No.: 521986

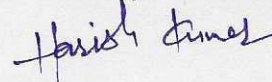
ICAI UDIN No. 25521986BMNYPW3420



Place: Delhi

Date: 23-May-25

For and on behalf of the Board of Directors of

Avax Apparels and Ornaments Limited**Harish Kumar**

Whole Time Director

DIN-09283531

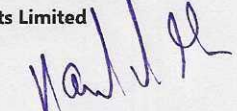
**Rajesh Singla**

CFO

PAN No. CNOPS7915R

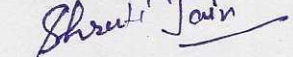
Place: Delhi

Date: 23-May-25

**Harinderpal Singh Sodhi**

Managing Director

DIN-09283654

**Shruti Jain**

Company Secretary

M.No. 52018



AVAX APPARELS AND ORNAMENTS LIMITED
(Formerly Known as Avax Soft Technologies Limited)
Notes to Ind AS Financial Statements for the year ended March 31, 2025

1. Corporate Information

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

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

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

2. Summary of Material Accounting Policies

2.1 Basis of preparation & Presentation

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

2.2 Statement of compliance with Indian Accounting Standards:

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

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

2.3 Current and non-current classification

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

2.4 Functional and presentation currency

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

2.5 Use of estimates and judgements

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



2.6 Significant management judgements:

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

2.7 Significant estimates:

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



2.8 Revenue

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

Revenue from sale of goods

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

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

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

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

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

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

2.9 Tax expense

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

Current tax

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

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



Deferred tax

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

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

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

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

2.10 Inventories

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

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

2.11 Leases

As lessee

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

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



AVAX APPARELS AND ORNAMENTS LIMITED
(Formerly Known as Avax Soft Technologies Limited)
Notes to Ind AS Financial Statements for the year ended March 31, 2025

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:



AVAX APPARELS AND ORNAMENTS LIMITED
(Formerly Known as Avax Soft Technologies Limited)
Notes to Ind AS Financial Statements for the year ended March 31, 2025

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).



AVAX APPARELS AND ORNAMENTS LIMITED
(Formerly Known as Avax Soft Technologies Limited)
Notes to Ind AS Financial Statements for the year ended March 31, 2025

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.



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

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

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

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

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

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

Measurement of expected credit losses

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

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

Write-off

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

2.17 Earnings per share

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

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



2.18 Segment reporting

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

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

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

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

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

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



Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

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

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

3 Property, Plant & Equipment**For the year ended March 31, 2025**

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

For the year ended March 31, 2024

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

- (i). The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2025 and year ended March 31, 2024.
- (ii). There are no impairment losses recognised for the year ended March 31, 2025 and year ended March 31, 2024.
- (iii). There are no exchange differences adjusted in Property, plant & equipment.



Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

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

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

4 Intangible Assets**For the year ended March 31, 2025**

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

For the year ended March 31, 2024

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

Footnotes:

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

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Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

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

Security deposits

Total

As at March 31, 2025	As at March 31, 2024
0.22	0.22
0.22	0.22

Footnote:

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

6 Deferred tax assets**Particulars**

Deferred tax assets (refer note 35)

Total

As at March 31, 2025	As at March 31, 2024
3.38	0.53
3.38	0.53

7 Inventories**Particulars****Valued at lower of cost and net realisable value**

Traded goods

Total

As at March 31, 2025	As at March 31, 2024
36.58	44.54
36.58	44.54

Footnotes:

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

8 Trade Receivables**Particulars**

(i) Undisputed trade receivables — considered good

(ii) Undisputed trade receivables — which have significant increase in credit risk

Less: Impairment loss allowance**Total**

As at March 31, 2025	As at March 31, 2024
675.30	306.26
-	-
675.30	306.26

Footnotes:

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

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

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

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



Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

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

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

(v). Trade Receivables Ageing**Particulars****Unsecured - at amortised cost****Undisputed trade receivables — considered good**

	As at March 31, 2025	As at March 31, 2024
0-6 months	624.63	290.11
6-12 months	0.07	-
1-2 years	45.45	16.15
2-3 years	5.15	-
More than 3 years	-	-

Undisputed trade receivables -

0-6 months	-	-
6-12 months	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-

Less: Impairment loss allowance**Total**

675.30	306.26
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9 Cash and cash equivalents**Particulars**

Balances with banks

- on current account

Cash on hand

Total

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

Footnote:

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

10 Other Current Assets**Particulars****Unsecured considered good**

Balance with government authorities

Advance to others

Prepaid expenses

Total

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

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11 Equity Share Capital

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

Particulars

Authorised shares

Equity Shares (face value of Rs.10 each)

Issued, subscribed and fully paid-up shares

Face value of Rs.10 each fully paid up

Total

As at March 31, 2025		As at March 31, 2024	
Number	Amount	Number	Amount
20,00,000	200.00	20,00,000	200.00
20,00,000	200.00	20,00,000	200.00
10,39,158	103.92	7,65,158	76.52
10,39,158	103.92	7,65,158	76.52

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

Particulars

Shares outstanding at the beginning of the year

Issued during the year*

Shares outstanding at the end of the year

March 31, 2025		March 31, 2024	
Number	Amount	Number	Amount
7,65,158	76.52	7,65,158	76.52
2,74,000	27.40	-	-
10,39,158	103.92	7,65,158	76.52

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

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

Voting

Each shareholder is entitled to one vote per share held.

Dividends

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

Liquidation

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

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

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

Name of shareholders

Amandeep Singh
Harish Kumar
Amritpal Singh Gill
Harinderpal Singh Sodhi
Shivarjun Byrapaneni Rao
Deepika

As at March 31, 2025		As at March 31, 2024	
Holding in numbers	% of Total equity shares	Holding in numbers	% of Total equity shares
1,09,202	10.51%	1,09,202	14.27%
2,18,084	20.99%	2,18,084	28.50%
98,045	9.44%	98,045	12.81%
2,18,084	20.99%	2,18,084	28.50%
60,000	5.77%	-	0.00%
88,990	8.56%	88,990	11.63%
7,92,405	76.25%	7,32,405	95.72%

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

Number of shares

As at March 31, 2025	As at March 31, 2024
2,74,000	-



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

Particular

As at March 31, 2025

Harinderpal Singh Sodhi

Harish Kumar

Total

As at March 31, 2024

Harinderpal Singh Sodhi

Harish Kumar

Total

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
2,18,084	-	2,18,084	20.99%	0.00%
2,18,084	-	2,18,084	20.99%	0.00%
4,36,168	-	4,36,168	41.97%	
2,18,084	-	2,18,084	28.50%	0.00%
2,18,084	-	2,18,084	28.50%	0.00%
4,36,168	-	4,36,168	57.00%	

12 Other Equity

Particulars

(i). Security premium account

Opening balance

Add: Security premium on issue of shares

Less: Share issue expense (refer note 34)

Closing balance

(ii). Retained earnings

Opening balance

Add: Profit for the year

Closing balance

Total Other equity

Nature and purpose of Other equity:

(i). Security premium account

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

(ii). Retained earnings

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

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As at March 31, 2025	As at March 31, 2024
90.17	90.17
164.40	-
(8.72)	-
245.85	90.17
148.00	9.80
163.18	138.20
311.18	148.00
557.03	238.17



13 Borrowings (current)

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

Footnote:

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

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

Security details: Yes bank

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

14 Trade Payables

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

Footnotes:

- (i). Trade payables other than due to MSMEs are non-interest bearing and are normally settled in the Company's operating cycle.
(ii). The Company's exposure to currency and liquidity risks are disclosed in note 31.

(iii). Trade payables ageing

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



15 Other current financial liabilities

Particulars

Expense payable
Employee related payable
Total

As at March 31, 2025	As at March 31, 2024
11.80	-
0.09	-
11.89	-

Footnote:

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

16 Other Current Liabilities

Particulars

Advance from customer
Statutory dues payables
Total

As at March 31, 2025	As at March 31, 2024
0.16	0.18
1.41	2.37
1.57	2.55

17 Current Tax Liabilities (net)

Particulars

Provision for income tax (net of tax)
Total

As at March 31, 2025	As at March 31, 2024
46.55	56.77
46.55	56.77

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18 Revenue From Operations

Particulars

Sale of goods

Manufacturing

Trading goods

Other operating income

Sale of scrap

Total

Year ended March 31, 2025	Year ended March 31, 2024
185.43	-
3,248.70	2,205.98
1.73	-
3,435.86	2,205.98

Information required as per Ind AS 115:

Particulars

Disaggregated revenue information as per geographical markets

Revenue from customers based in India

Revenue from customers based outside India

Timing of revenue recognition

Transferred at a point in time

Trade receivables and contract assets/(liabilities)

Trade receivables

Year ended March 31, 2025	Year ended March 31, 2024
3,435.86	2,205.98
-	-
3,435.86	2,205.98
675.30	306.26

Performance obligation and remaining performance obligation

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

19 Other Income

Particulars

Commission income

Total

Year ended March 31, 2025	Year ended March 31, 2024
9.78	-
9.78	-

20 Cost of material consumed

Particulars

Opening stock

Purchase of raw material (Yarn)

Closing stock

Total

Year ended March 31, 2025	Year ended March 31, 2024
-	-
134.90	-
-	-
134.90	-

21 Purchases of Stock-in-Trade

Particulars

Purchases of knitted clothes

Total

Year ended March 31, 2025	Year ended March 31, 2024
2,903.67	1,923.50
2,903.67	1,923.50

22 Changes in inventories

Particulars

Inventories at beginning of the year

Finished goods

Inventories at end of the year

Finished goods

Decrease/(increase) in inventories

Year ended March 31, 2025	Year ended March 31, 2024
44.54	61.71
44.54	61.71
36.58	44.54
36.58	44.54
7.96	17.17



23 Employee benefit expense

Particulars

Salary, wages, bonus and other benefits
Director remuneration
Total

Footnotes

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

Year ended March 31, 2025	Year ended March 31, 2024
42.88	21.76
25.05	15.30
67.93	37.06

24 Finance costs

Particulars

Interest on borrowings
Interest on delay in payment of statutory dues
Other borrowing cost
Total

Year ended March 31, 2025	Year ended March 31, 2024
8.41	2.30
5.20	3.95
1.77	0.40
15.38	6.65

25 Depreciation and amortisation expense

Particulars

Depreciation on property, plant and equipment (refer note 3)
Amortisation on intangible asset (refer note 4)
Total

Year ended March 31, 2025	Year ended March 31, 2024
32.21	9.17
0.14	0.18
32.35	9.35

26 Other expenses

Particulars

Tour & travelling expenses
Power & fuel
Advertisement expense
Legal and professional expenses (refer footnote)
Bank charges
Rent expenses
Repair and maintenance- building
Business promotion
Office expenses
Insurance
Software expenses
Miscellaneous expenses
Total

Year ended March 31, 2025	Year ended March 31, 2024
4.22	1.79
20.49	-
0.16	-
15.97	2.42
0.43	0.27
4.68	10.98
7.50	-
1.12	0.08
0.40	1.22
0.19	1.26
0.05	0.10
0.21	0.03
55.42	18.15

Footnote:

(i). Payment of remuneration to auditors (excluding GST)

- Statutory audit
- Tax audit
Total

Year ended March 31, 2025	Year ended March 31, 2024
0.80	0.60
0.25	-
1.05	0.60



27 Earnings per share

Particulars

(a). Basic and diluted earnings per share (in Rs.)

From continuing operations attributable to the equity holders of the Company

Year ended March 31, 2025	Year ended March 31, 2024
19.77	18.06

(b). Reconciliations of earnings used in calculating earnings per share

Basic earnings per share

Profit from continuing operation attributable to the equity share holders

Profit attributable to the equity holders of the company used in calculating basic and diluted earnings per share

163.18	138.20
163.18	138.20

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

Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share*

8,25,213	7,65,158
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At present, the Company does not have any dilutive potential equity share.

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

Particulars

The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:

- Principal amount due to any supplier
- Interest due on above

As at March 31, 2025	As at March 31, 2024
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The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.

The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.

The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.

The amount of interest accrued and remaining unpaid at the end of each accounting

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.

-	-
-	-
-	-
-	-
-	-
-	-
-	-

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

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29 Related party disclosures

A. List of related parties where control exists and/or with whom transactions have taken place

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

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

B. Details of related party transactions are as below:

Particulars

1. Salary/ remuneration given to Directors and KMPs

	Year ended March 31, 2025	Year ended March 31, 2024
Harinderpal Singh Sodhi		
Harish Kumar	8.84	5.40
Rajesh Singla	8.84	5.40
Shruti Jain	5.20	4.80
Deepika	5.20	4.80
	7.37	4.50

2. Salary given to relatives of KMPs

Deepak Kumar	6.76	5.88
Harvinder Kaur	7.45	6.00

Total

49.66 36.78

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

Particulars

1. Salary Payable

Harvinder Kaur

Total

As at March 31, 2025	As at March 31, 2024
0.09	-
0.09	-



30 Operating Segments

A. Basis for Segmentation

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

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

Reportable segments

Knitted Clothes
Online Retail Sale- Silver Ornaments

Operations

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

B. Information about reportable segments

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

For the year ended March 31, 2025

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

Knitted Clothes	Reportable Segments			Total
	Ornaments	Unallocable		
3,434.51	1.35	-		3,435.86
389.32	-	-		389.32
710.42	1.45	216.94		928.82
141.51	-	126.36		267.87

For the year ended March 31, 2024

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

Knitted Clothes	Reportable Segments			Total
	Ornaments	Unallocable		
2,126.18	79.80	-		2,205.98
227.00	38.31	-		265.31
348.86	1.94	133.81		484.61
39.10	-	130.82		169.92

Reconciliations of information on reportable segments

(i) Revenues

Total revenue for reportable segments
Knitted Clothes
Ornaments
Total

Year ended March 31, 2025	Year ended March 31, 2024
3,434.51	2,126.18
1.35	79.80
3,435.86	2,205.98



Avax Apparels and Ornaments Limited
(Formerly known as Avax Soft Technologies Limited)

CIN No:- L14101DL2005PLC137127

Notes to the Ind AS Financial Statements for the year ended March 31, 2025

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

(ii) Total comprehensive income

Total profit before tax for reportable segments

Knitted Clothes

Ornaments

Other income

Unallocated expenses:

Finance costs

Employee benefit expense

Depreciation and amortisation expense

Other expenses

Profit before exceptional items and tax

Less: Exceptional items

Profit before tax

Tax expenses

Profit after tax

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

(iii) Assets

Total assets for reportable segments

Knitted Clothes

Ornaments

Unallocated assets

Property plant and equipments

Intangible asset

Other financial asset

Deferred tax assets

Cash and cash equivalent

Other current asset

Total assets

(iv) Liabilities

Total liabilities for reportable segments

Knitted Clothes

Ornaments

Unallocated liabilities

Borrowings

Other financial liability

Other current liabilities

Current tax liabilities

Total

For the year ended March 31, 2025

(v) Customers having reportable sale more than 10%

Customer 1

Customer 2

Customer 3

Total

	Year ended March 31, 2025	Year ended March 31, 2024
Total profit before tax for reportable segments	389.32	227.00
Knitted Clothes	-	38.31
Ornaments	389.32	265.31
Other income	9.78	-
Unallocated expenses:		
Finance costs	15.38	6.65
Employee benefit expense	67.93	37.06
Depreciation and amortisation expense	32.35	9.35
Other expenses	55.42	18.15
Profit before exceptional items and tax	228.03	194.10
Less: Exceptional items	-	-
Profit before tax	228.03	194.10
Tax expenses	64.85	55.90
Profit after tax	163.18	138.20

163.18	138.20
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As at March 31, 2025	As at March 31, 2024
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710.42	348.86
1.45	1.94
182.27	94.63
0.45	0.29
0.22	0.22
3.38	0.53
16.78	25.98
13.84	12.16
928.82	484.61

As at March 31, 2025	As at March 31, 2024
-------------------------	-------------------------

141.51	39.10
-	-
66.35	71.50
11.89	-
1.57	2.55
46.55	56.77
267.87	169.92

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



31 Fair value measurement and Financial instruments

a). Financial instruments – by category and fair values hierarchy

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

As at 31 March, 2025

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

As at 31 March, 2024

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



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Fair value hierarchy

Level 1: It includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

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

b). Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

(i). Credit risk

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

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

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

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

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

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

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

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

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

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

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



Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

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

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

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

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

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

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

Exposure to liquidity risk

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

As at 31-Mar-2025

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

As at 31-Mar-2024

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

(iii). Market risk

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

32 Capital Management

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

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

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

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

For the year ended

Borrowings

Less: Cash and bank balances

Adjusted net debt (A)

Total equity (B)

Adjusted net debt to adjusted equity ratio (A/B)

As at March 31, 2025	As at March 31, 2024
66.35	71.50
(16.78)	(25.98)
49.57	45.52
660.95	314.69
7.50%	14.47%



Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

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

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

33 Accounting ratios

Sr. No.	Particulars	Calculation	As at March 31, 2025	As at March 31, 2024	% Change	Reason
1	Return on Equity	Net income/ Shareholder equity	24.62%	43.91%	-43.93%	(i)
2	Debt Equity Ratio	Total debts/ total equity	0.10	0.23	-55.82%	(ii)
3	Earning per share	Earning available for Equity Shareholder/ Weighted average no. of Share outstanding during the period	19.72	17.76	11.04%	*N.A.
4	Current Ratio	Current asset/ Current liability	2.77	2.28	21.57%	*N.A.
5	Liquid Ratio	(Total current asset- Inventory- Prepaid expense)/ Current liabilities	2.64	2.02	30.46%	(iii)
6	Return on Capital employed	EBIT/ capital employed	35.62%	65.56%	-45.67%	(iv)
7	Net Profit to Sales	Profit after tax/ sale	4.74%	6.16%	-23.16%	*N.A.
8	Trade receivable turnover Ratio	Credit sales/ Average trade receivables	7.00	8.53	-17.93%	*N.A.
9	Trade payable turnover Ratio	Credit purchase/ Average trade payables	33.65	22.73	48.03%	(v)
10	Inventory turnover ratio	Cost of goods sold/ Average inventory	75.11	36.53	105.62%	(vi)
11	Net capital turnover ratio	Net sales/ Working capital	7.24	10.07	-28.13%	(vii)

***N.A.** Not applicable, variance is below the threshold.**Reason for changes:**

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

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Avax Apparels and Ornaments Limited
(Formerly known as Avax Soft Technologies Limited)

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Notes to the Ind AS Financial Statements for the year ended March 31, 2025

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

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

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

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

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



35 Income Taxes

A. Particulars

Income tax expense

Current tax

Income tax for earlier years

Deferred tax expense

Change in recognised temporary differences

Year ended March 31, 2025	Year ended March 31, 2024
67.70	56.18
-	-
(2.85)	(0.28)
64.85	55.90

B. Reconciliation of effective tax rate

Particulars

Profit before tax

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

Tax effect of:

Disallowed expense

Income tax for earlier years

Total (B)

(A)+(B)

Year ended March 31, 2025		Year ended March 31, 2024	
Rate	Amount	Rate	Amount
	228.03		194.10
27.82%	63.44	27.82%	54.00
	1.41		1.90
	-		-
	1.41		1.90
	64.85		55.90

C. Movement in deferred tax balances

For the year ended March 31, 2025

Particulars

Deferred tax assets

Unabsorbed losses

Property, plant and equipments and Intangibles

Trade receivables

Total

Deferred tax assets (net)

As at 31 March, 2024	Recognised in P&L	Recognised in OCI	As at 31 March, 2025
-	-	-	-
0.53	2.85	-	3.38
-	-	-	-
0.53	2.85	-	3.38
0.53	2.85	-	3.38

For the year ended March 31, 2024

Particulars

Deferred tax assets

Unabsorbed losses

Property, plant and equipments and Intangibles

Trade receivables

Total

Deferred tax assets (net)

As at 31 March, 2023	Recognised in P&L	Recognised in OCI	As at 31 March, 2024
-	-	-	-
0.25	0.28	-	0.53
-	-	-	-
0.25	0.28	-	0.53
0.25	0.28	-	0.53



36 Other statutory compliances

(i) Details with respect to the Benami Properties:

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

(ii) Undisclosed income:

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

(iii) Crypto currency:

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

(iv) Struck off companies:

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

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

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

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

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

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

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

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

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

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

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

39 Previous year's figures

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

As per our report of even date.

For NKSC & Co.

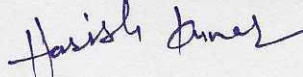
Chartered Accountants
Firm Registration No. 020076N


Priyank Goyal

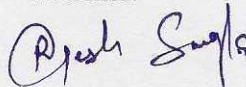
Partner
Membership No.: 521986
ICAI UDIN No. 25521986BMNYPW3420



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

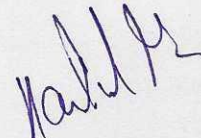


Harish Kumar
Whole Time Director
DIN-09283531

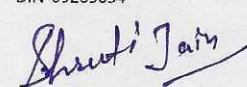


Rajesh Singla
CFO
PAN No. CNOPS7915R

Place: Delhi
Date: 23-May-25



Harinderpal Singh Sodhi
Managing Director
DIN-09283654



Shruti Jain
Company Secretary
M.No. 52018



Place: Delhi
Date: 23-May-25