



AVAX APPARELS AND ORNAMENTS LIMITED

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

Janak Puri, New Delhi 110058,

CIN: L14101DL2005PLC137127; Website: www.avaxapparels.com

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

DIRECTORS' REPORT

The Members of M/S Avax Apparels And Ornaments Limited

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

COMPANY'S AFFAIRS & FINANCIAL RESULTS

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

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

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

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

OPERATIONAL REVIEW

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

TRANSFER TO RESERVE

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

CAPITAL STRUCTURE

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

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

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

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

DIVIDEND

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

CLASS OF SHARES

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

WEB LINK OF ANNUAL RETURN, IF ANY.

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

DEMATERIALISATION OF EQUITY SHARES

The Company's all equity shares had been converted in Dematerialization form in the both depositories that is National Security Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The International Security Identification Number (ISIN) allotted by NSDL and CDSL to the Company is INE0NQ401016.

NUMBER OF THE BOARD MEETINGS

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

STATUTORY AUDITORS

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

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

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

SECRETARIAL AUDITORS

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

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

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

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

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

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

DECLARATION OF INDEPENDENT DIRECTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES-

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

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

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

FORMAL ANNUAL EVALUATION

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

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

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

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

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

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

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

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

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

CODE OF CONDUCT

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

EXTRACT OF THE ANNUAL RETURN

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

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

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

SUBSIDIARY, ASSOCIATES COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

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

FIXED DEPOSIT

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

RETIREMENT BY ROTATION

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

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

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

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

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

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

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

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

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

SHARES

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

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

EMPLOYEES STOCK OPTION PLAN

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

MANAGERIAL REMUNERATION

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

CORPORATE GOVERNANCE REPORT

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

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

GENERAL DISCLOSURE

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

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

HUMAN RESOURCES

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

GREEN INITIATIVES

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

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

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

COMPLIANCE WITH SECRETARIAL STANDARDS

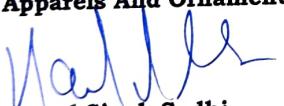
The Company has complied with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively) issued by the Institute of Company Secretaries of India and approved by the Central Government.

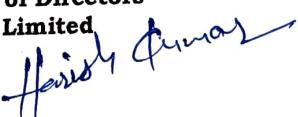
ACKNOWLEDGEMENTS:

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

For and on behalf of the Board of Directors

Avax Apparels And Ornaments Limited


Harinderpal Singh Sodhi
Managing Director
DIN 09283654


Harish Kumar
Whole Time Director
DIN 09283531

Date: 01.08.2025
Place: Delhi



G GUPTA & ASSOCIATES

(A Peer Reviewed Firm)

(Company Secretaries & Consultant)

Office : A-4/8 First Floor Sector 15, Rohini Delhi 110089

Mobile : +91 9868668185, Email : gguptaandassociates@gmail.com

FORM MR - 3

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

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

To

The Members

AVAX APPARELS AND ORNAMENTS LIMITED

611 6TH FLOOR JAINA TOWER II DISTT CENTRE JANAK PURI, West Delhi,
DELHI, Delhi, India, 110058

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

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') : -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **NOT APPLICABLE**;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NOT APPLICABLE**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **NOT APPLICABLE**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **NOT APPLICABLE**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **NOT APPLICABLE**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;

(vi) The Company has identified laws specifically to the Company and we have relied upon the representation made by the company and its officer for the system and mechanism framed by the Company for compliances made under.

1. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
2. The Child Labour (Prohibition & Regulation) Act, 1986
3. The Bonded Labour System (Abolition) Act of 1976

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

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

I further report that:

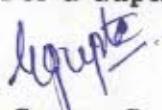
Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful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



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

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

Date - 01.08.2025
Place - New Delhi
UDIN - F010940G000912302

For G Gupta & Associates

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



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

G GUPTA & ASSOCIATES



(A Peer Reviewed Firm)

(Company Secretaries & Consultant)

Office : A-4/8 First Floor Sector 15, Rohini Delhi 110089

Mobile : +91 9868668185, Email : gguptaandassociates@gmail.com

Annexure- A

To

The Members,

AVAX APPARELS AND ORNAMENTS LIMITED

611 6TH FLOOR JAINA TOWER II DISTT CENTRE JANAK PURI, West Delhi,
DELHI, Delhi, India, 110058

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

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

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



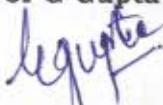
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date - 01.08.2025

Place - New Delhi

UDIN - F010940G000912302

For G Gupta & Associates



Gaurav Gupta

Practicing Company Secretary

FCS No.10940, COP No.15523

Peer Review No. 2010/2022

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

Janak Puri, New Delhi 110058,

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

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

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

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

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

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

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

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

Harinderpal Singh Sodhi
Managing Director
DIN 09283654

Harish Kumar
Whole Time Director
DIN 09283531

Date: 01.08.2025
Place: Delhi

**AVAX APPARELS AND ORNAMENTS LIMITED**

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Annexure-C**Form AOC-1**

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

**Statement containing salient features of the financial statement of
subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

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

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

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

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

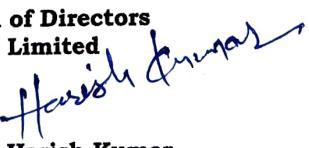
Part "B": Associates and Joint Ventures

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

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

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


Harinderpal Singh Sodhi
Managing Director
DIN 09283654


Harish Kumar
Whole Time Director
DIN 09283531

Date: 01.08.2025
Place: Delhi

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Annexure-D

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

1.

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

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

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

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

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

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

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

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

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

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

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


 Harinderpal Singh Sodhi
 Managing Director
 DIN 09283654


 Harish Kumar
 Whole Time Director
 DIN 09283531

Date: 01.08.2025
 Place: Delhi



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Annexure-E

Management Discussion and Analysis Report

1.

(a) Industry structure and developments

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

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

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

(b) Opportunities and Threats

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

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

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

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

(c) Segment-wise or product-wise performance

The Company engages in two distinct lines of business:

1. Wholesale trading of knitted clothes

2. Online retail of silver ornaments

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

(d) Outlook

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

(e) Risks and concerns

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

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

(f) Internal control systems and their adequacy

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

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

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

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

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

(i) Details of significant changes in key financial ratios

Sr. No .	Particulars	Calculation	As at March 31, 2025	As at March 31, 2024	% Change

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

Reason for changes:

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

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

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

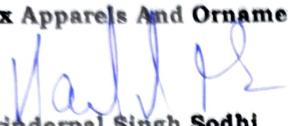
2024 which was at 43.91%. It is decreased due to shares issued during the year via IPO.

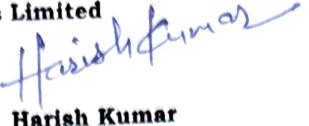
2. Disclosure of Accounting Treatment

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

For and on behalf of the Board of Directors

Avax Apparels And Ornaments Limited


Harinderpal Singh Sodhi
Managing Director
DIN 09283654


Harish Kumar
Whole Time Director
DIN 09283531

Date: 01.08.2025

Place: Delhi



AVAX APPARELS AND ORNAMENTS LIMITED

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

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

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

Thanking you.

Yours Faithfully,

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


Harinderpal Singh Sodhi
Managing Director
DIN 09283654

Date: 01.08.2025

Place: Delhi