NKSC & Co.
Chartered Accountants

Unit no. 9, Third Floor, Pearls Omaxe Tower,
Netaji Subhash Palace, Pitampura, Delhi – 110034
www.nksc.in
info@nksc.in
011 – 4566 0694

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL STATEMENT**

**The Board of Directors**

**Avax Apparels and Ornaments Limited,**
[Formerly known as Avax Soft Technologies Limited]
611- 6th Floor, Jaina Tower II,
District Centre, Janakpuri,
Delhi -110058

Respected Sirs,

**1.** We have examined, the attached Restated Financial Statement of Avax Apparels and Ornaments Limited (the **"Company"** or the **"Issuer"**) comprising the Restated Summary of Assets and Liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows for the period/year ended September 30, 2024, March 31 2024, March 31 2023 and March 31 2022 and the summary statement of significant accounting policies, and other explanatory information (collectively, the "Restated Financial Statements"), as approved by the Board of Directors of the Company at their meeting held on 28 October 2024 for the purpose of inclusion in the Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

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

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

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management of the Company on the basis of preparation stated in Annexure 1 & 2 to the Restated Financial Statements. The Restated Financial Statements have been extracted by the management from the Audited Financial Statements of the Company for the period/year ended September 30, 2024, March 31 2024, March 31 2023, and March 31 2022. The Board of Directors of the company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statements. The Board of Directors of the company are also responsible for identifying and ensuring that the company complies with the Act, the ICDR Regulations and the Guidance Note.

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

a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 23rd December, 2022 in connection with the proposed IPO of equity shares of the Company;

b) The Guidance Note - The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and

d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

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

The Restated Financial Statements also contains the proforma Ind AS financial information as at and for the period/year ended September 30, 2024, March 31 2024, March 31 2023 and March 31 2022. The proforma Ind AS financial information have been prepared by making Restated Ind AS adjustment to the audited Ind AS financial statements as at and for the period/year ended September 30, 2024, March 31 2024, March 31 2023 and year ended March 31 2022 which have been approved by the Board of Directors at their meeting held on 28 October 2024 as described in Annexure 1 & 2 to the Restated Financial Statements.

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

Financial Statements for the period/year ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 have been audited by respectively M/s M P Gupta & Associates (FY 2021-22) and Arvind Manoj & Associates (FY 2022-23, FY 2023-24 & September 30, 2024) and accordingly reliance has been placed on the financial information examined by them for the said years. The Financial Report included for these years is based solely on the report submitted by them. However, we have carried out the re-audit of the financial statement for the period ended March 31, 2024 and March 31, 2023 as required by SEBI regulations.

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

a) have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial period/years ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies andgrouping/classifications

b) have been prepared after incorporating Ind AS adjustments to the audited Ind AS financial statements as at and for the period/years ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 as described in Annexure 1 & 2 to the Restated Financial Statements;

c) does not contain any qualifications requiring adjustments; and

d) have been prepared in accordance with the Act, the ICDR Regulations and the GuidanceNote.

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

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

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

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

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

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

PRIYANK GOYAL Digitally signed by PRIYANK GOYAL
Date: 2024.10.28 18:01:56 +05'30'

**CA Priyank Goyal**
Partner
Membership No.: 521986
UDIN: 24521986BKFKZA7263

Date: 28 October 2024
Place: New Delhi