



A F ENTERPRISES LIMITED

(CIN- L18100DL1983PLC016354)

Our Company was originally incorporated as A F Investment Private Limited a private limited company vide a certificate of incorporation dated August 18, 1983, issued by the Registrar of Companies, NCT of Delhi & Haryana, under the provisions of the Companies Act, 1956. Subsequently, our Company was converted into a public limited company, following which the name was changed to "AF Investment Limited" and a fresh certificate of incorporation was issued on November 24, 1983 by the Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to "A F Enterprises Limited" and a fresh certificate of incorporation consequent on change of name dated May 14, 1991, was issued by, the Registrar of Companies, Delhi & Haryana. For further details in relation to our Company, please refer to the section titled "General Information" beginning on page 55 of this Letter of offer.

Registered Office: 15/18 Basement B Portion, West Patel Nagar, Central Delhi, New Delhi, India, 110008
Corporate Office cum Factory: Plot No. 8, Sector-5, Main Mathura Road, Ballabgarh Faridabad, Haryana-121006
Tel: +91-7428399452; **Email:** cs@ridh.in; info.afenterprises@gmail.com **Website:** www.afenterprisesltd.in
Contact Person: Ms. Neha Srivastava, Company Secretary & Compliance Officer

PROMOTERS OF OUR COMPANY: M/S. RMS MOSQUITO PRIVATE LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF A F ENTERPRISES LIMITED

NEITHER OUR COMPANY, OUR PROMOTERS NOR OUR DIRECTORS HAVE BEEN DECLARED AS A WILFUL DEFAULTER OR FRAUDULENT BORROWER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY

THE ISSUE

ISSUE OF UPTO 2,11,70,454 PARTLY PAID UP EQUITY SHARES OF FACE VALUE OF RS. 10 EACH ("EQUITY SHARES") OF A F ENTERPRISES LIMITED ("AFEL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 10 PER EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT NOT EXCEEDING RS. 2117.05 LACS@ TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF 3 (THREE) PARTLY PAID-UP EQUITY SHARES FOR EVERY 2 (TWO) FULLY PAID UP EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. 16TH AUGUST, 2024. (THE "ISSUE"). THE ISSUE PRICE IS 1 TIME OF FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 151 OF THIS LETTER OF OFFER.

@assuming full subscription and receipt of all Call Monies with respect to the Rights Equity Shares.

Amount Payable per Right Equity Shares*	Face Value (in Rs.)	Premium (in Rs.)	Total (in Rs.)
On the Issue application (i.e. along with the Application Form)	2.50	-	2.50
On One or more subsequent Call(s) as determined by the Board or a duly authorized committee at its sole discretion, from time to time	7.50	-	7.50
Total	10.00	-	10.00

*Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares. For details, please refer to "Terms of payment" on page no. 42 of the Letter of Offer.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer.

Specific attention of the investors is invited to "Risk Factors" beginning on page 24 of this Letter of Offer before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of offer contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in this Letter of offer is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Letter of offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited (BSE). Our Company has received "in-principle" approval from BSE for listing the Equity Shares to be allotted pursuant to the Issue through its letter dated 23rd July, 2024. Our Company will also make an application to BSE to obtain their trading approval for the rights entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

ADVISOR TO THE ISSUE


Navigant
Reinventing Business
NAVIGANT CORPORATE ADVISORS LIMITED
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J B Nagar, Andheri Kurla Road, Andheri East,
Mumbai-400 059
Tel No. +91-22-41204837
Email Id- navigant@navigantcorp.com
Investor Grievance Email: info@navigantcorp.com
Website: www.navigantcorp.com
SEBI Registration Number: INM000012243
Contact Person: Mr. Sarthak Vijlani

REGISTRAR TO THE ISSUE


Skyline
Financial Services Pvt. Ltd.
SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
D 153 A, 1st Floor, Okhla Industrial Area, Phase - I,
New Delhi 110 020
Tel.: +91 011-26812682
Fax: +91 011-26812682
Web: www.skylinerta.com
Email: admin@skylinerta.com / info@skylinerta.com
SEBI Registration No: INR000003241
Contact Person: Mr. Anuj Rana

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE OF MARKET RENONCIATIONS*	ISSUE CLOSURES ON**
MONDAY, AUGUST 26, 2024	WEDNESDAY, AUGUST 28, 2024	TUESDAY, SEPTEMBER 03, 2024

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

**Our Board or a Rights Issue Committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Statements" beginning on pages 73 and 123, respectively of this Letter of Offer, shall have the meaning given to such terms in such sections.

Company Related Terms

Terms	Description
"A F Enterprises-Limited" or "the Company" or "our Company" or "we" or "us" or "our" or "the Issuer"	A F Enterprises Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 15/18 Basement B Portion, West Patel Nagar, Central Delhi, New Delhi, India, 110008 & Corporate office at Plot No.8, Sector-5, Main Mathura Road, Faridabad, Haryana-121006
Articles of Association	The Articles of Association of our Company as amended from time to time.
Auditors / Statutory Auditors	The Statutory Auditors of our Company being M/s. S Agarwal & Co., Chartered Accountants.
Board / Board of Directors / our Board	The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
Director(s)	Any or all the director(s) of our Board, as may be appointed from time to time.
Equity Shares / Shares	Equity Shares of face value of Rs. 10 each of our Company.
Key Managerial Personnel / KMP	Mr. Santosh Kumar Kushawaha, Managing Director, Mr. Abhishek Singh, Whole Time Director & Chief Financial Officer and Ms. Neha Srivastava, Company Secretary and Compliance Officer, collectively referred as Key Managerial Personnel of the Company.
Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Promoter	RMS Mosquito Private Limited
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations.
Registered Office	Registered office of our Company situated at Registered Office at 15/18 Basement B Portion, West Patel Nagar, Central Delhi, New Delhi, India, 110008.



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Terms	Description
Registrar of Companies / ROC	Registrar of Companies, Delhi at 4 th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019
Subsidiary / Subsidiary Company / our Subsidiary	Our Company has one Subsidiary Company as on this date of filing of this Letter of Offer namely, Aunik IT Solutions Pvt. Ltd.

Issue Related Terms

Term	Description
Abridged Letter of Offer or ALOF	The Abridged letter of offer to be sent to the Eligible Equity Shareholders as on the Record Date with respect to the Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment / Allot / Allotted / Allotment of Rights Equity Shares	The allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Kotak Mahindra Bank Limited
Allotment Advice	The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Rights Equity Shares after the basis of Allotment has been approved by the BSE.
Allotment Date	The date on which Allotment is made.
Allottee(s)	Persons to whom Rights Equity Shares of our Company are allotted pursuant to this Issue.
Applicant(s) / Investors	Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.



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Term	Description
Application Supported by Blocked Amount/ASBA	The application (whether physical or electronic) used by Investors to make an application authorizing the SCSB to block the amount payable on application in their specified bank account maintained with SCSB.
ASBA Account	An account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be by the Applicant for blocking the amount mentioned in the CAF or in the plain paper application.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.
Bankers to the Company	Kotak Mahindra Bank Limited and RBL Bank Ltd.
Bankers to the Issue / Escrow Collection Bank	Kotak Mahindra Bank Limited
Banker to the Issue Agreement	Agreement dated 06 th August, 2024 entered into by and amongst our Company, the Registrar to the Issue, Advisors to the issue and the Bankers to the Issue for collection of the Application Money from Applicants/ Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "Terms of the Issue" beginning on page 151 of this Letter of Offer.
CAF / Common Application Form	The application form used by Investors to make an application for Allotment under the Issue
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Designated Stock Exchange	BSE Limited
Depository	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 2018, as amended from time to time, read with the Depositories Act, 2018.
Letter of Offer / DLOF	This letter of offer dated August 16, 2024.
ECS	Electronic Clearing Service
Equity Shareholder(s)/ Shareholder(s)	The holders of Equity Shares of our Company.
Eligible Equity Shareholders / Eligible Shareholders/	Holders of Equity Shares of our Company as on the Record Date, i.e. August 16, 2024.



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Term	Description
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors.
"Escrow Collection Bank", "Allotment Account Bank(s)" or "Refund Bank(s)"	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, Kotak Mahindra Bank Limited.
Fraudulent Borrower	A fraudulent borrower, as defined under the SEBI ICDR Regulations
General Corporate Purposes	General corporate purposes shall have the meaning as determined in Regulation 2(1)(r) of the SEBI ICDR Regulations.
GIR	General Index Registrar
IEPF	Investor Education and Protection Fund
Investor(s)	The Equity Shareholders of our Company on the Record Date i.e. August 16, 2024 and the Renouncee(s).
ISIN	International Securities Identification Number
Issue / the Issue / this Issue / Rights Issue	Issue of upto partly paid up 2,11,70,454 Equity Shares with a face value of Rs. 10 each for cash at a price of Rs. 10.00 per Equity Share aggregating up to Rs. 2,117.05 Lakhs on a rights basis to Eligible Shareholders in the ratio of 3 (Three) partly paid up Rights Equity Shares for every 2 (Two) fully paid-up Equity Share held on the Record Date i.e. August 16, 2024.
Issue Closing Date	26 th August, 2024
Issue Opening Date	03 rd September, 2024
Issue Price	Rs. 10.00 per Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of upto partly paid up 2,11,70,454 Rights Equity Shares for an amount aggregating up to Rs. 2,117.05 Lakhs.
Letter of Offer / LOF	The final letter of offer to be issued by our Company in connection with the Issue.
Listing Agreement	Uniform listing agreement entered into under the Listing Regulations between our Company and the Stock Exchange.
MICR	Magnetic Ink Character Recognition
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application.
NAV	Net Asset Value calculated as Net Worth divided by number of fully paid-up Equity Shares.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled "Objects of the Issue" beginning on page 64 of this Letter of Offer.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act.
Non Institutional Investor(s)	Investor, including any company or body corporate, other than a Retail Individual Investor and a QIB.
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto.



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Term	Description
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before 28 th August, 2024.
QIBs / Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. August 16,2024.
Registered Foreign Portfolio Investors / Foreign Portfolio Investors / Registered FPIs / FPIs	Foreign portfolio investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Registrar to the Issue / Registrar and Transfer Agent / RTA	M/s Skyline Financial Services Pvt. Ltd.
Registrar Agreement	Agreement dated 15 th June, 2024 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on 28 th August, 2024 in case of Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Investor(s)	Individual Investors who have applied for Rights Equity Shares for an amount less than or equal to Rs. 200,000 (including HUFs applying through their karta).
Rights Entitlements (Res)	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date.
RE-ISIN	The RE-ISIN for Rights Entitlement being INE663P20023 RE-ISIN for partly -up shares being IN9663P01013.
Rights Equity Shares / Rights Shares	The equity shares of face value Rs. 10 each of our Company offered and to be issued and allotted pursuant to the Issue.



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Term	Description
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through on the website of our Company.
Self-Certified Syndicate Bank / SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer the facility of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Stock Exchange/ Stock Exchange(s)	BSE where the Equity Shares of our Company are presently listed being BSE.
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Willful Defaulter	Willful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Business and Industry related Terms / Abbreviations

Term	Description
ABS	acrylonitrile-butadiene-styrene
ASA	acrylate-styrene-acrylonitrile
ATH	aluminium trihydrate
BDS	butadiene-styrene block copolymer
BMC	bulk moulding compound
BOPP	biaxially oriented polypropylene
BR	butadiene rubber
CA	cellulose acetate
CAB	cellulose acetate-butyrate
CAP	cellulose acetate propionate
CE	cellulose
CMC	carboxymethyl cellulose
CN	cellulose nitrate
CP	cellulose propionate
CSM	chopped strand mat (or) chlorosulphonated polyethylene (rubber)
DMC	dough moulding compound

Term	Description
ECTFE	ethylene chlorotrifluoro ethylene copolymer
EPDM	ethylene-propylene-diene monomer (elastomer)
EPM	ethylene-propylene rubber = EPR
EPR	ethylene-propylene rubber = EPM
EPS	expanded polystyrene
EVA	ethylene vinyl acetate
EVOH	ethylene vinyle achol
FEP	fluorinated ethylene-propylene
FRP	fibre reinforced polyester/plastics
GMT	glass mat thermoplastic
GPPS	general purpose polystyrene
GRP	glass reinforced plastic
HDPE	high density polyethylene
HEMA	hydroxyethyl methacrylate polymer
HIPS	high impact polystyrene = TPS
LCP	liquid crystal polymer = SRP
LDPE	low density polyethylene
LLDPE	linear low density polyethylene
MBS	methacrylate-butadiene-styrene terpolymer
MDPE	medium density polyethylene
MF	melamine formaldehyde
NBR	nitrile rubber = acrylonitrile butadiene rubber
NR	natural rubber
OPP	oriented polypropylene
PA	polyamide = nylon
PA 11	nylon 11
PA 12	nylon 12
PA 46	nylon 46
PA 6	nylon 6
PA 610	nylon 610
PA 66	nylon 66
PA 66/610	nylon 66/610 copolymer
PAA	polaryl amide
PAI	polyamide imide
PAN	polyacrylonitrile
PB	polybutylene
PBT	polybutylene terephthalate = PTMT
PC	polycarbonate
PE	polyethylene
PEBA	polyether block amide
PEEK	polyetheretherketone
PEEL	polyester elastomer
PEI	polyester imide
PEK	polyetherketone
PES	polyether sulphone
PETG	PET copolymer

Term	Description
PETP	polyethylene terephthalate
PF	phenol formaldehyde
PFA	perfluoro alkoxy alkane
PHB	polyhydroxybutyrate
PI	polyimide
PIR	polyisocyanurate rigid (foam)
PMMA	polymethyl methacrylate
PMP	polymethyl pentene
POM	polyoxymethylene
PP	polypropylene
PPE	polyphenylene ether
PPO	polyphenylene oxide
PPS	polyphenylene sulphide
PPSS	polyphenylene sulphide sulphone
PS	polystyrene
PSU	polysulphone
PTFE	polytetrafluoroethylene
PTMT	polytetramethylene terephthalate = PBT
PUR	polyurethane
PVA	polyvinyl acetate
PVB	polyvinyl butyral (butyrate)
PVC	polyvinyl chloride
PVCC	chlorinated polyvinyl chloride
PVCP	polyvinyl chloride plasticised
PVCU	polyvinyl chloride unplasticised
PVDC	polyvinylidene chloride
PVDF	polyvinylidene fluoride
PVF	polyvinyl fluoride
PVOH	polyvinyl alcohol
SAN	styrene acrylonitrile (copolymer)
SBR	styrene butadiene rubber
SBS	styrene-butadiene-styrene (block copolymer)
SEBS	styrene-ethylene-butadiene-styrene
SIS	styrene-isoprene-styrene
SMA	styrene maleic anhydride
SMC	sheet moulding compound
SRP	self reinforcing polymer = LCP
TPE	thermoplastic elastomer
TPO	thermoplastic olefin (rubber)
TPR	thermoplastic rubber
TPS	toughened polystyrene = HIPS
TPU	thermoplastic polyurethane (rubber) = TPUR
TPUR	thermoplastic polyurethane (rubber) = TPU
TPX*	polymethyl pentene copolymer
UF	urea formaldehyde
UHMWPE	ultra high molecular weight PE
VC	vinyl chloride = VCM
VCM	vinyl chloride monomer = VC

Term	Description
XLPE	cross-linked polyethylene

Conventional and General Terms or Abbreviations

Term	Description
"~" / "Rs." / "Rupees" / "INR"	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
AY	Assessment Year
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2020
CBIC	Central Board of Indirect Taxes and Customs
CDSL	Central Depository Services (India) Limited
Central Government	The Central Government of India
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013, as amended from time to time
Companies Act, 1956	Companies Act, 1956 and the rules made thereunder, as the context requires
Companies Act, 2013	Companies Act, 2013 and the rules made thereunder
COVID-19 / Novel Coronavirus	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CRAR	Capital adequacy ratio/Capital to risk assets ratio
CrPC	Code of Criminal Procedure, 1973
CTS	Cheque Truncation System
Depositories Act	The Depositories Act, 2018 as amended from time to time
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant's Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EPS	Earnings per Share
EGM	Extraordinary General Meeting
FCNR Account / FCNR	Foreign Currency Non Resident Account
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign Direct Investment
FEMA Act / FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2017 as amended from time to time
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019



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Term	Description
Fiscal /Fiscal Year/ Financial Year/FY	12 month period commencing from April 1 and ending on March 31 of the immediately succeeding year.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FPI	Foreign Portfolio Investor
FVCIs	Foreign venture capital investors as defined in and registered with SEBI under the SEBI FVCI Regulations.
GCP	General Corporate Purpose
Government/GoI	Government of India
GST	Goods and Service Tax
HFC	Housing finance companies
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
Indian GAAP	Generally accepted accounting principles followed in India.
Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
ISIN	International Securities Identification Number
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962, as amended from time to time.
KMP	Key Managerial Personnel
Lakh	One hundred thousand
MCA	Ministry of Corporate Affairs, Government of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House which is a consolidated system of ECS.
NBFC	Non-banking financial companies
NCD (s)	Non-convertible debentures
Net Worth	Aggregate of Equity Share capital and other equity
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
N.A.	Not Applicable
NI Act	The Negotiable Instruments Act, 1881
NR	Non Resident
NRE	Non Resident External Account
NRI	Non Resident Indian
NSDL	National Securities Depositories Limited
NSE	National Stock Exchange of India Limited



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Term	Description
OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Deposit) Regulations, 2000 and which was in existence on the date of the commencement of Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's)) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the regulations.
OPC	One Person Company
p.a.	Per Annum
PAN	Permanent Account Number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SCORES	SEBI Complaints Redress System
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations /ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Takeover Regulations/ SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended from time to time

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Term	Description
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI Relaxation Circulars
STT	Securities Transaction Tax
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
UPI	Unified Payments Interface
U.S./United States	The United States of America
USD / US\$	United States Dollars
US Securities Act	The United States Securities Act of 1933, as amended from time to time
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
WHO	World Health Organization

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.



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NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier this Letter of Offer / Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchange.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.



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THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.



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Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION**Certain Conventions**

In this Letter of Offer, unless otherwise specified or context otherwise requires, references to 'US\$', '\$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, and references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to 'India' are to the Republic of India and its territories and possessions and the references herein to 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Letter of Offer is derived from the Audited Standalone and Consolidated Financial Statements and Unaudited financial results along with the limited review report. For further information, refer chapter titled "Financial Statements" on page 123.

We have prepared our Audited/Unaudited Standalone and Consolidated Financial Statements in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Lakhs.

Currency of Presentation

- All references to 'INR', '₹', 'Indian Rupees', 'Rs.' and 'Rupees' are to the legal currency of India.
- Any reference to 'US\$', 'USD', '\$' and 'U.S. dollars' are to the legal currency of the United States of America.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in lakh.

Market and Industry Data

Unless stated otherwise, industry and market data used in this Letter of Offer have been obtained or derived from publicly available information. Publicly available Information generally state that the

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information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Letter of Offer is reliable, it has not been independently verified and neither we, nor any of our affiliates, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "Risk Factors" beginning on page 24 of this Letter of Offer.

Conversion rates for foreign currency:

This Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

(Rs. per unit of Foreign Currency)

Sr. No.	Name of Currency	As on August 14, 2024	As on March 31, 2024	As on March 31, 2022	As on March, 31, 2021
1	U.S. Dollar	83.98	83.47	82.18	75.90

Source: <https://www.poundsterlinglive.com/>

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Letter of Offer which contain words or phrases such as 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'future', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'will continue', 'would', or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

Forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- Any failure or disruption of our information technology system;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in other countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled "Risk Factors" beginning on page 24 of this Letter of Offer. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that



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described herein as anticipated, believed, estimated or expected. All subsequent forward- looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI / Stock Exchange requirements, our Company will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchange.

SECTION II - SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, "Objects of the Issue", "Our Business", "Outstanding Litigation and other Defaults" and "Risk Factors" beginning on pages 64, 94, 138, and 24 respectively of this Letter of Offer.

1. Summary of Business

Our Company is engaged in the Trading and production/Manufacturing product range encompassing plastic molded components under the brand name "RIDH". The brand "RIDH" is the Trademark showcasing the entire Product range.

Our Company is engaged in manufacturing and distribution of Plastic Moulded Component. Injection moulding is a formative manufacturing technology, i.e. material is formed from an amorphous shape into a fixed shape defined by a mould tool. Almost every plastic part created today is by injection moulding as it allows identical parts to be created in huge numbers, in a short space of time, and at very low cost per part.

The process works as follows:

- 1) A mould cavity defines the shape of the part.
- 2) Material (melted plastic) is injected under pressure into the cavity.
- 3) When the plastic cools it solidifies to take the form defined by the mould.
- 4) The part is ejected, and the process repeats from step 2.

Our Company is having 35 Injection Moulding Machines Start with 100 Tones to 850 Tones we can produces anything in Plastic upto 3.5 kg apart from Machines we have own toll room along with R&D team for New Product Development. Our State of art facility is situated at Plot No. 8, Main Mathura Road, Sector 5, Faridabad, Haryana - 121006.

For further details, refer chapter titled "*Our Business*" on page 94.

Summary of Industry

India is one of the top producers of a large numbers of plastic products, and also has a long history of manufacturing of Plastic items. The market for plastic moulded components is growing day by day.

The products we manufacture used in Agriculture Industry, Milk Industry, Medical Industry and automobile industry.

For further details, refer chapter titled "*Our Industry*" on page 76.

2. Objects of the Issue

Our Company intends to utilize the Net Proceeds for the following object:

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(Amount in Lakhs)

S.No.	Particulars	Amounts*	% of gross proceeds	% of Net proceeds
1.	To part finance working capital requirement of our company	1,250.00	59.04	60.18
2.	Repayment of certain outstanding borrowings availed by us	435.62	20.58	20.97
3.	To meet General corporate purposes	391.43	18.49	18.85
	Total	2,077.05	-	100.00

**assuming full subscription and receipt of Call Monies.*

For further details, refer chapter titled "Objects of the Issue" on page 64.

3. Intention and extent of participation by the Promoter and Promoter Group

The Promoters of our Company have, vide their letters dated 07th June, 2024 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement and that they may renounce their rights entitlements. Further, the promoters have confirmed that do not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

The Company shall maintain minimum public shareholding requirements as stipulated under the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled "Objects of the Issue" at page 64 of this Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

In case the Rights Issue remains unsubscribed and / or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and the Equity Shareholders and in compliance with the applicable laws.

4. Auditor Qualifications

There are certain qualifications, reservations and adverse remarks made by our Statutory Auditors in their report to Audited standalone and consolidated financial statements of the Company for the financial year 2023-24, 2022-23 and 2021-22.

For further details, refer chapter titled "Financial Statements" on page 123 and "Risk Factors" on page 24 of the Letter of Offer.

5. Summary of outstanding litigations

S.No.	Outstanding Litigations	Amount (in Lakhs)
1.	Pending Litigations involving our Company and subsidiary Company	1,442.89
2.	Pending Dues to Revenue Departments	-
3.	Pending litigation with Revenue Departments	-



For further details, please see chapter titled "Outstanding Litigations and Other Defaults" beginning on page 138 of this Letter of Offer.

6. Risk Factors

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Letter of Offer.

For the details pertaining to the internal and external risk factors relating to the Company, kindly refer to the chapter titled "Risk Factors" beginning on page no. 24 of this Letter of Offer.

7. Contingent liabilities

For details of the contingent liabilities, as reported in the Audited Financial Statements, please refer to the section titled "Financial Statements" beginning on page 123 of this Letter of Offer.

8. Related party transactions

For details regarding our related party transactions as per Ind AS 24, see "Financial Statements" beginning on page 123 of this Letter of Offer.

9. Financing Arrangements

There has been no financing arrangement whereby our Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of 6 (six) months immediately preceding the date of this Letter of Offer.

10. Issue of Equity Shares for consideration other than cash in last one year

Our Company has not issued any Equity Shares for consideration other than cash during the last one year immediately preceding the date of this Letter of Offer.

11. Split / Consolidation

There has been no sub division (face value split) in last one year from the date of this Letter of offer.

12. Exemption from complying with any provisions of Securities Laws, if any, granted by SEBI

Our Company has not submitted any application to SEBI for exemption from complying with any provisions of Securities.



SECTION III - RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including in "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Financial Statements" before making an investment in our Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to "we", "us" "our" refers to our Company.

INTERNAL RISK FACTORS

BUSINESS RELATED RISK

1. Our manufacturing operations are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.

Our Company manufactures Plastic Moulding components and our success depend on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facility is also susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. It is also subject to operating risk arising from compliance with the directives of relevant government authorities. In past, there have been two instances where our facility met with a fire situation. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties.

If our Company experience delays in production or shutdowns at our facility due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations. Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business.

2. Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.

Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances or with flammable materials. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects.

In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

3. Our cost of production and trading activities is exposed to fluctuations in the prices of materials.

Our Company is dependent on third party suppliers for procuring the raw material. We are exposed to fluctuations in the prices of these raw materials/ traded goods as well as its unavailability, particularly as we typically do not enter into any long term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of production/ trades on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of raw material/ traded goods may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high- quality materials in a timely and cost-effective manner would cause delays in our production/trade cycles and delivery schedules, which may result in the loss of our customers and revenues.

4. Our key raw material, polymer is manufactured by few players domestically, hence we are dependent on a few suppliers.

Key raw materials required by us include PPCP/PP, HDPE and LDPE/LLDPE which are manufactured in India by oil PSUs and other manufacturers. In Fiscal 2022, where we spent Rs. 957 lakhs for 820 tonnes of polymer in comparison to Fiscal 2023, where we spent Rs. 380 Lakhs for 350 tonnes of polymer. For Fiscal 2024, Our consumption of PPCP/PP, HDPE and LDPE/LLDPE was 90 tonnes, 240 tonnes, respectively. We procure 39% of polymers required by us through delcredere agents of a single manufacturer in the 2024. Hence, we are significantly dependent on them for supply of polymer which is a key raw material in manufacturing our products. We enter into annual MoUs with them for purchase of polymer quantity as it is not economic to enter into long term agreements with our key suppliers due to

price fluctuations. Due to our long standing relationship with such suppliers, we believe we procure polymer at competitive rates. If the supplier is unable to supply polymer to us on commercially reasonable terms or quantity we require, it may adversely affect our production schedule and we may have to purchase polymer at a higher rate from the market, which may affect our profitability.

5. Our Statutory Auditor has included matter of qualifications in the examination report to Audited Standalone Financial Statements for the three years ended March 31, 2024, March 31, 2023 and March 31, 2022.

Our Statutory auditor has included the following remarks in the examination report to the Audited Standalone Financial Statements for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022.

We draw your attention to:

The Statutory Auditor is unable to determine the consequential impact of certain specific transactions /matters and disclosures on the Standalone Financial Statements. Such specific transactions/ matters include 1) The company as on 31.03.2024 has a liability of Rs 50 lakhs toward rent payable in respect of a leased property attached by ED due to proceeding against property owner i.e. M/S Horizon Global Limited for more than 6 months and TDS on the same also not been deducted. 2) Loans have been provided by the Company without any interest and with moratorium on principal amount to parties other than subsidiaries, joint ventures and associates. 3) The Company has certain outstanding statutory dues for a period of more than six months. 4) Default in payment of car Loan.

There can be no assurance that any similar remarks, or matters of emphasis will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected. For further details, please refer to "Financial Information" on page 123 of the Draft Letter of Offer.

6. Our Statutory Auditor has included matter of qualifications in the examination report to Audited Consolidated Financial Statements for the three years ended March 31, 2024, March 31, 2023 and March 31, 2022.

Our Statutory auditor has included the following remarks in the examination report to the Audited Consolidated Financial Statements for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022.

We draw your attention to:

The Statutory Auditor is unable to determine the consequential impact of certain specific transactions /matters and disclosures on the Consolidated Financial Statements. Such specific transactions/ matters include 1) The company has shown a Trade Receivable & Trade Payables for which the Statutory Auditors have not received any third- party confirmation and the same is outstanding for more than 2 years. 2) The company has made certain violation of Companies (Acceptance of Deposit) rules, 2014. 3) The Company continues to prepare its accounts as going concern basis, despite facts that- a) There is an erosion in the Net Worth of the Company. 4) The Company has not complied with provision of Ind AS-1 "Presentation of Financial Statement". 5) The company has shown an Earnest Deposit under Current Liabilities for which no sufficient audit evidence and proper explanation. 6) The company has booked few personal transactions in the name of company. 7) The Company has not complied with provision of Ind AS-2 "Inventories". 8) The Company defaulted in submit the quarterly and year ended consolidated

financial results and consolidated financial statements for the year ended on 31st March 2023 within the due date as prescribed under Regulation 33 of the listing regulation.

There can be no assurance that any similar remarks, or matters of emphasis will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected. For further details, please refer to “Financial Information” on page 123 of the Draft Letter of Offer.

7. We incur investments from time to time on our R & D and we may not be able to derive adequate benefits from such investments.

We operate in the industry which requires continuous technology upgrade for manufacturing products and research activities to stay ahead of the market. We currently have centralised integrated tool room where we develop, repair molds. While we believe our centralised tool room provides us with advantage like early development of products at cheaper cost, but cannot assure you that we will be able to develop products acceptable to our customers. We will continue to make investments on R & D including and not limited to developing our robots, new molds and processes as we depend significantly on such processes for upgrading our technologies and processes from time to time. We capitalise part of salary of our Managing Director, Mr. Santosh Kumar Kushawaha, who devotes considerable time to develop new design and technologies at our tool room. These R & D activities are critical since it may improve demand for our product and our profitability, if such activities prove to be successful.

Our Company is engaged in the on-going process of studying, designing and developing new moulds in accordance with customer requirements. We cannot guarantee that we may be able to derive adequate benefits from these R & D activities and will be able to reap profits from our investments in the same. In addition, shifts in customer demand may render existing technologies and machinery obsolete, requiring additional capital expenditures and/or write-downs of assets.

8. Our growth prospect may suffer if we fail to anticipate and develop new products and enhance existing products in order to keep pace with rapid changes in customer preferences and the industry on which we focus.

We have successfully adopted “In-mold labelling” technology which enable us to produce a picture quality decoration on the molds produced by us. Our business is characterized by constant product innovation due to rapid technological change, evolving industry standards and customer preferences. To compete successfully in the packaging industry, we must be able to identify and respond to changing demands and preferences in packaging industry. We believe that our in-house tool room and centralised R&D gives us competitive advantage and helped us in reaching current level. However, we cannot assure that our new products may always gain buyer acceptance and we will always be able to achieve competitive products to meet customer expectations. Failure to identify and respond to changes in consumer preferences could, among other things, limit our ability to differentiate our products, adversely affect consumer acceptance of our products and could have impact on our growth prospect.

9. Any inability on our part to successfully maintain quality standards could adversely impact our business.

Quality of our product is very important for our customers and their brands equity. Our product goes through various quality checks at various stages including random sampling check, drop test and/or any tenth order lot check. We supply our packaging products to Horticulture, Agriculture and Milk Industry and other industries each of which have different product specifications. Our manufacturing plant is ISO:



A F ENTERPRISES LIMITED

(CIN- L18100DL1983PLC016354)

9001:2015, 14000:2015, 45000:2018 and BIS 15532:2004 certified. We maintain utmost hygiene standards in our manufacturing facilities serving food. We ensure that our products are tested for various application tests such as load, impact, strength, durability, wear and fatigue etc., in line with certain international standards. Failure of our products to meet prescribed quality standards may result in rejection and reworking of product hence any failure on our part to successfully maintain quality standards for our products may affect our customer demands or preference which may negatively affect our business.

10. We may be unable to effectively implement our growth strategies or manage our growth.

Our total income has been decreased from Rs. 2,956.17 lakhs in the Fiscal 2023 to Rs. 949.70 lakhs in the Fiscal 2024. Our growth has been a result of our growth strategies over the year and success of our design capabilities and innovations. Our growth strategy involves risks and difficulties, many of which are beyond our control and, accordingly, there may be no assurance that we will be able to complete our plans on schedule or at all, or without incurring additional unforeseen material capital expenditure. Any inability on our part to manage our growth effectively or to ensure the continued adequacy of our current systems to support our growth strategy could have an adverse effect on our growth plans. Furthermore, if market conditions change or if our operations do not generate sufficient funds or for any other reasons, we may decide to delay, modify or forgo some aspects of our growth strategy which could have a material and adverse effect on our business prospects.

11. Our customers' requirements to locate our manufacturing units in close proximity to their facilities may require capital expenditure and we may not be able to manage our manufacturing units at various locations effectively.

Currently we are operating in one manufacturing unit at Faridabad, Haryana. We continue to incur capital expenditure to set up or extending new facilities in proximity to our customers. In the event that any of our customers' facilities are moved from their current locations, we may not be able to utilize our manufacturing unit efficiently. Our Company is and will continue to evaluate various location options for its expansion plans preferably closer to the customers. Our ability to set up and manage effectively our new manufacturing facilities in the future, will depend on a variety of factors including availability of sufficient capital, procurement of land, receipt of relevant approvals, availability of sufficient skilled employee and labour base. Costs associated with such expansion plan may affect our business, financial condition and results of operations.

Further, we cannot assure that we will be able to manage all our manufacturing units at various locations effectively.

12. If we are unable to adapt to technological changes coupled with changes in industry trends and preferences our business and results of operations may be adversely affected

We seek to enhance our production and technological capabilities to distinguish ourselves from our competitors and enable us to introduce new products as well as different variants of our existing products, based on consumer preferences and demand. We depend on the successful introduction of new production and manufacturing processes to create innovative products, achieve operational efficiencies and adapt to advances in, or obsolescence of our technology. In the past, we have worked closely with our customers and developed upgraded versions of the packs introducing various features like leak proof, no-gasket design, tamper evident, tamper proof, light weight packs. We have introduced packs with tamper evidence for food delivery, for sweets and confectionery etc. With our in-house product design & tool room, we have enabled product design and innovation capabilities. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and

lead to us being less competitive in terms of our prices or quality of products we sell. Our future success will depend on our ability to respond to technological advances in the businesses in which we operate, on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will continuously implement/adopt new technologies effectively or will be able to respond in timely manner

13. Failure to meet our production timelines may impact our reputation and could also lead to cancellation of our orders.

We manufacture diverse products for our customers including plastic crates for fruits and vegetables and milk & curd of different color and different sizes, safety goggles for medical industry, Outer Bodies of Coolers and RO in Home appliances and plastic irrigation tools for Agriculture industry and Plastic Accessories for Mobile Phones. Most of our customers give us production schedule for thirty days but few give production schedule for less than two weeks. We are expected to supply varying quantities at different points in time, as per the given schedule. Our operations are streamlined to take into account delivery schedule. While a certain amount of time is always calculated as buffer and we keep raw material for about a month's requirement, any serious disruption in our manufacturing units will impact our ability to meet our production timelines and may impact our reputation and could also lead to cancellation of our orders.

14. Any shortage or non-availability of electricity may adversely affect our profitability

Our quality of product and efficiency of production of our manufacturing units are dependent on uninterrupted supply of quality power. We depend on power supplied by the State electricity board for our manufacturing facility requirements. Our manufacturing unit is equipped with diesel generator set for alternative source of power. We have faced power supply deficiency including scheduled power disruptions in our manufacturing unit in the past due to which led to alternate source of power. The average cost of generation of electricity from diesel generator set is Rs. 12 per unit, whereas the average cost of electricity purchase from electricity board is Rs. 6.65 per unit. Further, our Company has also been taking steps towards installation of solar power systems in our manufacturing units to cost of own generated power and our dependency on electricity board. If we do not get uninterrupted quality power for our manufacturing units from electricity board, it may increase the manufacturing cost of our products and affect our profitability.

15. Our inability to maintain an optimal level of inventory for our business may impact our operations adversely.

Our daily operations largely depend on consistent inventory control which is generally dependent on our projected sales in different months of the year. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a range of finished products. If we over-stock inventory, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

16. Delays or defaults in client payments could result in a reduction of our profits.

We may be subject to working capital shortages due to delays or defaults in payments by clients. If clients default in their payments in due time to which we have devoted significant resources it could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

17. We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

18. We are dependent on our Managing Director, and senior management to manage our current operations and meet future business challenges

While we have been developing next layers of management as a direct support system to senior management who can take over the management responsibilities in the future, our future success is still dependent on our Managing Director Mr. Santosh Kumar Kushawaha, whole time Director, Mr. Abhishek Singh and other senior management to maintain strategic direction, manage current operations and risk profile and meet future business challenges, including the planned expansion and the addition of new businesses. Our Managing Director has more than a decade of experience in business and its management and is the visionary of our Company and involved in formulation of corporate strategy and planning, overall execution and management, and concentrates on the growth of our Company.

Although, most of the other senior management of our Company have been employed with us for over 5 years, our Company does not enter into employment agreements with the senior management personnel who are therefore not obligated to work for our Company for any specified period. If one or more of these key personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly or at all, and we may not be able to further augment our management team appropriately and this could have a material adverse effect on our business, results of operations and financial condition

19. We are subject to risks associated with rejection of supplied products and consequential claims including product liability costs

Defects, if any, in our products could lead to rejection of supplied products and consequential financial claims and could require us to undertake service actions. As per the terms of our agreements with certain clients, these actions could require us to expend considerable resources in rectifying and/or addressing these problems, to absorb costs incurred by our customers in addressing such problems. We are currently not covered by insurance for any product liability claims and hence any such liability could have an adverse impact on our results of operations. Though there have not been any significant rejection and claims experienced by our Company in past, we cannot assure you that no such claims will be made against us in the future or that such claims will be settled in our favour. Any such successful claims could adversely affect our results of operations and cash flow.

20. Termination of agreements/arrangements with Customers, could negatively impact our revenues and profitability.

Our customers typically retain us on a non-exclusive basis. Many of our client contracts can be terminated with or without cause by providing notice and without termination-related penalties. Additionally, most of clients carry no commitment to a specific volume of business or future work. Our business is dependent on the decisions and actions of our customers, and there are a number of factors relating to our clients that are outside our control that might result in the termination of an assignment or the loss of a client, including a demand for price reductions. Therefore, our business may be adversely affected if any of our contracts are terminated by our customers.

21. We face competition in our business from both domestic and international competitors. Such competition would have an adverse impact on our business and financial performance.

The industry, in which we are operating, is highly competitive and our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

22. Our Company is involved in certain legal and other proceedings. An adverse outcome in such proceedings may have an adverse effect on our financials.

Our Company is currently involved in certain legal proceedings in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. In the event of an adverse outcome of such legal proceedings, we may have to incur expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities which will adversely affect our financials. As on the date of Letter of Offer the company has Rs. 1,442.89 outstanding dues against the proceedings pending against our Company.

For further details of these legal proceedings, please refer to chapter titled "Outstanding Litigations and Defaults" beginning on page 138 of this Letter of offer.

23. We have in the past entered into related party transactions and may continue to do so in the future.

We have entered into transactions with our promoter, Directors. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Further, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

For further details please refer to Financial Information of Our Company on page 123 of Letter of offer.

24. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

25. Our Company requires certain statutory and regulatory registrations, licenses and approvals for our business and failure or inability to obtain and/or renew any registration, approvals or licenses in future may have an adverse impact on our business operations and profitability.

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Our Company is required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals. Failure by our Company to renew, maintain or obtain the required permits, licenses or approvals, or cancellation, suspension or revocation of any of the permits, licenses or approvals which may result in the interruption of our Company's operations and may have a material adverse effect on the business.

26. Extensive environmental, health and safety laws and regulations may result in increased liabilities and capital expenditure.

Our operations are subject to various environmental and safety laws including industry specific regulations, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our manufacturing processes. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981, in order to establish and operate our manufacturing facilities in India. We would also incur costs and liabilities related to compliance with these laws and regulations. We are subject to various central, state and local environmental, health and safety laws and regulations concerning issues such as damage caused by air emissions, wastewater discharges, solid and hazardous waste handling and disposal. These laws and regulations are increasingly becoming stringent and may in the future create substantial environmental compliance or remediation liabilities and costs. These laws can impose liability for non-compliance, with health and safety regulations or clean up liability on generators of hazardous waste and other substances that are disposed of either on or off-site, regardless of fault or the legality of the disposal activities.

27. We engage contract labour for carrying out certain of our operations and we may be held liable for paying the wages of such workers in the event of default by the independent contractor.

We appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations in our manufacturing unit. We use to engaged labourers through our contractors based on the requirements of our manufacturing units. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in



the event of default by such independent contractors. Any difficulties in managing contract labour may have an adverse impact on our results of operations.

28. We are a labour intensive industry and hence may face labour disruptions and other planned and unplanned outages that would interfere with our operations.

Our Company's activities are labour intensive. Our Company use to engage labourers hired through contractors. Strikes and other labour action may have an adverse impact on our operations, though we have not experienced any such labour disruption in the past. We cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future. Any such event could disrupt our operations impacting profitability.

29. We are dependent on third party transportation providers for the supply of raw materials and delivery of our products and any failure on part of such providers to meet their obligations could have an adverse effect on our profitability and results of operation.

As a manufacturing business, our success depends on the smooth supply and transportation of the various raw materials required for our manufacturing units and of our products from our manufacturing units to our customers, both of which are subject to various uncertainties and risks. We are dependent on third party transport providers for transportation of raw material from our suppliers to our manufacturing units and for delivery of our finished products to our customers.

Many of our customers work on just in time principle and maintain very low level of inventory of pails. An increase in freight costs or the unavailability of adequate infrastructure for transportation of our products to our customers may have an adverse effect on our profitability and results of operation.

30. We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchange and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any wrong disclosure made to the Stock Exchange or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI Listing Regulations and other rules and regulations imposed by SEBI, which require us to make certain periodic disclosures, including disclosures about any material events or occurrences with respect to our Company, disclosure of our financial statements and disclosure of our updated shareholding pattern. Any failure to comply with these continuous disclosure requirements or any wrongful disclosure made by us to the Stock Exchange or any other statutory authority may lead to penalties being imposed on us.

There has been, inadvertent Non-Compliances done by our Company as required under the provisions of Insider Trading Regulations. Although the violation was unintentional, Audit Committee of the Company had determined that there was a violation of the Company's Policy and PIT Regulations and has therefore unanimously decided to remit the profits derived by the virtue of non-compliance, to the Investor Protection and Education Fund administered by SEBI pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, we believe, we are in compliance with rules and regulations imposed by the BSE and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong disclosure/ Non filing/ Delay Filing to the BSE or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.



31. As on the date of this Letter of Offer, no investor complaint is outstanding on SCORES.

As on the date of this Letter of Offer, no investor complaint is outstanding on SCORES. But there is no assurance that in future the Company will be able to resolve each and every investor complaint received on SCORES. For detailed information of the no. of Investor Complaints received and resolved by the Company, kindly refer to page 149 of this letter of letter.

32. Our Promoters or members of our Promoter Group may pledge or dispose of the Equity Shares held by them which may adversely impact the trading price of our Equity Shares.

There is no restriction on our Promoters and members of the Promoter Group to dispose, transfer or pledge their Equity Shares, and our Promoters and / or members forming part of the Promoter Group may at any time pledge or dispose of the Equity Shares held by them including immediately after listing of Rights Equity Shares pursuant to this Rights Issue. In the event of creation of such a pledge, the pledgee may exercise the right of acquiring, selling or otherwise disposing of such Equity Shares if the pledgor fails to abide by the terms and conditions of the pledge so created. Any transfer / sale of Equity Shares by our Promoter and / or members forming part of the Promoter Group will lead to a dilution of the Promoter holding in our Company which may adversely impact the trading price of our Equity Shares.

33. Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.

Our Company has not paid any dividend till now to our shareholders in the absence of high profit. Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements and capital expenditure. We are required to obtain consents from our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. In the past, we have written to our lenders requesting for their consent to declare dividend but have not received any response thereof. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations.

Further we cannot assure you that our dividend yields maintain our past practice.

34. Our premises from which we operate or are used by our Company for the purposes of our operations are situated at lease hold premises. Any termination of the relevant lease or leave and license agreements in connection with such properties or our failure to renew the same could adversely affect our operations.

Premises used by our Company at Faridabad; Haryana is taken on a long – term leasehold basis from third party. Further, our branch office at Lucknow and odisha is taken on the basis of short-term leave and license basis from third party. There can be no assurance that these agreements will be renewed upon expiry or on terms and conditions acceptable to us. Any failure to renew these agreements or procure new premises will increase our costs or may force us to look out for alternative premises which may not be available or which may be available at more expensive prices. Any or all of these factors may have a material adverse effect upon our operation and profitability.

35. Our diverse and complex multi-location operations subject us to various statutory, legal and regulatory risks.

Our future revenue growth depends upon the successful operation of our operating locations and warehouses, the efficiency of our delivery systems and the successful management of our sales, marketing, and support and service teams through direct and indirect channels in various states across India where our existing or potential clients are located. The expansion of our business may require that we establish new offices and warehouses and manage businesses in widely disparate states with different statutory, legal and regulatory framework. In addition, we may be affected by various factors inherent in carrying out business operations in several states in India and abroad, such as:

- coordinating and managing operations in several locations, including different political, economic and business conditions and labour laws and associated uncertainties;
- exposure to different legal standards and enforcement mechanisms and compliance with regulations; and
- difficulties in staffing and managing operations, including coordinating and interacting with our local representatives and business partners to fully understand local business and regulatory requirements. Any of these factors, alone or in combination, could materially and adversely affect our business, results of operations and financial condition and prospects.

36. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to, and this may have a material adverse effect on our business and financial condition

We maintain insurance for a variety of risks, including risks relating to fire, special perils, burglary, etc., and other similar risks. However, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. Any liability in excess of our insurance limits could result in additional costs, which would reduce our profits. Further, we may be subject to claims arising from alleged, suspected or actual defects in the products that we manufacture, which may require us to conduct product recalls, due to alleged, suspected or actual defects in end product manufactured by them for their own customers. In the event that any significant product liability, performance improvement or replacement claims are brought against us, which are not covered by insurance or result in recoveries in excess of our insurance coverage, it may adversely affect our business, financial condition, results of operations and prospects.

37. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lacs. Since our Issue size is for upto Rs. 2,117.05 Lakhs, hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

38. Delay in raising funds from the Right issue could adversely impact the implementation schedule.

The proposed expansion, as detailed in the section titled "*Objects of the Issue*" is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or

delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

39. The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles "Objects of the Issue".

The fund requirement and deployment, as mentioned in the "Objects of the Issue" on page 64 of this Letter of Offer is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter "Objects of the Issue" is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency.

Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter "Objects of the Issue" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

40. Our future fund requirements, in the form of further issue of capital or securities may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

41. We have not independently verified certain data in this Letter of offer.

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

42. Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch this Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "Offering Materials") to such Shareholders who have provided an address in

India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

RISKS RELATING TO RIGHTS ISSUE

43. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of Investor's shareholding

The Rights Entitlements that are not exercised prior to the end of the Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted pursuant to increase in paid up share capital. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Rights Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the Demat Account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Rights Issue with respect to such Rights Entitlements.

44. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

45. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchange until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

46. The Issue Price of our Right Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.

The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price.

There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- (a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- (b) changes in revenue or earnings estimates or publication of research reports by analysts;
- (c) speculation in the press or investment community;
- (d) general market conditions; and
- (e) domestic and international economic, legal and regulatory factors unrelated to our performance.

EXTERNAL RISK FACTORS**47. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.**

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available.

Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

48. Investing in securities that carry emerging market risks can be affected generally by volatility in the emerging markets.

The markets for securities bearing emerging market risks, such as risks relating to India, are, to varying degrees, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions differ in each country, investors' reactions to developments in one country may affect securities of issuers in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general.

Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India, which could adversely affect the Indian financial sector in particular. Any such disruption could have an adverse effect on our Company's business, future financial performance, financial condition and results of operations, and affect the price of the Equity Shares. Accordingly, the price and liquidity of the Equity Shares may be subject to significant fluctuations, which may not necessarily be directly or indirectly related to our financial performance.

49. Political instability or changes in the Government or Government policies could impact the liberalization of the Indian economy and adversely affect economic conditions in India generally.

The performance and growth of our Company is dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and / or political changes. While the current Government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

50. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect our business, prospects, results of operations and financial condition.

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade as well as the worldwide financial markets. The Asian region has from time to time experienced instances of civil unrest and hostilities among neighbouring countries which may persist and occur in the future. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the World, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

51. Natural disasters and other disruptions could adversely affect the Indian economy and could cause our business and operations to suffer and the trading price of our Equity Shares to decrease.

Our operations, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations which could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure. We may also be liable to our customers for disruption in supply resulting from such damage or destruction. Our insurance coverage for such liability may not be sufficient. Any of the above factors may adversely affect our business, our financial results and the price of our Equity Shares.

52. Any future issuance of the Equity Shares may dilute your future shareholding and sales of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future equity issuances by our Company may lead to dilution of your future shareholding in our



A F ENTERPRISES LIMITED

(CIN- L18100DL1983PLC016354)

Company. Any future equity issuances by our Company or sales of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Share. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Share. Except as otherwise stated in the Letter of Offer, there is no restriction on our Company's ability to issue the Securities or the relevant shareholders' ability to dispose of their Equity Share, and there can be no assurance that our Company will not issue Equity Share or that any such shareholder (including Promoters and Promoter Group) will not dispose of, encumber, or pledge its Securities.

53. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

SECTION IV- INTRODUCTION

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled "Terms of the Issue" beginning on page 151 of this Letter of Offer:

Authority for the Issue

The Equity Shares in the present Issue are being offered pursuant a resolution passed by our Board at its meeting held on June 12, 2024 in accordance with the provisions of the Companies Act.

Summary of the Issue

Rights Equity Shares to be Issued	Upto partly paid up 2,11,70,454 Equity Shares
Rights Entitlement for Equity Shares	3 (Three) partly paid up Rights Equity Shares for every 2 (Two) fully paid-up Equity Share held on the Record Date.
Record Date	August 16,2024
Face value per Equity Share	Rs. 10 each
Issue Price per Rights Equity Share	Rs. 10per Rights Equity Share
Issue Size	Upto Rs. 2,117.05 Lakhs
Equity Shares outstanding prior to the Issue	1,41,13,636 fully paid up Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	3,52,84,090 Equity Shares
ISIN and Symbol	ISIN: INE663P01015, BSE Scrip Code: 538351
ISIN for Right Entitlements	INE663P20023
ISIN for Partly paid up shares	IN9663P01013
Terms of the Issue	For more information, please see the chapter titled "Terms of the Issue" beginning on page 151 of this Letter of Offer.
Use of Issue Proceeds	For more information, please see the chapter titled "Objects of the Issue" beginning on page 64 of this Letter of Offer.

For details in relation fractional entitlements, see "Terms of the Issue - Fractional Entitlements" beginning on page 172 of this Letter of Offer.



Terms of payment

Amount Payable per Right Equity Shares	Face Value (in Rs.)	Premium (in Rs.)	Total (in Rs.)
On the Issue application (i.e. along with the Application Form)	Rs. 2.50	-	Rs. 2.50
On One or more subsequent Call(s) as determined by our Board or a duly authorised committee at its sole discretion, from time to time.	Rs. 7.50	-	Rs.7.50
Total	Rs. 10.00	-	Rs. 10.00



A F ENTERPRISES LIMITED
(CIN- L18100DL1983PLC016354)

SUMMARY OF FINANCIAL STATEMENTS

The summary financial information of our Company as derived from the Audited Standalone and Consolidated Financial Statements of our Company for the financial year ended on March 31, 2024 and Unaudited Standalone and Consolidated Financial results for the quarter ended June 30, 2024 is reproduced below. Our summary financial information should be read in conjunction with the financial statements, results and the notes (including the significant accounting principles) thereto included in chapter titled “*Financial Statements*” beginning on page 123 of this Letter of Offer.

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A F ENTERPRISES LIMITED
(CIN- L18100DL1983PLC016354)

AUDITED STANDALONE PROFIT AND LOSS FOR THE PERIOD ENDING 31ST MARCH, 2024

A F ENTERPRISES LIMITED
CIN NO. L18100DL1983PLC016354
Registered Office-15/18, Basement B Portion, West Patel Nagar, New Delhi-110008
Corporate Office- Plot No-8, Sector-5, Main Mathura Road, Faridabad, Haryana -121006
Email ID: info.afenterprises@gmail.com

Statement of Audited Standalone Financial Results for the quarter and year ended 31st March, 2024

S. No.	Particulars	Quarter ended			Year ended	
		1-01-2024 to 31-03-2024	1-10-2023 to 31-12-2023	1-01-2023 to 31-03-2023	1-04-2022 to 31-03-2024	1-04-2022 to 31-03-2023
		Refer Note 4	Unaudited	Refer Note 4	Audited	Audited
1	Income					
(a)	Revenue From Operations	535.35	120.23	2,035.87	850.14	2,418.48
(b)	Other Income	17.26	20.11	(44.63)	99.57	537.69
	Total Income	552.61	140.34	1,991.24	949.70	2,956.17
2	EXPENSES					
(a)	Cost of materials consumed	164.34	67.03	446.38	384.50	760.75
(b)	Purchases of Stock-in-Trade	51.84	-	1,499.72	51.84	1,499.72
(c)	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1.45	0.58	1.12	1.15	7.19
(d)	Operating Expense	25.73	11.58	(30.54)	88.51	95.61
(e)	Employee benefits expense	5.48	5.30	86.57	32.30	131.09
(f)	Finance Cost	4.23	4.10	16.88	16.92	18.51
(g)	Depreciation and amortization expense	28.34	26.62	64.32	110.10	122.97
(h)	Other expenses	270.29	39.08	141.99	363.05	271.25
	Total expenses	551.71	154.28	2,226.44	1,048.38	2,907.08
3	Profit/(loss) before exceptional items and tax (1-2)	0.90	(13.95)	(235.20)	(98.66)	49.09
4	Exceptional items (Refer note 8)	50.00	-	-	100.00	130.75
5	Profit/(loss) before tax	50.91	(13.95)	(235.17)	1.34	179.84
6	Tax expense:					
(a)	Current tax	22.22	-	165.77	22.22	(67.64)
(b)	MAT	-	-	-	-	-
(c)	Deferred tax	18.78	0.97	9.16	1.21	(8.99)
	Total expense tax	40.99	0.97	174.93	23.42	(76.63)
7	Profit after tax (3-4)	9.91	(12.98)	(410.10)	24.75	103.20
8	Other Comprehensive Income					
(a)	(i) Items that will not be reclassified to profit or loss	0.59	-	1.46	0.59	1.46
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.15)	-	(0.37)	(0.15)	(0.37)
(b)	(i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total Comprehensive income, net of tax	0.44	-	1.09	0.44	1.09
9	Total comprehensive income for the year (5+6)	10.35	(12.98)	(409.01)	25.19	104.29
10	Paid up equity share capital (face value of Rs. 10)	1,411.36	1,411.36	1,411.36	1,411.36	1,411.36
11	Reserve excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year	1,987.40	1,987.40	553.42	1,987.40	553.42
12	Earnings per equity share (for continuing operation):					
(1)	Basic	0.07	(0.09)	(2.91)	0.18	0.78
(2)	Diluted	0.07	(0.09)	(2.25)	0.18	0.57

For A F ENTERPRISES LIMITED


DIRECTOR



A F ENTERPRISES LIMITED
(CIN- L18100DL1983PLC016354)

Notes :

- (1) The above audited financial results for year ended 31st March, 2024 has been reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 29th day of May, 2024.
- (2) The above results have been prepared in compliance with the recognition and measurement principles of the Companies (India Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards Amendment Rules, 2016) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- (3) Figures for the previous period have been regrouped wherever considered necessary so as to confirm to the classification of the current period.
- (4) The figures for the quarter ended on 31st March, 2024 are balancing figures between audited figures in respect of the full financial year and the unaudited published year-to-date figures upto the quarter ended on 31st December, 2023, which were subject to limited review.
- (5) The statutory auditors have carried out the audit on the above results for the year ended 31st March, 2024. However, the management has exercised necessary due diligence to ensure that the financial results provided true and fair view of its affairs.
- (6) The format for above results as prescribed in SEBI's circular CIR/SFD/CMS/15/2015 dated 30th November, 2015 has been modified to comply with requirements of SEBI's circular dated 5th July, 2016, Ind AS and Schedule III (Division-II) to the companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- (7) Exceptional item of Rs.100 Lakhs is Related to the compensation received for the non-fulfillment of underwriting commitments related to the subscription of the rights issue. The underwriting agreement required the underwriters to subscribe to any unsubscribed shares in the rights issue. However, as the underwriters failed to fulfill this obligation, the amount received serves as a compensation for this non-fulfillment
- (8) These Results are also updated on the company's website <https://afenterprisesltd.in>.

For and on behalf of Board of Directors
AF ENTERPRISES LIMITED

For A F ENTERPRISES LIMITED

Place: Faridabad
Date: 29th May, 2024

DIRECTOR

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228

AUDITED STANDALONE BALANCE SHEET AS ON 31ST MARCH, 2024

AF ENTERPRISES LIMITED
Standalone Statement of Assets and Liabilities

(Rupees in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
ASSETS		
Non-Current Assets		
(a) Property, plant and equipments	418.03	527.56
(b) Intangible assets	-	-
(c) Financial assets		
(i) Investments	123.47	95.27
(ii) Loans	302.82	235.04
(e) Deferred tax assets	-	-
(d) Other non-current assets	25.68	60.55
Total Non-Current Assets	870.00	918.41
Current Assets		
(a) Inventories	153.14	157.61
(b) Financial assets		
(i) Investments	-	-
(ii) Trade receivables	9,414.01	10,628.10
(iii) Cash and cash equivalents	73.88	57.52
(iv) Bank balances other than (iii) above	-	-
(v) Loans	-	4.00
(vi) Other financial assets	-	-
(c) Other current assets	540.59	1,071.29
(d) Current tax assets	-	-
Total Current Assets	10,181.62	11,918.51
TOTAL ASSETS	11,051.62	12,836.91
EQUITIES AND LIABILITIES		
EQUITY		
(a) Equity share capital	1,411.36	1,411.36
(b) Reserves & surplus	1,987.40	1,962.21
Total Shareholder's Funds	3,398.77	3,373.58
LIABILITIES		
Non-Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	445.30	422.57
(ii) Other financial liabilities	102.03	148.14
(b) Deferred tax liabilities (net)	1.71	37.85
(c) Long term provisions	36.79	1.65
Total Non-Current Liabilities	585.84	610.21
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables	6,101.72	7,764.72
(iii) Other financial liabilities	48.61	42.25
(b) Other current liabilities	903.12	929.58
(c) Short term provisions	0.00	0.01
(d) Current tax liability	13.57	116.58
Total Current Liabilities	7,067.02	8,853.13
TOTAL EQUITIES AND LIABILITIES	11,051.62	12,836.91

For and on behalf of Board of Directors
AF ENTERPRISES LIMITED

For AF ENTERPRISES LIMITED

Place: Faridabad
Date: 29th May, 2024



DIRECTOR

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228



A F ENTERPRISES LIMITED
(CIN- L18100DL1983PLC016354)

AUDITED STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDING 31ST MARCH, 2024

AF ENTERPRISES LIMITED
CIN- L18100DL1983PLC016354
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March 2024

	(Rupees In Lakhs)	
	31st March 2024	31st March 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/ (loss) before tax and after extra- ordinary items	1.33	179.83
Adjustments for items:-		
Derecognition of financial assets	-	-
Foreign exchange fluctuation loss/ (gain)	(92.76)	(536.76)
Interest on lease liability	16.92	17.07
Profit on sale of property, plant & equipment	-	-
Interest paid	-	1.44
Interest received	-	-
Provision for Gratuity	0.65	0.91
Depreciation on Property, plant & equipment	110.10	122.97
Operating Profit before working capital changes	<u>36.24</u>	<u>(214.55)</u>
Working capital adjustments:-		
(Increase)/ decrease in trade receivables	1,306.85	(1,555.57)
(Increase)/ decrease in Inventories	4.46	240.08
(Increase)/ decrease in Other financial assets	-	-
(Increase)/ decrease in Other assets	34.86	(46.15)
Increase/ (decrease) in Current assets	530.69	514.53
Increase/ (decrease) in Trade payables	(1,663.00)	140.26
(Increase)/ decrease in Other financial Liabilities	(56.67)	(55.37)
Increase/ (decrease) in Other liabilities	(26.46)	(616.57)
Cash generated from operations	<u>166.97</u>	<u>(1,593.34)</u>
Direct Taxes Paid	(80.80)	2.95
Net cash flow from operating activities (A)	<u>86.18</u>	<u>(1,590.39)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Sale/ (Purchase) of Property, plant & equipment	(0.57)	(30.41)
Sale/ (Purchase) of Stocks or Securities	-	-
Sale/ (Purchase) of Investment	(28.20)	-
Loans recovered	(63.78)	190.27
Interest received	-	-
Net cash flow from Investing activities (B)	<u>(92.56)</u>	<u>159.86</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Issue of Share Capital	-	162.00
Proceeds from issue of Share Warrants	-	1,262.50
Interest paid	-	(1.44)
Net proceeds from borrowings	<u>22.74</u>	<u>(65.88)</u>
Net cash flow from financing activities (C)	<u>22.74</u>	<u>1,377.99</u>
Net cash flow during the year (A + B + C)	<u>16.36</u>	<u>(2.54)</u>
Add: Opening cash and cash equivalents	57.52	110.06
Closing cash and cash equivalents	<u>73.88</u>	<u>57.52</u>
Components of cash and cash equivalents		
Cash in hand	33.32	33.89
Deposit with banks	-	-
In current accounts	40.55	23.62
Total cash and cash equivalents	<u>73.88</u>	<u>57.52</u>

For A F ENTERPRISES LIMITED


DIRECTOR

AUDITED CONSOLIDATED PROFIT AND LOSS FOR THE PERIOD ENDING 31ST MARCH, 2024

A F ENTERPRISES LIMITED
CIN NO.L18100DL1983PLC016354
Registered Office-15/18, Basement B Portion , West Patel Nagar, New Delhi-110008
Corporate Office- Plot No-8, Sector-5, Main Mathura Road, Faridabad , Haryana -121006
Email ID: info.afenterprises@gmail.com

Statement of Audited Consolidated Financial Results for the quarter and year ended 31st March, 2024

S. No.	Particulars	(Rupees in lakhs except EPS)				
		Quarter ended			Year ended	
		1-01-2024 to 31-03-2024	1-10-2023 to 31-12-2023	1-01-2023 to 31-03-2023	1-04-2023 to 31-03-2024	1-04-2022 to 31-03-2023
	Refer Note 4	Unaudited	Refer Note 4	Audited	Audited	
1	Income					
(a)	Revenue From Operations	535.36	120.22	2,035.87	850.14	2,428.68
(b)	Other Income	18.39	20.15	(39.54)	100.74	542.79
	Total Income	553.75	140.38	1,996.33	950.88	2,971.47
2	EXPENSES					
(a)	Cost of materials consumed	164.34	67.03	446.37	384.50	760.75
(b)	Purchases of Stock-in-Trade	51.84	-	1,499.72	51.84	1,499.72
(c)	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	1.95	0.58	1.12	1.65	7.19
(d)	Operating Expense	55.62	11.58	(30.54)	88.51	95.61
(e)	Employee benefits expense	5.48	5.30	86.56	32.30	190.51
(f)	Finance Cost	4.14	5.56	24.49	18.35	26.12
(g)	Depreciation and amortization expense	27.57	27.22	66.11	111.13	125.45
(h)	Other expenses	247.60	39.16	146.01	370.64	309.22
	Total expenses	558.55	156.41	2,239.84	1,058.93	3,014.57
3	Profit/(loss) before exceptional items and tax (1-2)	(4.80)	(16.04)	(243.51)	(108.05)	(43.10)
4	Exceptional items (Refer note 8)	50.00	-	-	100.00	130.75
5	Profit/ (loss) before tax	45.17	(16.04)	(243.53)	(8.05)	87.65
6	Tax expense:					
(a)	Current tax	22.04	-	(171.46)	22.04	67.64
(b)	MAT	-	-	-	-	-
(c)	Deferred tax	22.16	0.97	13.69	4.59	(14.03)
	Total expense tax	44.20	0.97	(157.77)	26.63	53.61
7	Profit after tax (5-6)	0.97	(15.07)	(85.76)	(34.68)	34.05
8	Other Comprehensive Income					
(a)	(i) Items that will not be reclassified to profit or loss	0.59	-	1.46	0.59	1.46
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.15)	-	(0.37)	-0.15	(0.37)
(b)	(i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income, net of tax	0.44	-	1.09	0.44	1.09
9	Total comprehensive income for the year (7+8)	1.41	(15.07)	(84.67)	(34.24)	35.13
	Net profit attributable to:					
(a)	Owners of the company	33.38	(14.36)	(84.29)	0.44	37.32
(b)	Non-Controlling Interest	0.23	(0.71)	(1.49)	(0.55)	(3.27)
	Other comprehensive income attributable to:					
(a)	Owners of the company	0.44	-	1.09	0.44	1.09
(b)	Non-Controlling Interest	-	-	-	-	-
	Total comprehensive income attributable to:					
(a)	Owners of the company	33.82	(14.36)	(83.20)	0.88	38.41
(b)	Non-Controlling Interest	0.23	(0.71)	(1.49)	(0.55)	(3.27)
10	Paid up equity share capital (face value of Rs. 10)	1,411.36	1,411.36	1,411.36	1,411.36	1,411.36
11	Reserve excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year	1,923.97	1,923.97	1,903.70	1,923.27	1,903.70
12	Earnings per equity share (for continuing operation):					
(1)	Basic	0.01	(0.11)	(0.65)	(0.25)	0.26
(2)	Diluted	0.01	(0.11)	(0.47)	(0.25)	0.19

For A F ENTERPRISES LIMITED


DIRECTOR



A F ENTERPRISES LIMITED
(CIN- L18100DL1983PLC016354)

Notes :

- (1) The above consolidated financial results for year ended 31st March, 2024 has been reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 29th day of May, 2024.
- (2) The above consolidated results have been prepared in compliance with the recognition and measurement principles of the Companies (India Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards Amendment Rules, 2016) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable
- (3) Figures for the previous period have been regrouped wherever considered necessary so as to confirm to the classification of the current period.
- (4) The figures for the quarter ended on 31st March, 2024 and 31st March 2023 are balancing figures between audited figures in respect of the full financial year and the unaudited published year-to-date figures upto the quarter ended on 31st December, 2023 and 31st December 2022 respectively, which were subject to limited review.
- (5) The statutory auditors have carried out the audit on the above consolidated financial results for the year ended 31st March, 2024. However, the management has exercised necessary due diligence to ensure that the financial results provided true and fair view of its affairs.
- (6) Exceptional item of Rs.100 Lakhs is Related to the compensation received for the non-fulfillment of underwriting commitments related to the subscription of the rights issue. The underwriting agreement required the underwriters to subscribe to any unsubscribed shares in the rights issue. However, as the underwriters failed to fulfill this obligation, the amount received serves as a compensation for this non-fulfillment
- (7) These Consolidated Results are also updated on the company's website <https://afenterprisesltd.in>.

For and on behalf of Board of Directors
AF ENTERPRISES LIMITED

For A F ENTERPRISES LIMITED

DIRECTOR

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228

Place: Faridabad
Date: 29th May, 2024

AUDITED CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2024

AF ENTERPRISES LIMITED
CIN- L18100DL1983PLC016354

Consolidated Statement of Assets and Liabilities

Particulars	As at 31.03.2024	As at 31.03.2023
ASSETS		
Non-Current Assets		
(a) Property, plant and equipment	419.49	530.04
(b) Goodwill	165.67	165.67
(c) Financial assets		
(i) Investments	28.2	-
(ii) Loans	302.82	235.04
(d) Deferred tax assets	-	-
(e) Other non-current assets	25.68	61.57
Total Non-Current Assets	941.86	992.31
Current Assets		
(a) Inventories	153.14	158.11
(b) Financial assets		
(i) Investments	-	-
(ii) Trade receivables	11,757.10	12,971.18
(iii) Cash and cash equivalents	75.32	59.27
(iv) Bank balances other than (iii) above	-	-
(v) Loans	-	4.00
(vi) Other financial assets	-	-
(c) Other current assets	540.59	1,079.47
(d) Current tax assets	-	-
Total Current Assets	12,526.15	14,272.03
TOTAL ASSETS	13,468.01	15,264.35
EQUITIES AND LIABILITIES		
EQUITY		
(a) Equity share capital	1,411.36	1,411.36
(b) Other equity	1,923.27	1,903.70
(c) Non-controlling interest	(9.24)	(8.69)
Total Equity	3,325.40	3,306.38
LIABILITIES		
Non-Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	664.08	551.25
(ii) Other financial liabilities	106.13	148.14
(b) Deferred tax liabilities (net)	8.37	12.81
(c) Long term provisions	1.71	1.65
Total Non-Current Liabilities	780.29	713.86
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables	8,399.94	10,055.92
(iii) Other financial liabilities	44.51	42.25
(b) Other current liabilities	904.12	1,022.15
(c) Short term provisions	0.00	0.01
(d) Current tax liability	13.74	116.58
Total Current Liabilities	9,362.32	11,236.90
TOTAL EQUITIES AND LIABILITIES	13,468.01	15,257.14

For and on behalf of Board of Directors
AF ENTERPRISES LIMITED

Place: Faridabad
Date: 29th May, 2024

For A F ENTERPRISES LIMITED



DIRECTOR

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228



A F ENTERPRISES LIMITED
(CIN- L18100DL1983PLC016354)

**AUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDING 31ST
MARCH, 2024**

AF ENTERPRISES LIMITED

CIN- L18100DL1983PLC016354

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March 2024

	31st March 2024	31st March 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/ (loss) before tax and after extra- ordinary items	(9.57)	87.65
Adjustments for items: -		
Derecognition of financial assets	-	-
Foreign exchange fluctuation loss/ (gain)	(92.76)	(536.76)
Loss on sale of property, plant & equipment	-	-
Interest on Finance Lease	16.92	17.07
Interest paid	1.43	9.04
Interest paid on advance tax	(0.04)	0.10
Provision for Gratuity	0.65	(4.20)
Depreciation on Property, plant & equipment	111.13	125.45
Operating Profit before working capital changes	27.76	(301.64)
Working capital adjustments: -		
(Increase)/ decrease in trade receivables	1,228.41	(1,178.00)
(Increase)/ decrease in Inventories	6.69	240.08
(Increase)/ decrease in Other assets	43.05	(50.87)
Increase/ (decrease) in Current Assets	525.58	510.75
Increase/ (decrease) in Trade payables	(1,660.74)	(171.58)
Increase/ (decrease) in other current Liabilities	(91.56)	83.45
(Increase)/ decrease in Other financial Liabilities	(56.67)	19.21
Increase/ (decrease) in Other liabilities	(23.22)	(687.37)
Cash generated from operations	(0.71)	(1,535.97)
Direct Taxes Paid	(2.08)	2.10
Net cash flow from operating activities (A)	(2.79)	(1,533.87)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale/ (Purchase) of Property, plant & equipment	(0.57)	(30.41)
Sale/ (Purchase) of Investment	(28.20)	-
Loans recovered	(63.78)	190.45
Interest received	-	-
Net cash flow from investing activities (B)	(92.56)	160.04
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Issue of Share Capital	-	162.00
Proceeds from issue of Share Warrants	-	1,262.50
Interest paid	(1.43)	(9.04)
Net proceeds from borrowings	112.83	(99.51)
Net cash flow from financing activities (C)	111.40	1,315.95
Net cash flow during the year (A + B + C)	16.05	(57.88)
Add: Opening cash and cash equivalents	59.27	117.15
Closing cash and cash equivalents	75.32	59.27
Components of cash and cash equivalents		
Cash in hand	33.35	35.07
Deposit with banks	-	-
In current accounts	41.97	24.20
Total cash and cash equivalents	75.32	59.27

Place: Faridabad
Date: 29th May, 2024

For A F ENTERPRISES LIMITED


DIRECTOR

For and on behalf of Board of Directors
AF ENTERPRISES LIMITED

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228

UNAUDITED STANDALONE FINANCIAL RESULT FOR THE QUARTER ENDED ON 30TH JUNE, 2024

A F ENTERPRISES LIMITED
CIN NO. L18100DL1983PLC016354
Registered Office- 15/18, B Portion Patel Nagar, New Delhi, Delhi-110008
Email ID: info.afenterprises@gmail.com

Statement of Unaudited Standalone Financial Result for the quarter ended on 30th June, 2024
(Figures in Rs. lacs unless otherwise stated)

S. No.	Particulars	Quarter ended			Year ended
		30th June 2024 (Unaudited)	31st March 2024 (Unaudited)	30th June 2023 (Unaudited)	31st March 2024 (Audited)
1	Income				
(a)	Revenue From Operations	144.01	535.35	117.46	850.14
(b)	Other Income	2.97	17.26	1.65	99.57
	Total Income	146.98	552.61	119.11	949.71
2	EXPENSES				
(a)	Cost of materials consumed	115.15	164.34	92.11	384.50
(b)	Purchases of Stock-in-Trade	-	51.84	-	51.84
(c)	Changes in Inventories of finished goods, Stock-in-Trade and work-in-progress	0.05	1.45	(2.05)	1.15
(d)	operating expense	14.97	25.73	37.07	88.51
(e)	Employee benefits expense	8.59	5.48	12.12	32.30
(f)	Finance Cost	4.33	4.23	4.16	16.92
(g)	Depreciation and amortization expense	24.57	28.34	27.52	110.10
(h)	Other expenses	17.30	270.29	43.33	363.05
	Total expenses	184.96	551.70	214.26	1,048.37
3	Profit/(loss) before exceptional items and tax (1-2)	(37.98)	0.91	(95.15)	(98.66)
4	Exceptional Items (Note No. 6)	-	50.00	(50.00)	100.00
5	Profit/(loss) before tax (3-4)	(37.98)	50.91	(45.15)	1.34
6	Tax expense:				
(a)	Current tax	-	22.22	-	22.22
(b)	Deferred tax	-	18.78	-	1.21
	Total tax expense	-	41.00	-	23.43
7	Profit after tax (5-6)	(37.98)	9.91	(45.15)	24.77
8	Other Comprehensive Income				
(a)	(i) Items that will not be reclassified to profit or loss	-	0.59	-	0.59
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(0.15)	-	(0.15)
(b)	(i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total Comprehensive Income, net of tax	-	0.44	-	0.44
9	Total comprehensive income for the year (7+8)	(37.98)	10.35	(45.15)	25.21
10	Paid up equity share capital (face value of Rs. 10)	1,411.36	1,411.36	1,411.36	1,411.36
11	Reserve excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year	1,987.40	1,987.40	1,962.21	1,987.40
12	Earnings per equity share for the period (not annualised):				
(1)	Basic (Rs.)	(0.27)	0.07	(0.32)	0.18
(2)	Diluted (Rs.)	(0.27)	0.07	(0.24)	0.18

Notes :

- The above unaudited standalone financial results for quarter ended 30th June, 2024 has been reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 12th August 2024.
- The above results have been prepared in compliance with the recognition and measurement principles of the Companies (India Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards Amendment Rules, 2016) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- Figures for the previous period have been regrouped wherever considered necessary so as to confirm to the classification of the current period.
- The format for above results as prescribed in SEBI's circular CIR/SPD/CMS/15/2015 dated 30th November, 2015 has been modified to comply with requirements of SEBI's circular dated 5th July, 2016, Ind AS and Schedule III (Division-II) to the companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- These Results are also updated on the company's website URL: <https://afenterprisesitd.in>

For and on behalf of Board of Directors
AF ENTERPRISES LIMITED

Place: Faridabad
Date: 12th August, 2024

For A F ENTERPRISES LIMITED


DIRECTOR

Santosh Kumar Kushwaha
Director
DIN: .02994228

**UNAUDITED CONSOLIDATED FINANCIAL RESULT FOR THE QUARTER ENDED ON 30TH
JUNE, 2024**

A F ENTERPRISES LIMITED
CIN NO. L18100DL1983PLC016354
Address: 15/18, B Portion Patel Nagar, New Delhi, Delhi-110008
Email ID: info.afenterprises@gmail.com

Statement of Unaudited Consolidated Financial Result for the quarter ended on 30th June, 2024

(Figures in Rs. lacs unless otherwise stated)

S. No.	Particulars	Quarter ended		Year ended	
		30th June 2024 (Unaudited)	31st March 2024 (Unaudited)	30th June 2023 (Audited)	31st March 2024 (Audited)
1	Income				
(a)	Revenue From Operations	144.01	535.36	117.46	850.14
(b)	Other Income	2.98	18.39	1.65	100.74
	Total Income	146.99	553.75	119.11	950.88
2	EXPENSES				
(a)	Cost of materials consumed	115.15	164.34	92.11	384.50
(c)	Purchases of Stock-in-Trade	-	51.84	-	51.84
(d)	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	0.05	1.95	(2.05)	1.65
(b)	Operating expenses	14.97	55.62	37.07	88.51
(e)	Employee benefits expense	8.59	5.48	12.13	32.30
(f)	Finance Cost	4.33	4.14	4.16	18.35
(g)	Depreciation and amortization expense	24.71	27.57	28.12	111.13
(h)	Other expenses	17.66	247.60	43.54	370.64
	Total expenses	185.46	558.55	215.08	1,058.93
3	Profit/(loss) before exceptional items and tax (1-2)	(38.47)	(4.80)	(95.97)	(108.05)
4	Exceptional Items (Note No. 6)	-	50.00	(50.00)	100.00
5	Profit/(loss) before tax (3-4)	(38.47)	45.17	(45.97)	(8.05)
6	Tax expense:				
(a)	Current tax	-	22.04	-	22.04
(b)	MAT	-	-	-	-
(c)	Deferred tax	-	22.16	-	4.59
	Total expense tax	-	44.20	-	26.63
7	Profit after tax (5-6)	(38.47)	0.97	(45.97)	(34.68)
8	Other Comprehensive Income				
(a)	(i) Items that will not be reclassified to profit or loss	-	0.59	-	0.59
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(0.15)	-	(0.15)
(b)	(i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total Comprehensive Income, net of tax	-	0.44	-	0.44
9	Total comprehensive income for the year (7+8)	-	1.41	(45.97)	(34.24)
	Net profit attributable to:				
(a)	Owners of the Company	(38.46)	33.28	(45.92)	0.44
(b)	Non-Controlling Interest	(0.02)	0.23	(0.04)	(0.55)
	Other comprehensive income attributable to:				
(a)	Owners of the Company	-	0.44	-	0.44
(b)	Non-Controlling Interest	-	-	-	-
	Total comprehensive income attributable to:				
(a)	Owners of the Company	-38.46	33.82	(45.92)	0.88
(b)	Non-Controlling Interest	-0.02	0.23	(0.04)	(0.55)
10	Paid up equity share capital (face value of Rs. 10)	1,411.36	1,411.36	1,411.36	1,411.36
11	Reserve excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year		1,923.97	1,901.52	1,923.27
12	Earnings per equity share for the period (not annualised):				
(1)	Basic (Rs.)	(0.27)	0.01	(0.33)	(0.25)
(2)	Diluted (Rs.)	(0.27)	0.01	(0.24)	(0.25)

For A F ENTERPRISES LIMITED



DIRECTOR

Notes :

- (1) The above audited consolidated financial results for quarter ended 30th June, 2024 has been reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 12th August 2024.
- (2) The above results have been prepared in compliance with the recognition and measurement principles of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards Amendment) Rules, 2016 prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- (3) Figures for the previous period have been regrouped wherever considered necessary so as to conform to the classification of the current period.
- (4) The format for above results as prescribed in SEBI's circular CIR/SFD/CM6/15/2015 dated 30th November, 2015 has been modified to comply with requirements of SEBI's circular dated 5th July, 2016, Ind AS and Schedule III (Division-II) to the companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- (5) These Consolidated Results are also updated on the company's website URL: <https://afenterprisesltd.in>

For and on behalf of Board of Directors
AF ENTERPRISES LIMITED

Place: Faridabad
Date: 12th August, 2024

For A F ENTERPRISES LIMITED

DIRECTOR

Santosh Kumar Kushawaha
Director
DIN: 02994228



GENERAL INFORMATION

Our Company was originally incorporated as "A F Investment Private Limited" a private limited company vide a certificate of incorporation dated August 18, 1983, issued by the Registrar of Companies, NCT of Delhi & Haryana, under the provisions of the Companies Act, 1956. Subsequently, our Company was converted into a public limited company, following which the name was changed to "AF Investment Limited" and a fresh certificate of incorporation was issued on November 24, 1983 by the Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to "A F Enterprises Limited" and a fresh certificate of incorporation consequent on change of name dated May 14, 1991, was issued by, the Registrar of Companies, Delhi & Haryana.

OFFICE(S) OF OUR COMPANY

REGISTERED OFFICE

A F ENTERPRISES LIMITED

15/18 Basement B Portion, West Patel Nagar, Central Delhi, New Delhi, India, 110008

CIN: L18100DL1983PLC016354

Email: info.afenterprises@gmail.com / cs@ridh.in

Website: www.afenterprisesltd.in

Tel: +91-7428399452

FACTORY CUM CORPORATE OFFICE:

Address: Plot No. 8, Sector-5, Main Mathura Road, Ballabgarh Faridabad, Haryana-121006

Tel No.: +91-9311551027

e-mail: info@ridh.in

website: www.ridh.in

Contact Person: Mr. Abhishek Singh

ADDRESS OF REGISTRAR OF COMPANIES

Registrar of Companies, Delhi

Address: 4th Floor, IFCI Tower, 6 Nehru Place, New Delhi-110019

Tel No.: 011-26235703

e-mail: roc.delhi@mca.gov.in

CHANGES IN REGISTERED OFFICE

Our Company has shifted the Registered Office in last three years, the details of which are set out below:

Date of Change of Registered Office	Old Address	New Address	Reason for Change
30 th May, 2023	DSM-334, DLF Tower, Shivaji Marg, Moti Nagar, New Delhi-110015	15/18 Basement B Portion, West Patel Nagar, Central Delhi, New Delhi, India, 110008	Due to administrative reasons

**A F ENTERPRISES LIMITED**

(CIN- L18100DL1983PLC016354)

BOARD OF DIRECTORS OF OUR COMPANY

NAME	DESIGNATION	DIN	PAN	ADDRESS
Mr. Santosh Kumar Kushawaha	Managing Director	02994228	AQOPK3040N	395, 2nd Floor, 46, Near Vardhman Public School, Amarnagar, Faridabad, Haryana-121003.
Mr. Abhishek Singh	Whole Time Director & CFO	03603706	BWXP58369G	3rd Floor, G1/244, Indra Enclave Sector-21d, St. Luke High School, Faridabad, Haryana-121001.
Mr. Manishkumar Mehta	Non-Executive Director	07656957	AKAPM8873F	F-6, Ratnasagar Complex, Opp. Gulab Tower, Sola Road, Thaltej, Ahmedabad, Gujarat-380059
Mr. Tinku Kathuria	Non-Executive and Independent Director	08699650	AOTPT0798M	House No. 1740, Ward No. 5, Jawahar Colony, Faridabad-121001.
Ms. Preeti	Non-Executive and Independent Director	09662113	CQSPP2363K	3rd - F-27, Nehru Nagar, Ghaziabad, Uttar Pradesh-201001

For more details, please see the section titled "Our Management" on page 114 of this Letter of Offer.

COMPANY SECRETARY & COMPLIANCE OFFICER:**Ms. Neha Srivastava**

15/18 Basement B Portion, West Patel Nagar, Central Delhi, New Delhi, India, 110008

Email: cs@ridh.in

Website: www.afenterprisesltd.in

Tel: +91-7428399452

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "Terms of the Issue" beginning on page 151 of this Letter of Offer.

CHIEF FINANCIAL OFFICER:**Mr. Abhishek Singh**

Plot No.8, Sector-5, Main Mathura Road, Faridabad, Haryana-121006

Email: info.afenterprises@gmail.com

Website: www.afenterprisesltd.in

Tel: +91- 8744998855

ADVISOR TO THE ISSUE:

Navigant Corporate Advisors Limited

804, Meadows, Sahar Plaza Complex,
J B Nagar, Andheri Kurla Road,
Andheri East, Mumbai-400 059

Tel. No. +91-22-41204837/49735078

Email Id- navigant@navigantcorp.com

Investor Grievance Email: info@navigantcorp.com

Website: www.navigantcorp.com

SEBI Registration Number: INM000012243

Contact Person: Mr. Sarthak Vijlani

REGISTRAR TO THE ISSUE

Skyline Financial Services Private Limited

D-153A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020.

Tel No.: 011-26812682.

Website: www.skylinerta.com

E-mail ID: admin@skylinerta.com/ info@skylinerta.com

Contact Person: Mr. Anuj Rana

SEBI Registration No: INR000003241

STATUTORY AUDITORS:

M/s. S Agarwal & Co.

Chartered Accountants

123, Vinobapuri, Lajpat Nagar II, New Delhi-110024

Email: sagarwal1910@gmail.com

Phone: 011- 29830625/ 29838501

Contact Person: Mr. S. N Agarwal, Partner

EXPERT OPINION

Our Company has not obtained any expert opinion.

BANKER TO THE ISSUE AND REFUND BANK:

Kotak Mahindra Bank Limited

Kotak Infinity, 06th Floor, Building No. 21, Infinity Park,
Off Western Express Highway, General AK Vaidya Marg,
Malad (E), Mumbai – 400097 Maharashtra – India

Telephone No.: 1860 266 2666

Email id: cmsipo@kotak.com

Website: www.kotak.com

SEBI Registration No: INBI00000927

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Details relating to Designated Branches of SCSBs collecting the ASBA application forms are available at the above mentioned link.

Credit rating

This being a Rights Issue of Equity Shares, no credit rating is required.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Since the size of the Issue is less than Rs. 10,000 Lakh, our Company is not required to appoint a monitoring agency.

Appraising Agency

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any bank or financial institution.

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Minimum Subscription

The objects of the Issue are meeting the Working Capital requirements, repayment of loans and General Corporate Purpose and do not involve financing of Capital Expenditure for a project.

However, our promotor has indicated that they will not subscribe fully to their portion of right entitlement and that they may renounce their rights entitlements. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirements of minimum subscription are applicable to the issue.

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under "Terms of the Issue" on page 151 of this Letter of Offer.



A F ENTERPRISES LIMITED

(CIN- L18100DL1983PLC016354)

FILLING OF THIS LETTER OF OFFER:

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, this Letter of Offer will be filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

ISSUE SCHEDULE:

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date	26 th August, 2024
Last Date of Market renunciation of rights entitlements*	28 th August, 2024
Issue Closing Date**	03 rd September, 2024

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.*

***Our Board or the Rights Issue Committee, duly constituted and authorized by the Board of Directors, thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., 29th August, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., 02nd September, 2024.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. For details on submitting Application Forms, see "Terms of the Issue - Process of making an Application in the Issue" beginning on page 153 of this Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.skylinerta.com after keying in their respective details along with other security control measures implemented thereat. For further details, see "Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" beginning on page 165 of this Letter of Offer.



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Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Letter of Offer is set forth below:

(Rs. in Lakh, except the shares data)

	Particulars	Aggregate value at face value	Aggregate value at Issue Price
A.	AUTHORIZED SHARE CAPITAL		
	4,10,00,000 Equity Shares of Rs. 10 each	4,100.00	-
B.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE		
	1,41,13,636 Equity Shares of Rs. 10 each	1,411.36	-
C.	PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS LETTER OF OFFER ⁽¹⁾		
	Upto 2,11,70,454 Equity Shares at an Issue Price of Rs. 10 per Equity Share	2,117.05	2,117.05
D.	ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE ISSUE ⁽²⁾		
	Upto 3,52,84,090 Equity Shares of face value of Rs. 10 each fully paid up	3528.41	
E.	SECURITIES PREMIUM ACCOUNT		
	Before the Issue	423.14	
	After the Issue	423.14	

(1) The Issue has been authorized by a resolution of our Board passed at its meeting held on 12th June, 2024 pursuant to Section 62 of the Companies Act, 2013.

(2) Assuming full subscription for and allotment of the Rights Entitlement.

Notes to the Capital Structure:

1. Our Company does not have any employee stock option scheme or employee stock purchase scheme.
2. As on the date of this Letter of Offer, there are no outstanding Warrants which provides the right to convert the warrants into Equity Shares.

3. Shareholding of Promoter and Promoter Group:

The details of specified securities held by the Promoter and Promoter Group including the details of lock-in, pledge and encumbrance on such securities as June 30, 2024 are set forth hereunder:

**A F ENTERPRISES LIMITED**

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Sr. No.	Name of Promoter Promoter Group	Category	No. of Equity Shares held	% of total share capital	Details of Equity Shares pledged/ encumbered		Details of Equity Shares locked-in	
					No. of Equity Shares	% of total share capital	No. of Equity Shares	% of total share capital
1.	RMS Mosquito Private Limited	Promoter	8,07,600	5.72	-	-	-	-

None of the Equity Shares held by our Promoter and Promoter Group are pledged with any bank or institution, locked-in or otherwise.

4. None of our Promoter or Promoter Group have acquired any securities in the last one year, immediately preceding the date of filing of this Letter of Offer.

5. Intention and extent of participation in the Issue by the Promoter and Promoter Group

The Promoters of our Company have, vide their letters dated June 07, 2024 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement and that they may renounce their rights entitlements. Further, the promoters have confirmed that do not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

The Company shall maintain minimum public shareholding requirements as stipulated under the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled "Objects of the Issue" at page 64 of this Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

In case the Rights Issue remains unsubscribed and / or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and the Equity Shareholders and in compliance with the applicable laws.

6. All the Equity Shares of our Company are fully paid-up as on the date of this Letter of Offer. Further, the Equity Shares offered in the Rights Issue shall be made fully paid at the time of their allotment.
7. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.
8. The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is 10.73.
9. The details of the shareholders holding more than 1% of the share capital of the Company as on June 30, 2024 are as under:

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Sr. No.	Name of Shareholders	No. of Equity Shares held	% of total share capital
1	RMS Mosquito Pvt Ltd	8,07,600	5.72
2	Anjaneyaputra Human Resource Consultancy Pvt. Ltd.	5,52,063	3.91
3	Seifer Richard Mascarenhas	5,01,947	3.56
4	Omprakash Puralal Tomar	4,81,369	3.41
5	Santosh Kumar Kushawaha	3,00,000	2.13
6	RDS Corporate Services Private Limited	2,88,123	2.04
7	Nidhi Khandelwal	2,78,909	1.98
8	Laavnya	2,66,500	1.89
9	Sandeep Arneja	1,99,000	1.41
10	Harmohansingh Nagpal	1,90,800	1.35
11	Srinivasa Rao Bodavula	1,65,902	1.18
12	Shagun Ajmani	1,50,000	1.06
13	Sahil Arora	1,50,000	1.06
14	Himmatsingh Rathour	1,50,000	1.06

10. Shareholding Pattern of our Company

Shareholding Pattern of the Equity Shares of our Company as per the last filing with the Stock Exchange, i.e., as on June 30, 2024 can be accessed on the website of the BSE respectively at

<https://www.bseindia.com/stock-share-price/af-enterprises-ltd/afel/538351/shareholding-pattern/>

The statement showing the holding of Equity Shares of persons belonging to the category “Promoter and Promoters Group” as on June 30, 2024 can be accessed on the website of the BSE at

<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=538351&qtrid=122.00&QtrName=June%202024>

The Statement of showing the details of shares pledged, encumbrance by promoters and promoter group as on June 30, 2024 can be accessed on the website of the BSE at

<https://www.bseindia.com/stock-share-price/af-enterprises-ltd/afel/538351/shareholding-pattern/>

OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects.

1. To part finance working capital requirement of our company;
2. Repayment of certain outstanding borrowings availed by us;
3. To meet General corporate purposes;
4. To meet the expenses of the Issue.

Collectively, referred herein as the "objects".

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

Utilization of Net Proceeds

The details of the proceeds of the Issue are summarized below:

		(Rs. In Lacs)
S. No.	Particulars	Amounts*
1)	Gross Proceeds	2,117.05
2)	(Less) Issue related expenses	40.00
3)	Net Proceeds	2,077.05

*Assuming full subscription and receipt of all call monies.

FUND REQUIREMENTS

We intend to utilise the Net Proceeds from the Issue, in the manner set below:

			(Rs. In lacs)	
S. No.	Particulars	Amounts*	% of gross proceeds	% of Net proceeds
1.	To part finance working capital requirement of our company	1,250.00	59.04	60.18
2.	Repayment of certain outstanding borrowings availed by us.	435.62	20.58	20.97
3.	To meet General corporate purposes	391.43	18.49	18.85
	Total	2,077.05	-	100.00

*Assuming full subscription and receipt of all call monies.

Schedule of implementation/ Utilization of Issue Proceeds

Our Company proposes to deploy the Net Proceeds in the aforesaid objects as follows:

		(Rs. In lacs)	
Sr. No.	Particulars	Amount Proposed to be Deployed from Issue Proceeds*	Estimated Schedule of Deployment of Net Proceeds*
			FY 2024-25

**A F ENTERPRISES LIMITED**

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Sr. No.	Particulars	Amount Proposed to be Deployed from Issue Proceeds*	Estimated Schedule of Deployment of Net Proceeds*
			FY 2024-25
1.	To part finance working capital requirement of our company	1,250.00	1,250.0
2.	Repayment of certain outstanding borrowings availed by us.	435.62	435.62
3.	To meet General corporate purposes	391.43	391.43
	Total	2,077.05	2,077.05

*Assuming full subscription and receipt of all call monies.

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

MEANS OF FINANCE:

The fund requirements set out below are proposed to be funded from the Net Proceeds and internal accruals. We confirm that there are no requirements to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

Any amount, deployed by our Company out of internal accruals towards the aforementioned objects till the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds of the Issue. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned objects through a combination of Internal Accruals or Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 24 of this Letter of offer.

DETAILS OF THE OBJECTS

The details of the objects of the Issue are set out below:

1. TO PART FINANCE WORKING CAPITAL REQUIREMENTS OF THE COMPANY.

With the expansion of the business activity, the Company will be in need of additional working capital requirements which are based on our management estimations of the future business plan for the FY 2024-25. The major capital will be invested in procuring of the raw materials, trade receivables and maintaining inventory and reducing trade payables cycles. The funding of the working capital requirements of our Company is expected to lead to a consequent increase in our profitability. As on March 31, 2024, the outstanding amount under the fund based working capital facilities of our Company was Rs. 3,088.42 Lakhs and non-fund based working capital facility is Nil.

(Rs. In lacs)

Sr. No.	Particulars	31.03.2022	31.03.2023	31.03.2024	31.03.2025
		Audited	Audited	Audited	Estimated
A.	Current Assets				
	Inventories	398.19	157.14	153.14	359.43
	Trade Receivable	11,256.42	12,971.18	11,757.10	8,723.66
	Short Term Loans & Advances and Other Current Assets	1,611.65	1,083.47	540.49	537.00
	Total Current Assets	13,266.26	14,211.79	12,450.73	9,620.09
B.	Current Liabilities				
	Trade payable	10,234.71	10,055.92	8,399.94	4,570.38
	Other current liabilities	1,604.37	1,180.98	962.37	800.84
	Short Term Provisions	0.01	0.01	0.00	0.00
	Total Current Liabilities	11,839.09	11,236.90	9,362.31	5,370.38
C.	Working Capital Gap (A-B)	1,427.18	2,974.89	3,088.42	4,249.70
D.	Owned Funds /Internal Accruals	1,427.18	2,974.89	3,088.42	3,000.00
E	Bank Borrowings	-	-	-	-
F.	Working Capital funding through Issue Proceeds	-	-	-	1,250.00

As per our estimates we would require upto Rs. 1,250.00 Lacs out of the issue proceeds to meet the working capital requirements.

Assumption for Working Capital Requirement

Assumptions for holding level (Months)

Particulars	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Inventory	0.71	1.47	4.25	1.41
Trade Receivable	27.13	59.85	174.52	28.91
Trade Payable	28.11	53.69	252.83	35.58

Justification of Holding Level of last 3 years and estimated for FY 25:

Sr. No.	Particulars	Assumptions
Current Assets		
1	Revenues from operations:	The revenues from operations from FY 2022 to FY 2023 have decreased by 50% and the revenues from operations from FY 2023 to FY 2024 was decreased by 65%. However, going forward we have estimated the rationalization in increase our revenues in FY 2025 by 400% due to expansion of Government Contracts, New clients' partnerships, acquisition of new clients and availability of production capacity. As on date the Company has order from
2	Inventories:	We have maintained average inventory in fiscal 2022 of 0.71 months of cost of goods sold and in fiscal 2023 of 1.47 months and in fiscal 2024 of 4.25 months due to slump in operational revenue. Going forward we estimate average inventory of 1.41 months in financial year 2024-2025.
3	Trade receivables	We have assumed the Trade Receivable holding period level of around 27.13 months in financial year 2021-22, in FY 2022-23 holding period level was of 59.85 months, holding period level was 174.52 months in financial year 2023-24 due to slump in operational revenue. Going forward we estimate average inventory of 28.91 months in financial year 2024-2025.
4	Other current assets including other financial assets.	The key items under this head are advance to suppliers, staff, other advances, security deposit with statutory authorities, Balances of taxes with Government authorities, prepaid expenses etc.
Current Liabilities		
5	Trade payables	Our payable's credit period was 28.11 months in financial year 2021-22, credit period was 53.69 months in financial year 2022-23 and credit period in the financial year 2023-24 was 252.83 months due to slump in operational revenue. Our company will strive to adhere to stricter credit policy to achieve better and favorable pricing terms and to ensure continued relations with the existing suppliers. By making early payments to the suppliers (i.e. availing lower credit periods), the company shall be able to get competitive prices which would result in a reduction in the cost as a percentage of goods sold thereby increasing the profitability of the Company. Thus, the Company has estimated lower credit period of around 35.58 months in a FY 2024-25 which would in turn help in reducing the cost of sales and improve profitability margins.
6	Other current liabilities	Other current liabilities include provisions, statutory dues, expenses payable etc.

Justification for utilization of Working Capital requirement for financial year 2024-25:

We have estimated Rs. 4,250.69 Lakhs turnover during the Financial Year 2024-25 & Calculated the Working capital requirement as per standard holding levels of the industry and the Company. Accordingly, we need additional working capital funds for expansion of business.

The Company's order book is as follows:



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S. No	Customer Name	Product	Quantity	Amount	Total
1	SMP International Pvt Ltd	Cooler (Window, Ultimate and Wonderplus)	6000 @1200/set 5000 set@ 1500/set 5000 set @ 1700 /set	72,00,000 75,00,000 85,00,000	2,32,00,000
2	The Rohtak Cooperative Milk Producers Union Limited	Milk Crate Size:- 471x378x168	5000 Nos @201.08	10,05,400	10,05,400
3	The Rohtak Cooperative Milk Producers Union Limited	Mother Dairy Crate Size :- 471x378x175 ARC-3 Years	10000 Nos @ Rs 201.08	20,10,800	20,10,800
4	Indore Sahakri Dugdh Sangh Maryadit	Sanchi Dairy Milk Crate :- 471x378x175	10000 Nos @ Rs 218.00	21,80,000	21,80,000
5	The Ballabgarh Cooperative Milk Producers Union Limited	Milk Crate:- 471x378x168	2000 Nos @ Rs 201.08	4,02,160	4,02,160
6	The Hisar-Jind Cooperative Milk Producers Union Limited	Milk Crate:- 471x378x168	4000 Nos @ Rs 201.08	8,04,320	8,04,320
7	The Ambala District Cooperative Milk Producers Union Limited	Milk Crate:- 471x378x168	16000 Nos @ Rs 201.08	32,17,280	32,17,280
Total				3,28,19,960	

Note: The above orders are repetitive in nature.

Assuming full subscription and Allotment of the Rights Equity Shares in the Issue, our Company proposes to utilize upto Rs. 1,250.00 lakhs from the Net Proceeds towards funding our working capital requirements.

2. REPAYMENT OF CERTAIN OUTSTANDING BORROWINGS AVAILED BY US.

We have entered various financing arrangements from time to time, with various lenders. As at June 30, 2024, the amount outstanding under borrowing arrangements of our Company to be Fully or partially repaid or prepaid from the Net Proceeds is Rs. 445.30 Lakhs. Our Company proposes to utilise an estimated amount of Rs. 435.62 Lakhs from the Net Proceeds towards repayment of borrowings availed

by our Company.

The following table sets forth details of certain borrowings availed by us, which are outstanding as on June 30, 2024 out of which we may repay all or a portion of, any or all of the borrowings, from the Net Proceeds:

Sr. No.	Lender	Amount sanctioned (Amount in Lakhs)	Outstanding Term loan as on June 30, 2024 (Amount in Lakhs)	Interest (%)	Nature of Borrowing	Purpose of borrowings	Date of repayment	Proposed repayment from Net Proceeds (Amount in Rs. lakhs)
1	Findoc Finvest Private Limited	230.00	210.62	-	Long Term Loan	Working Capital Loan	30-09-2024	210.62
2	Progressive consultants	35.00	35.00	-	Long Term Loan	Working Capital Loan	30-09-2024	35.00
3	Sachdeva Land and Finance Pvt Ltd	37.00	37.00	-	Long Term Loan	Working Capital Loan	30-09-2024	37.00
4	NSMK Investments Pvt Ltd	91.00	91.00	-	Long Term Loan	Working Capital Loan	30-09-2024	91.00
5	True Surge Technologies Private Limited	10.00	10.00	-	Long Term Loan	Working Capital Loan	30-09-2024	10.00
6	Luster Infrastructure Pvt Ltd	22.00	22.00	-	Long Term Loan	Working Capital Loan	30-09-2024	22.00
7	Nimble Infrastructure Pvt Ltd.	30.00	30.00	-	Long Term Loan	Working Capital Loan	30-09-2024	30.00

We believe that such repayment or prepayment will help reduce our outstanding indebtedness and our debt -equity ratio and enable utilization of our internal accruals for further investment in business growth. In addition, we believe that the strength of our balance sheet and our leverage capacity will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

We have considered the following factors for identifying the loans that will be repaid or pre-paid out of the Net Proceeds:

- Costs, expenses and charges relating to the facility including interest rates involved;
- Presence of onerous terms and conditions under the facility;
- Terms and conditions of consents and waivers;
- Other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

Accordingly, we may utilise the Net Proceeds for repayment of any such refinanced facilities, or full or partial prepayment, or repayment of any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards repayment of borrowings (including

refinanced or additional facilities availed, if any), in part or full, would not exceed Rs. 435.62 Lakhs. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular Financial Year may be repaid in full by our Company in the subsequent Financial Year subject to compliance with all applicable laws and regulations. Further, the amounts outstanding under the borrowings are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, & drawdowns.

3. TO FINANCE THE GENERAL CORPORATE PURPOSE.

The Net Proceeds will first be utilized towards the Objects set out above, as well as meeting the Issue-related expenses. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds of Rs. 391.43 Lacs towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time. We confirm that utilization for general corporate purposes will not exceed 25% of the Net Proceeds of the Issue.

Such general corporate purposes may include, but are not restricted to, the following:

- Strategic initiatives, including investments or acquisitions, from time to time;
- Brand building, promotional and outreach activities;
- Strengthening our infrastructure and systems and processes, in-house training initiatives, etc.;
- Repayment of present or future loans;
- Research and Development;
- Ongoing general corporate purposes or exigencies, as approved by the Board, subject to compliance with applicable law.

Our management will have flexibility in utilizing any amounts for general corporate purposes in accordance with policies of our Board. The quantum of utilization of funds towards any of the purposes mentioned above will be determined by the Board, based on the amount available under this head and the business requirements of our Company, from time to time.

ISSUE RELATED EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 40.00 Lacs.

Particulars	Amount (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
Issue management fees, selling commissions, brokerages, Payment to other intermediaries such as Registrars etc.	10.00	25	0.005
Printing & Stationery, Distribution, Postage, etc.	8.00	20	0.004
Advertisement & Marketing Expenses	5.00	12.50	0.002
Regulatory & other expenses	10.00	25	0.005
Miscellaneous Expenses	7.00	17.50	0.003
Total	40.00	100.00	0.019

Details of funds already deployed till date and sources of funds deployed

The funds deployed up to 09th August, 2024 pursuant to the object of this Issue as certified by the Auditors of our Company, viz. M/s. S Agarwal & Co., Chartered Accountants pursuant to their certificate dated 09th August, 2024 is given below:

Deployment of funds	Amount (Rs. In Lacs)
Issue Related Expenses	5.06
Objects Related Expenses	-
Total	5.06

Sources of funds	Amount (Rs. In Lacs)
Internal Accruals	5.06
Bank Finance	-
Total	5.06

BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds.

APPRAISAL BY APPRAISING AGENCY

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization.

INTERIM USE OF FUNDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

MONITORING UTILIZATION OF FUNDS

As the size of the Issue does not exceed Rs. 10,000 lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a Quarterly yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we



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(CIN- L18100DL1983PLC016354)

have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year.

Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchange on a Quarterly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Letter of offer.

CONFIRMATION REGARDING PURCHASE OF SECOND-HAND EQUIPMENT AND MACHINERY

No second-hand equipment and machinery are proposed to be purchased by our Company from the Net Proceeds.

OTHER CONFIRMATIONS

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel, except as stated above and in the normal course of business and in compliance with applicable.

STATEMENT OF SPECIAL TAX BENEFITS**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AS PER THE CERTIFICATE ISSUED BY STATUTORY AUDITORS OF THE COMPANY**

To,
The Board of Directors,
AF Enterprises Limited
15/18 Basement B Portion, West Patel Nagar, Central Delhi,
New Delhi, India, 110008

Dear Sirs,

Subject: Proposed Rights Issue of equity shares with a Face value of Rs. 10/- each by AF Enterprises Limited (the "Company") (the "Issue")

We hereby confirm that the enclosed statement states the possible special direct tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ("Act") as amended from time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfill.

This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the rights issue of equity shares of the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company. We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been/would be met with

This statement is intended solely for information and for inclusion in the Letter of Offer in relation to the Issue of equity shares of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent. Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time.



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We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

For M/s. S Agarwal & Co.
Chartered Accountants
Firm Registration No.: 000808N
Sd/-
CA S. N. Agarwal
Partner
M. No. 012103
Date: 07th June, 2024
Place: New Delhi
UDIN: 24012103BKDHOA3762



A F ENTERPRISES LIMITED

(CIN- L18100DL1983PLC016354)

Annexure

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

I Special Tax Benefits available to the Company under the Act:

There are no special tax benefits available to the Company.

II. Special Tax Benefits available to the Shareholders under the Act:

There are no special tax benefits available for the shareholders of the Company under the provisions of the Act.

For M/s. S Agarwal & Co.
Chartered Accountants
Firm Registration No.: 000808N
Sd/-
CA S. N. Agarwal
Partner
M. No. 012103
Date: 07th June, 2024
Place: New Delhi
UDIN: 24012103BKDHOA3762

SECTION V: ABOUT OUR COMPANY

OUR INDUSTRY

The information contained in 'Industry Overview' in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this entire Letter of Offer, including the information in the sections "Risk Factors" and "Financial Information" on pages 24 and 123, respectively of this Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 24 of this Letter of Offer.

GLOBAL PROSPECTS AND POLICIES

The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies – where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025 – will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now – at 3.1 percent – is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually. The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability. Chapter 2 explains that changes in mortgage and housing markets over the prepandemic decade of low interest rates moderated the near-term impact of policy rate hikes. Chapter 3 focuses on medium-term prospects and shows that the lower predicted growth in output per person stems, notably, from persistent structural frictions preventing capital and labor from moving to productive firms. Chapter 4 further indicates how dimmer prospects for growth in China and other large emerging market economies will weigh on trading partners.

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and then assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong

tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

Policymakers' near-term challenge is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics and—where wage and price pressures are clearly dissipating—adjusting to a less restrictive stance. At the same time, in many cases, with inflation declining and economies better able to absorb effects of fiscal tightening, a renewed focus on fiscal consolidation to rebuild budgetary capacity to deal with future shocks, raise revenue for new spending priorities, and curb the rise of public debt is needed. Targeted and carefully sequenced structural reforms would reinforce productivity growth and debt sustainability and accelerate convergence toward higher income levels. More efficient multilateral coordination is needed for, among other things, debt resolution, to avoid debt distress and create space for necessary investments, as well as to mitigate the effects of climate change.

Forces Shaping the Outlook

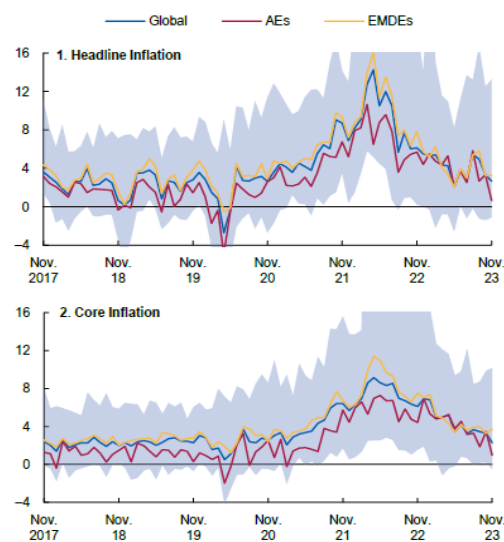
The global economic recovery from the COVID-19 pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis is proving surprisingly resilient. Inflation is falling faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favorable supply-side developments and tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024.

Growth resilient in major economies. Economic growth is estimated to have been stronger than expected in the second half of 2023 in the United States, and several major emerging market and developing economies. In several cases, government and private spending contributed to the upswing, with real disposable income gains supporting consumption amid still-tight—though easing—labor markets and households drawing down on their accumulated pandemic-era savings. A supply-side expansion also took hold, with a broad-based increase in labor force participation, resolution of pandemic-era supply chain problems, and declining delivery times. The rising momentum was not felt everywhere, with notably subdued growth in the euro area, reflecting weak consumer sentiment, the lingering effects of high energy prices, and weakness in interest-rate-sensitive manufacturing and business investment. Low-income economies continue to experience large output losses compared with their prepandemic (2017–19) paths amid elevated borrowing costs.

Inflation subsiding faster than expected.

Amid favorable global supply developments, inflation has been falling faster than expected, with recent monthly readings near the prepandemic average for both headline and underlying (core) inflation (Figure 1). Global headline inflation in the fourth quarter of 2023 is estimated to have been about 0.3 percentage point lower than predicted in the October 2023 WEO on a quarter-over-quarter seasonally adjusted basis. Diminished inflation reflects the fading of relative price shocks—notably those to energy prices—and their associated pass-through to core inflation.¹ The decline also reflects an easing in labor market tightness, with a decline in job vacancies, a modest rise in unemployment, and greater labor supply, in some cases associated with a strong inflow of immigrants.

Figure 1. Global Inflation: Rise and Fall
(Month-over-month annualized percent change, seasonally adjusted)



Sources: Haver Analytics; and IMF staff calculations.
Note: The figure plots the median of a sample of 57 economies that accounts for 78 percent of *World Economic Outlook* world GDP (in weighted purchasing-power-parity terms) in 2023. Vertical axes are cut off at -4 percent and 16 percent. The bands depict the 10th to 90th percentiles of inflation across economies. "Core inflation" is the percent change in the consumer price index for goods and services, excluding food and energy (or the closest available measure). AEs = advanced economies; EMDEs = emerging market and developing economies.

Wage growth has generally remained contained, with wage-price spirals – in which prices and wages accelerate together—not taking hold. Near-term inflation expectations have fallen in major economies, with long-term expectations remaining anchored.

High borrowing costs cooling demand. To reduce inflation, major central banks raised policy interest rates to restrictive levels in 2023, resulting in high mortgage costs, challenges for firms refinancing their debt, tighter credit availability, and weaker business and residential investment. Commercial real estate has been especially under pressure, with higher borrowing costs compounding postpandemic structural changes. But with inflation easing, market expectations that future policy rates will decline have contributed to a reduction in longer-term interest rates and rising equity markets (Box 1). Still, long-term borrowing costs remain high in both advanced and emerging market and developing economies, partly because government debt has been rising. In addition, central banks' policy rate decisions are becoming increasingly asynchronous. In some countries with falling inflation—including Brazil and Chile, where central banks tightened policy earlier than in other countries—interest rates have been declining since the second half of 2023. In China, where inflation has been near zero, the central bank has eased monetary policy. The Bank of Japan has kept short-term interest rates near zero.

Fiscal policy amplifying economic divergences. Governments in advanced economies eased fiscal policy in 2023. The United States, where GDP had already exceeded its prepandemic path, eased policy more than did euro area and other economies in which the recovery was incomplete. In emerging market and developing economies, in which output has on average fallen even further below the prepandemic trend, on average the fiscal stance is estimated to have been neutral. The exceptions include Brazil and Russia, where fiscal policy eased in 2023. In low-income countries, liquidity squeezes and the elevated cost of interest payments—averaging 13 percent of general government revenues, about double the level 15 years ago—crowded out necessary investments, hampering the recovery of large output losses compared with prepandemic trends. In 2024, the fiscal policy stance is expected to tighten in several advanced and emerging market and developing economies to rebuild budgetary room for maneuver and curb the rising path of debt, and this shift is expected to slow growth in the near term.

Inflation Outlook: Steady Decline to Target

Global headline inflation is expected to fall from an estimated 6.8 percent in 2023 (annual average) to 5.8 percent in 2024 and 4.4 percent in 2025. The global forecast is unrevised for 2024 compared with October 2023 projections and revised down by 0.2 percentage point for 2025. Advanced economies are expected to see faster disinflation, with inflation falling by 2.0 percentage points in 2024 to 2.6 percent, than are emerging market and developing economies, where inflation is projected to decline by just 0.3 percentage point to 8.1 percent. The forecast is revised down for both 2024 and 2025 for advanced economies, while it is revised up for 2024 for emerging market and developing economies, mainly on account of Argentina where the realignment of relative prices and elimination of legacy price controls, past currency depreciation, and the related pass-through into prices is expected to increase inflation in the near term. The drivers of declining inflation differ by country but generally reflect lower core inflation as a result of still-tight monetary policies, a related softening in labor markets, and pass-through effects from earlier and ongoing declines in relative energy prices.

Overall, about 80 percent of the world's economies are expected to see lower annual average headline and core inflation in 2024. Among economies with an inflation target, headline inflation is projected to be 0.6 percentage point above target for the median economy by the fourth quarter of 2024, down from an estimated gap of 1.7 percentage points at the end of 2023. Most of these economies are expected to reach their targets (or target range midpoints) by 2025. In several major economies, the downward revision to the projected path of inflation, combined with a modest upgrade to economic activity, implies a softer-than-expected landing.

WORLD ECONOMIC OUTLOOK UPDATE, JANUARY 2024

Table 1. Overview of the *World Economic Outlook* Projections
(Percent change, unless noted otherwise)

	Year over Year								
	Estimate		Projections		Difference from October 2023		Q4 over Q4 2/		
	2022	2023	2024	2025	WEO Projections 1/		Estimate	Projections	
				2024	2025	2023	2024	2025	
World Output	3.5	3.1	3.1	3.2	0.2	0.0	3.1	3.1	3.1
Advanced Economies	2.6	1.6	1.5	1.8	0.1	0.0	1.6	1.6	1.7
United States	1.9	2.5	2.1	1.7	0.6	-0.1	2.9	1.5	1.9
Euro Area	3.4	0.5	0.9	1.7	-0.3	-0.1	0.2	1.5	1.6
Germany	1.8	-0.3	0.5	1.6	-0.4	-0.4	-0.1	1.1	1.9
France	2.5	0.8	1.0	1.7	-0.3	-0.1	0.6	1.4	1.8
Italy	3.7	0.7	0.7	1.1	0.0	0.1	0.2	1.3	1.0
Spain	5.8	2.4	1.5	2.1	-0.2	0.0	1.5	1.8	2.1
Japan	1.0	1.9	0.9	0.8	-0.1	0.2	1.4	1.6	0.5
United Kingdom	4.3	0.5	0.6	1.6	0.0	-0.4	0.9	0.6	1.8
Canada	3.8	1.1	1.4	2.3	-0.2	-0.1	1.1	1.9	2.2
Other Advanced Economies 3/	2.7	1.7	2.1	2.5	-0.1	0.2	1.5	2.6	2.0
Emerging Market and Developing Economies	4.1	4.1	4.1	4.2	0.1	0.1	4.3	4.3	4.1
Emerging and Developing Asia	4.5	5.4	5.2	4.8	0.4	-0.1	5.2	5.5	4.7
China	3.0	5.2	4.6	4.1	0.4	0.0	5.4	4.4	4.0
India 4/	7.2	6.7	6.5	6.5	0.2	0.2	5.0	7.8	6.7
Emerging and Developing Europe	1.2	2.7	2.8	2.5	0.6	0.0	4.1	2.0	2.9
Russia	-1.2	3.0	2.6	1.1	1.5	0.1	4.4	1.4	1.0
Latin America and the Caribbean	4.2	2.5	1.9	2.5	-0.4	0.1	2.2	1.7	2.6
Brazil	3.0	3.1	1.7	1.9	0.2	0.0	2.3	2.6	1.4
Mexico	3.9	3.4	2.7	1.5	0.6	0.0	3.4	1.9	1.4
Middle East and Central Asia	5.5	2.0	2.9	4.2	-0.5	0.3	...	...	...
Saudi Arabia	8.7	-1.1	2.7	5.5	-1.3	1.3	-4.5	2.8	5.4
Sub-Saharan Africa	4.0	3.3	3.8	4.1	-0.2	0.0	...	...	...
Nigeria	3.3	2.8	3.0	3.1	-0.1	0.0	2.7	3.3	2.9
South Africa	1.9	0.6	1.0	1.3	-0.8	-0.3	1.0	1.2	1.3
Memorandum									
World Growth Based on Market Exchange Rates	3.0	2.7	2.6	2.7	0.2	0.0	2.7	2.5	2.6
European Union	3.6	0.6	1.2	1.9	-0.3	-0.2	0.7	1.4	2.3
ASEAN-5 5/	5.5	4.2	4.7	4.4	0.2	-0.1	4.1	5.2	3.5
Middle East and North Africa	5.6	2.0	2.9	4.2	-0.5	0.3	...	...	...
Emerging Market and Middle-Income Economies	4.0	4.2	4.0	4.0	0.1	0.0	4.3	4.3	4.1
Low-Income Developing Countries	5.2	4.0	5.0	5.6	-0.1	0.0	...	...	...
World Trade Volume (goods and services) 6/	5.2	0.4	3.3	3.6	-0.2	-0.1	...	...	...
Advanced Economies	6.1	0.3	2.6	3.2	-0.4	-0.1	...	...	...
Emerging Market and Developing Economies	3.7	0.6	4.5	4.4	0.2	0.0	...	...	...
Commodity Prices									
Oil 7/	39.2	-16.0	-2.3	-4.8	-1.6	0.1	-2.8	-6.1	-4.9
Nontfuel (average based on world commodity import)	7.9	-6.1	-0.9	-0.4	1.8	-0.3	-2.0	1.5	0.2
World Consumer Prices 8/	8.7	6.8	5.8	4.4	0.0	-0.2	6.0	5.3	3.8
Advanced Economies 9/	7.3	4.6	2.6	2.0	-0.4	-0.2	3.1	2.3	2.0
Emerging Market and Developing Economies 8/	9.8	8.4	8.1	6.0	0.3	-0.2	8.4	7.7	5.2

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during October 30–November 27, 2023. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = *World Economic Outlook*.

1/ Difference based on rounded figures for the current and October 2023 WEO forecasts. Countries for which forecasts have been updated relative to October 2023 WEO forecasts account for approximately 90 percent of world GDP, measured at purchasing-power-parity weights.

2/ For World Output (Emerging Market and Developing Economies), the quarterly estimates and projections account for approximately 90 percent (80 percent) of annual world (emerging market and developing economies') output at purchasing-power-parity weights.

3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

4/ For India, data and projections are presented on a fiscal year (FY) basis, with FY 2022/23 (starting in April 2022) shown in the 2022 column. India's growth projections are 5.7 percent in 2024 and 6.8 percent in 2025 based on calendar year.

5/ Indonesia, Malaysia, Philippines, Singapore, Thailand.

6/ Simple average of growth rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average assumed price of oil in US dollars a barrel, based on futures markets (as of November 29, 2023), is \$79.8 in 2024 and \$75.3 in 2025.

8/ Excludes Venezuela.

9/ The assumed inflation rate for the euro area is 2.8% in 2024 and 2.1% in 2025, that for Japan is 2.7% in 2024 and 2.0% in 2025, and that for the United States is 2.2% in 2024 and 1.9% in 2025.

Risks to the Outlook

With the likelihood of a hard landing receding as adverse supply shocks unwind, risks to the global outlook are broadly balanced. There is scope for further upside surprises to global growth, although other potential factors pull the distribution of risks in the opposite direction.

Upside risks. Stronger global growth than expected could arise from several sources:

- *Faster disinflation:* In the near term, the risk that inflation will fall faster than expected could again become a reality, with stronger-than-expected pass-through from lower fuel prices, further downward shifts in the ratio of vacancies to unemployed persons, and a compression of profit margins to absorb past cost increases. Combined with a decline in inflation expectations, such developments could allow central banks to move forward with their policy-easing plans and could also contribute to improving business, consumer, and financial market sentiment, as well as raising growth.
- *Slower-than-assumed withdrawal of fiscal support:* Governments in major economies might withdraw fiscal policy support more slowly than necessary and then assumed during 2024–25, implying higher-than-projected global growth in the near term. However, such delays could in some cases exacerbate inflation and, with elevated public debt, result in higher borrowing costs and a more disruptive policy adjustment, with a negative impact on global growth later on.
- *Faster economic recovery in China:* Additional property sector-related reforms—including faster restructuring of insolvent property developers while protecting home buyers’ interests—or larger-than-expected fiscal support could boost consumer confidence, bolster private demand, and generate positive cross-border growth spillovers.
- *Artificial intelligence and supply-side reforms:* Over the medium term, artificial intelligence could boost workers’ productivity and incomes, although this would depend on countries’ harnessing the potential of artificial intelligence. Advanced economies may experience benefits from artificial intelligence sooner than emerging market and developing economies, largely because their employment structures are more focused on cognitive-intensive roles.² For emerging market and developing economies with constrained policy environments, faster progress on implementing supply-enhancing reforms could result in greater-than-expected domestic and foreign investment and productivity and faster convergence to higher income levels.

Downside risks. Several adverse risks to global growth remain plausible:

- *Commodity price spikes amid geopolitical and weather shocks:* The conflict in Gaza and Israel could escalate further into the wider region, which produces about 35 percent of the world’s oil exports and 14 percent of its gas exports. Continued attacks in the Red Sea—through which 11 percent of global trade flows—and the ongoing war in Ukraine risk generating fresh adverse supply shocks to the global recovery, with spikes in food, energy, and transportation costs. Container shipping costs have already sharply increased, and the situation in the Middle East remains volatile. Further geoeconomic fragmentation could also constrain the cross-border flow of commodities, causing additional price volatility. More extreme weather shocks, including floods and drought, could, together with the El Niño phenomenon, also cause food price spikes, exacerbate food insecurity, and jeopardize the global disinflation process.
- *Persistence of core inflation, requiring a tighter monetary policy stance:* A slower-than-expected decline in core inflation in major economies due, for example, to persistent labor market tightness and renewed tensions in supply chains could trigger a rise in interest rate expectations and a fall in asset prices, as in early 2023. Such developments could increase financial stability risks, tighten global financial conditions,

trigger flight-to-safety capital flows, and strengthen the US dollar, with adverse consequences for trade and growth.

- *Faltering of growth in China:* Absent a comprehensive restructuring policy package for the troubled property sector, real estate investment could drop more than expected, and for longer, with negative implications for domestic growth and trading partners. Unintended fiscal tightening in response to local government financing constraints is also possible, as is reduced household consumption in a context of subdued confidence.
- *Disruptive turn to fiscal consolidation:* Fiscal consolidation is necessary in many economies to deal with rising debt ratios. But an excessively sharp shift to tax hikes and spending cuts, beyond what is envisaged, could result in slower-than-expected growth in the near term. Adverse market reactions could pressure some countries that lack a credible medium-term consolidation plan or face a risk of debt distress to undertake harsh adjustments. In low-income countries and emerging market economies, the risk of debt distress remains elevated, constraining scope for necessary growth-enhancing investments.

Selected Economies Real GDP Growth
(Percent change)

	Estimate		Projections		Difference from October 2023 WEO Projections 1/	
	2022	2023	2024	2025	2024	2025
Argentina	5.0	-1.1	-2.8	5.0	-5.6	1.7
Australia	3.8	1.8	1.4	2.1	0.2	0.1
Brazil	3.0	3.1	1.7	1.9	0.2	0.0
Canada	3.8	1.1	1.4	2.3	-0.2	-0.1
China	3.0	5.2	4.6	4.1	0.4	0.0
Egypt 2/	6.7	3.8	3.0	4.7	-0.6	-0.3
France	2.5	0.8	1.0	1.7	-0.3	-0.1
Germany	1.8	-0.3	0.5	1.6	-0.4	-0.4
India 2/	7.2	6.7	6.5	6.5	0.2	0.2
Indonesia	5.3	5.0	5.0	5.0	0.0	0.0
Iran 2/	3.8	5.4	3.7	3.2	1.2	1.2
Italy	3.7	0.7	0.7	1.1	0.0	0.1
Japan	1.0	1.9	0.9	0.8	-0.1	0.2
Kazakhstan	3.3	4.8	3.1	5.7	-1.1	1.1
Korea	2.6	1.4	2.3	2.3	0.1	0.0
Malaysia	8.7	4.0	4.3	4.4	0.0	0.0
Mexico	3.9	3.4	2.7	1.5	0.6	0.0
Netherlands	4.3	0.2	0.7	1.3	-0.4	-0.2
Nigeria	3.3	2.8	3.0	3.1	-0.1	0.0
Pakistan 2/	6.2	-0.2	2.0	3.5	-0.5	-0.1
Philippines	7.6	5.3	6.0	6.1	0.1	0.0
Poland	5.3	0.6	2.8	3.2	0.5	-0.2
Russia	-1.2	3.0	2.6	1.1	1.5	0.1
Saudi Arabia	8.7	-1.1	2.7	5.5	-1.3	1.3
South Africa	1.9	0.6	1.0	1.3	-0.8	-0.3
Spain	5.8	2.4	1.5	2.1	-0.2	0.0
Thailand	2.6	2.5	4.4	2.0	1.2	-1.1
Türkiye	5.5	4.0	3.1	3.2	0.1	0.0
United Kingdom	4.3	0.5	0.6	1.6	0.0	-0.4
United States	1.9	2.5	2.1	1.7	0.6	-0.1

Source: International Monetary Fund, World Economic Outlook, January 2024 Update.

Note: The selected economies account for approximately 83 percent of world output.

1/ Difference based on rounded figures for the current and October 2023 WEO forecasts.

2/ Data and forecasts are presented on a fiscal year basis.

(Source: <https://www.imf.org/en/publications/weo>)

Indian Economy Overview

Introduction

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in

nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

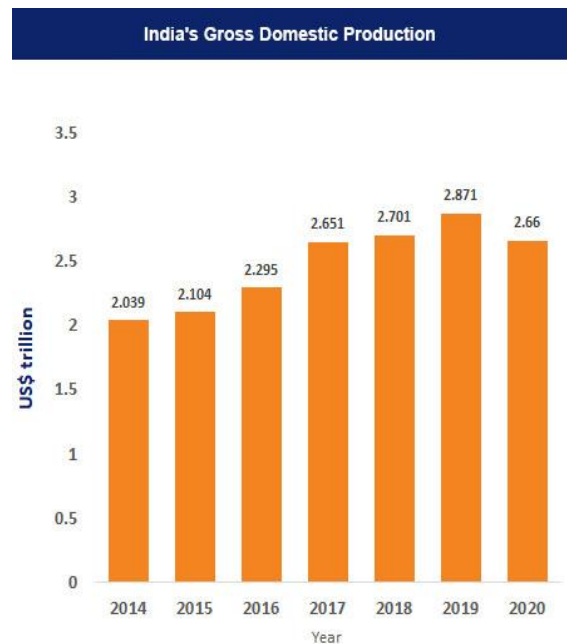
Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

Market size

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 172.90 lakh crores (US\$ 2.07 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 7.6% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.



According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. India's current account deficit (CAD) narrowed to 1.2% of GDP in the October-December quarter. The CAD stood at US\$ 10.5 billion for

the third quarter of 2023-24 compared to US\$ 11.4 billion or 1.3% of GDP in the preceding quarter. This was largely due to higher service exports.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of April 12, 2024, India's foreign exchange reserves stood at US\$ 643.162 billion.
- In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
- Merchandise exports in March 2024 stood at US\$ 41.68 billion, with total merchandise exports of US\$ 437.06 billion during the period of April 2023 to March 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In March 2024, the gross Goods and Services Tax (GST) stood at second highest monthly revenue collection at Rs.1.78 lakh crore (US\$ 21.35 billion), of which CGST is Rs. 34,532 crore (US\$ 4.14 billion), SGST is Rs. 43,746 crore (US\$ 5.25 billion).
- Between April 2000–December 2023, cumulative FDI equity inflows to India stood at US\$ 971.52 billion.
- In February 2024, the overall IIP (Index of Industrial Production) stood at 147.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 139.6, 144.5 and 187.1, respectively, in February 2024.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$

540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 8.06 billion) in India during January-April 2024.

- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).

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- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
 - The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.
 - On October 7, 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
 - Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
 - Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
 - In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
 - In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
 - In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
 - In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
 - India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
 - In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (Rs.) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.

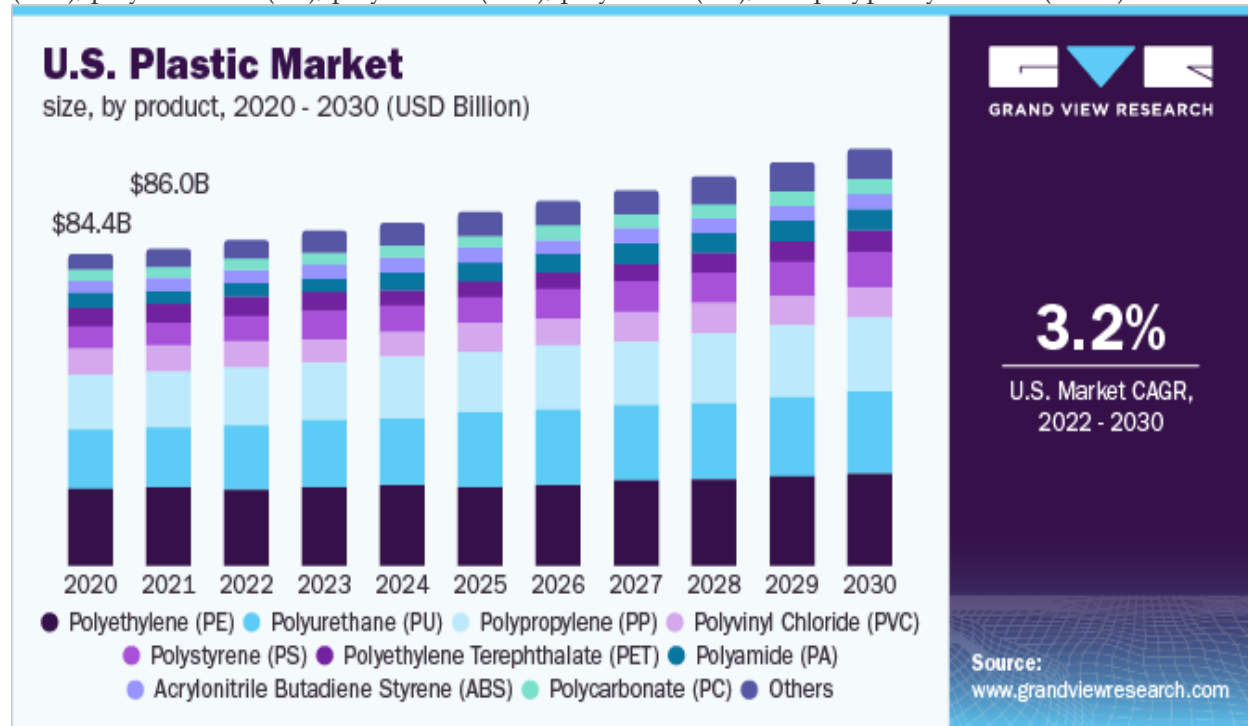
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on June 30, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from April 1, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.

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- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
 - In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
 - In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
 - In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
 - In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
 - In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
 - In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
 - Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
 - In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
 - Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
 - In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
 - To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.

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- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
 - In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
 - Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
 - On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system, help fuel liquidity, and boost the Indian economy.
 - National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
 - By November 1, 2021, India, and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
 - In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
 - In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
 - In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
 - India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
 - The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025

Global Plastic Market

The global plastic market size was estimated at USD 624.8 billion in 2023 and is expected to grow at a compound annual growth rate (CAGR) of 4.2% from 2024 to 2030. The increasing substitution of glass, metals, wood, natural rubber, and other materials, by plastics is expected to drive the global plastics market in the coming years. Furthermore, plastic resins is one of the most heavily regulated markets across the globe. A number of players are operating in the global resins market, offering a variety of plastic resins. Some of plastic resins are polystyrene (PS), polyethylene (PE), acrylonitrile butadiene styrene (ABS), polypropylene (PP), polybutylene terephthalate (PBT), polyphenylene oxide (PPO), polyurethane (PU), polyether ether ketone (PEEK), polyvinyl chloride (PVC), polyethylene terephthalate (PET), polycarbonate (PC), polysulfone (PSU), polyamide (PA), and polyphenylsulfone (PPSU).



Polypropylene is the most common resin used in several end-use industries. It is utilized in packaging, automotive parts, toys, and a variety of industrial components. It has good chemical and electrical resistance, hardness, a high melting point, stress resistance, and flexibility. The growing demand for polypropylene in the automotive and construction industries is expected to drive the growth of resin industry. The high consumer spending has increased the demand for individual vehicles, propelling the automotive industry and driving market expansion.

The U.S. dominated the North American market for plastic in 2023 and is expected to continue its dominance over the forecast period. The demand for plastic in the country is majorly generated from the expanding automotive industry coupled with the rise in a number of construction activities. Capacity addition and plant expansion by automotive companies in the U.S. are further expected to augment the demand for plastics compounding.

PET is expected to be one of the fastest-growing segments in the U.S. plastics market due to its high demand from the packaging sector. PET is mostly used in the production of bottles and contributes to a significant market share in plastics industry. Most PET processors in the U.S. are increasingly focusing on implementing Good Manufacturing Practices (GMPs) in an attempt to optimally utilize available resources, conserve resources, and increase production efficiency. These initiatives are further expected to boost the market growth of PET over the forecast period.

Increasing alternatives for glass, metals, natural rubber, wood, and other artificial materials by plastics is expected to drive the global plastics market. Various products such as olefins, PVC, polystyrene, and PET are rapidly replacing major materials in automotive, medical & healthcare, construction & infrastructure, and consumer goods applications. In addition, increasing awareness regarding the reduction of carbon emissions and favorable regulations are leading to the replacement of metals and heavy substances with lightweight plastics, especially in automobile and industrial machinery.

However, petrochemical prices are largely influenced by crude oil prices as the latter is a source for petrochemicals. Since major raw materials used in plastics are largely dependent on petrochemicals, volatility in crude oil prices is expected to result in fluctuation in the plastic market price over the forecast period.

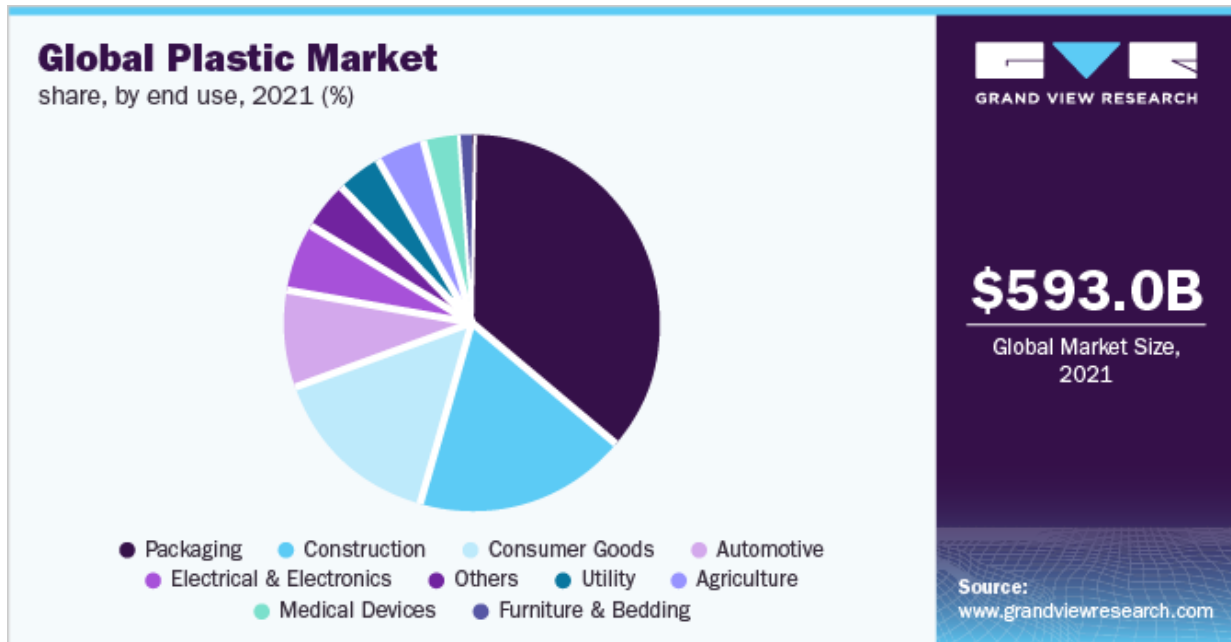
Market Concentration & Characteristics

The global plastics industry is highly consolidated in nature with the presence of various key players such as BASF SE, SABIC, Dow Inc., DuPont de Nemours, Inc., Evonik Industries AG, Sumitomo Chemical Co. Ltd., Arkema, Celanese Corporation, Eastman Chemical Company, among a few medium and small regional players operating in different parts of the world. The global players face intense competition from each other as well as from the regional players who have strong distribution networks and good knowledge about suppliers & regulations.



Companies in the market compete on the basis of product quality offered and the technology used for the production of plastics. Major players, in particular, compete on the basis of application development capability and new technologies used in product formulation. Established players such as BASF SE are investing in research & development activities to formulate new and advanced plastics compounds, which gives them a competitive edge over the other players.

To maintain a strong and healthy competitive environment across the marketplace, the global plastic companies have implemented various strategic initiatives such as acquisition & merger, new product launch, production expansion, and various others. For instance, in April 2023, Covestro AG announced the expansion of more sustainable polycarbonates. Covestro is setting up a separate compounding unit for PCR polycarbonates at its integrated location in Shanghai to accommodate increased demand.



Plastics such as Polyethylene Terephthalate (PET) and Polycarbonates (PC) are increasingly being used in the packaging of beverages, consumer goods, appliances, toys, and apparel. The packaging of appliances is expected to offer lucrative opportunities for market growth. The demand for packaging for healthcare products, groceries, and e-commerce transportation has increased sharply in the post-COVID period, while the demand for luxury, industrial, and some B2B transport packaging declined, owing to the suspension or slowdown of industrial production.

Moreover, the demand for plastic in consumer packaging is expected to shift drastically towards food packaging, owing to the shutdown of restaurants and foodservice outlets during the pandemic. The stockpile and panic purchases of food, groceries, and other homecare necessities are further expected to boost the aforementioned trend.

Asia Pacific dominated the market and held a revenue share of over 22.0% in 2023. Asian countries such as Vietnam, Indonesia, Thailand; China; Japan; and India are expected to emerge as the primary growth markets for plastics in Asia Pacific over the forecast period. Growing manufacturing sector is expected to propel the demand for plastic compounds in automotive, industrial machinery, construction, packaging, and electrical & electronics industries. In the recent past, India and China have witnessed a spike in automotive production owing to technology transfer to the sector from the Western markets.

China is the largest supplier and producer of plastic components in this region. The growth of the automotive and electronic markets and the subsequent demand for lightweight components to improve the efficiency of vehicles and reduce the weight of electronics components are the major factors contributing to the higher demand for plastic in the country.

(Source: <https://www.grandviewresearch.com/industry-analysis/global-plastics-market>)

Indian Plastic Market

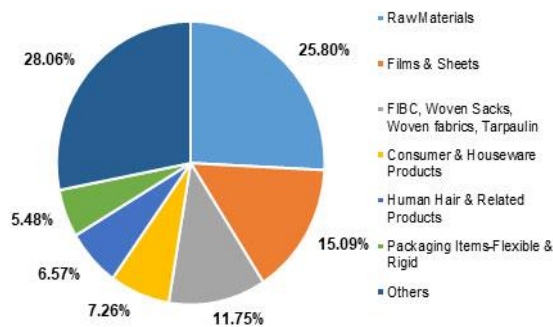
Indian plastic industry market is one of the leading sectors in the country’s economy. The history of the plastic industry in India dates to 1957 with the production of polystyrene. Since then, the industry has made substantial progress and has grown rapidly. The industry is present across the country and has more than 2,000 exporters. It employs more than 4 million people in the country and constitutes 30,000 processing units; among these, 85-90% belong to small and medium enterprises. India manufactures various products such as plastics and linoleum, houseware products, cordage, fishnets, floorcoverings, medical items, packaging items, plastic films, pipes, raw material, etc. The country majorly exports plastic raw materials, films, sheets, woven sacks, fabrics, and tarpaulin. The Government of India intends to take the plastic industry from a current level of Rs. 3 lakh crores (US\$ 37.8 billion) of economic activity to Rs. 10 lakh crores (US\$ 126 billion) in 4-5 years.

Ten Plastic Parks have been approved in the country by The Department of Chemicals and Petrochemicals. Among these, 6 plastic parks have received final approval from the following states - Madhya Pradesh (2 parks), Assam (1 park), Tamil Nadu (1 park), Odisha (1 park) and Jharkhand (1 park). These parks are intended to boost employment and attain environmentally sustainable growth.

In FY24 (Until February 2024), India’s plastic exports stood at US\$ 10.43 billion. During this period, the exports of human hair & related products, medical items, plastic pipes and FRP & composites grew by 12.7%, 8.9%, and 13.8%, respectively, over the same period last year.

In February 2024, the exports of Floorcoverings, leathercloth & Laminates witnessed a growth of 19.7%.

India’s product-wise share of plastics exports (2023-24*)



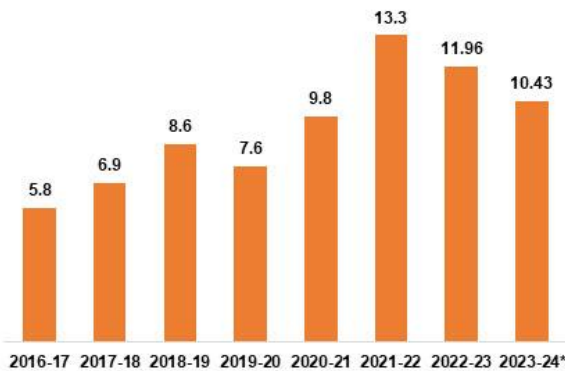
Note: *Until February 2024
Source: The Plastics Export Promotion Council of India (PLEXCONCIL)

on-year (YoY) to US\$ 10.43 billion.

The cumulative exports of plastics and related materials during 2022-23 were valued at US\$ 11.96 billion. This was a 10.4% decrease from the 2021-22 exports valued at US\$ 13.35 billion. Plastic raw materials were the largest exported category and constituted 27.76% of the total exports in 2022-23; it recorded a growth of 21.5% over the previous year. Plastic films and sheets were the second largest category, comprising 15.13% of the total exports, but declined by 10.6% over the previous year.

In February 2024, the exports of plastics and linoleum from India were valued at US\$ 996.9 million. During the same period, medical items of plastics; FRP & composites; packaging items; cordage fishnets & monofilaments and floorcoverings, leathercloth, & laminates recorded strong growth. The cumulative exports for April-February 2024 declined by 4.4% year-

India's plastics and linoleum exports (US\$ billion)



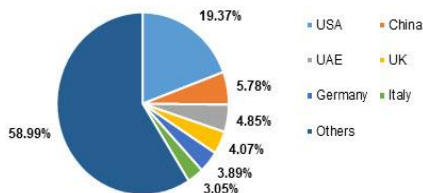
Note: *Until February 2024
Source: DGCI&S, PLEXCONCIL

India exports plastic to more than 200 countries in the world. The top five consumer and houseware product importing countries are the USA, Germany Japan, the UK, and France. India largely exports plastic and related products to the USA, China, the UAE, the UK, Germany, Italy, Bangladesh, etc. The total value of exports to the USA, the largest consumer of the Indian plastic industry, stood at US\$ 2.31 billion in 2022-23, a decrease of 4.71% YoY. China was the second largest consumer of plastic export products from India and the total value of exports stood at US\$ 690.95 million. The USA and China constituted 19.37%, and 5.78%, of the total plastic exports in 2022-23.

The total plastic exports from India to France during 2022-23 was around US\$ 211.4 million. In order to boost exports to France and Europe, PLEXCONCIL collaborated with the Indo-French Chamber in the first quarter of 2021-22. The Minister for Commerce and Industry, Mr. Piyush Goyal, recently urged industry to adopt international standards to help it expand its global footprint. India has recently signed a free-trade agreement with UAE and Australia, which will give the plastics industry new opportunities.

GOVERNMENT INITIATIVES

Country-wise share in exports of plastic products during 2022-23



Source: PLEXCONCIL

The Plastic Export Promotion Council (PLEXCONCIL) has set a target to increase the plastic exports of the country to US\$ 25 billion by 2027. There are multiple plastic parks that are being set up in the country in a phased manner that will help improve the plastic manufacturing outputs of the country. Under the plastic park schemes, the Government of India provides funds of up to 50% of the project costs or a ceiling cost of Rs. 40 crore (US\$ 5 million) per project.

Government initiatives like "Digital India", "Make in India", and "Skill India" will also boost India's Plastic industry. For instance, under the "Digital India" program, the government aims to reduce the import dependence on products from other countries, which will lift the local plastic part manufacturers.

The government also launched a program for building Centres of Excellence (CoEs) to develop the existing petrochemical technology and promote the research environment pertaining to the sector in the country. This will aid in promoting and developing new applications of polymers and plastics in the country. Additionally, about 23 Central Institute of Plastics Engineering & Technology (CIPET) have been approved to accelerate financial and technological collaboration for promoting skills in the chemicals and petrochemicals sector.

(Source: www.ibef.org)



OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read section titled "Risk Factors" on page 24, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 123 and 128, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Standalone and Consolidated Financial Statements.

Overview

Our Company was originally incorporated as "A F Investment Private Limited" a private limited company vide a certificate of incorporation dated August 18, 1983, issued by the Registrar of Companies, NCT of Delhi & Haryana, under the provisions of the Companies Act, 1956. Subsequently, our Company was converted into a public limited company, following which the name was changed to "AF Investment Limited" and a fresh certificate of incorporation was issued on November 24, 1983 by the Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to "A F Enterprises Limited" and a fresh certificate of incorporation consequent on change of name dated May 14, 1991, was issued by, the Registrar of Companies, Delhi & Haryana.

Our Company is engaged in the Trading and production/Manufacturing product range encompassing plastic molded components under the brand name "RIDH". The brand "RIDH" is the Trademark showcasing the entire Product range.

Our Company is engaged in manufacturing and distribution of Plastic Moulded Component. Injection moulding is a formative manufacturing technology, i.e. material is formed from an amorphous shape into a fixed shape defined by a mould tool. Almost every plastic part created today is by injection moulding as it allows identical parts to be created in huge numbers, in a short space of time, and at very low cost per part.

The process works as follows:

- 1) A mould cavity defines the shape of the part.
- 2) Material (melted plastic) is injected under pressure into the cavity.
- 3) When the plastic cools it solidifies to take the form defined by the mould.
- 4) The part is ejected, and the process repeats from step 2.

Our Company is having 35 Injection Moulding Machines Start with 100 Tones to 850 Tones we can produces anything in Plastic upto 3.5 kg Apart from Machines we haves own toll room along with R&D team for New Product Development. Our State of art facility is situated at Plot No. 8, Main Mathura Road, Sector 5, Faridabad, Haryana - 121006.

Our Company has emerged into a national entity as a complete innovation for its own type of manufactured products. We offer a wide range of Plastic Moulded components in a systematic manner to ensure easy and accurate selection, with the simultaneous advantage of providing the most cost-effective solutions for customers. We have established itself as an innovative leader and quality manufacturer by

continuously upgrading its technology, modernizing manufacturing facilities and maintaining highest standards of quality and services.

Our Company is ISO Certified ISO 9001:2015 for Quality Management System, ISO 14001:2015 for Environmental Management System and ISO 45001:2018 for Occupational Health and Safety Management System.

Our Company has one subsidiary named Aunik IT Solutions Private Limited having its registered office at 9A/11, Ground Floor, East Patel Nagar, Patel Nagar East, Central Delhi, New Delhi, Delhi, India, 110008. The Company is engaged into data solutions with scanning and provide search of any documents with the use of Artificial intelligence and to provide optimized e-commerce solutions via web, mobile and other state of the art technology platforms to customers in India and abroad.

Application area of our products:

- **Agriculture**
- **Power**
- **Construction**
- **Engineering**
- **FMCG**
- **Safety & Health**
- **Pharma**
- **Medical**
- **Packing**
- **Consumer Goods**

Image of Manufacturing facility



PLANT & MACHINERY



INJECTION MOLDING MACHINE



PAD PRINTING



ULTRA SONIC WELDING



JET MASTER INJECTION MOLDING MACHINE



SUPER MASTER INJECTION MOLDING MACHINE



PASL INJECTION MOLDING MACHINE



WINDSOR INJECTION MOLDING MACHINE

NUMBER OF MACHINES -

INJECTION MOLDING M/c - 35 no's

PAD PRINTING - 6 no's

ULTRA SONIC WELDING - 1 no's

CAPACITY - 100 to 850 Tons



OUR PRODUCTS

Plastic Division

 <p>RO Water Purifier</p>	 <p>Plastic Containers</p>
 <p>Havells DB box part</p>	 <p>COVID Eye Goggles</p>
 <p>Dustbin</p>	 <p>Washing machine back panel</p>
 <p>Safety Helmet</p>	 <p>Plastic Crate</p>

PROTECTIVE GEAR

We manufacture safety helmets that cater to numerous industries. Made with specially formulated polymer for enhanced strength and durability.

SPECIFICATIONS

Main Category (*Mandatory Field)	Model No	Size	WEIGHT	Product Description
SAFETY HELMET	RX-RIDH/045	270x210x120	340GM	INDUSTRIAL HELMETS
SAFETY HELMET MEDIUM	RX-RIDH/047	271x209x111	250G5MS	INDUSTRIAL HELMETS
SAFETY HELMET LITE	RX-RIDH/048	271x209x111	250GMS	INDUSTRIAL HELMETS
SAFETY HELMET WITH LED	RX-RIDH/046	270x210x120		INDUSTRIAL HELMETS



Main Category (*Mandatory Field)	Model No	Size	WEIGHT	Product Description	
PLASTIC CRATES	RX-RIDH/031	600x400x175	1750GMS	INDUSTRIAL CRATES, ALL PURPOSE CRATES	
PLASTIC CRATES	RX-RIDH/030	600x400x280	2700GMS	INDUSTRIAL CRATES, ALL PURPOSE CRATES	
PLASTIC CRATES	RX-RIDH/032	400x300x175	1050GMS	INDUSTRIAL CRATES, ALL PURPOSE CRATES	
PLASTIC CRATES	RX-RIDH/033	400x300x150	950GMS	INDUSTRIAL CRATES, ALL PURPOSE CRATES	
FRUITS & VEGETABLES CRATES	RX-RIDH/034	540x360x300	1500GMS	PERFORATED FRUITS & VEGETABLES CRATES	

Main Category (*Mandatory Field)	Model No	Size	WEIGHT	Product Description	
PLASTIC SPOON	RX-RIDH/026		4GMS		
PLASTIC FORK	RX-RIDH/027		3GMS		

Main Category (*Mandatory Field)	Model No	Size	WEIGHT	Product Description
PLASTICTILES	RX-RIDH/025	1' x 1'	510GMS	Load Capacity : 20 Tons
PLASTICTILES	RX-RIDH/029	7" x 6"	180GMS	Load Capacity : 20 Tons
PLASTIC DUSTBIN	RX-RIDH/024	12Lts	530GMS	Domestic Dustbin Square without Lid
PLASTIC DUSTBIN	RX-RIDH/044	8Lts	250GMS	Domestic Dustbin Round without Lid



FRUITS & VEGETABLES CRATES



542x360x300 BIS
1780 gm



542x360x300
1560 gm



540X360X300
1450 gm

INDUSTRIAL CRATES



400X300X120
900 gm



400X300X150
950 gm



400X300X175
1050 gm



400X300X220
1350 gm



600X400X120
1500 gm



600X400X150
1520 gm



600X400X175
1750 gm



600X400X220
2000 gm



600X400X280
2700 gm



600X400X320
2900 gm



600X400X425
3450 gm

SAFETY GOGGLES



Model No-52



Model No-53



Model No-54



Model No-55



Model No-56



Model No-57

MILK CRATES

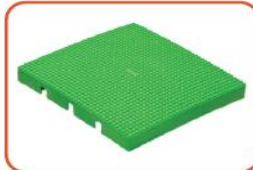


471X378X168
1500 gm



471X378X175
1500 gm

PLASTIC TILES



1' x 1'



7" x 6"

HELMETS



270X210X120
340 gm



271X209X111
250 gm



271X209X111
250 gm



270X210X120

DUSTBIN



10 Litre Swing



80 Litre




660 Litre

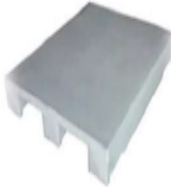



1100 Litre

	<p>1100x1100x120 mm Ridh/PT/001</p>	Deck	Perforated
		Color	Blue
		Runner	6
		Entry	4 Way
		Static Load	up to 2000 kg
		Dynamic Load	750
		MOC	HDPE
		Pallet Weight	7.5 Kg. +-1%
	<p>1200x1000x160 mm Ridh/PT/002</p>	Deck	Perforated
		Color	Blue
		Runner	3
		Entry (2 way clear 2 way restricted)	4 Way
		Static Load	Up to 3000 kg
		Dynamic Load	Up to 750 Kg
		Racking Load	Up to 500 Kg
		MOC	HDPE/ PP+ 4nos. MS Rod
Pallet Weight	14 Kg. +-1%		

	1200x1000x135 mm Ridh/PT/003		<table border="1"> <tbody> <tr><td>Deck</td><td>Plain</td></tr> <tr><td>Color</td><td>Blue</td></tr> <tr><td>Entry</td><td>4 way</td></tr> <tr><td>Leg</td><td>9</td></tr> <tr><td>Static Load</td><td>Up to 2500 Kg</td></tr> <tr><td>Dynamic</td><td>Up to 750 Kg</td></tr> <tr><td>MOC</td><td>HDPE</td></tr> </tbody> </table>	Deck	Plain	Color	Blue	Entry	4 way	Leg	9	Static Load	Up to 2500 Kg	Dynamic	Up to 750 Kg	MOC	HDPE				
Deck	Plain																				
Color	Blue																				
Entry	4 way																				
Leg	9																				
Static Load	Up to 2500 Kg																				
Dynamic	Up to 750 Kg																				
MOC	HDPE																				
	1200x800x145 mm Steel reinforced Ridh/PT/004		<table border="1"> <tbody> <tr><td>Deck</td><td>Perforated</td></tr> <tr><td>Color</td><td>Blue</td></tr> <tr><td>Runner</td><td>3</td></tr> <tr><td>Entry (2 way clear 2 way restricted)</td><td>4</td></tr> <tr><td>Static Laod</td><td>2500 Kg</td></tr> <tr><td>Dynamic Load</td><td>Load Bearing Capacity Uniformly</td></tr> <tr><td>Racking Load</td><td>Distributed</td></tr> <tr><td>MOC</td><td>HDPE</td></tr> <tr><td>Pallet Weight</td><td>14 Kg.+1%</td></tr> </tbody> </table>	Deck	Perforated	Color	Blue	Runner	3	Entry (2 way clear 2 way restricted)	4	Static Laod	2500 Kg	Dynamic Load	Load Bearing Capacity Uniformly	Racking Load	Distributed	MOC	HDPE	Pallet Weight	14 Kg.+1%
Deck	Perforated																				
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	1200x800x145 mm Ridh/PT/005		<table border="1"> <tbody> <tr><td>Deck</td><td>Perforated</td></tr> <tr><td>Color</td><td>Blue</td></tr> <tr><td>Runner</td><td>3</td></tr> <tr><td>Entry (2 way clear 2 way restricted)</td><td>4 Way</td></tr> <tr><td>Static Laod</td><td>1500</td></tr> <tr><td>Dynamic Load</td><td>Load Bearing Capacity Uniformly</td></tr> <tr><td>Racking Load</td><td>Distributed</td></tr> <tr><td>MOC</td><td>HDPE</td></tr> <tr><td>Pallet Weight</td><td>10 Kg.+1%</td></tr> </tbody> </table>	Deck	Perforated	Color	Blue	Runner	3	Entry (2 way clear 2 way restricted)	4 Way	Static Laod	1500	Dynamic Load	Load Bearing Capacity Uniformly	Racking Load	Distributed	MOC	HDPE	Pallet Weight	10 Kg.+1%
Deck	Perforated																				
Color	Blue																				
Runner	3																				
Entry (2 way clear 2 way restricted)	4 Way																				
Static Laod	1500																				
Dynamic Load	Load Bearing Capacity Uniformly																				
Racking Load	Distributed																				
MOC	HDPE																				
Pallet Weight	10 Kg.+1%																				
	1200x1000x150 mm (LLDPE- ROTO) Ridh/PT/006		<table border="1"> <tbody> <tr><td>Deck</td><td>Plain</td></tr> <tr><td>Color</td><td>Off White</td></tr> <tr><td>Leg</td><td>9</td></tr> <tr><td>Entry</td><td>2 Way</td></tr> <tr><td>Static Laod</td><td>3000 Kg</td></tr> <tr><td>Dynamic Load</td><td>1000</td></tr> <tr><td>Racking Load</td><td>300</td></tr> <tr><td>MOC</td><td>LLDPE</td></tr> <tr><td>Pallet Weight</td><td>14 Kg.+1%</td></tr> </tbody> </table>	Deck	Plain	Color	Off White	Leg	9	Entry	2 Way	Static Laod	3000 Kg	Dynamic Load	1000	Racking Load	300	MOC	LLDPE	Pallet Weight	14 Kg.+1%
Deck	Plain																				
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Entry	2 Way																				
Static Laod	3000 Kg																				
Dynamic Load	1000																				
Racking Load	300																				
MOC	LLDPE																				
Pallet Weight	14 Kg.+1%																				

	1200x1000x160 mm (Injec. Mold.+ Top Sheet) Ridh/PT/007	Deck	Plain
		Color	Blue
		Runner	3
		Entry (2 way clear 2 way restricted)	4 way
		Static Laod	3000
		Dynamic Load	750
		Racking Load	500
		MOC	HDPE/ PP
		Pallet Weight	16 Kg.+1%

	1200x1000x160 mm (LLDPE + PU -Roto) Ridh/PT/008	Deck	Plain
		Color	Off white
		Runner	3
		Entry	2 Way
		Static Laod	3000
		Dynamic Load	1000
		Racking Load	300
		MOC	LLDPE + PU
		Pallet Weight	15 Kg.+1%

	1200x1000x160 mm (LLDPE -Roto) Ridh/PT/009	Deck	Plain
		Color	Off white
		Runner	3
		Entry (2 way clear 2 way restricted)	2 Way
		Static Laod	3000
		Dynamic Load	1000
		Racking Load	300
		MOC	LLDPE
		Pallet Weight	15 Kg.+1%

Premium Series

Waste Pedal Bin



DURABLE PADEL | 6 PIN MECHANISM | NON SLIP BOTTOM | HANDRAIL DESIGN

22L Waste Pedal Bin

22Ltr. Waste Pedal Bin

Key Features

- Made of 100% PP/HDPE material, one-time injection molding.
- Unaffected by moderate variation in temperature.
- Wide & strange foot pedal mechanism.
- lid minimize and smooth inner wall.
- wide mouth and smooth inner wall, easy clean and sterilization.
- Reinforced base, front and rear panels for greater stability.
- It is easily stack able for storage in environments with limited space.
- The thickened barrel body is more durable and easy to stand without breaking.



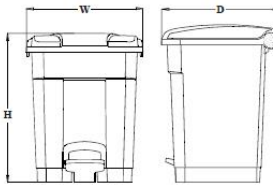
Technical Specifications

Model No.	Capacity	GSPP - 22
Dimension (DxWxH)		23 Ltr.
Material		325 x 337 x 430
		PPCP / HDPE

Colour Options



Dimensions



45Ltr. Waste Pedal Bin

Key Features

- Made of 100% PP/HDPE material, one-time injection molding.
- Unaffected by moderate variation in temperature.
- Wide & strange foot pedal mechanism.
- lid minimize and smooth inner wall.
- wide mouth and smooth inner wall, easy clean and sterilization.
- Reinforced base, front and rear panels for greater stability.
- It is easily stack able for storage in environments with limited space.
- The thickened barrel body is more durable and easy to stand without breaking.



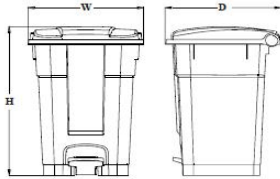
Technical Specifications

Model No.	Capacity	GSPP - 45
Dimension (DxWxH)		45 Ltr.
Material		400 x 403 x 575
		PPCP / HDPE

Colour Options



Dimensions



60Ltr. Waste Pedal Bin

Key Features

- Made of 100% PP/HDPE material, one-time injection molding.
- Unaffected by moderate variation in temperature.
- Wide & strange foot pedal mechanism.
- lid minimize and smooth inner wall.
- wide mouth and smooth inner wall, easy clean and sterilization.
- Reinforced base, front and rear panels for greater stability.
- It is easily stack able for storage in environments with limited space.
- The thickened barrel body is more durable and easy to stand without breaking.



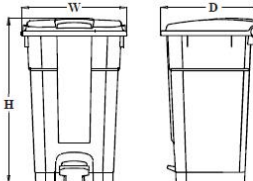
Technical Specifications

Model No.	Capacity	GSPP - 60
Dimension (DxWxH)		60 Ltr.
Material		427 x 440 x 690
		PPCP / HDPE

Colour Options



Dimensions



Super Series

Waste Pedal Bin



DURABLE PEDAL

STEP DESIGN

NON SLIP BOTTOM

CONNECTING ROD

12Ltr. Waste Pedal Bin

Key Features

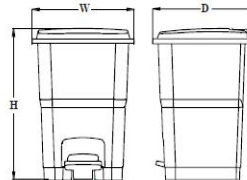
- Made of 100% PP/HDPE material, one-time injection molding.
- Unaffected by moderate variation in temperature.
- Wide & strange foot pedal mechanism.
- Lid minimize and smooth inner wall.
- wide mouth and smooth inner wall, easy clean and sterilization.
- Reinforced base, front and rear panels for greater stability.
- It is easily stack able for storage in environments with limited space.
- The thickened barrel body is more durable and easy to stand without breaking.



Colour Options



Dimensions



Technical Specifications

Model No.	Capacity	GSSP - 12
Dimension (DxWxH)		12 Ltr.
Material		290 x 285 x 315
		PPCP / HDPE



16Ltr. Waste Pedal Bin

Key Features

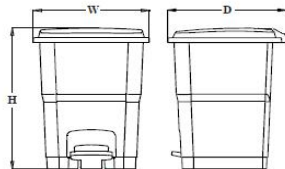
- Made of 100% PP/HDPE material, one-time injection molding.
- Unaffected by moderate variation in temperature.
- Wide & strange foot pedal mechanism.
- lid minimize and smooth inner wall.
- wide mouth and smooth inner wall, easy clean and sterilization.
- Reinforced base, front and rear panels for greater stability.
- It is easily stack able for storage in environments with limited space.
- The thickened barrel body is more durable and easy to stand without breaking.



Colour Options



Dimensions



Technical Specifications

Model No.	Capacity	GSSP - 16
Dimension (DxWxH)		16 Ltr.
Material		290 x 285 x 315
		PPCP / HDPE



32Ltr. Waste Pedal Bin

Key Features

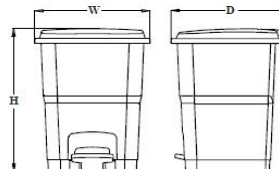
- Made of 100% PP/HDPE material, one-time injection molding.
- Unaffected by moderate variation in temperature.
- Wide & strange foot pedal mechanism.
- lid minimize and smooth inner wall.
- wide mouth and smooth inner wall, easy clean and sterilization.
- Reinforced base, front and rear panels for greater stability.
- It is easily stack able for storage in environments with limited space.
- The thickened barrel body is more durable and easy to stand without breaking.



Colour Options



Dimensions



Technical Specifications

Model No.	Capacity	GSSP - 32
Dimension (DxWxH)		32 Ltr.
Material		365 x 360 x 465
		PPCP / HDPE



ECO Series

Waste Pedal Bin

Feature



EASY PEDAL
Thick end pedal design, pedal open cover light and hygienic, wear - resistant and non-slip.

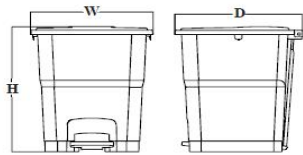
SEALED LID
Seal the lid of the barrel to isolate the smell and make it more hygienic to us.



Colour Options



Dimensions



Technical Specifications:

Model No.	Capacity	GSEP - 20
Dimension (DxWxH)	20 Ltr.	
Material	320x306x380	
	PPCP / HDPE	

60Ltr. PADEL WHEEL BIN

A 60-liter Padel & Wheel Bin is a sturdy waste container with wheels and a lid for easy transport and disposal of waste. It's designed for both residential and commercial use, featuring a pedal-operated lid, durable construction, and the convenience of wheels for effortless mobility. Ideal for keeping your surroundings clean and organized.



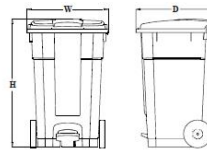
Technical Specifications

Model No.	Capacity	GSPW - 60
Dimension (DxWxH)	60 Ltr.	
Material	427 x 440 x 690	
	PPCP / HDPE	

Colour Options



Dimensions



Elegant Design
Lid open to 85° for easier bag removal

A Padel & Wheel Bin is a type of waste container designed for easy mobility and efficient waste

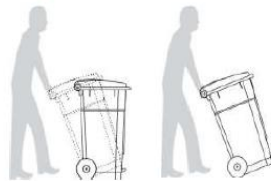
Key Features

- Made in injected plastic
- Wide & Strange foot pedal mechanism
- Lid minimize the smell escaping the bin
- Safe and easy to handle
- Lid actuated by pedal
- Wide mouth the smooth inner wall, easy clean and sterilization

Application

- Hospital • Institutes • Offices
- Medicals • Clinics • Hotels

Heavy Duty Roller



HEAVY DUTY ROLLER

Easy to transfer loads stability while and transferring

Out Door Waste Bins

Waste Pedal Bin

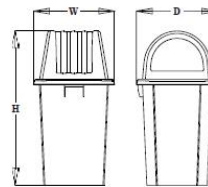
An outdoor waste bin is a robust and weather-resistant container designed for the disposal of waste in outdoor environments. It typically features a durable construction, a secure lid to prevent litter and odors, and is often available in various sizes to accommodate different outdoor spaces. These bins are commonly found in parks, public areas, streets, and outdoor facilities, providing a convenient and hygienic solution for waste collection in outdoor settings.



Colour Options



Dimensions



Technical Specifications:

Model No.	Capacity	Dimension (DxWxH)	Material
GSDL - 50	54 Ltr.	407x407x745	PPCP / HDPE
GSDL - 60	65 Ltr.	407x407x890	PPCP / HDPE



Wringer Trolley 2 & 3 Buckets



Key Features

- ⊗ Two & Three Bin Options Available
- ⊗ Long Handle for Easy Handling
- ⊗ High Quality Down Press Wringer for Easy Squeezing
- ⊗ The Bucket Capacity is 20 Ltr. Each
- ⊗ Lockable Wheels

BIOHAZARD WASTE COLLECTION BAGS



Key Features

- ⊗ Biodegradable
- ⊗ Environment Friendly
- ⊗ Chlorine Free
- ⊗ Meets all BMW Disposal Norms
- ⊗ Certified & Tested by Leading test Agencies

Available Colors



These are the standard available sizes. In case there is requirement of specific size, then the MOQ will be 300 Kgs. in one colour.

Size Available

20" x 24" / 24" x 26" / 32" x 42"



Noise Free



Easy to Clean



Rust Free



No Dents





A F ENTERPRISES LIMITED

(CIN- L18100DL1983PLC016354)

Our Vision:

We believe in a future where innovation and sustainability go hand in hand. Our vision is multi-faceted and forward-thinking, encompassing our dedication to the environment, our leadership in the industry, and our unwavering focus on customer satisfaction.

1. Innovating for a Safer, Smoother Society

Our goal is to leverage cutting-edge technology to contribute to a safer and more efficient world. Through our advanced manufacturing processes and products, we aim to enhance the quality of life while ensuring safety and reliability in every component we produce.

2. Leading in Plastic Solutions

AF Enterprises Ltd. aspires to be the preeminent leader in the field of plastic solutions. We are committed to not just meeting the industry's highest standards but setting them. Our dedication to excellence drives us to continuously develop top-notch products that stand out in the market.

3. Preferred Supplier Across Industries

Our ambition extends to becoming the go-to supplier for businesses across diverse industry verticals. We understand the unique needs of our clients and are committed to providing customized solutions that cater to a wide range of applications and sectors.

4. Customer-Centric Approach

At the heart of our operations is a deep-seated commitment to our customers. We prioritize their needs and strive to build lasting relationships based on trust, reliability, and exceptional service. Our customer-centric approach ensures that every product we deliver meets the highest standards of quality and performance.

5. Continuous Improvement and Innovation

In a rapidly evolving industry, standing still is not an option. We are dedicated to continuous improvement and innovation, always seeking new ways to enhance our processes, products, and services. Our focus on research and development ensures that we remain at the forefront of technological advancements and industry trends.

6. Environmental Responsibility

We recognize the importance of protecting the global environment and are committed to sustainable practices in every aspect of our operations. From using eco-friendly materials to optimizing our production processes for minimal waste, we strive to minimize our environmental footprint and contribute to a greener planet.



Our Mission:

At AF Enterprises Ltd., our mission is clear and unwavering: to acquire a competitive edge both domestically and globally by harnessing the power of innovation and cutting-edge technology. We aim to expand our product portfolio with superior quality offerings while consistently creating value for all our stakeholders.

1. Leveraging Innovation and Modern Technology

Innovation is the heartbeat of our company. We continually invest in the latest technologies to enhance our manufacturing processes and product quality. Our state-of-the-art facilities, including advanced injection molding and precision tooling equipment, are testament to our commitment to staying ahead of the curve. By integrating modern technology into every aspect of our operations, we ensure that our products meet the highest standards of excellence and durability.

2. Expanding Our Product Portfolio

Growth and diversification are key pillars of our mission. We strive to broaden our product offerings to meet the evolving needs of our customers. Whether it's developing new plastic components or enhancing existing products, we focus on providing comprehensive solutions that add value and exceed expectations. Our extensive range of capabilities enables us to cater to a wide variety of applications across different industries, ensuring that we are the preferred choice for businesses worldwide.

3. Creating Value for Stakeholders

We are dedicated to creating and delivering value to all our stakeholders:

- **Customers:** By consistently providing high-quality, innovative products and exceptional service, we build lasting relationships based on trust and satisfaction.
- **Suppliers:** We foster strong partnerships with our suppliers, ensuring a reliable and efficient supply chain that supports our operational excellence.
- **Shareholders:** We are committed to maximizing shareholder value through sustainable growth and strategic investments that drive long-term profitability.
- **Statutory and Regulatory Bodies:** We adhere to all regulatory requirements and industry standards, demonstrating our commitment to compliance and ethical business practices.
- **Employees:** Our employees are our greatest asset. We create a supportive and dynamic work environment that encourages professional development, innovation, and a shared sense of purpose.
- **Society:** We recognize our responsibility to the wider community and are committed to making a positive impact through sustainable practices and initiatives that contribute to the well-being of society.

4. Continuous Improvement and Innovation

Our journey is one of continuous improvement. We believe that there is always room for enhancement, and we are constantly seeking ways to refine our processes and products. This culture of perpetual improvement drives us to innovate and adapt, ensuring that we remain at the pinnacle of the plastic

industry. By fostering an environment that encourages creativity and innovation, we empower our team to develop cutting-edge solutions that meet the demands of a rapidly changing world.

5. Commitment to Excellence

Excellence is not just a goal but a fundamental part of our identity at AF Enterprises Ltd. Every product we manufacture and every service we provide reflects our unwavering dedication to quality. Through rigorous testing, meticulous attention to detail, and a deep understanding of our customers' needs, we ensure that our solutions are not only reliable but also exceptional.

OUR KEY UNIQUE BUSINESS STRENGTHS ARE:

- 1) **Organizational Stability:** Our organization has been in this industry for 25 years which itself proves our ability to weather through economic and business cycles.
- 2) **Experienced Promoters and a well-trained employee base** – Our management is experienced in our line of business. Our management and employee team combines expertise and experience to outline plans for the future development of the company. Since starting of operations, we have witnessed consistent and stable growth. Our Promoter has significant industry experience and has been instrumental in the consistent growth of our company. We believe that the knowledge and experience of our promoter and management will enables us to identify new opportunities, rapidly respond to market conditions, adapt to changes in the business landscape and competitive environment and enhances the growth in the business.
- 3) **Strong financial position** - We believe that our strong financial position will provide us with the financial flexibility to fund our growth and expansion and allow us to respond quickly and competitively to further capitalise on emerging opportunities in the market.
- 4) **Improving functional efficiency** – Our Company intends to improve operating efficiency to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer services.
- 5) **Established brand and image**– We are engaged in providing services to our clients and over the years, we believe that we have established ourselves as a reliable brand in India wherein our clients trust us for our quality, consistency and continuous performance.

OUR BUSINESS STRATEGIES:

1. **Expanding our Clientele Base:** - Our Company is strategizing to strengthen its cliental base. Our present customer base comprises of a large number of Overseas & Indian Companies/concerns. Our Company intends to grow business continuously by adding new customers.
2. **Leveraging our Market skills and Relationships:** - This is a continuous process in our organization and the skills that we impart in our people to give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.



3. **Pursue strategic acquisitions:** In order to expand, we seek to identify acquisition targets and/or joint venture partners whose resources, capabilities, technologies and strategies are complementary to and are enabling us to establish our presence in new geographical locations.
4. **Improving operational efficiencies:** Improving operational efficiencies is the key to success of any business. Our Company intends to improve efficiencies to achieve cost reductions so that they can be competitive. We believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions will enable us to penetrate into new catchment areas within these regions. As a result of these measures, our Company will be able to increase its market share and profitability.

COMPETITION

The industry in which we operate is highly competitive and fragmented. We have a lot of competition from regional and national carriers who are in business of manufacturing of Plastic moulded components. We compete a lot with other manufacturing and trader on basis of Service quality, price and reliability. While these factors are key Parameters in client's decision making matrix in availing service, we try to offer the best service at the most economical price. We provide services at a large scale and we provide options of various airlines which makes us offer best quality service in comparisons to our competitors.

We believe that scale of our operations allows us to meet customer requirements better than small manufacturer and distributors.

Due to industry fragmentation, there is no authentic data available to our Company on total Industry size and market share of Our Company vis-vis Competitors.

MARKETING STRATEGY:

We undertake an exercise periodically to identify existing and prospective customers with the potential to develop into large clients. Our senior management is actively involved in managing customer relationships and business development through targeted interaction with multiple contacts at different levels on an ongoing basis. Our Company proposes to market the products to the major users of our products viz. infrastructure industry, construction industry, transportation and process engineering industry etc. We also propose to market our products through placing advertisement in newspapers, trade journals, participate in exhibitions and trade fairs and display our wide range of products to promote our products.

EXPORT POSSIBILITIES & EXPORT OBLIGATION:

We do not have any outstanding export obligations.

QUALITY:

We are wholly committed to build and sustain itself as an organization where quality shall be the hallmark of every aspect. We check the entire process right from procurement of materials to final delivery. Our maximum attention is paid to upgrade our process and system to achieve consistent product quality and customer satisfaction.

To maintain our quality policy, we shall follow the basic system in the organization which are:

- All the members shall participate in achieving the targets
- There should be transparency in ideas and methods of implementation for quality improvement in every step and every corner of production and testing
- A laid down procedure to maintain quality shall be implemented and distributed in respective areas
- There shall be clear instructions to maintain laid down quality checking
- Quality checking shall be start from in-coming raw material stage, pass through processing stage, final product, packing, storage and up to final stage of dispatch.

OUR PROPERTIES:

Sr. No.	Location of the property	Licensor/Lessor	Lease Rent/ License Fee	From	To
1	15/18 Basement B Portion, West Patel Nagar, West, Central Delhi, India, 110008	Mr. Vivek Kumar	Rs. 10,000/- p.m.	01/06/2024	30/04/2025
2	Plot No. 8, Sector-5 Main Mathura Road, Ballabgarh, Faridabad, Haryana, India, 121006	Horizon Global Limited	Rs. 4,60,000/-p.m.	01/05/2022	30/04/2027

Our clients:

PSU's



Private



OUR MANAGEMENT

Board of Directors

Currently, our Company has 5 (Five) Directors on our Board comprising of 2 (Two) Executive Directors, and 2 (Two) Independent Directors and 1 (One) Non Executive and Non Independent Director. The composition of the Board of Directors is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the norms of the code of corporate governance as applicable to listed companies in India.

The Articles of Association provide that our Company shall not have less than three Directors and not more than such number as provided in the Companies Act, 2013.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each Annual General Meeting. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five years each.

The following table sets forth details regarding our Board of Directors as of the date of this Letter of Offer.

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Date of Birth	Status of Directorship in our Company	Other Directorships
1. Mr. Santosh Kumar Kushawaha S/o Ram Niwas Kushwaha 395, 2nd Floor, 46, Near Vardhman Public School, Amarnagar, Faridabad, Haryana-121003. Occupation: Business Nationality: Indian Tenure: Five years DIN: 02994228 PAN: AQOPK3040N	02.03.1987	Managing Director	1. Kamal Skilled Games (OPC) Private Limited 2. SNP Infosolutions Limited Liability Partnership 3. RDS Corporate Services Private Limited 4. Zotila Pharmaceuticals Limited
2. Mr. Abhishek Singh S/o Krishna Chandra Singh 3rd Floor, G1/244, Indra Enclave Sector-21d, St. Luke High School, Faridabad, Haryana-121001. Occupation: Service Nationality: Indian Tenure: Five Years DIN: 03603706 PAN: BWXPS8369G	10.07.1985	Whole Time Director & CFO	Nil

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Date of Birth	Status of Directorship in our Company	Other Directorships
3. Mr. Manishkumar Mehta S/o Prafulbhai Mehta F-6, Ratnasagar Complex, Opp. Gulab Tower, Sola Road, Thaltej, Ahmedabad, Gujarat- 380059 Occupation: Business Nationality: Indian Tenure: Retire by rotation DIN: 07656957 PAN: AKAPM8873F	28.09.1970	Non-Executive and Non-Independent Director	Nil
4. Mr. Tinku Kathuria S/o Bharat Bhushan House No. 1740, Ward No. 5, Jawahar Colony, Faridabad-121001 Occupation: Business Nationality: Indian Tenure: Five years DIN: 08699650 PAN: AOTPT0798M	01.08.1992	Non-Executive and Independent Director	Nil
5. Ms. Preeti S/o Mahesh Garg 3rd - F-27, Nehru Nagar, Ghaziabad, Uttar Pradesh-201001. Occupation: Service Nationality: Indian Tenure: Five years DIN: 09662113 PAN: CQSPP2363K	06.07.1984	Non-Executive and Independent Director	1. Kotia Enterprises Limited 2. Vintage Coffee and Beverages Limited 3. Artificial Electronics Intelligent Material Limited 4. Elitecon International Limited 5. Rajnish Wellness Limited

Relationship between Directors

None of the Directors are related to each other as per the provisions of the Companies Act, 2013.

Brief Profiles of Directors

1. Mr. Santosh Kumar Kushawaha:

Mr. Kushawaha was graduated in 2007 with BCA in Computers and did his PGDM in 2009 from IIPM University, Delhi. He started his career with Money Mine India as a researcher in stock market in 2009 till 2012, and then in 2012 he started his own investment Company and invested through stock market.

In 2016, Mr. Kushawaha appointed as a MD in A F Enterprises Ltd. but in 2017 he resigned from the Company due to personal reasons and started his own Firm naming Dr. Compliance where he used to advise compliance related matters to multiple Companies listed on BSE, he grew that business very early and turned the Company's turnover to manifold. Dr. Compliance is a renowned name in market for compliances related to stock exchange.

Mr. Kushawaha again appointed as MD in A F Enterprises in 2019 and emerge with a brand name of RIDH. His efforts made the Company profitable from a continuous loss of 3 years; the revenues grew over 10 times. He looks after day-to-day routine operational activities of our Company and formulation of business policies, strategies etc. He guides company in its growth strategies.

2. Mr. Abhishek Singh:

Mr. Abhishek is Master's in Business Administration. He is having more than 12 years of experience in accounts & Finance. He got appointed as Director in the Company in 2015 and as a CFO in the Company in the year 2019. He has worked in big organizations like Sahara, SGS Transpole Logistics India pvt. Ltd. and Hellmann Worldwide Logistics India pvt. Ltd and serve them in a managerial role. He is working in AF Enterprises since 2015 and given his valuable time to the organization. He looks after day-to-day routine operational activities of our Company.

3. Mr. Manishkumar Mehta:

Mr. Manish Kumar Mehta possesses a diverse skill set and extensive experience in the financial industry, making him a valuable asset for directorship roles. His educational background and hands-on experience uniquely position him to contribute to strategic decision-making and corporate governance. He has over 9 years of experience and he is currently engaged in activities related to IPOs, SMEs, and the main board and has demonstrated proficiency in fundraising efforts.

4. Mr. Tinku Kathuria:

Mr. Tinku is a Chartered Accountant and completed his degree in the year 2019. He has a vast experience in Finance and Taxation. He is a young and Dynamic person with innovative approach towards Finance. He is handling his own Practicing Firm of Chartered Accountants and also give his valuable time to the Company.

5. Ms. Preeti:

M-s. Preeti is a young & Dynamic professional. She is qualified associate member of the Institute of Company Secretaries of India (ICSI), a post graduate in Business Economics from Mewar Institute of management, CCS University, Meerut. She has experience of working as a Company Secretary in different companies. She strives for an experience that is both intellectually and professionally valuable and wish to contribute to the organization with hard work & dedication.

Details of any arrangement or understanding with major shareholders, customers, suppliers or others

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors have been

appointed in the Board.

Other Confirmations:

1. None of Directors are currently, or have been in the past five years, on the board of directors of a listed company whose shares have been or were suspended from being traded on the Stock Exchange.
2. None of our Directors is or was, in the past ten years, a director of any listed company which has been or was delisted from any stock exchange in India during the term of their directorship in such company.

CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting.

We have Board constituted Board Committees in compliance with the Companies Act. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently, our Company has 5 (Five) Directors on our Board comprising of 2 (Two) Executive Directors, and 2 (Two) Independent Directors and 1 (One) Non Executive and Non Independent Director.

The following committees have been formed in compliance with the Corporate Governance norms:

- A) Audit Committee
- B) Stakeholders Relationship Committee
- C) Nomination and Remuneration Committee

AUDIT COMMITTEE

Our Company has constituted an audit committee ("Audit Committee"), as per the provisions of Section 177 of the Companies Act, 2013 and regulation 18 of SEBI LODR Regulations.

The terms of reference of Audit Committee complies with the requirements of Companies Act, 2013 and regulation 18 of SEBI LODR Regulations. The committee presently comprises following three (3) directors. Mr. Tinku Kathuria is the Chairman of the Audit Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Tinku Kathuria	Chairman	Independent Director
2.	Ms. Preeti	Member	Independent Director
3.	Mr. Abhishek Singh	Member	Executive Director

Role of Audit Committee

The terms of reference of the Audit Committee are given below:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - o matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - o changes, if any, in accounting policies and practices and reasons for the same;
 - o major accounting entries involving estimates based on the exercise of judgment by management;
 - o significant adjustments made in the financial statements arising out of audit findings;
 - o compliance with listing and other legal requirements relating to financial statements;
 - o disclosure of any related party transactions;
 - o modified opinion(s) in the audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope

-
- of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - to review the functioning of the whistle blower mechanism;
 - approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 - Carrying out any other function as is mentioned in the terms of reference of the audit committee.
 - reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.
 - consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
 - such other terms of reference/role as may be amended from time to time.

All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the SEBI (LODR) Regulations, 2015 are covered in the terms of reference of the Audit Committee.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Our Company has constituted a Stakeholders Relationship Committee ("*Stakeholders relationship committee*") to redress the complaints of the shareholders in terms of section 178 (5) of Companies Act, 2013 and regulation 20 of SEBI LODR Regulations. The committee currently comprises of three (3) Directors. Mr. Tinku Kathuria is the Chairman of the Stakeholders relationship Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Tinku Kathuria	Chairman	Independent Director
2.	Ms. Preeti	Member	Independent Director
3.	Mr. Santosh Kumar Kushawaha	Member	Executive Director

Role of stakeholder Relationship committee

The Stakeholder Relationship Committee of our Board look into:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for the effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- such other terms of reference/role as may be amended from time to time.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

NOMINATION AND REMUNERATION COMMITTEE

Our Company has constituted a Nomination and Remuneration Committee ("Nomination and Remuneration Committee") in terms of section 178 (3) of Companies Act, 2013 and regulation 19 of SEBI LODR Regulations. The Committee currently comprises of three (3) Directors. Ms. Preeti is the Chairperson of the Nomination and Remuneration Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Ms. Preeti	Chairperson	Independent Director
2.	Mr. Tinku Kathuria	Member	Independent Director
3.	Mr. Manishkumar Mehta	Member	Non-Executive Director

The terms of reference of the Nomination and Remuneration Committee are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.



- such other terms of reference/role as may be amended from time to time.

Our Key Management Personnel and Senior Management Personnel

S.No.	Name of key Management Personnel and Senior Management Personnel	Designation	Associated with the Company Since
1.	Mr. Santosh Kumar Kushawaha	Managing Director	30/05/2019
2.	Mr. Abhishek Singh	Whole Time Director & CFO	04/09/2015
3.	Ms. Neha Srivastava	Company Secretary	19/03/2024

Relationship of Key Managerial Personnel with our Directors, Promoter and / or other Key Managerial Personnel

There is no relationship between Key managerial personnel with Our Directors, Promoters and/ or Other Key Managerial personnel.



OUR PROMOTER

Our Promoter is M/s. RMS Mosquito Private Limited. As on date of this Letter of Offer, the Promoters of our Company hold, in aggregate of 8,07,600 Equity Shares constituting 5.72% of our pre issued, subscribed and paid-up equity share capital.

Brief profile of our promoters is as under:

1. M/s. RMS Mosquito Private Limited

CIN	U24200DL2012PTC232565
ROC Name	ROC Delhi
Registration Number	232565
Date of Incorporation	09/03/2012
Registered Address	House No. 27, Plot No. 19, Kadambari Apts. Sector-9, Rohini, New Delhi- 110085
Category of Company	Company limited by shares
Director Details	1. Vicky 2. Deepanshu Gupta

RMS Mosquito Private Limited was incorporated on March 09, 2012 under the provisions of the Companies Act, 1956 bearing the corporate identification number 'U24200DL2012PTC232565', with its registered office situated at House No. 27, Plot No. 19, Kadambari Apts. Sector-9, Rohini, New Delhi-110085.

The Authorized Equity Share Capital of the Company is Rs. 26,00,000 (Rupees Twenty Six Lakhs Only). The issued, subscribed and paid-up Equity Share Capital of the Company stands at Rs. 26,00,000/- (Rupees Twenty Six Lakhs only) divided into Rs. 2,60,000 Equity Shares of Rs. 10/- each.

Confirmation

Our Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as wilful defaulter or a fraudulent borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoter has a negative net worth as of the date of the respective last audited financial statements.



A F ENTERPRISES LIMITED

(CIN- L18100DL1983PLC016354)

SECTION VI - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Particulars	Page No.
Audited Standalone and Consolidated Financial Statements for the financial year ended on March 31, 2024	F1
Unaudited Standalone and Consolidated Financial results for the quarter ended June 30, 2024 along with Limited review report.	F19
Statement of Accounting Ratios	124

Material changes and commitments, if any, affecting our financial position

There are no material changes and commitments, which are likely to affect our financial position since June 30, 2024 till date of this Letter of Offer. We have not given Restated Financials because we fall under Part-B of SEBI (ICDR), 2018.

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**Independent Auditor's Report on the Quarterly and Year to Date Audited
Standalone Financial Results of the Company Pursuant to the Regulation
33 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015, as amended**

To,
The Board of Directors of A F Enterprises Limited,

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of **A F Enterprises Limited** (the "Company") for the quarter ended 31st March, 2024 and for the year ended 31st March, 2024 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information of the Company for the quarter ended 31st March, 2024 and of the net profit and other comprehensive income and other financial information of the Company for the year ended 31st March, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read



with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 financial results 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 Statement, including the disclosures, whether the Statement represents the underlying transactions and events in a manner that achieves the 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.

Other Matter

The Statement includes the results for the quarter ended 31st March, 2024 and the corresponding quarter ended in the previous year as reported in these standalone financial results, which are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current and previous financial year respectively, which were subject to limited review, as required under the Listing Regulations.

As on 31.03.2024 the company has a liability of Rs 50 lakhs toward rent payable in respect of a leased property attached by ED due to proceeding against property owner i.e. M/S Horizon Global Limited for more than 6 months and TDS on the same also not been deducted other than that our opinion on the Statement is not modified in respect of the above matter

For S Agarwal & Co.
Chartered Accountants
Firm Regn. No. 000808N



(S.N. Agarwal)
Partner
M. No. 012103

Place: New Delhi
Dated: 29.05.2024
UDIN: 24012103BKDHNS4101



A F ENTERPRISES LIMITED
CIN NO.L18100DL1983PLC016354
Registered Office-15/18, Basement B Portion , West Patel Nagar, New Delhi-110008
Corporate Office- Plot No-8, Sector-5, Main Mathura Road, Faridabad , Haryana -121006
Email ID: info.afenterprises@gmail.com

Statement of Audited Standalone Financial Results for the quarter and year ended 31st March, 2024

(Rupees in lakhs except EPS)

S. No.	Particulars	Quarter ended			Year ended	
		1-01-2024 to 31-03-2024	1-10-2023 to 31- 12-2023	1-01-2023 to 31-03-2023	1-04-2023 to 31-03-2024	1-04-2022 to 31- 03-2023
		Refer Note 4	Unaudited	Refer Note 4	Audited	Audited
1	Income					
(a)	Revenue From Operations	535.35	120.23	2,035.87	850.14	2,418.48
(b)	Other Income	17.26	20.11	(44.63)	99.57	537.69
	Total Income	552.61	140.34	1,991.24	949.70	2,956.17
2	EXPENSES					
(a)	Cost of materials consumed	164.34	67.03	446.38	384.50	760.75
(b)	Purchases of Stock-in-Trade	51.84	-	1,499.72	51.84	1,499.72
(c)	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1.45	0.58	1.12	1.15	7.19
(d)	Operating Expense	25.73	11.58	(30.54)	88.51	95.61
(e)	Employee benefits expense	5.48	5.30	86.57	32.30	131.09
(f)	Finance Cost	4.23	4.10	16.88	16.92	18.51
(g)	Depreciation and amortization expense	28.34	26.62	64.32	110.10	122.97
(h)	Other expenses	270.29	39.08	141.99	363.05	271.25
	Total expenses	551.71	154.28	2,226.44	1,048.38	2,907.08
3	Profit/(loss) before exceptional items and tax (1-2)	0.90	(13.95)	(235.20)	(98.66)	49.09
4	Exceptional items (Refer note 8)	50.00	-	-	100.00	130.75
5	Profit/ (loss) before tax	50.91	(13.95)	(235.17)	1.34	179.84
6	Tax expense:					
(a)	Current tax	22.22	-	165.77	22.22	(67.64)
(b)	MAT	-	-	-	-	-
(c)	Deferred tax	18.78	0.97	9.16	1.21	(8.99)
	Total expense tax	40.99	0.97	174.93	23.42	(76.63)
7	Profit after tax (3-4)	9.91	(12.98)	(410.10)	24.75	103.20
8	Other Comprehensive Income					
(a)	(i) Items that will not be reclassified to profit or loss	0.59	-	1.46	0.59	1.46
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.15)	-	(0.37)	(0.15)	(0.37)
(b)	(i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total Comprehensive income, net of tax	0.44	-	1.09	0.44	1.09
9	Total comprehensive income for the year (5+6)	10.35	(12.98)	(409.01)	25.19	104.29
10	Paid up equity share capital (face value of Rs. 10)	1,411.36	1,411.36	1,411.36	1,411.36	1,411.36
11	Reserve excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year	1,987.40	1,987.40	553.42	1,987.40	553.42
12	Earnings per equity share (for continuing operation):					
	(1) Basic	0.07	(0.09)	(2.91)	0.18	0.78
	(2) Diluted	0.07	(0.09)	(2.25)	0.18	0.57

For A F ENTERPRISES LIMITED


DIRECTOR

Notes :

- (1) The above audited financial results for year ended 31st March, 2024 has been reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 29th day of May, 2024.
- (2) The above results have been prepared in compliance with the recognition and measurement principles of the Companies (India Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards Amendment Rules, 2016) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- (3) Figures for the previous period have been regrouped wherever considered necessary so as to confirm to the classification of the current period.
- (4) The figures for the quarter ended on 31st March, 2024 are balancing figures between audited figures in respect of the full financial year and the unaudited published year-to-date figures upto the quarter ended on 31st December, 2023, which were subject to limited review.
- (5) The statutory auditors have carried out the audit on the above results for the year ended 31st March, 2024. However, the management has exercised necessary due diligence to ensure that the financial results provided true and fair view of its affairs.
- (6) The format for above results as prescribed in SEBI's circular CIR/SFD/CMS/15/2015 dated 30th November, 2015 has been modified to comply with requirements of SEBI's circular dated 5th July, 2016, Ind AS and Schedule III (Division-II) to the companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- (7) Exceptional item of Rs.100 Lakhs is Related to the compensation received for the non-fulfillment of underwriting commitments related to the subscription of the rights issue. The underwriting agreement required the underwriters to subscribe to any unsubscribed shares in the rights issue. However, as the underwriters failed to fulfill this obligation, the amount received serves as a compensation for this non-fulfillment
- (8) These Results are also updated on the company's website <https://afenterprisesltd.in>.

For and on behalf of Board of Directors
AF ENTERPRISES LIMITED

For A F ENTERPRISES LIMITED

Place: Faridabad
Date: 29th May, 2024


DIRECTOR

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228

AF ENTERPRISES LIMITED
Standalone Statement of Assets and Liabilities

(Rupees in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
ASSETS		
Non-Current Assets		
(a) Property, plant and equipments	418.03	527.56
(b) Intangible assets	-	-
(c) Financial assets		
(i) Investments	123.47	95.27
(ii) Loans	302.82	235.04
(e) Deferred tax assets	-	-
(d) Other non-current assets	25.68	60.55
Total Non-Current Assets	870.00	918.41
Current Assets		
(a) Inventories	153.14	157.61
(b) Financial assets		
(i) Investments	-	-
(ii) Trade receivables	9,414.01	10,628.10
(iii) Cash and cash equivalents	73.88	57.52
(iv) Bank balances other than (iii) above	-	-
(v) Loans	-	4.00
(vi) Other financial assets	-	-
(c) Other current assets	540.59	1,071.29
(d) Current tax assets	-	-
Total Current Assets	10,181.62	11,918.51
TOTAL ASSETS	11,051.62	12,836.91
EQUITIES AND LIABILITIES		
EQUITY		
(a) Equity share capital	1,411.36	1,411.36
(b) Reserves & surplus	1,987.40	1,962.21
Total Shareholder's Funds	3,398.77	3,373.58
LIABILITIES		
Non-Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	445.30	422.57
(ii) Other financial liabilities	102.03	148.14
(b) Deferred tax liabilities (net)	1.71	37.85
(c) Long term provisions	36.79	1.65
Total Non-Current Liabilities	585.84	610.21
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables	6,101.72	7,764.72
(iii) Other financial liabilities	48.61	42.25
(b) Other current liabilities	903.12	929.58
(c) Short term provisions	0.00	0.01
(d) Current tax liability	13.57	116.58
Total Current Liabilities	7,067.02	8,853.13
TOTAL EQUITIES AND LIABILITIES	11,051.62	12,836.91

For and on behalf of Board of Directors
AF ENTERPRISES LIMITED

For AF ENTERPRISES LIMITED

Place: Faridabad
Date: 29th May, 2024



DIRECTOR

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228

AF ENTERPRISES LIMITED

CIN- L18100DL1983PLC016354

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March 2024

	(Rupees in Lakhs)	
	31st March 2024	31st March 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/ (loss) before tax and after extra- ordinary items	1.33	179.83
Adjustments for items: -		
Derecognition of financial assets	-	-
Foreign exchange fluctuation loss/ (gain)	(92.76)	(536.76)
Interest on lease liability	16.92	17.07
Profit on sale of property, plant & equipment	-	-
Interest paid	-	1.44
Interest received	-	-
Provision for Gratuity	0.65	0.91
Depreciation on Property, plant & equipment	110.10	122.97
Operating Profit before working capital changes	36.24	(214.55)
Working capital adjustments: -		
(Increase)/ decrease in trade receivables	1,306.85	(1,555.57)
(Increase)/ decrease in Inventories	4.46	240.08
(Increase)/ decrease in Other financial assets	-	-
(Increase)/ decrease in Other assets	34.86	(46.15)
Increase/ (decrease) in Current Assets	530.69	514.53
Increase/ (decrease) in Trade payables	(1,663.00)	140.26
(Increase)/ decrease in Other financial Liabilities	(56.67)	(55.37)
Increase/ (decrease) in Other liabilities	(26.46)	(616.57)
Cash generated from operations	166.97	(1,593.34)
Direct Taxes Paid	(80.80)	2.95
Net cash flow from operating activities (A)	86.18	(1,590.39)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale/ (Purchase) of Property, plant & equipment	(0.57)	(30.41)
Sale/ (Purchase) of Stocks or Securities	-	-
Sale/ (Purchase) of Investment	(28.20)	-
Loans recovered	(63.78)	190.27
Interest received	-	-
Net cash flow from investing activities (B)	(92.56)	159.86
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Issue of Share Capital	-	162.00
Proceeds from issue of Share Warrants	-	1,262.50
Interest paid	-	(1.44)
Net proceeds from borrowings	22.74	(45.08)
Net cash flow from financing activities (C)	22.74	1,377.99
Net cash flow during the year (A + B + C)	16.36	(52.54)
Add: Opening cash and cash equivalents	57.52	110.06
Closing cash and cash equivalents	73.88	57.52
Components of cash and cash equivalents		
Cash in hand	33.32	33.89
Deposit with banks	-	-
In current accounts	40.55	23.62
Total cash and cash equivalents	73.88	57.52

For AF ENTERPRISES LIMITED


DIRECTOR

STANDALONE SEGMENT WISE RESULTS AS PER CLAUSE 33 OF THE LISTING REGULATIONS ARE AS FOLLOWS:

(Rupees in lacs)

Particulars	Quarter ended			Year ended	
	01-01-2024 TO 31-03-2024	01-10-2023 TO 31-12-2023	01-01-2023 TO 31-03-2023	01-04-2023 TO 31-03-2024	01-04-2022 TO 31-03-2023
	(Refer note 4)	(Unaudited)	(Refer note 5)	(Audited)	(Audited)
1. Segment Revenue					
a) Trading in shares	-	-	-	-	-
b) Trading in rough emerald	44.54	-	1,570.12	44.54	1,570.12
c) Trading in Plastic Moulded Components	490.81	120.23	465.75	805.60	848.36
d) Unallocable	17.26	20.11	(582.31)	99.57	-
Total	552.61	140.34	1,453.56	949.71	2,418.48
Less: Inter segment revenue	-	-	-	-	-
Net Sales/ Income from Operations	552.61	140.34	1,453.56	949.71	2,418.48
2. Segment Results					
Profit before Interest & Tax					
a) Trading in shares	(1.45)	(0.58)	(6.07)	(1.15)	(7.19)
b) Trading in rough emerald	1.59	-	70.40	1.59	70.40
c) Trading in Plastic Moulded Components	380.35	41.62	(57.59)	412.20	10.65
d) Unallocable	(80.66)	20.11	-	-	-
TOTAL	299.82	61.15	6.74	412.64	73.86
Add/(Less):					
a) Finance Cost	29.61	(4.10)	(16.88)	16.92	(18.51)
b) Un-allocable expenditure net off un-allocable income & other comprehensive income	(278.53)	(71.00)	(405.06)	(428.24)	124.48
Total Profit before Tax	50.91	(13.95)	(415.20)	1.33	179.83
3. Capital employed (Segment Assets-Segment Liabilities)					
Segment Assets					
a) Trading in shares	8.43	(0.04)	-	8.43	-
b) Trading in rough emerald	1,210.73	(151.37)	2,148.83	1,210.73	2,190.71
c) Trading in fabrics	58.67	2,215.35	2,364.41	58.67	1,301.67
d) Trading in Plastic Moulded Components	2,157.37	5,892.17	6,562.31	2,157.37	2,171.42
e) Unallocable	7,616.42	1,164.55	1,761.36	7,616.42	7,176.88
Total	11,051.62	9,120.67	12,836.91	11,051.62	12,840.69
Segment Liabilities					
a) Trading in Shares	1.19	0.54	-	1.19	-
b) Trading in rough emerald	2,043.59	1,233.91	3,511.23	2,043.59	2,088.05
c) Trading in fabrics	28.33	26.01	214.40	28.33	101.05
d) Trading in glasses	-	(36.48)	-	-	-
e) Trading in Plastic Moulded Components	1,571.24	3,746.17	4,309.91	1,571.24	1,670.08
f) Unallocable	4,008.51	563.18	1,427.80	4,008.51	5,607.93
Total	7,652.86	5,533.33	9,463.34	7,652.87	9,467.12
Capital Employed					
a) Trading in shares	7.25	(0.58)	-	7.25	-
b) Trading in rough emerald	(832.86)	(1,385.28)	(1,362.39)	(832.86)	102.67
c) Trading in fabrics	30.33	2,189.34	2,150.01	30.33	1,200.62
d) Trading in glasses	-	36.48	-	-	-
e) Trading in Plastic Moulded Components	586.13	2,146.01	2,252.40	586.13	501.34
f) Unallocable	3,607.91	497.55	333.56	3,607.91	1,568.95
Total	3,398.76	3,587.33	3,373.58	3,398.76	3,477.39

For A F ENTERPRISES LIMITED


DIRECTOR



INDEPENDENT AUDITOR'S REPORT

To Board of Directors of A F Enterprises Limited

Report on audit of Consolidated Financial Results

Qualified Opinion and Conclusion

We have (a) audited the accompanying Consolidated Financial Results for the year ended March 31, 2024 (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2024 (refer para 12 of the 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Consolidated Financial Results for the Quarter and Year Ended March 31, 2024" of A F Enterprises Limited ("the Parent") and its subsidiary (the Parent and its subsidiaries together referred to as "Group") being submitted by the company, pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("listing regulations").

a) Qualified Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financial statement of the entities included in the group referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2024:

- (i) Includes the financial results of the subsidiary viz., M/s Aunik IT Private Limited;
- (ii) is presented in accordance with the requirements of Regulation 33 of the listing regulations; and
- (iii) *Except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report give a true and fair view in conformity with recognition and measurement principles laid down in applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India, of the net profit including other comprehensive income and other financial information of the Group for the year ended March 31, 2024.*

b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2024

With respect to the Consolidated Financial Results for the quarter ended March 31, 2024, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, *except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report*, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2024, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the listing regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Basis for Qualified Opinion on the Consolidated Financial Results for the quarter ended March 31, 2024

1. We have not audited the financial statements of M/s. Aunik I.T. Solutions Private Limited ("the subsidiary") included in the consolidated financial results of the group whose financial statements reflect total assets of Rs. 2373.7 lakhs as at March 31, 2024, total revenue of Rs. 1.17 lakhs and net cash outflow of Rs. 0.31 lakhs during the year ended on that date, as considered in the Annual Consolidated Financial Results.

As referred to in Note 6 of the consolidated financial results, the Independent Auditors of M/s Aunik IT Private Limited ("the subsidiary") have given a Disclaimer of Opinion on the separate financial statements of M/s Aunik IT Private Limited for the year ended March 31, 2024 vide their report dated May 04, 2024. The basis for Disclaimer of Opinion described by the Independent Auditors of M/s Aunik IT Private Limited is as under:

- "i) The company has shown a sum of Rs. 23,43,08,599 as Trade Receivable for which we have not received any third-party confirmation. During the course of our audit, we have not found sufficient audit evidence to prove the reliability of these recoveries. These trade receivables are outstanding for more than 2 years. Also, the Company has not made any provision against these long outstanding.
- ii) The company has shown a sum of Rs. 22,98,21,646/- as Trade Payable to Morpheus Care Limited, for which we have not received any third-party confirmation. During the course of our audit we have not found sufficient audit evidence to prove the reliability of his claim and company's ability to pay. These trade payables are outstanding for more than two years. Further upon our verification from MCA portal we came to know that the company, Morpheus Care Limited, is not filing their returns on MCA portal from March 2020 onwards
- iii) During the year under consideration the company has taken unsecured loan of Rs 2,12,08,604/- from Mr. Sourabh Koolwal, director of the company, in violation of section 73(2) of The Companies Act, 2013. The said loan was given by the director out of borrowed fund which is violation of section 73(2) of The Companies Act, 2013
- iv) As on March 2024, the losses of the company accumulate to Rs 2.45 Crores and its net worth is fully eroded. The company has also taken unsecured loans from director of the company. The Companies current liabilities exceed its current assets by Rs. 1.73 crores. As per the management the company is still a going concern entity because it is in process of identifying new plans to improve the performance of the company. During the course of our audit we came to know that the company has already surrendered its GST registration during the year. In absence of conclusive evidence about management plan for improving the financial position of the company and considering large liabilities outstanding as on balance sheet date we have doubt about the company's ability to continue as a going concern. However the company has prepared its financial statements on a going concern basis. The financial statements do not adequately disclose this matter..
- v) The matters as stated in para 1 to 4 of Basis of Disclaimer of opinion give rise to the material uncertainties as regard possible material adjustments that may require to be made to the values of recorded assets and liabilities. These matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Considering the above, we are unable to determine and comment on the extent of adjustments, if any, that may be required to these Consolidated Financial Statements for the year ended March 31, 2024 on account of inter- alia, lack of sufficient audit evidences, doubt about the subsidiary's ability to continue as going concern, and non compliances with various provisions of Companies Act, 2013.



2. We conducted our audit in accordance with Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of Consolidated Financial Results' section of our report. We are independent of the company in accordance with the code of ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Consolidated Financial Results under the provisions of the Act and Rules made thereunder, and we have fulfilled our ethical responsibilities in accordance with the requirements with these requirements and the Code of Ethics. We believe that the audit evidences obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Statement

3. This statement, which includes Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved for the issuance. The Consolidated Financial Results for the year ended March 31, 2024 has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and the year ended March 31, 2024 that give a true and fair view of the net profit/(loss) and consolidated other comprehensive income and other financial information of the group in accordance with recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant issues thereunder and other accounting principles generally accepted in India and in compliance with the requirements of the Regulation 33 of the listing regulations. The respective Board of Directors of the companies in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of accounting policies; making judgment and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give true and fair view and are free for material misstatement, whether due to fraud and error, which have been used for the purpose of preparation of Consolidated Financial Results by the Board of Directors of the Parent, as aforesaid.
4. In preparing the Consolidated Financial Results, the respective Board of Directors of the Companies included in the group are responsible for assessing the ability of the respective entities to continue as going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
5. The respective Board of Directors of the Companies included in the group are responsible for overseeing the financial reporting process of the group.

Auditor's Responsibilities for the Audit of Consolidated Financial Results

a) Audit of the Consolidated Financial Results for the year ended March 31, 2024

6. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results 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 not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from a fraud or error and consider material, if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Results.



7. As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to our basis of opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud involves collusions, forgery, intentional omissions, misrepresentations, or override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in 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 financial statements in place and operating effectiveness of such controls.
 - Evaluate the appropriateness of the accounting policies used and reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on our audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences 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 Consolidated Financial Results including the disclosures and whether the standalone Consolidated Financial Results represent the underlying transactions and events in the manner that achieves fair presentation.
 - Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extant applicable.
 - Obtain sufficient and appropriate evidence regarding Annual Standalone Financial Results of the entities within the group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit of the financial information of audits carried out by them. We remain solely responsible for our audit opinion.
8. Materiality is the magnitude of misstatement in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledge user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.
9. We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope of timing of the audit and significant audit findings, including



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 our independence, and wherever applicable, related safeguards.

b) Review of the Consolidated Financial Results for the quarter ended March 31, 2024


10. We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2024, in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matters

11. The Consolidated Financial Results include the results for the quarter ended March 31, 2024 being the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the financial year. which were subject to a limited review by us as required under the listing Regulations

As on 31.03.2024 the company has a liability of Rs 50 lakhs toward rent payable in respect of a leased property attached by ED due to proceeding against property owner i.e. M/S Horizon Global Limited for more than 6 months and TDS on the same also not been deducted other than that our opinion on the Statement is not modified in respect of the above matter

For S Agarwal & Co.
Chartered Accountants
Firm Regn. No. 000808N


(S.N. Agarwal)
Partner
M. No. 012103

Place: New Delhi
Dated: 29.05.2024

UDIN 24012103BKDHNU6750



A F ENTERPRISES LIMITED
CIN NO.L18100DL1983PLC016354
Registered Office-15/18, Basement B Portion , West Patel Nagar, New Delhi-110008
Corporate Office- Plot No-8, Sector-5, Main Mathura Road, Faridabad , Haryana -121006
Email ID: info.afenterprises@gmail.com

Statement of Audited Consolidated Financial Results for the quarter and year ended 31st March, 2024

(Rupees in lakhs except EPS)

S. No.	Particulars	Quarter ended			Year ended	
		1-01-2024 to 31-03-2024	1-10-2023 to 31-12-2023	1-01-2023 to 31-03-2023	1-04-2023 to 31-03-2024	1-04-2022 to 31-03-2023
		Refer Note 4	Unaudited	Refer Note 4	Audited	Audited
1	Income					
(a)	Revenue From Operations	535.36	120.22	2,035.87	850.14	2,428.68
(b)	Other Income	18.39	20.15	(39.54)	100.74	542.79
	Total Income	553.75	140.38	1,996.33	950.88	2,971.47
2	EXPENSES					
(a)	Cost of materials consumed	164.34	67.03	446.37	384.50	760.75
(b)	Purchases of Stock-in-Trade	51.84	-	1,499.72	51.84	1,499.72
(c)	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1.95	0.58	1.12	1.65	7.19
(d)	Operating Expense	55.62	11.58	(30.54)	88.51	95.61
(e)	Employee benefits expense	5.48	5.30	86.56	32.30	190.51
(f)	Finance Cost	4.14	5.56	24.49	18.35	26.12
(g)	Depreciation and amortization expense	27.57	27.22	66.11	111.13	125.45
(h)	Other expenses	247.60	39.16	146.01	370.64	309.22
	Total expenses	558.55	156.41	2,239.84	1,058.93	3,014.57
3	Profit/(loss) before exceptional items and tax (1-2)	(4.80)	(16.04)	(243.51)	(108.05)	(43.10)
4	Exceptional items (Refer note 8)	50.00	-	-	100.00	130.75
5	Profit/ (loss) before tax	45.17	(16.04)	(243.53)	(8.05)	87.65
6	Tax expense:					
(a)	Current tax	22.04	-	(171.46)	22.04	67.64
(b)	MAT	-	-	-	-	-
(c)	Deferred tax	22.16	0.97	13.69	4.59	(14.03)
	Total expense tax	44.20	0.97	(157.77)	26.63	53.61
7	Profit after tax (5-6)	0.97	(15.07)	(85.76)	(34.68)	34.05
8	Other Comprehensive Income					
(a)	(i) Items that will not be reclassified to profit or loss	0.59	-	1.46	0.59	1.46
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.15)	-	(0.37)	-0.15	(0.37)
(b)	(i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive income, net of tax	0.44	-	1.09	0.44	1.09
9	Total comprehensive income for the year (7+8)	1.41	(15.07)	(84.67)	(34.24)	35.13
	Net profit attributable to:					
(a)	Owners of the company	33.38	(14.36)	(84.29)	0.44	37.32
(b)	Non-Controlling Interest	0.23	(0.71)	(1.49)	(0.55)	(3.27)
	Other comprehensive income attributable to:					
(a)	Owners of the company	0.44	-	1.09	0.44	1.09
(b)	Non-Controlling Interest	-	-	-	-	-
	Total comprehensive income attributable to:					
(a)	Owners of the company	33.82	(14.36)	(83.20)	0.88	38.41
(b)	Non-Controlling Interest	0.23	(0.71)	(1.49)	(0.55)	(3.27)
10	Paid up equity share capital (face value of Rs. 10)	1,411.36	1,411.36	1,411.36	1,411.36	1,411.36
11	Reserve excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year	1,923.97	1,923.97	1,903.70	1,923.27	1,903.70
12	Earnings per equity share (for continuing operation):					
(1)	Basic	0.01	(0.11)	(0.65)	(0.25)	0.26
(2)	Diluted	0.01	(0.11)	(0.47)	(0.25)	0.19

For A F ENTERPRISES LIMITED


DIRECTOR

Notes :

- (1) The above consolidated financial results for year ended 31st March, 2024 has been reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 29th day of May, 2024.
- (2) The above consolidated results have been prepared in compliance with the recognition and measurement principles of the Companies (India Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards Amendment Rules, 2016) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable
- (3) Figures for the previous period have been regrouped wherever considered necessary so as to confirm to the classification of the current period.
- (4) The figures for the quarter ended on 31st March, 2024 and 31st March 2023 are balancing figures between audited figures in respect of the full financial year and the unaudited published year-to-date figures upto the quarter ended on 31st December, 2023 and 31st December 2022 respectively, which were subject to limited review.
- (5) The statutory auditors have carried out the audit on the above consolidated financial results for the year ended 31st March, 2024. However, the management has exercised necessary due diligence to ensure that the financial results provided true and fair view of its affairs.
- (6) Exceptional item of Rs.100 Lakhs is Related to the compensation received for the non-fulfillment of underwriting commitments related to the subscription of the rights issue. The underwriting agreement required the underwriters to subscribe to any unsubscribed shares in the rights issue. However, as the underwriters failed to fulfill this obligation, the amount received serves as a compensation for this non-fulfillment
- (7) These Consolidated Results are also updated on the company's website <https://afenterprisesltd.in>.

For and on behalf of Board of Directors
AF ENTERPRISES LIMITED

For A F ENTERPRISES LIMITED



DIRECTOR

Place: Faridabad
Date: 29th May, 2024

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228

AF ENTERPRISES LIMITED
CIN- L18100DL1983PLC016354

Consolidated Statement of Assets and Liabilities

Particulars	As at 31.03.2024	As at 31.03.2023
ASSETS		
Non-Current Assets		
(a) Property, plant and equipment	419.49	530.04
(b) Goodwill	165.67	165.67
(c) Financial assets		
(i) Investments	28.2	-
(ii) Loans	302.82	235.04
(d) Deferred tax assets	-	-
(e) Other non-current assets	25.68	61.57
Total Non-Current Assets	941.86	992.31
Current Assets		
(a) Inventories	153.14	158.11
(b) Financial assets		
(i) Investments	-	-
(ii) Trade receivables	11,757.10	12,971.18
(iii) Cash and cash equivalents	75.32	59.27
(iv) Bank balances other than (iii) above	-	-
(v) Loans	-	4.00
(vi) Other financial assets	-	-
(c) Other current assets	540.59	1,079.47
(d) Current tax assets	-	-
Total Current Assets	12,526.15	14,272.03
TOTAL ASSETS	13,468.01	15,264.35
EQUITIES AND LIABILITIES		
EQUITY		
(a) Equity share capital	1,411.36	1,411.36
(b) Other equity	1,923.27	1,903.70
(e) Non -controlling interest	(9.24)	(8.69)
Total Equity	3,325.40	3,306.38
LIABILITIES		
Non-Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	664.08	551.25
(ii) Other financial liabilities	106.13	148.14
(b) Deferred tax liabilities (net)	8.37	12.81
(c) Long term provisions	1.71	1.65
Total Non-Current Liabilities	780.29	713.86
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables	8,399.94	10,055.92
(iii) Other financial liabilities	44.51	42.25
(b) Other current liabilities	904.12	1,022.15
(c) Short term provisions	0.00	0.01
(d) Current tax liability	13.74	116.58
Total Current Liabilities	9,362.32	11,236.90
TOTAL EQUITIES AND LIABILITIES	13,468.01	15,257.14

For and on behalf of Board of Directors
AF ENTERPRISES LIMITED

Place: Faridabad
Date: 29th May, 2024

For A F ENTERPRISES LIMITED

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228


DIRECTOR

AF ENTERPRISES LIMITED
CIN- L18100DL1983PLC016354
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March 2024

	31st March 2024	31st March 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/ (loss) before tax and after extra- ordinary items	(9.57)	87.65
Adjustments for items: -		
Derecognition of financial assets	-	-
Foreign exchange fluctuation loss/ (gain)	(92.76)	(536.76)
Loss on sale of property, plant & equipment	-	-
Interest on Finance Lease	16.92	17.07
Interest paid	1.43	9.04
Interest paid on advance tax	(0.04)	0.10
Provision for Gratuity	-0.65	(4.20)
Depreciation on Property, plant & equipment	111.13	125.45
Operating Profit before working capital changes	<u>27.76</u>	<u>(301.64)</u>
Working capital adjustments: -		
(Increase)/ decrease in trade receivables	1,228.41	(1,178.00)
(Increase)/ decrease in Inventories	6.69	240.08
(Increase)/ decrease in Other assets	43.05	(50.87)
Increase/ (decrease) in Current Assets	525.58	510.75
Increase/ (decrease) in Trade payables	(1,660.74)	(171.58)
Increase/ (decrease) in other current Liabilities	(91.56)	83.45
(Increase)/ decrease in Other financial Liabilities	(56.67)	19.21
Increase/ (decrease) in Other liabilities	(23.22)	(687.37)
Cash generated from operations	(0.71)	(1,535.97)
Direct Taxes Paid	(2.08)	2.10
Net cash flow from operating activities (A)	<u>(2.79)</u>	<u>(1,533.87)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Sale/ (Purchase) of Property, plant & equipment	(0.57)	(30.41)
Sale/ (Purchase) of Investment	(28.20)	-
Loans recovered	(63.78)	190.45
Interest received	-	-
Net cash flow from investing activities (B)	<u>(92.56)</u>	<u>160.04</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Issue of Share Capital	-	162.00
Proceeds from issue of Share Warrants	-	1,262.50
Interest paid	(1.43)	(9.04)
Net proceeds from borrowings	112.83	(99.51)
Net cash flow from financing activities (C)	<u>111.40</u>	<u>1,315.95</u>
Net cash flow during the year (A + B + C)	16.05	(57.88)
Add: Opening cash and cash equivalents	59.27	117.15
Closing cash and cash equivalents	<u>75.32</u>	<u>59.27</u>
Components of cash and cash equivalents		
Cash in hand	33.35	35.07
Deposit with banks	-	-
In current accounts	41.97	24.20
Total cash and cash equivalents	<u>75.32</u>	<u>59.27</u>

For and on behalf of Board of Directors
AF ENTERPRISES LIMITED

Place: Faridabad
Date: 29th May, 2024

For A F ENTERPRISES LIMITED


DIRECTOR

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228

CONSOLIDATED SEGMENT WISE RESULTS AS PER CLAUSE 33 OF THE LISTING REGULATIONS ARE AS FOLLOWS:

(Rupees in Lakhs)

Particulars	Quarter ended			Year ended	
	01-01-2024 TO 31-03-2024	01-10-2023 TO 31-12-2023	01-01-2023 TO 31-03-2023	01-04-2023 TO 31-03-2024	01-04-2022 TO 31-03-2023
	(Refer note 4)	(Unaudited)	(Refer note 4)	(Audited)	(Audited)
1. Segment Revenue					
a) Trading in rough emerald	44.54	-	1,570.12	44.54	1,570.12
b) Trading in Plastic Moulded Components	490.82	120.22	465.75	805.60	848.36
c) Software services	-	-	-	-	10.20
d) Unallocable	-	-	(582.34)	-	-
Total	535.36	120.22	1,453.53	850.14	2,428.68
Less: Inter segment revenue	-	-	-	-	-
Net Sales/ Income from Operations	535.36	120.22	1,453.53	850.14	2,428.68
2. Segment Results					
Profit before Interest & Tax					
a) Trading in shares	-	-	-	-	-
a) Trading in rough emerald	70.40	-	70.40	70.40	70.40
b) Trading in Plastic Moulded Components	(19.12)	41.62	(57.59)	10.65	10.65
c) Software services	(88.51)	(2.10)	(8.33)	(92.17)	(92.17)
d) Unallocable	-	-	-	-	-
TOTAL	(38.12)	39.52	(0.98)	(11.13)	(11.13)
Add/(Less):					
a) Finance Cost	(11.97)	(5.56)	(24.49)	(26.12)	(26.12)
b) Un-allocable expenditure net off un-allocable income & other comprehensive income	89.79	(69.57)	(223.52)	29.19	124.90
Total Profit before Tax	45.17	(16.04)	(243.53)	(8.05)	87.65
3. Capital employed (Segment Assets-Segment Liabilities)					
Segment Assets					
a) Trading in shares	-	-	-	-	-
a) Trading in rough emerald	1,210.73	173.13	2,148.83	1,210.73	2,148.83
b) Trading in fabrics	58.67	2,227.05	2,364.41	58.67	2,364.41
c) Trading in glasses	-	-	-	-	-
d) Trading in Plastic Moulded Components	2,157.37	5,991.77	6,562.31	2,157.37	6,562.31
e) Software services	2,343.09	2,343.09	2,357.03	2,343.09	2,357.03
f) Unallocable	7,698.16	120.56	1,831.76	7,698.16	1,831.76
Total	13,468.01	10,855.60	15,264.35	13,468.01	15,264.35
Segment Liabilities					
a) Trading in rough emerald	1,210.73	1,801.06	3,511.23	1,210.73	3,511.23
b) Trading in fabrics	28,330.68	26.01	214.40	28,330.68	214.40
c) Trading in glasses	-	-	-	-	-
d) Trading in Plastic Moulded Components	1,571.24	3,818.73	4,309.91	1,571.24	4,309.91
e) Software Services	2,298.22	2,298.04	2,494.63	2,298.22	2,494.63
f) Unallocable	(23,268.25)	1,582.04	1,427.80	(23,268.25)	1,427.80
Total	10,142.61	9,525.88	11,957.97	10,142.61	11,957.97
Capital Employed					
a) Trading in rough emerald	-	(1,627.93)	(1,362.39)	-	(1,362.39)
b) Trading in fabrics	(28,272.01)	2,201.04	2,150.01	(28,272.01)	2,150.01
c) Trading in glasses	-	-	-	-	-
d) Trading in Plastic Moulded Components	586.13	2,173.04	2,252.40	586.13	2,252.40
e) Software Services	44.87	45.05	(137.60)	44.87	(137.60)
f) Unallocable	30,966.41	(1,461.49)	403.96	30,966.41	403.96
Total	3,325.40	1,329.72	3,306.38	3,325.40	3,306.38

For A F ENTERPRISES LIMITED

DIRECTOR



s. agarwal & co.
CHARTERED ACCOUNTANTS

123, Vinobapuri, Lajpat Nagar - II
New Delhi - 110 024
Phones : Off. : 29830625, 29838501
E-mail : sagarwal1910@gmail.com

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM STANDALONE FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
A F ENTERPRISES LIMITED**

Dear Sir,

We have reviewed the accompanying statement of unaudited financial results **A F ENTERPRISES LIMITED for the quarter ended June 30, 2024**. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Our conclusion is not modified in respect of this matter.

For S. Agarwal & Co.
Chartered Accountants
(Firm Registration No. 000808N)

S. N. Agarwal
Partner
Membership Number: 012103
UDIN: 24012103BKDHOS5000

Place of Signature: New Delhi
Date: August 12, 2024



Statement of Unaudited Standalone Financial Result for the quarter ended on 30th June, 2024

(Figures in Rs. lacs unless otherwise stated)

S. No.	Particulars	Quarter ended			Year ended
		30th June 2024 (Unaudited)	31st March 2024 (Unaudited)	30th June 2023 (Unaudited)	31st March 2024 (Audited)
1	Income				
(a)	Revenue From Operations	144.01	535.35	117.46	850.14
(b)	Other Income	2.97	17.26	1.65	99.57
	Total Income	146.98	552.61	119.11	949.71
2	EXPENSES				
(a)	Cost of materials consumed	115.15	164.34	92.11	384.50
(b)	Purchases of Stock-in-Trade	-	51.84	-	51.84
(c)	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	0.05	1.45	(2.05)	1.15
(d)	operating expense	14.97	25.73	37.07	88.51
(e)	Employee benefits expense	8.59	5.48	12.12	32.30
(f)	Finance Cost	4.33	4.23	4.16	16.92
(g)	Depreciation and amortization expense	24.57	28.34	27.52	110.10
(h)	Other expenses	17.30	270.29	43.33	363.05
	Total expenses	184.96	551.70	214.26	1,048.37
3	Profit/(loss) before exceptional items and tax (1-2)	(37.98)	0.91	(95.15)	(98.66)
4	Exceptional Items (Note No. 6)	-	50.00	(50.00)	100.00
5	Profit/(loss) before tax (3-4)	(37.98)	50.91	(45.15)	1.34
6	Tax expense:				
(a)	Current tax	-	22.22	-	22.22
(b)	Deferred tax	-	18.78	-	1.21
	Total tax expense	-	41.00	-	23.43
7	Profit after tax (5-6)	(37.98)	9.91	(45.15)	24.77
8	Other Comprehensive Income				
(a)	(i) Items that will not be reclassified to profit or loss	-	0.59	-	0.59
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(0.15)	-	(0.15)
(b)	(i) Items that will be reclassified to profit or loss			-	
	(ii) Income tax relating to items that will be reclassified to profit or loss			-	
	Total Comprehensive income, net of tax	-	0.44	-	0.44
9	Total comprehensive income for the year (7+8)	(37.98)	10.35	(45.15)	25.21
10	Paid up equity share capital (face value of Rs. 10)	1,411.36	1,411.36	1,411.36	1,411.36
11	Reserve excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year	1,987.40	1,987.40	1,962.21	1,987.40
12	Earnings per equity share for the period (not annualised):				
	(1) Basic (Rs.)	(0.27)	0.07	(0.32)	0.18
	(2) Diluted (Rs.)	(0.27)	0.07	(0.24)	0.18

Notes :

- (1) The above unaudited standalone financial results for quarter ended 30th June, 2024 has been reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 12th August 2024.
- (2) The above results have been prepared in compliance with the recognition and measurement principles of the Companies (India Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards Amendment Rules, 2016) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- (3) Figures for the previous period have been regrouped wherever considered necessary so as to confirm to the classification of the current period.
- (4) The format for above results as prescribed in SEBI's circular CIR/SFD/CMS/15/2015 dated 30th November, 2015 has been modified to comply with requirements of SEBI's circular dated 5th July, 2016, Ind AS and Schedule III (Division-II) to the companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- (5) These Results are also updated on the company's website URL: <https://afenterprisesltd.in>

For and on behalf of Board of Directors
AF ENTERPRISES LIMITED

Place: Faridabad
Date: 12th August, 2024

For A F ENTERPRISES LIMITED


DIRECTOR

Santosh Kumar Kushwaha
Director
DIN: .02994228

SEGMENT WISE RESULTS AS PER CLAUSE 33 OF THE LISTING REGULATIONS ARE AS FOLLOWS:

(Figures in Rs. lacs unless otherwise stated)

Particulars	Quarter ended			Year ended
	30th June 2024 (Unaudited)	31st March 2024 (Audited)	30th June 2023 (Unaudited)	31st March 2024 (Audited)
1. Segment Revenue				
a) Trading in shares			-	
b) Trading in rough emerald		44.54	-	44.82
c) Trading in fabrics			-	
d) Trading in glasses			-	
e) Trading in Plastic Moulded Components	144.01	490.81	117.46	805.32
f) Unallocable		17.26	-	99.57
Total	144.01	552.61	117.46	949.71
Less: Inter segment revenue	-		-	
Net Sales/ Income from Operations	144.01	552.61	117.46	949.71
2. Segment Results				
Profit before Interest & Tax				
a) Trading in shares	(0.05)	(1.45)	2.05	(1.15)
b) Trading in rough emerald		1.59	-	1.59
c) Trading in Plastic Moulded Components	13.88	345.28	(11.72)	377.13
d) Unallocable		-		-
TOTAL	13.83	345.42	(9.67)	377.57
Add/(Less):				
a) Finance Cost	4.33	29.61	(4.16)	16.92
b) Un-allocable expenditure net off un-allocable income & other comprehensive income	(56.13)	(324.12)	(31.32)	(393.15)
Total Profit before Tax	(37.98)	50.91	(45.15)	1.34
3. Capital employed (Segment Assets-Segment Liabilities)				
Segment Assets				
a) Trading in rough emerald	5.40	1,210.73	1,295.27	1,210.73
b) Trading in fabrics	-	58.67	-	58.67
c) Trading in Plastic Moulded Components	343.30	2,157.37	195.08	2,157.37
d) Unallocable	11,475.30	7,624.85	10,800.63	7,624.85
Total	11,824.00	11,051.62	12,290.98	11,051.62
Segment Liabilities				
a) Trading in rough emerald	21.03	2,043.59	1,159.22	2,043.59
b) Trading in fabrics	-	28.33	2.26	28.33
c) Trading in Plastic Moulded Components	444.75	1,571.24	289.30	1,571.24
d) Unallocable	7,996.71	4,009.70	7,511.77	4,009.70
Total	8,462.49	7,652.86	8,962.55	7,652.86
Capital Employed				
a) Trading in rough emerald	(15.63)	(832.86)	136.05	(832.86)
b) Trading in fabrics	-	30.34	(2.26)	30.34
c) Trading in Plastic Moulded Components	(101.46)	586.13	(94.22)	586.13
d) Unallocable	3,478.59	3,615.15	3,288.86	3,615.15
Total	3,361.51	3,398.76	3,328.43	3,398.76

For A F ENTERPRISES LIMITED


DIRECTOR



Independent Auditor's Review Report on consolidated unaudited financial results of the Company for the quarter ended June 30, 2024 under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**TO THE BOARD OF DIRECTORS OF
A F ENTERPRISES LIMITED**

Dear Sir,

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **A F ENTERPRISES LIMITED** ("the Parent") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group") **for the quarter ended June 30, 2024** ("the statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The statement includes the results of the following entities:

Sr. No.	Name of the Entity	Country of Incorporation	Relationship
1.	A F ENTERPRISES LIMITED	India	Parent
2.	Aunik IT Solutions Private Limited	India	Subsidiary



5. Based on our review conducted and procedures performed, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with recognition and measurement Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The consolidated financial results include the management certified financial results of **Aunik IT Solution Private Limited**, a subsidiary, whose interim financial statements reflect total revenue of RS Nil and Group's share of total net Loss after tax of Rs. (37.98) Lakhs **as at June 30, 2024**, as considered in the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such management certified interim financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these interim financial statements are not material to the Group.

Our conclusion on the financial statement is not modified in respect of this matter.

For S. Agarwal & Co.
Chartered Accountants
(Firm Registration No. 000808N)



S. N. Agarwal
Partner
Membership Number: 012103
UDIN: 24012103BKDHOT2636

Place of Signature: New Delhi
Date: August 12, 2024



Statement of Unaudited Consolidated Financial Result for the quarter ended on 30th June, 2024

(Figures in Rs. lacs unless otherwise stated)

S. No.	Particulars	Quarter ended			Year ended
		30th June 2024 (Unaudited)	31st March 2024 (Unaudited)	30th June 2023 (Audited)	31st March 2024 (Audited)
1	Income				
(a)	Revenue From Operations	144.01	535.36	117.46	850.14
(b)	Other Income	2.98	18.39	1.65	100.74
	Total Income	146.99	553.75	119.11	950.88
2	EXPENSES				
(a)	Cost of materials consumed	115.15	164.34	92.11	384.50
(c)	Purchases of Stock-in-Trade	-	51.84	-	51.84
(d)	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	0.05	1.95	(2.05)	1.65
(b)	Operating expenses	14.97	55.62	37.07	88.51
(e)	Employee benefits expense	8.59	5.48	12.13	32.30
(f)	Finance Cost	4.33	4.14	4.16	18.35
(g)	Depreciation and amortization expense	24.71	27.57	28.12	111.13
(h)	Other expenses	17.66	247.60	43.54	370.64
	Total expenses	185.46	558.55	215.08	1,058.93
3	Profit/(loss) before exceptional items and tax (1-2)	(38.47)	(4.80)	(95.97)	(108.05)
4	Exceptional Items (Note No. 6)	-	50.00	(50.00)	100.00
5	Profit/(loss) before tax (3-4)	(38.47)	45.17	(45.97)	(8.05)
6	Tax expense:				
(a)	Current tax	-	22.04	-	22.04
(b)	MAT	-	-	-	-
(c)	Deferred tax	-	22.16	-	4.59
	Total expense tax	-	44.20	-	26.63
7	Profit after tax (5-6)	(38.47)	0.97	(45.97)	(34.68)
8	Other Comprehensive Income				
(a)	(i) Items that will not be reclassified to profit or loss	-	0.59	-	0.59
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(0.15)	-	(0.15)
(b)	(i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total Comprehensive income, net of tax	-	0.44	-	0.44
9	Total comprehensive income for the year (7+8)	-	1.41	(45.97)	(34.24)
	Net profit attributable to:				
(a)	Owners of the Company	(38.46)	33.28	(45.92)	0.44
(b)	Non-Controlling Interest	(0.02)	0.23	(0.04)	(0.55)
	Other comprehensive income attributable to:				
(a)	Owners of the Company	-	0.44	-	0.44
(b)	Non-Controlling Interest	-	-	-	-
	Total comprehensive income attributable to:				
(a)	Owners of the Company	-38.46	33.82	(45.92)	0.88
(b)	Non-Controlling Interest	-0.02	0.23	(0.04)	(0.55)
10	Paid up equity share capital (face value of Rs. 10)	1,411.36	1,411.36	1,411.36	1,411.36
11	Reserve excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year		1,923.97	1,901.52	1,923.27
12	Earnings per equity share for the period (not annualised):				
(1)	Basic (Rs.)	(0.27)	0.01	(0.33)	(0.25)
(2)	Diluted (Rs.)	(0.27)	0.01	(0.24)	(0.25)

For A F ENTERPRISES LIMITED


DIRECTOR

Notes :

- (1) The above audited consolidated financial results for quarter ended 30th June, 2024 has been reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 12th August 2024.
- (2) The above results have been prepared in compliance with the recognition and measurement principles of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards Amendment) Rules, 2016 prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- (3) Figures for the previous period have been regrouped wherever considered necessary so as to conform to the classification of the current period.
- (4) The format for above results as prescribed in SEBI's circular CIR/SFD/CMS/15/2015 dated 30th November, 2015 has been modified to comply with requirements of SEBI's circular dated 5th July, 2016, Ind AS and Schedule III (Division-II) to the companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- (5) These Consolidated Results are also updated on the company's website URL: <https://afenterprisesltd.in>

For and on behalf of Board of Directors
AF ENTERPRISES LIMITED

Place: Faridabad
Date: 12th August, 2024

Santosh Kumar Kushawaha
Director
DIN: 02994228

For A F ENTERPRISES LIMITED


DIRECTOR

CONSOLIDATED SEGMENT WISE RESULTS AS PER CLAUSE 33 OF THE LISTING REGULATIONS ARE AS FOLLOWS:

(Figures in Rs. lacs unless otherwise stated)

Particulars	Quarter ended		Year ended	
	30th June 2024	31st March 2024	30th June 2023	31st March 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1. Segment Revenue				
a) Trading in shares			-	-
b) Trading in rough emerald	-	44.54	-	44.54
c) Trading in fabrics			-	
d) Trading in glasses			-	
e) Trading in Plastic Moulded Components	144.01	490.82	117.46	805.60
f) Software services			-	
g) Unallocable			-	
Total	144.01	535.36	117.46	850.14
Less: Inter segment revenue				-
Net Sales/ Income from Operations	144.01	535.36	117.46	850.14
2. Segment Results				
Profit before Interest & Tax				
a) Trading in shares	(0.05)		2.05	
b) Trading in rough emerald		70.40	-	70.40
c) Trading in fabrics			-	10.65
d) Trading in glasses			-	-
e) Trading in Plastic Moulded Components	13.88	(19.12)	(11.72)	-
f) Software services	0.50	(88.51)	(0.81)	(92.17)
TOTAL	14.34	(37.23)	(10.48)	(11.13)
Add/(Less):				
a) Finance Cost	(4.33)	(4.14)	(4.16)	(26.12)
b) Un-allocable expenditure net off un-allocable income & other comprehensive income	10.01	(41.37)	(31.33)	29.19
Total Profit before Tax	(38.47)	45.17	(45.97)	(8.05)
3. Capital employed (Segment Assets-Segment Liabilities)				
Segment Assets				
a) Trading in rough emerald	5.40	1,210.73	1,295.27	1,210.73
b) Trading in fabrics	-	58.67	-	58.67
c) Trading in Plastic Moulded Components	343.30	2,157.37	195.08	2,157.37
d) Software services	2,370.89	2,343.09	2,378.79	2,343.09
e) Unallocable	11,475.30	7,756.82	11,282.62	7,756.82
Total	14,194.89	13,468.01	15,151.76	13,468.01
Segment Liabilities				
a) Trading in rough emerald	21.03	2,043.59	1,159.22	2,043.59
b) Trading in fabrics	-	28.33	2.26	28.33
c) Trading in Plastic Moulded Components	444.75	1,571.24	289.30	1,571.24
d) Software services	2,518.37	2,517.99	2,517.19	2,517.99
e) Unallocable	5,478.34	4,009.79	7,923.39	4,009.79
Total	8,462.49	10,142.61	11,891.36	10,142.61
Capital Employed				
a) Trading in rough emerald	(15.63)	(832.86)	136.05	(832.86)
b) Trading in fabrics	-	30.34	(2.26)	30.34
c) Trading in Plastic Moulded Components	(101.45)	586.13	(94.22)	586.13
d) Software services	(147.48)	(174.90)	(138.40)	(174.90)
e) Unallocable	5,996.96	3,747.03	3,359.23	3,747.03
Total	5,732.40	3,325.40	3,260.40	3,325.40

For A F ENTERPRISES LIMITED


DIRECTOR



A F ENTERPRISES LIMITED
(CIN- L18100DL1983PLC016354)

STATEMENT OF ACCOUNTING RATIOS

Accounting Ratios

The following table presents certain accounting and other ratios derived from our audited standalone financial statements and unaudited financial results included in the section titled “Financial Information” beginning on page 123 of this Letter of Offer.

Accounting Ratios (Standalone)

Amount in Rs. Lakhs

Particulars	Period ended June 30, 2024	Year ended March 31, 2024
Earnings Per Share		
(a) Basic Earnings Per Share (after extraordinary items) (in Rs.)	(0.27)	0.18
(b) Diluted Earnings Per Share (after extraordinary items) (In Rs.)	(0.27)	0.18
Return on Net Worth (after extraordinary items and excluding Revaluation reserves) (%)	(1.13)	0.73
Net Asset Value / Book Value per Equity Share each	23.81	24.08
Face Value per Equity Share	10.00	10.00
EBITDA (Rs. in Lakhs)	(9.08)	128.36

Accounting Ratios (Consolidated)

Amount in Rs. Lakhs

Particulars	Period ended June 30, 2024	Year ended March 31, 2023
Earnings Per Share		
(a) Basic Earnings Per Share (after extraordinary items) (in Rs.)	(0.27)	0.26
(b) Diluted Earnings Per Share (after extraordinary items) (In Rs.)	(0.27)	0.19
Return on Net Worth (after extraordinary items and excluding Revaluation reserves) (%)	(1.17)	1.03
Net Asset Value / Book Value per Equity Share each	23.35	14.34
EBITDA (Rs. in Lakhs)	(9.43)	239.22



A F ENTERPRISES LIMITED
(CIN- L18100DL1983PLC016354)

Capitalization Statement

The statement on our capitalisation is as set out below:

Standalone Capitalization statement

(Rs. in Lakhs)

Particulars	As at June 30, 2024 (Pre-Issue)	As adjusted for proposed Issue
Borrowings		
Current Borrowings	-	-
Non-Current Borrowings (including current maturity)	445.30	445.30
Total borrowings (A)	445.30	445.30
Total Equity		
Share capital	1,411.36	1,411.36
Reserves and surplus*	1,949.42	1,949.42
Total Equity (B)	3,360.78	3,360.78
Non-current Borrowings / Total Equity ratio	13.25%	13.25%
Total borrowings / Total Equity ratio (A/B)	13.25%	13.25%

*Excluding other Comprehensive Income.

Consolidated Capitalization statement

(Rs. in Lakhs)

Particulars	As at June 30, 2024 (Pre-Issue)	As adjusted for proposed Issue
Borrowings		
Current Borrowings	-	-
Non-Current Borrowings (including current maturity)	664.08	664.08
Total borrowings (A)	664.08	664.08
Total Equity		
Share capital	1,411.36	1,411.36
Reserves and surplus*	1,884.80	1,884.80
Total Equity (B)	3,296.16	3,296.16
Non-current Borrowings / Total Equity ratio	20.15%	20.15%
Total borrowings / Total Equity ratio (A/B)	20.15%	20.15%

*Excluding other Comprehensive Income.



A F ENTERPRISES LIMITED
(CIN- L18100DL1983PLC016354)

MARKET PRICE INFORMATION

The Equity Shares of our Company are listed on the BSE. As our Equity Shares are listed only on the BSE, stock market data for our Equity Shares has been given for BSE.

For the purpose of this section:

- Year is a Financial Year;
- Average price is the average of the daily closing prices of the Equity Shares, for the year, or the month, or the week, as the case may be;
- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares, for the year, or the month, as the case may be; and
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

Yearly Stock Market Quotation at BSE

The high, low prices and average of closing prices recorded on the BSE for the preceding three Financial Years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

Year ended on March 31	High (in Rs)	Date of High	No. of Shares traded on date of high	Low (in Rs)	Date of Low	No. of Shares traded on date of low	Average price for the year (in Rs.)
2024	15.57	09 th May,2023	47,471	4.48	15 th November, 2023	49,154	7.74
2023	137.55	13 th April,2022	1,26,898	8.24	12 th October,2022	4,64,456	47.82
2022	121.2	28 th March,2022	76,127	14.6	11 th June,2021	523	43.10

(Source: www.bseindia.com) In case where closing price is same the price on which no. of shares traded higher on is taken.

Monthly Stock Market Quotation at BSE

The high and low prices and volume of the Equity Shares traded on the respective dates during the last six months is as follows:

Month	High (in Rs.)	Date of High	No. of Shares traded on date of high	Low (in Rs.)	Date of Low	No. of Shares traded on date of low	Average price for the Month (in Rs.)	Total No of Trading Days
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A F ENTERPRISES LIMITED
(CIN- L18100DL1983PLC016354)

Month	High (in Rs.)	Date of High	No. of Shares traded on date of high	Low (in Rs.)	Date of Low	No. of Shares traded on date of low	Average price for the Month (in Rs.)	Total No of Trading Days
July, 2024	15.94	31 st July, 2024	3,30,543	10.30	09 th July, 2024	28,699	12.77	22
June, 2024	11.66	26 th June, 2024	1,33,732	6.98	03 rd June, 2024	82,804	9.73	19
May, 2024	6.66	15 th May, 2024	33,379	5.69	2 nd May, 2024	8,800	6.11	22
April, 2024	6.94	5 th April, 2024	41,385	5.75	1 st April, 2024	49,310	6.19	20
March, 2024	6.68	02 nd March, 2024	14,881	5.49	28 th March, 2024	29,640	6.10	19
February, 2024	10.36	5 th February, 2024	2,26,777	6.45	29 th February, 2024	29,174	7.93	21

(Source: www.bseindia.com).

Weekly Stock Market Quotation at BSE

Week end closing prices of the Equity Shares for the last four weeks on the BSE are as below:

Week Ended on	Closing Price (In Rs.)	High (in Rs.)	Date of High	Low (in Rs.)	Date of Low
09 th August, 2024	18.24	18.24	09 th August, 2024	16.89	05 th August, 2024
02 nd August, 2024	16.57	16.57	02 nd August, 2024	15.33	29 th July, 2024
26 th July, 2024	15.03	15.03	26 th July, 2024	13.91	22 nd July, 2024
19 th July, 2024	13.64	13.64	19 th July, 2024	12.50	15 th July, 2024

(Source: www.bseindia.com).

The closing price of the Equity Shares as on 11th June, 2024 was Rs. 9.32 on the BSE, the trading day immediately preceding the day on which Board of Directors approved the Issue.



A F ENTERPRISES LIMITED
(CIN- L18100DL1983PLC016354)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 123 of this Letter of Offer.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 24 and 19, respectively of this Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2021 included herein is based on the Audited Financial Statements included in this Letter of Offer. For further information, see "Financial Statements" beginning on page 123 of this Letter of Offer.

Neither we, nor any of our affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Presentation of Financial and other Information" beginning on page 17 of this Letter of Offer.

Business overview

Our Company is engaged in the Trading and production/Manufacturing product range encompassing plastic molded components under the brand name "RIDH". The brand "RIDH" is the Trademark showcasing the entire Product range.

Our Company is engaged in manufacturing and distribution of Plastic Moulded Component. Injection moulding is a formative manufacturing technology, i.e. material is formed from an amorphous shape into a fixed shape defined by a mould tool. Almost every plastic part created today is by injection moulding as it allows identical parts to be created in huge numbers, in a short space of time, and at very low cost per part.

The process works as follows:

- 1) A mould cavity defines the shape of the part.
- 2) Material (melted plastic) is injected under pressure into the cavity.
- 3) When the plastic cools it solidifies to take the form defined by the mould.
- 4) The part is ejected, and the process repeats from step 2.

For further details, refer chapter titled "Our Business" on page 94.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

To the knowledge of our Company and except as disclosed herein, since the date of the last financial statements and results contained in this Letter of Offer, no other circumstances have arisen which would



A F ENTERPRISES LIMITED
(CIN- L18100DL1983PLC016354)

materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factors" beginning on page 24 of this Letter of offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our success depends on the value, perception and quality of our product;
- Branding and marketing;
- General economic and business conditions;
- Company's inability to successfully implement its growth and expansion plans;
- Increasing competition in the Industry;
- Changes in technology;
- Any change in the laws and regulations to Industry in which we operate;

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Limited Review Unaudited Standalone and Consolidated Financial results and Audited Standalone and Consolidated Financial Statements. For details of our significant accounting policies, please refer chapter titled "Financial Statements" on page 123 of this Letter of Offer.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter titled "Financial Statements" on page 123, There has been no change in accounting policies for the period which has been included in this Letter of Offer.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, please refer chapter titled "Financial Statements" on page 123 of this Letter of Offer.

SUMMARY OF OPERATIONS

The following discussion on result of operations should be read in conjunction with the Audited Standalone and consolidated financial statements of our Company for financial year ended March 31, 2024 and the Unaudited Standalone and consolidated financial results for the quarter ended June 30, 2024.

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's Audited financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:



A F ENTERPRISES LIMITED
(CIN- L18100DL1983PLC016354)

(Rs. In Lakhs)

Particulars	For the financial year ended 31 st March, 2024		For the financial year ended 31 st March, 2023	
	Standalone	Consolidat	Standalone	Consolidated
Income:-				
Revenue from Operations	850.14	850.14	2418.48	2428.68
<i>As a % of Total Revenue</i>	89.52%	89.41%	81.81%	81.73%
Other Income	99.57	100.74	537.69	542.79
<i>As a % of Total Revenue</i>	10.48%	10.59%	18.19%	18.27%
Total Revenue (A)	949.70	950.88	2956.17	2971.47
Growth %				
Expenditure:-				
Cost of material consumed	384.50	384.50	760.75	760.75
<i>As a % of Total Revenue</i>	40.49%	40.44%	25.73%	25.60%
Purchase of Stock in Trade	51.84	51.84	1499.72	1499.72
<i>As a % of Total Revenue</i>	5.46%	5.45%	50.73%	50.47%
Change In Inventory	1.15	1.65	7.19	7.19
<i>As a % of Total Revenue</i>	0.12%	0.17%	0.24%	0.24%
Operating expenses	88.51	95.61	88.51	95.61
<i>As a % of Total Revenue</i>	9.32%	10.05%	10.41%	9.32%
Employees Benefit Expenses	32.30	32.30	131.09	190.51
<i>As a % of Total Revenue</i>	3.40%	3.40%	4.43%	6.41%
Depreciation and Amortization	16.92	18.35	18.51	26.12
<i>As a % of Total Revenue</i>	1.78%	1.93%	0.63%	0.88%
Finance Cost	110.10	111.13	122.97	125.45
<i>As a % of Total Revenue</i>	11.59%	11.69%	4.16%	4.22%
Other Expenses	363.05	370.64	271.25	309.22
<i>As a % of Total Revenue</i>	38.23%	38.98%	9.18%	10.41%
Total Expenses (B)	1048.38	1058.93	2907.08	3014.57
<i>As a % of Total Revenue</i>	110.39%	111.36%	98.34%	101.45%
Profit before extraordinary items and tax	(98.66)	(108.05)	49.09	(43.10)
<i>As a % of Total Revenue</i>	(10.39%)	(11.36%)	1.66%	(1.45%)
Extraordinary Items	100.00	100.00	130.75	130.75
Profit before Tax	1.34	(8.05)	179.84	87.65
PBT Margin				
Tax Expense:				
i. Current Tax	22.22	22.04	(67.64)	67.64
ii. Deferred Tax Expenses/(Credit)	1.21	4.59	(8.99)	(14.03)



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Particulars	For the financial year ended 31 st March, 2024		For the financial year ended 31 st March, 2023	
	Standalone	Consolidat	Standalone	Consolidated
PAT	24.75	(34.68)	103.2	34.05
PAT Margin %	2.61%	(3.65%)	3.49%	1.15%

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2024 WITH FINANCIAL YEAR ENDED MARCH 31, 2023

INCOME

Income from Operations

(Rs. In Lakhs)

Particulars	31.03.2024		31.03.2023		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	850.14	850.14	2418.48	2428.68	(64.85%)	(65.00%)

The operating income of the Company for the year ending March 31, 2024 on standalone is Rs. 850.14 Lakhs as compared to Rs. 2418.48 lakhs for the year ended March 31, 2023 on standalone basis, showing a decrease of 64.85%, and such decrease is due to decrease in volume of operations.

Accordingly, the operating income of the Company for the year ending March 31, 2024 on consolidated is Rs. 850.14 Lakhs as compared to Rs. 2428.68 lakhs for the year ended March 31, 2023 on consolidated basis, showing a decrease of 65.00%, and such decrease is due to decrease in volume of operations.

Other Income

Our other income decreased from Rs. 537.69 Lakhs to Rs. 99.57 Lakhs on standalone basis, this was primarily due to decrease in Non operating Income and Our Other Income decreased from Rs. 542.79 Lakhs to Rs. 100.74 Lakhs on consolidated basis during the year ended 31st March, 2023 to 31st March, 2024 respectively, this was primarily due to decrease in Non operating Income on consolidated basis.

Cost of Goods sold

(Rs. In Lakhs)

Particulars	31.03.2024		31.03.2023		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Cost of Goods sold	437.49	437.99	2267.66	2267.66	(80.71%)	(80.69%)

There is 80.71% decrease in cost of goods sold from Rs. 2,267.66 Lakhs during year ended 31st March, 2023 to Rs. 437.49 Lakhs during year March 31, 2024 on standalone basis and there is 80.69% decrease in cost of goods sold from Rs. 2,267.66 Lakhs during year ended 31st March, 2023 to Rs. 437.49 Lakhs during year March 31, 2024 on consolidated basis which is in line with the increase in revenue from operations and decrease in business volume.



Employee Benefit Expenses

(Rs. In Lakhs)

Particulars	31.03.2024		31.03.2023		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Employee Benefit Expenses	32.30	32.30	131.09	190.51	(75.36%)	(83.05%)

There is 75.36% decrease in employee benefit expenses from Rs. 131.09 Lakhs during year ended 31st March, 2023 to Rs. 32.30 Lakhs during year March 31, 2024 on standalone basis and there is 83.05% decrease in employee benefit expenses from Rs. 190.51 Lakhs during year ended 31st March, 2023 to Rs. 32.30 Lakhs during year March 31, 2024 on consolidated basis which is due to decrease in staff and salary & wages.

Finance Cost

Finance Cost during ended 31st March, 2024 have decreased to Rs. 110.01 lacs as compared to Rs. 122.97 lacs for during the year ended 31st March, 2023 and Finance cost have decreased to Rs. 111.13 lacs during year ended 31st March, 2024 as compared to Rs. 125.45 during year ended 31st March, 2023 on standalone and consolidated basis respectively.

Other Expenses

(Rs. In Lakhs)

Particulars	31.03.2024		31.03.2023		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Other expenses	363.05	370.64	271.25	309.22	33.84%	19.86%

There is 33.84% increase in other expenses from Rs. 271.25 Lakhs during the year ended 31st March, 2023 to Rs. 363.05 Lakhs during the year ended March 31, 2024 on standalone basis which is in line with volume of business operations and accordingly, there is 19.86% increase in other expenses from Rs. 309.22 Lakhs during the year ended 31st March, 2023 to Rs. 370.64 Lakhs during the year ended March 31, 2024 on consolidated basis which is in line with volume of business operations.

Depreciation

There is 10.47% & 11.41% decrease in Depreciation expenses during the year ended March 31, 2024 as compared with depreciation expenses during the year ended March 31, 2023 due to decrease in written down value or depreciable assets on standalone and consolidated basis respectively.

Profit Before Tax

(Rs. In Lakhs)

Particulars	31.03.2024		31.03.2023		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Profit before Tax	1.34	(8.05)	179.84	87.65	(99.25%)	(109.18%)



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Profit before tax decreased by 99.25% from Rs. 179.84 Lakhs during the year ended 31st March, 2023 to Rs. 1.34 Lakhs during the year March 31, 2024 on standalone basis due to decrease in volume of sales. Also, profit before tax decreased by 109.18% from Rs. 87.65 Lakhs during the year ended 31st March, 2023 to Rs. (8.05) Lakhs during the year ended March 31, 2024 on consolidated basis due to decrease in volume of sales of the Company.

Net Profit

(Rs. In Lakhs)

Particulars	31.03.2024		31.03.2023		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Profit	24.75	(34.68)	103.20	34.05	(76.02%)	(201.85%)

Profit after tax decreased by 76.02% from Rs. 103.20 Lakhs during the year ended 31st March, 2023 to Rs. 24.75 Lakhs during the year March 31, 2024 on standalone decrease in turnover and capital utilization of the Company. Also, Profit after tax decreased by 201.85% from Rs. 34.05 Lakhs during the year ended 31st March, 2023 to Rs. (34.68) Lakhs during the year ended March 31, 2024 on consolidated basis due to decrease in turnover and capital utilization of the Company.

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's **Unaudited financial results**, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

Particulars	For the financial year ended 30 th June, 2024		For the financial year ended 30 th June, 2023	
	Standalone	Consolidated	Standalone	Consolidated
Income:-				
Revenue from Operations	144.01	144.01	117.46	117.46
<i>As a % of Total Revenue</i>	97.98%	97.97%	98.61%	98.61%
Other Income	2.97	2.98	1.65	1.65
<i>As a % of Total Revenue</i>	2.02%	2.03%	1.39%	1.39%
Total Revenue (A)	146.98	146.99	119.11	119.11
Growth %				
Expenditure:-				
Cost of material consumed	115.15	115.15	92.11	92.11
<i>As a % of Total Revenue</i>	78.34%	78.34%	77.33%	77.33%
Purchase of Stock In Trade	-	-	-	-
<i>As a % of Total Revenue</i>	0.00%	0.00%	0.00%	0.00%
Change In Inventory	0.05	0.05	-2.05	-2.05
<i>As a % of Total Revenue</i>	0.03%	0.03%	-1.72%	-1.72%
Operating expense	14.97	14.97	37.07	37.07
<i>As a % of Total Revenue</i>	10.19%	10.18%	31.12%	31.12%



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Employees Benefit Expenses	8.59	8.59	12.12	12.13
<i>As a % of Total Revenue</i>	5.84%	5.84%	10.18%	10.18%
Depreciation and Amortization Expense	24.57	24.71	27.52	28.12
<i>As a % of Total Revenue</i>	16.72%	16.81%	23.10%	23.61%
Finance Cost	4.33	4.33	4.16	4.16
<i>As a % of Total Revenue</i>	2.95%	2.95%	3.49%	3.49%
Other Expenses	17.3	17.66	43.33	43.54
<i>As a % of Total Revenue</i>	11.77%	12.01%	36.38%	36.55%
Total Expenses (B)	184.96	185.46	214.26	215.08
<i>As a % of Total Revenue</i>	125.84%	126.17%	179.88%	180.57%
Profit before extraordinary items and tax	(37.98)	(38.47)	(95.15)	(95.97)
<i>As a % of Total Revenue</i>	(25.84%)	(26.17%)	(79.88%)	(80.57%)
Extraordinary Items	-	-	(50.00)	(50.00)
Profit before Tax	(37.98)	(38.47)	(45.15)	(45.97)
<i>PBT Margin</i>				
Tax Expense:				
i. Current Tax	-	-	-	-
ii. Deferred Tax Expenses/(Credit)	-	-	-	-
PAT	(37.98)	(38.47)	(45.15)	(45.97)
<i>PAT Margin %</i>	(25.84%)	(26.17%)	(37.91%)	(38.59%)

COMPARISON OF FINANCIAL YEAR ENDED JUNE 30, 2024 WITH FINANCIAL YEAR ENDED JUNE 30, 2023

INCOME

Income from Operations

(Rs. In Lakhs)

Particulars	30.06.2024		30.06.2023		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	144.01	144.01	117.46	117.46	22.60%	22.60%

The operating income of the Company for the Quarter ended June 30, 2024 on standalone is Rs. 144.01 Lakhs as compared to Rs. 117.46 lakhs for the Quarter ended June 30, 2023 on standalone basis, showing an increase of 22.60%, and such increase is due to increase in volume of operations.



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Accordingly, the operating income of the Company for the quarter ended June 30, 2024 on consolidated is Rs. 144.01 Lakhs as compared to Rs. 117.46 lakhs for the quarter ended June 30, 2023 on consolidated basis, showing an increase of 22.60%, and such increase is due to increase in volume of operations.

Other Income

Our other income increased from Rs. 1.65 Lakhs to Rs. 2.97 Lakhs on standalone basis, this was primarily due to increase in Non operating Income and Our Other Income increased from Rs. 1.64 Lakhs to Rs. 2.98 Lakhs on consolidated basis during the quarter ended 30th June, 2023 to 30th June, 2024 respectively, this was primarily due to increase in Non operating Income on consolidated basis.

Cost of Goods sold

(Rs. In Lakhs)

Particulars	30.06.2024		30.06.2023		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Cost of Goods sold	115.15	115.15	92.11	92.11	15.15%	15.15%

There is 15.15% increase in cost of goods sold from Rs. 92.11 Lakhs during quarter ended 30th June, 2023 to Rs. 115.15 Lakhs during quarter June 30, 2024 on standalone basis and there is 15.15% increase in cost of goods sold from Rs. 92.11 Lakhs during quarter ended 30th June, 2023 to Rs. 115.15 Lakhs during quarter June 30, 2024 on consolidated basis which is in line with the increase in revenue from operations and increase in business volume.

Employee Benefit Expenses

(Rs. In Lakhs)

Particulars	30.06.2024		30.06.2023		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Employee Benefit Expenses	8.59	8.59	12.12	12.13	(29.13%)	(29.18%)

There is 29.13% decrease in employee benefit expenses from Rs. 12.13 Lakhs during quarter ended 30th June, 2023 to Rs. 8.59 Lakhs during quarter June 30, 2024 on standalone basis and there is 29.18% decrease in employee benefit expenses from Rs. 12.13 Lakhs during quarter ended 30th June, 2023 to Rs. 8.59 Lakhs during quarter June 30, 2024 on consolidated basis which is due to decrease in staff and salary & wages.

Other Expenses

(Rs. In Lakhs)

Particulars	30.06.2024		30.06.2023		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Other expenses	17.30	17.66	43.33	43.54	(60.07%)	(59.44%)

There is 60.07% decrease in other expenses from Rs. 43.33 Lakhs during the quarter ended 30th June, 2023 to Rs. 17.30 Lakhs during the quarter ended June 30, 2024 on standalone basis which is in line with



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volume of business operations and accordingly, there is 59.44% decrease in other expenses from Rs. 43.54 Lakhs during the quarter ended 30th June, 2023 to Rs. 17.66 Lakhs during the quarter ended June 30, 2024 on consolidated basis which is in line with volume of business operations.

Depreciation

There is 10.72% & 12.13% decrease in Depreciation expenses during the quarter ended June 30, 2024 as compared with depreciation expenses during the quarter ended June 30, 2023 due to decrease in written down value or depreciable assets on standalone and consolidated basis respectively.

Profit/Loss Before Tax

(Rs. In Lakhs)

Particulars	30.06.2024		30.06.2023		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Profit before Tax	(37.98)	(38.47)	(45.15)	(45.97)	(15.88%)	(16.31%)

Profit before tax decreased by 15.88% from Rs. 45.15 Lakhs during the quarter ended 30th June, 2023 to Rs. 37.98 Lakhs during the quarter June 30, 2024 on standalone basis due to increase in cost of goods sold. Also, profit before tax decreased by 16.31% from Rs. 45.97 Lakhs during the quarter ended 30th June, 2023 to Rs. 37.47 Lakhs during the quarter ended June 30, 2024 on consolidated basis due to decrease in increase in cost of goods sold of the Company.

Net Profit/Loss

(Rs. In Lakhs)

Particulars	30.06.2024		30.06.2023		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Profit	(37.98)	(38.47)	(45.15)	(45.97)	(15.88%)	(16.31%)

Profit after tax decreased by 15.88% from Rs. 45.15 Lakhs during the quarter ended 30th June, 2023 to Rs. 37.98 Lakhs during the quarter June 30, 2024 on standalone due to increase in cost of goods sold. Also, Profit after tax decreased by 16.31% from Rs. 45.97 Lakhs during the year ended 30th June, 2023 to Rs. 38.47 Lakhs during the quarter ended June 30, 2024 on consolidated basis due to increase in cost of goods sold.



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Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the chapter titled “*Risk Factors*” beginning on pages 24 of this Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Letter of Offer, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the chapter titled “*Risk Factors*” on page 24 of this Letter of Offer.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the chapter titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 24 and 128, respectively, and elsewhere in this Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume or increased sales prices

Increase in revenues is by and large linked to increase in sale of our services.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to intensify. However, on account of cost reduction and cost control, consistently delivering quality services, we are able to stay competitive. For further details, kindly refer the chapter titled “*Our Business*” beginning on page 94 of this Letter of Offer



SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

*Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is where the amount involved is 20% of Turnover or Net Worth of the Company for the immediately preceding financial year ("**Materiality Threshold**") or above.*

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

LITIGATIONS INVOLVING OUR COMPANY

Litigations Against our Company

Criminal proceeding against our Company

Nil

Action and Proceeding initiated by Statutory / Regulatory Authority including economic offences against our Company

Nil

Other Proceeding against our Company including matters which are considered material as per Materiality Policy

- i) There is liability of Rs. 1,001.80 Lakhs on account of Demand from the GST Department, our Company has filed an appeal with higher authority(ies) which is under process.
- ii) In the matter of M/s. Findoc Finvest Pvt Ltd (Petitioner) and M/s. AF Enterprises Limited (Respondent) under Section 7 of the Insolvency and Bankruptcy Code, 2016, before the National Company Law Tribunal (NCLT) at New Delhi concerning an amount of Rs 210.00 Lakhs. M/S Findoc Finvest Pvt Ltd sanctioned a loan of Rs 500 lakhs to M/S AF Enterprises Limited, but the



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sanctioned amount has not been fully disbursed. Consequently, M/S AF Enterprises Limited has not been able to complete its project due to a shortage of funds.

Litigation involving Tax Liabilities

SR No	Section Code	Date of demand raised	Demand Reference No.	Assessment Year	Outstanding Demand Amount	Accrued Interest	Outstanding Demand Amount
1	U/s 154	17/03/2024	2023201740415871170C	2017	37,92,477	-	37,92,477
2	U/s143(1)(a)	01/05/2020	2020201937002178215C	2019	9,60,250	1,82,438	11,42,688
3	U/s143(3)	28/03/2024	2023202237246547375C	2022	13,5,21,170	20,28,165	1,55,49,335
4	U/s143(1)(a)	30/04/2024	2024202337247269032C	2023	25,73,510	51,470	26,24,980

Litigations by our Company

Criminal proceeding by our Company

Nil

LITIGATIONS INVOLVING SUBSIDIARY COMPANIES

Litigations against Subsidiary Companies

Criminal proceeding against our Subsidiary Companies

Nil

Action and Proceeding initiated by Statutory/Regulatory Authority against of our Subsidiary Companies

Nil

Other Proceeding against our Subsidiary Companies

Nil

Litigations by Subsidiary Companies

Criminal proceeding by our Subsidiary Companies

Nil

Other Proceeding by our Subsidiary Companies

Nil



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Revenue Matters:

Nil

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

Neither our Company, our Promoters, our Directors are or have been classified as a willful defaulter or fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines on willful defaulters or fraudulent borrower issued by RBI.

AMOUNT DUE TO MSME

There is Rs. 6.46 Lakhs dues to MSME supplier for more than 45 (Forty Five) days as on 30th June, 2024.



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GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company requires various consents, licenses, permissions and approvals from various central and state authorities under various rules and regulations for carrying on its present business activities. We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required for our present business and to undertake the Issue. Such consents, licenses, permissions and approvals may be required to be renewed periodically and applications for the same are made at the appropriate stage.

Since, our Company intends to utilize the proceeds of the Issue to meet the working capital requirement repayment of Creditors, repayment of loans, no government and regulatory approval pertaining to the Object of the Issue will be required.



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MATERIAL DEVELOPMENTS

There have not arisen, since the date of the last financial statements disclosed in this Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

For further details, please refer to the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 128 of this Letter of Offer.



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OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

This Issue has been authorized by the resolution passed by our Board at its meeting held on 12th June, 2024 pursuant to Section 62 (1) (a) of the Companies Act, 2013 and other applicable provisions. The Rights Issue Committee has approved the Record Date for the Issue at its meeting held on August 16, 2024 and this Letter of Offer at its meeting held on August 16, 2024.

Our Board, in its meeting held on 12th June, 2024 has resolved to issue the partly paid up Equity Shares to the Eligible Equity Shareholders, at Rs. 10 per Equity Share aggregating up to Rs. 2,117.05 Lakhs. The Issue Price is Rs. 10 per Equity Share has been arrived at by our Company prior to determination of the Record Date.

Our Company has received in-principle approval from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be Allotted in this Issue pursuant to their respective letters each dated July 23, 2024. Our Company will also make application to BSE to obtain its trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE663P20023 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "Terms of the Issue" beginning on page 151 of this Letter of Offer.

Prohibition by SEBI

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.



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Eligibility for this Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made application to the Stock Exchange and has received its in-principle approval for listing of the Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

The Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is up to Rs. 2,117.05 lakhs. The present Issue being of less than Rs. 5,000 lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI i.e. www.sebi.gov.in.



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Disclaimer from our Company, our Director(s)

Our Company accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and its officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

Caution

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Delhi, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Disclaimer Clause of BSE

As required, a copy of this Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Letter of Offer is set out below:



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"BSE Limited ("the Exchange") has given, vide its letter dated July 23, 2024 permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the



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buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of our Directors, the Registrar to the Issue, Expert and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Expert Opinion

Our Company has not obtained any expert opinion.



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Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company had come up with the rights issue in the 2022-23 and it failed to achieve the minimum subscription. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Letter of Offer has been filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "Terms of the Issue" beginning on page 151. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:



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Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue at:

Registrar to the Issue

Skyline Financial Services Private Limited

D-153 A, 1st Floor, Okhla Industrial Area, Delhi-110020.

Tel No.: 011-26812682

Website: www.skylinerta.com

E-mail ID: admin@skylinerta.com/info@skylinerta.com

Contact Person: Mr. Anuj Rana

SEBI Registration No: INR000003241

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue/post- Issue related matter such as non-receipt of letter of Allotment, credit of Rights Equity Shares, refund and such other matters. The contact details of the Compliance Officer are as follows:

Company Secretary and Compliance Officer

Ms. Neha Srivastava

15/18 Basement B Portion, West Patel Nagar, Central Delhi, New Delhi, India, 110008.

Email: cs@ridh.in

Website: www.afenterprisesltd.in

Tel: +91-7428399452

Investors may contact the Company Secretary and Compliance Officer at the above mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our Company has not submitted any application to SEBI for exemption from complying with any provisions of Securities.

Status of Complaints

- i. Total number of complaints received during Fiscal 2022: Nil
- ii. Total number of complaints received during Fiscal 2023: Nil
- iii. Total number of complaints received during Fiscal 2024: Nil
- iv. Time normally taken for disposal of various types of investor complaints: 15 days
 - (a) Share transfer process: Within 15 days after receiving full set of documents
 - (b) Share transmission process: Within 21 days after receiving full set of documents
 - (c) Other Complaints: Within 15 days from the receipt of the complaint



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Status of outstanding investor complaints

As on the date of the DLOF, there were Nil outstanding investor complaints.

Changes in Auditor during the last three years

M/s S. Agarwal & Co. has been appointed as Statutory Auditors of the Company from 3rd September, 2023 for a continuous period of five years commencing from the conclusion of the 45th Annual General Meeting of the Company (i.e for the FY 2023-24 until FY 2027-28).

Minimum Subscription

The objects of the Issue are meeting the Working Capital requirements, repayment of loans and General Corporate Purpose and do not involve financing of Capital Expenditure for a project.

However, our promotor has indicated that they will not subscribe fully to their portion of right entitlement and that they may renounce their rights entitlements. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirements of minimum subscription are applicable to the issue.

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under "Terms of the Issue" on page 151 of this Letter of Offer.



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SECTION VIII - ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Right Issue Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (ii) Our Company at www.afenterprisesltd.in;
- (iii) The Registrar at www.skylinerta.com;
- (iv) The Stock Exchange at www.bseindia.com;



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Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., Skyline Financial Services Private Limited at www.skylinerta.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.afenterprisesltd.in).

Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchange. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).



PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, titled "Procedure for Application through the ASBA Process" on page 154.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer "Grounds for Technical Rejection" 131. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, refer chapter titled "Application on Plain Paper under ASBA process".

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:



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- a) apply for its Equity Shares to the full extent of its Rights Entitlements; or
- b) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- c) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- d) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- e) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

A Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Shareholders applying through ASBA:

- a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.



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- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- d) Do not submit Application Form using third party ASBA account.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchange. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.



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The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (a) Name of our Company, being A F Enterprises Limited;
- (b) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- (c) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- (d) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- (e) Number of Equity Shares held as on Record Date;
- (f) Allotment option – only dematerialised form;
- (g) Number of Equity Shares entitled to;
- (h) Number of Equity Shares applied for within the Rights Entitlements;
- (i) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- (j) Total number of Equity Shares applied for;
- (k) Total amount to be paid at the rate of Rs. 10 per Equity Share (On Application payable Rs. 2.50 per Equity Share and balance amount of Rs. 7.50 will be paid on subsequent calls);
- (l) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- (m) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- (n) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (o) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (p) All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.



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I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulations"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.

I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements. "

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at www.skylinerta.com.

Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;



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- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
 - c) The remaining procedure for Application shall be same as set out in "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "*Basis of Allotment*" mentioned below.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Shareholders in relation to making of an application

- i) Please read this Letter of offer carefully to understand the Application process and applicable settlement process.
- ii) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- iii) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.
- iv) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
- v) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.



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- vi) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.
- vii) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**
- viii) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- ix) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
- x) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- xi) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen



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signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

- xii) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- xiii) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- xiv) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- xv) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- xvi) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- xvii) Do not pay the Application Money in cash, by money order, pay order or postal order.
- xviii) Do not submit multiple Applications.
- xix) No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- xx) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- i) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- ii) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- iii) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- iv) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.



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- v) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- vi) Account holder not signing the Application or declaration mentioned therein.
- vii) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- viii) Multiple Application Forms, including cases where an Shareholders submits Application Forms along with a plain paper Application.
- ix) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- x) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- xi) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- xii) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Letter of offer.
- xiii) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.
- xiv) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demands.
- xv) If a Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.
- xvi) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- xvii) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- xviii) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

Applications by non-resident Shareholders.

- a. Payment from third party bank accounts.



Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "*Procedure for Applications by Mutual Funds*" mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) a Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected.

Procedure for Applications by certain categories of Shareholders

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.



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An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. Such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre - approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or



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preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Shareholders**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is September 03, 2024, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "*Basis of Allotment*" mentioned below.

Please note that on the Issue Closing Date, (Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.



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Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.skylinerta.com.) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.afenterprisesltd.in).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE663P20023. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.



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Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e* www.skylinerta.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "A F ENTERPRISES LIMITED-RIGHT ISSUE") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by August 29, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least



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one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.



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Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Shareholders.

On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE663P20023 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from August 26, 2024 to August 28, 2024 (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE663P20023 and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Equity Shares in the Issue.



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The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE663P20023, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Record date for Call and suspension of trading

Our Company would fix a Call Record Date giving notice, in advance of such period as may be prescribed under applicable law, to the Stock Exchange for the purpose of determining the list of holders of the Rights Equity Shares to whom the notice for the Call would be sent. Once the Call Record Date has been fixed, trading in the Rights Equity Shares for which the call has been made may be suspended prior to the Call Record Date.

Procedure for Call for Rights Equity Shares

Our Company would convene a meeting of the Board of Directors to pass the required resolutions for making the Call and suitable intimation would be given by our Company to the Stock Exchange. Further, advertisements for the same will be published in (i) one English national daily newspaper with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation being the regional language of Delhi, where our Registered Office is situated). The Call shall be deemed to have been made at the time when the resolution authorising such Call is passed at the meeting of our Board. The Call may be revoked or postponed at the discretion of the Board. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 14 days' notice for the payment of the Call. The Board may, from time to time at its discretion, extend the time fixed for the payments of the Call. Our Company, at its sole discretion and as it may deem fit, may send one or more reminders for the Call, and if it does not receive the Call Monies as per the timelines stipulated unless extended by the Board, the defaulting holders of the Rights Equity Shares will be liable to pay interest as may be fixed by the Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Call made.

Payment of Call Money

In accordance with Regulation 89 of SEBI-ICDR, 2018, we shall ensure that the outstanding subscription money is called within twelve months from the date of allotment in the issue and if any applicant fails to pay the call money within the said twelve months, the equity shares on which there are calls in arrear along with the subscription money already paid on such shares shall be forfeited.

Further, in accordance with the SEBI circular SEBI/HO/CFD/DIL1/CIR/238/2020 dated December 8, 2020 regarding additional payment mechanism (i.e. ASBA, etc.) for payment of balance money in call for



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partly paid specified securities issued by the listed entity, the holders of Rights Equity Shares may make payment of the Call Monies using ASBA Mechanism through the Designated Branch of the SCSB or through online/electronic through the website of the SCSBs (if made available by such SCSB) by authorizing the SCSB to block an amount, equivalent to the amount payable on Call, in the Investor's ASBA Account. The holders of Rights Equity Shares may also use the facility of linked online trading, demat and bank account (3-in-1 type account), if provided by their broker, for making payment of the Call Monies.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for the Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after the Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholder's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.



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Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "*The Issue*" beginning on mentioned above.



Fractional Entitlements

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 3 (Three) partly paid up Equity Shares for every 2 (Two) fully paid up Equity Shares held as on the Record Date). As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Shareholders is less than 2 (Two) Equity Shares or is not in the multiple of 2 (Two) Equity Shares, the fractional entitlements of such Eligible Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Rights Shares over and above their Rights Entitlements, if any, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 2 (Two) Equity Share, such Equity Shareholder will be entitled to 3 (Three) partly paid up Rights Share(s) and will also be given a preferential consideration for the Allotment of one additional Rights Share if such Eligible Equity Shareholder has applied for additional Rights Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for.

Such Eligible Shareholders are entitled to apply for additional Rights Shares and will be given preference in the Allotment of one Rights Shares, if such Eligible Shareholders apply for additional Rights Shares, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Ranking

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number LOD/RIGHT/DA/FIP/618/2024-25 dated July 23, 2024. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No



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assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 538351) under the ISIN: INE663P01015. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and members of the Promoter Group

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "*Capital Structure - Intention and extent of participation by our Promoter*" mentioned above.

Rights of the Rights Equity Shareholder

Subject to applicable laws, the Rights Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right to free transferability of Rights Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and Memorandum of Association and Articles of Association.

General Terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialised form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.



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Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be One Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Right Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one Hindi language national daily newspaper with wide circulation being the regional language of Delhi, where our Registered Office is situated.



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This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Shareholders

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at Skyline Financial Services Private Limited at www.skylinerta.com. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchange. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.



The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by mail at www.skylinerta.com

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" AS MENTIONED ABOVE

Issue Schedule

Last date for credit of Rights entitlements	August 23, 2024
Issue opening date	August 26, 2024
Last Date on Market Renunciation of Rights Entitlements *	August 28, 2024
Issue Closing Date**	September 03, 2024
Finalisation Of Basis of Allotment (On or about)	September 09, 2024
Date of Allotment (On or about)	September 10, 2024
Date of Credit (On or about)	September 13, 2024
Date of Listing/Trading (On or About)	September 19, 2024

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

***Our Board or the Rights Issue Committee, duly constituted and authorized by the Board of Directors in their meeting will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, August 29, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, September 02, 2024 .

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.



- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be on equitable basis giving due regard to the holdings as on the record date and will not be a preferential allotment.
- (d) Allotment to Renounees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

- i) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- ii) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- iii) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.



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ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

Unblocking amounts blocked using ASBA facility.

NACH - National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the



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depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

National Electronic Fund Transfer ("NEFT") – Payment of refund shall be undertaken through NEFT wherever the Shareholders' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Shareholders through this method.

Direct Credit – Shareholders having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company

RTGS – If the refund amount exceeds Rs. 2,00,000, the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholders.

For all other Shareholders, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demands drawn in favour of the sole/first Shareholders and payable at par.

Credit of refunds to Shareholders in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

Receipt of the Equity Shares in Dematerialized Form

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO



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WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

- i) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- ii) It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
- iii) The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Shareholder's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholder's depository participant.
- iv) If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
- v) The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.
- vi) Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
- vii) Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.



IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 0.5 crore or with both.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- i) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
- iii) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.



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- iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
 - v) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
 - vi) Adequate arrangements shall be made to collect all ASBA Applications.
 - vii) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "[●]" on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

Skyline Financial Services Private Limited

D-153A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020.

Tel No.: 011-26812682

Website: www.skylinerta.com

E-mail ID: admin@skylinerta.com/info@skylinerta.com

Contact Person: Mr. Virender Rana

SEBI Registration No: INR000003241

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar (i.e, Skyline Financial Services Private Limited at www.skylinerta.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 011-26812682.

(i) The Shareholders can visit following links for the below-mentioned purposes:

4. Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: www.skylinerta.com).



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5. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.skylinerta.com).
6. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.skylinerta.com).
7. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: admin@skylinerta.com/info@skylinerta.com.

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).



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RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("DPIIT"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.



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Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.



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STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.



SECTION IX - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts referred to in para (A) have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer.

Copies of the above mentioned contracts and also the documents for inspection referred to in para (B), may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Letter of Offer until the closure of the subscription list.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A) MATERIAL CONTRACTS

1. Agreement dated 15th June, 2024 between our Company and M/s Skyline Financial Services Private Limited, Registrar to the Issue.
2. Tripartite Agreement dated 18th December, 2013 between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
3. Tripartite Agreement dated 31st October, 2013 between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;
4. Banker(s) to the Issue Agreement dated 06th August, 2024 amongst our Company and the Registrar to the Issue and the Escrow Collection Bank(s).

(B) DOCUMENTS FOR INSPECTION

5. Certified copy of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
6. Certificate of Incorporation dated 18th August, 1983.
7. Copy of the resolution of the Board of Directors under Section 62 of the Companies Act passed in its meeting dated 12th June, 2024 authorizing the Issue.
8. Copy of the resolution passed by the Right Issue Committee dated 18th June, 2024 approving the Draft Letter of offer and 16th August, 2024 for approving Letter of Offer.
9. Resolution passed by the Board of Directors dated August 09, 2024 determining the Record date.
10. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditor and Registrar to the Issue to include their names in the Offer Document to act in their respective capacities;



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11. Annual reports of our Company for the financial years ended March 31, 2020, 2021 and 2022 and Audited Standalone and Consolidated financial results for the quarter and year ended 31st March, 2024 dated 29th May, 2024 and Unaudited Financial Results for the quarter ended June 30, 2024 dated 12th August, 2024;
12. A statement of tax benefits dated 07th June, 2024, received from M/s. S Agarwal & Co., Chartered Accountants, Statutory Auditor regarding tax benefits available to our Company and its shareholders;
13. Certificate dated 09th August, 2024 from M/s. S Agarwal & Co., Chartered Accountants regarding "Sources & deployment of funds";
14. In-principle listing approval(s) dated 23rd July, 2024 from BSE Limited;

Any of the contracts or documents mentioned in the Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.



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DECLARATION

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

Name	Signature
Mr. Santosh Kumar Kushawaha Managing Director DIN: 02994228	Sd/-
Mr. Abhishek Singh Whole-Time Director DIN: 03603706	Sd/-
Mr. Manishkumar Mehta Non-Executive Director DIN: 07656957	Sd/-
Mr. Tinku Kathuria Non-Executive and Independent Director DIN: 08699650	Sd/-
Ms. Preeti Non-Executive and Independent Director DIN: 09662113	Sd/-
Mr. Abhishek Singh Chief Financial Officer PAN: BWXPS8369G	Sd/-
Ms. Neha Srivastava Company Secretary and Compliance officer PAN: EETPS5130A	Sd/-

Place: New Delhi
Date: 16th August, 2024