



AF ENTERPRISES LTD.

CIN No.:L18100DL1983PLC016354

ANISO 9001:2015 Certified Co

Mfrs. of Plastic Moulded Components

Date: 7th September, 2023

To Corporate Relation Department,
BSE Limited PJ Tower,
Dalal Street,
Mumbai-400001

Scrp Code: 538351

Sub: - Notice of the 40th Annual General Meeting (“AGM”) along with Annual Report of AF Enterprises Limited for the Financial Year Ended 2022-23.

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India

Dear Sir/Madam,

This is in furtherance to our letter dated 28th August, 2023 and 3rd September, 2023 wherein the Company had informed about the 40th AGM of the Company scheduled to be held on Friday, September 29th, 2023 at 01:30 p.m. (IST) through Video Conferencing/Other Audio Visual Means (“VC/OAVM”), in accordance, with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India. In this regard, we wish to inform the following:

1. Pursuant to the said circulars, AGM Notice and Integrated Annual Report for the financial year 2022-23 are being sent through electronic mode to all the Members whose email ids are registered with the Company/Registrar and Transfer Agent (‘RTA’)/Depository Participant (‘DP’).
2. The Company has provided the facility to its Members to cast their vote electronically, through the remote e-Voting facility (prior to AGM) and e-Voting facility (during the AGM), on all the resolutions set forth in the AGM Notice to the Members, who are holding shares on the Cut-off date i.e. Friday, September 22, 2023.
3. The Remote e-Voting facility will be available during the following period:

Commencement of remote e-Voting	Tuesday 26 th September, 2023
End of remote e-Voting	Thursday 28 th September, 2023

4. Detailed instructions for registering email id(s) and e-voting/ attendance at the AGM are given in the AGM Notice.

This is for your information and record.

Thanking You

Yours Faithfully

For **AF Enterprises Limited**

Payal Sachdeva
CS & Compliance Officer

**Regd Office: 15/18, Basement B Portion, West Patel
Nagar, New Delhi-110008**
Tel: =91-7428399452
Toll Free: 1800120001199
e-mail: info.afenterprises@gmail.com
Web: www.afenterprisesltd.in

**Corp Office: Plot No. 8, Sector-5, Main Mathura Road,
Faridabad, Haryana-121006**
Tel: 0129-292248111
Toll Free: 1800120001199
e-mail: info@ridh.in
Web: www.ridh.in



40th
ANNUAL REPORT
2022-2023



AF ENTERPRISES LTD.

An ISO 9001:2015 Certified Co.

Manufacturers of Plastic Moulded Components

OUR CAPABILITIES, ABILITIES & ACHIEVEMENTS

- 
- + Plastic Molding facility.
 - + Prototype tool making facility in-house.
 - + Hierarchy Culture which helps us to structure and control, with a focus on efficiency, stability and "doing things right."
 - + Plastic Compound Development which gives us the opportunity to fulfill our customers critical requirements like
 - ❖ Better endurance life
 - ❖ To avoid squeaking noise
 - ❖ Good resistance to low temperature and high temperature
 - ❖ Better bond ability
 - ❖ Better Oil Resistance
 - ❖ Better Heat Resistance
 - ❖ Electrical Resistance

DIVISIONS

PLASTIC DIVISION

We are manufacturing products like industrial bins, milk crates, wire spools, packaging, bottle caps, automotive parts and components, electric Equipment and component, toys, pocket combs, musical instruments (and parts of them), one-piece chairs and small tables, storage containers, mechanical parts (including gears), and most other plastic products available today.



RO Water Purifier



Automobile Parts



Safety Helmet



Plastic Containers



Plastic Crate



Havells DB box part



Bharat Pe Standee



Plastic toys



Irrigation Sprinkler



PPE Kits



COVID Eye Goggles



Washing machine back panel



Coolers



Dustbin

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 - 33 no's

PAD PRINTING - 6 no's

ULTRA SONIC WELDING - 1 no's

CAPACITY - 100 to 850 Tons

PLASTIC CRATES

Plastic Crates offering a wide range of products catering to every user segment from pharma to fisheries and dairy, from automobile to textile and horticulture. Available in different sizes, variants and colours.



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COMPANY INFORMATION

<p>BOARD OF DIRECTORS</p> <p>Managing Director</p> <p>Santosh Kumar Kushawaha</p> <p>Whole Time Director & CFO</p> <p>Abhishek Singh</p> <p>Non-Executive Director</p> <p>Vikram Sharma</p> <p>Non Executive Director</p> <p>Amit Thakur</p> <p>Independent Directors</p> <p>Tinku Kathuria</p> <p>Preeti</p> <p>COMPANY SECRETARY & COMPLIANCE OFFICER</p> <p>Payal Sachdeva</p> <p>BOARD COMMITTEES:-</p> <p>AUDIT COMMITTEES</p> <p>Tinku Kathuria- Chairperson</p> <p>Preeti</p> <p>Abhishek Singh</p> <p>NOMINATION & REMUNERATION COMMITTEE</p> <p>Preeti-Chairperson</p> <p>Tinku Kathuria</p> <p>Vikram Sharma</p>	<p>STAKEHOLDERS & RELATIONSHIP COMMITTEE</p> <p>Tinku Kathuria-Chairperson</p> <p>Vikram Sharma</p> <p>Santosh Kumar Kushawaha</p> <p>RIGHT ISSUE COMMITTEE</p> <p>Santosh Kumar Kushawaha – Chairperson</p> <p>Abhishek Singh</p> <p>Tinku Kathuria</p> <p>BANKERS</p> <p>Kotak Mahindra Bank</p> <p>RBL Bank</p> <p>REGISTERED OFFICE</p> <p>Old: DSM-334, DLF Towers, Moti Nagar, New Delhi-110015</p> <p>New: H 15/18, Basement B Portion, West Patel Nagar, New Delhi-110008</p> <p>Website: www.afenterprisesltd.in</p> <p>e-mail: info.afenterprises@gmail.com</p> <p>cs@ridh.in</p> <p>Ph. No.: +91-7428399452</p> <p>CORPORATE OFFICE:</p> <p>Plot No.8, Sector-5, Main Mathura Road, Faridabad, Haryana-121006</p> <p>Website: www.ridh.in</p> <p>e-mail: info@ridh.in</p> <p>Ph. No.: 0129-2248111</p>	<p>Manufacturing Unit:</p> <p>Plot No. 8, Sector-5, Main Mathura Road, Faridabad, Haryana-121006</p> <p>Website: www.ridh.in</p> <p>e-mail: info@ridh.in</p> <p>Ph. No.: 0129-2248111</p> <p>REGISTRAR & TRANSFER AGENT:</p> <p>Skyline Financial Services Pvt. Ltd.</p> <p>D-153A, 1st Floor, Okhla Industrial Area, New Delhi-110020</p> <p>Ph.No.: 011-40450193-97</p> <p>Website: www.skylinerta.com</p> <p>AUDITOR:</p> <p>(BEFORE 28/08/2023)</p> <p>M/S V.N. PUROHIT & CO.</p> <p>214, New Delhi House, 27, Barakhamba Road, New Delhi-110001</p> <p>Phone: 011-43596011</p> <p>e-mail: vnpdelhi@vnpaudit.com</p> <p>AUDITOR:</p> <p>(AFTER 01/09/2023)</p> <p>M/S S. AGARWAL & CO.</p> <p>123, Vinobapuri, Lajpat Nagar-11, New Delhi-110024</p> <p>e-mail: sagarwal1910@gmail.com</p> <p>Ph. No.: 09811823222</p>
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A F ENTERPRISES LIMITED

Regd. Office: 15/18, Basement B Portion, West Patel Nagar, New Delhi-110008;

Corporate office cum Factory: Plot No. 8, Sector-5, Mathura Road,

Faridabad, Haryana-121006

CIN: L18100DL1983PLC016354

Website: www.afenterprisesltd.in

E-mail Id: info.afenterprises@gmail.com Ph: +91-7428399452

NOTICE

NOTICE is hereby given that Fortieth Annual General Meeting (40thAGM) of the members of A F Enterprises Limited (CIN: L18100DL1983PLC016354) will be held on **Friday, September 29th, 2023 at 01:30 PM (IST)** through Video Conferencing / Other Audio Video Means (VC/ OAVM), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt
 - (a) The Audited Standalone Financial Statements of the Company as on 31st March, 2023 together with the reports of Board of Directors and Auditors thereon with annexures;
 - (b) The Audited Consolidated Financial Statements of the Company as on 31st March, 2023 together with the report of Auditors thereon with annexures;
2. To appoint a Director in place of Mr. Santosh Kumar Kushawaha(DIN: 02994228), who retires by rotation at this AGM and being eligible, offers himself for re-appointment.
3. **Appointment of Statutory Auditor**

To consider the appointment of M/s S. Agarwal & Co., Chartered Accountants (ICAI Firm Registration No. 000808N) as the Statutory Auditors of the Company to hold office for a period of 5 (Five) consecutive financial years, from the conclusion of the 40th Annual General Meeting of the Company until the conclusion of the 45th Annual General Meeting of the Company and to authorize the Board of Directors of the Company to fix their remuneration.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139,142 and other

applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment or enactment thereof, for the time being in force), the Board of Directors of the Company on the recommendation of the Audit Committee, at their meeting held on 3rd September, 2023 and subject to the approval of members in the 40th AGM has decided to appoint M/s. S Agrawal & Co., Chartered Accountants(ICAI Firm Registration No.: 000808N) as the Statutory Auditors of the Company, for a continuous period of five years commencing from the conclusion of the 45th Annual General Meeting of the Company (for the FY 2023-24 until FY 2027-28), at a remuneration as may be mutually agreed to, between the Board of Directors and M/s S Agrawal & Co.plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the Audit to be carried out by them.”

Upon recommendation of Audit committee and appointment in Board meeting and recommendation for the approval of Members by way of Ordinary Resolution at the ensuing 45th Annual General Meeting of the Company. The Company has received letter of eligibility for the aforesaid appointment as statutory auditors in compliance with provisions of Section 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, from M/s S Agrawal & Co., Chartered Accountants(ICAI Firm Registration No.000808N) to give effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they have consented to act as statutory auditors of the company and they have consented to act as statutory auditors of the Company for a continuous period of five years, i.e, from the conclusion of ensuing Annual General Meeting of the Company (i.e, for the FY 2023-24 until FY 2027-28)”

Accordingly, consent of the members is being sought for appointment of Statutory Auditors.

None of the Directors and Key managerial personnel of the Company and their relatives are concerned or interested financially or otherwise, in this resolution

SPECIAL BUSINESS:

4. Appointment of Statutory Auditor to fill casual vacancy:

To consider the appointment of M/s. Agarwal & Co., Chartered Accountants (ICAI Firm Registration No. 000808N) as Statutory Auditors of the Company effective from 3rd September, 2023 till the conclusion of ensuing Annual General Meeting arising out of the casual vacancy caused by the resignation of M/s. V.N. Purohit& Co., Chartered Accountants (Firm Registration No. 304040E) and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the applicable Rules of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and upon recommendation of the Audit Committee and Board of Directors, M/s Agarwal & Co., Chartered Accountants (ICAI Firm Registration No. 000808N), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. V.N. Purohit & Co., Chartered Accountants (Firm Registration No. 304040E),

RESOLVED FURTHER THAT M/s. Agarwal & Co., Chartered Accountants (ICAI Firm Registration No. 000808N), be and are hereby appointed as Statutory Auditors of the Company from 3rd September, 2023, until the conclusion of the ensuing Annual General Meeting of the Company, at a remuneration as may be mutually agreed, between the Board of Directors and M/s. S Agarwal & Co., plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.”

5. Re-appointment of Mr. Abhishek Singh (DIN:03603706) as the Whole Time Director and CFO of the Company

To consider and if thought fit, to pass with or without modification(s) following resolution as an Ordinary Resolution:

RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Abhishek Singh (DIN: 03603706) as Whole time Director of the Company for a period of 5 (Five) years with effect from 1st April, 2023 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment including remuneration in such manner as may be agreed between the Board of Directors and Mr. Abhishek Singh

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts and take such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. Appointment of Mr. Manishkumar Prafulbhai Mehta (DIN: 07656957) as Non-Executive Non-Independent Director of the Company

To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 152 read with Rule 8, 9 and 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 ('the Act') rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of the Articles of Association of the Company be and is hereby accorded to appoint Mr. Manishkumar Prafulbhai Mehta as Director of the Company, having DIN 07656957 with effect from 3rd September, 2023.

RESOLVED FURTHER THAT based on the recommendation of Nomination and Remuneration Committee, signifying its intention to propose Mr. Manishkumar Mehta as a candidate for the office of Director of the Company, be and is hereby appointed as a Non Executive Non Independent Director of the Company, liable to retire by rotation."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

7. Re-classification of Promoter i.e, RMS Mosquito Private Limited from Promoter and Promoter group to public category.

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other relevant provisions, including and modification(s) or re-enactment(s) thereof for the time being in force, and subject to necessary approvals from the Stock Exchange and other appropriate statutory authorities, as may be necessary, the approval of the members be and is hereby accorded for re-classification of the status of Promoter (RMS Mosquito Private Limited), holding 8,07,600 equity shares of Rs. 10/- each of the Company comprising of 5.72% of the paid up capital of the Company (hereinafter referred to as "applicants") into "Public Category".

RESOLVED FURTHER THAT the applicant seeking re-classification and persons related to the applicants [as defined under sub clause (ii), (iii) and (iv) of clause (pp) of sub-regulation (1) of regulation 2 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018] seeking re-classification shall not:-

- (i) Individually, hold more than ten percent of the total voting rights of the Company;
- (ii) Exercise control over the affairs of the Company directly or indirectly;
- (iii) Have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreement;

- (iv) Be represented on the board of directors (including not having a nominee director) of the Company;
- (v) Act as a key managerial person in the Company;
- (vi) Be a 'willful defaulter' as per Reserve Bank of India Guidelines; (vii) Be a fugitive economic offender."

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to the foregoing resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it under the foregoing resolution to any Committee of the Board or to any director of the Company as it may consider appropriate, including authorization for submitting necessary application(s), form(s) and return(s) with the Registrar of Companies, Ministry of Corporate Affairs, Stock Exchanges and any other concerned authorities, as may be necessary, and to do all acts, deeds and things as may be expedient or desirable to give effect to the foregoing resolution."

8. To approve the overall Borrowing Limits of the Company under Section 180 (1) (c) of the Companies Act, 2013

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company ('hereinafter referred to as the 'Board', which term shall be deemed to include any Committee thereof which the Board may hereinafter constitute to exercise its powers including the powers conferred by this Resolution') to borrow any sum or sums of money by obtaining loans, overdraft facilities, lines of credit, commercial papers, convertible/ nonconvertible debentures, external commercial borrowings (loans/bonds), INR denominated offshore bonds or in any other forms from Banks, Financial Institutions, other Bodies Corporate or other eligible investors, from time to time, which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid-up share capital and free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 200 Crores (Rupees Two Hundred Crores only) or equivalent amount in any other foreign currency.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, director and key managerial personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty,

doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

9. To seek approval under Section 180(1)(a) of the Companies Act, 2013 inter alia for creation of mortgage or charge on the assets, properties or undertaking(s) of the Company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (the “Act”) and any other applicable provisions, if any of the Act, or any amendment or modifications thereof and pursuant to the provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the ‘Board’, which term shall be deemed to include any Committee thereof which the Board may hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to sell, lease or dispose of in any manner including but not limited to mortgaging, hypothecating, pledging or in any manner creating charge on all or any part of the present and future moveable or immovable assets or properties of the Company or the whole or any part of the undertaking(s) of the Company of every nature and kind whatsoever (hereinafter referred to as the “Assets”) and/or creating a floating charge on the Assets to or in favour of banks, financial institutions, investors, debenture trustees or any other lenders to secure the amount borrowed by the company or any entity which is a subsidiary or associate or group entity, from time to time, for the due re-payment of principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any such entity in respect of the such borrowings provided that the aggregate indebtedness so secured by the assets do not at any time exceed the value of limits approved under Section 180(1)(c) of the Act.”

“**RESOLVED FURTHER THAT** the Board be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary in this regard for and on behalf of the Company, including but not limited to, negotiating and finalizing the terms of sale, lease, creation of security or any other dispositions, filing of necessary forms, returns, applications, submissions under the Act.”

10. To seek approval of loans/ guarantees, providing of securities and making of investments in securities under section 186 of the Companies Act, 2013

To consider and ,if thought fit, to pass, with or with out modification, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section186 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Meetings of Board and its Powers) Rules, 2014,including any statutory modification(s)there too rre-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii)acquire by way of subscription, purchase or otherwise, the

securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, and to ratify such loan given earlier however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs.200 Crores (Rupees Two Hundred Crores only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution.”

11. Approval to advance any loan/give guarantee/provide security u/s 185 of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions, if any of the Companies Act, 2013 (“Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution), for giving loan(s) in one or more tranches including loan represented by way of book debt (the “Loan”) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/to be taken by any entity which is a Subsidiary or Associate or Joint Venture or group entity of the Company or any other person in which any of the Directors of the Company is deemed to be interested as specified in the explanation to sub-section 2 of section 185 of the Act (collectively referred to as the “Entities”), of an aggregate amount not exceeding Rs. 100 Crores (Rupees One Hundred Crores Only) for the financial year 2022-23, in its absolute discretion deem beneficial and in the best interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to negotiate, finalise and agree to the terms and conditions of the aforesaid Loans / Guarantees / Securities, and to ratify such loan given earlier and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.”

For AF Enterprises Limited

Sd/-

Payal Sachdeva

Date:03.09.2023

Company Secretary & Compliance Officer

Place: New Delhi

M.No. A56706

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Businesses specified above is annexed hereto
 2. Pursuant to the Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 02/2022 dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021, 8th December, 2021, 14th December, 2021, 5th May, 2022 followed by Circular Nos. 10/2022 and 11/2022 dated 28th December, 2022 issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as "MCA Circulars") and the relaxations provided vide SEBI Circulars dated 12th May, 2020, 13th May, 2022 and 5th January, 2023 (hereinafter collectively referred to as "SEBI Circulars") physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/ OAVM
 3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
1. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
 2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
 3. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at www.afenterprisesltd.in The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsd.com.
 4. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

5. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 22.09.2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e.22.09.2023 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE ASUNDER:-

The remote e-voting period begins on Tuesday, 26/09/2023, 2023 at 09:00 A.M. and ends on Thursday, 28/09/2023, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e.22/09/2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22/09/2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:




Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “ Beneficial Owner ” icon under “ Login ” which is available under ‘ IDeAS ’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “ Access to e-Voting ” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e.NSDL and you will be re-directed to e-Voting website of

	<p>NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <ol style="list-style-type: none"> If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e.NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider

	<p>for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e.Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio

number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with

attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csumitbajaj@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Narendra Yadav at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info.afenterprises@gmail.com or cs@ridh.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to info.afenterprises@gmail.com or cs@ridh.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are

otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the GM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at info.afenterprises@gmail.com or CS@ridh.in. The same will be replied by the company suitably.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3: STATEMENT PURSUANT TO REGULATION 36(5) OF SEBI LISTING REGULATIONS:

The Board of Directors of the Company, on the recommendation of the Audit Committee, recommended for the approval of the members, the appointment of M/s S. Agarwal & Co. (Firm Registration No.: 000808N) as Statutory Auditors of the Company for a period of five years from the conclusion of this 40th AGM till the conclusion of the 45th AGM of the Company, at a remuneration mutually decided by the Board of Directors and Auditor and reimbursement of out

of pocket expenses to conduct the Audit for the financial year 2023-24 to 2027- 28. The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

M/s S. Agarwal & Co. is a firm of Chartered Accountants in New Delhi, provides services in the fields of audit and assurance, tax and regulatory, transaction advisory and consulting keeping in mind the regulatory and commercial environment within which the Firm's clients operate.

The Company has obtained a certificate from the auditors of the Company that they meet the criteria of independence, eligibility and qualification as prescribed in section 141 of the Act. As required under the SEBI Listing Regulations, M/s S. Agarwal & Co., has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

None of the directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 3 of this notice.

The Board recommends the resolution set out at Item No. 3 of the Notice for approval by the Members by way of an Ordinary Resolution.

ITEM NO. 4: APPOINTMENT OF STATUTORY AUDITOR TO FILL CASUAL VACANCY

To consider the appointment of M/s. S Agarwal & Co., Chartered Accountants {ICAI Firm Registration No. 000808N) as Statutory Auditors of the Company effective from 3rdSeptember, 2023 till the conclusion of ensuing Annual General Meeting arising out of the casual vacancy caused by the resignation of M/s. V.N. Purohit& Co., Chartered Accountants (Firm Registration No. 304040E):

M/s. V.N. Purohit& Co., Chartered Accountants (Firm Registration No. 304040E), were appointed as Statutory Auditors of the Company at its 38thAnnual General Meeting of the Company held on 30thSeptember, 2021, for a term of consecutive five years commencing from the conclusion of 38th Annual General Meeting of the Company until the conclusion of 41stAnnual General Meeting of the Company. However, they have resigned on 28th August, 2023 stating that "due to refusal for paying for increment in fee, we are not in a position to continue as statutory auditor for AF Enterprises Limited for financial year 2023-24. Accordingly, they have resigned as Statutory Auditors of the Company."

M/s V.N. Purohit& Co., Chartered Accountants (Firm Registration No. 304040E), before resigning have completed audit for the quarter ended as on 30th June, 2023 and had issued Limited Review Report for unaudited Standalone& Consolidated Accounts for the June, 2023 quarter and further they will provide Limited Review Report for the quarter ended September 2023 as per the SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019.

The members of the Audit Committee have taken into account the experience and expertise of M/s SAgrawal Co., Chartered Accountants (ICAI Firm Registration No,000808N), as Statutory Auditor of the Company and recommended them to the Board to fill casual vacancy caused by resignation from V.N. Purohit & Co. until the conclusion of the for appointment ensuing Annual General Meeting of the Company.

In accordance with the provisions of Section 139(8) of the Companies Act, 2013, the casual vacancy caused by the resignation of the Statutory Auditors i.e. M/s. V.N. Purohit& Co., Chartered Accountants (Firm Registration No.304040E) shall be filled by the Board within a period of thirty days and such appointment shall also be approved by the members of the Company within three months of the recommendation of the Board. Accordingly, in

compliance with provisions of Section 139(8) and all other applicable provisions of the Companies Act, 2013 read with the applicable rules of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification[s] or re-enactment thereof, for the time being in force), the Board of Directors of the Company on the recommendation of the Audit Committee, at their Meetings held on 3rd September, 2023, have appointed M/s. S. Agarwal & Co., Chartered Accountants [ICAI Firm Registration No. 000808N], as the Statutory Auditors of the Company to fill the casual vacancy caused by the said resignation of M/s. V.N. Purohit & Co., Chartered Accountants (Firm Registration No. 304040E), from 3rd September, 2023 until the conclusion of the ensuing 40th Annual General Meeting of the Company, at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. S. Agarwal & Co., plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them, and recommended for the approval of Members by way of Ordinary Resolution at the ensuing 40th Annual General Meeting of the Company.

In regards to appointment of Statutory Auditors referred to in Item no. 3 & 4 of the Notice, the brief profile of the Auditors is as under: M/s. S. Agarwal, Chartered Accountants (ICAI Firm Registration No. 000808N), is one of the leading firms of Chartered Accountants in India. has Head Office in Delhi . The firm has vast experience of handling large corporate clients across different industries providing assurance services, company law matters, corporate and financial restructuring, valuations etc. The Company has received letter of eligibility for the aforesaid appointment as statutory auditors in compliance with provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 from M/s. S. Agarwal & Co., Chartered Accountants (ICAI Firm Registration No. 000808N), to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company and they have consented to act as statutory auditors of the Company to fill casual vacancy caused by resignation of M/s. V.N. Purohit & Co., Chartered Accountants, i.e. w.e.f. 3rd September, 2023 until the conclusion of ensuing 40th Annual General Meeting of the Company.

Accordingly, consent of the members is being sought for appointment of Statutory Auditors as per the proposal contained in the Resolution set out at item no. 4 of the Notice. None of the Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval of the members.

ITEM NO. 5:

Based on the recommendation of Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has re-appointed Mr. Abhishek Singh as Whole time Director of the Company for a period of 5 (five) years from 40th Annual General Meeting, subject to approval of the members in General Meeting upon terms and conditions set out in the draft agreement to be entered into by the Company with him as approved by the Board of Directors.

Mr. Abhishek Singh has invaluable contributions in driving company's business. He has played a pivotal role in the Company, maintaining operations, and driving manufacturing unit of the Company to its new heights. It would be therefore in the interest of the Company to re-appoint Mr. Abhishek Singh as Whole time Director of the Company.

Pursuant to the provisions of Section 196,197,203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, the appointment of Mr. Abhishek Singh (DIN: 03603706) be and is hereby appointed as the Whole-Time Director of the Company w.e.f.1st April, 2023 for a period of five years at a remuneration and terms and conditions as given below:-

The material terms and conditions of the said draft Agreement are as under:

Remuneration:

a) **Basic Salary** : Basic Salary of Rs. 50,000/- (Rupees Fifty Thousand Only) per month with such annual increments/increase as may be decided by the Board of Directors from time to time.

b) **Perquisites/Allowances:**

- HRA & Transport allowances.
- Contribution to provident fund, superannuation fund and payment to gratuity as per rules of the company.
- Other Perquisites & Allowances as per service rules of the Company, as applicable.

c) **Valuation of perquisites**

Perquisites/allowances shall be valued as per the Income Tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.

d) **Minimum remuneration**

In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the appointee shall subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013 from time to time.

e) **Other Terms**

The terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors as it may, in its discretion, deem fit within the maximum amount payable to the appointee in accordance with the provisions of the said Act or any amendments made therein or with the provisions of the said Act or any amendments made therein or with the approval of the Central government, if required.

Brief Profile: Mr. Abhishek Singh has done his graduation in commerce. He has more than 15 years of experience in leadership positions in the finance domain. He is responsible for overall planning and management of our company. He assess the principal risks of the company and ensures that these risks are being monitored and managed. He has been on the Board of or company from 2015

Shareholding in the Company: As on the date of Notice, Mr. Abhishek Singh do not

hold any equity shares in the company

He is not related to any director or key managerial personnel of the Company. None of the directors or key managerial personnel of the Company or their relatives, except Mr. Abhishek Singh are, directly or indirectly concerned or interested, financially or otherwise, except to the extent of their shareholding, if any, in the Company. The Board recommends the Ordinary Resolution set forth in the Item No. 5 of the Notice for approval of the members.

ITEM NO. 6: APPOINTMENT OF MR. MANISHKUMAR PRAFULBHAI MEHTA AS A NON EXECUTIVE AND NON INDEPENDENT DIRECTOR OF THE COMPANY

Mr. Manishkumar Prafulbhai Mehta (DIN: 07656957), on the recommendation of the Nomination & Remuneration Committee was appointed as an additional Director with effect from 3rdSeptember, 2023 by the Board in accordance with the Articles of Association and Section 161 of the Companies Act, 2013 (“the Act”).

As per Section 161 of the Act, Mr. Manishkumar Prafulbhai Mehta (DIN: 07656957) holds office upto the date of this AGM. The Company has received the requisite notice in writing under Section 160 of the Act from Nomination and Remuneration Committee for appointment Mr. Manishkumar Prafulbhai Mehta appointed as a Non-Executive Non-Independent Director at this AGM liable to retire by rotation. Mr. Manishkumar Prafulbhai Mehta has consented to the proposed appointment and declared qualified.

Mr. Manishkumar Prafulbhai Mehta possesses the requisite knowledge, experience and skill for the position of Director. The Board on receipt of the said notice from a member and on the recommendation of Nomination and Remuneration Committee and subject to approval from a members in this AGM, has accorded its consent, to appoint Mr. Manishkumar Prafulbhai Mehta as a Non-Executive Non-Independent Director liable to retire by rotation. Mr. Manishkumar Prafulbhai Mehta will not be entitled for any remuneration as per the Company policy for non-executive directors except sitting fees for attending Board Meetings.

No Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution. The Board of Directors recommend passing of the resolution set out in Item no. 6 of this Notice.

ITEM NO. 7: RE-CLASSIFICATION OF THE PROMOTER TO THE PUBLIC CATEGORY OF THE COMPANY

As per the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations, 2015”), has provided a regulatory mechanism for re-classification of promoters as Public Shareholder subject to fulfillment of conditions provided therein. The Company has received letters from the following entity falling under the category of “Promoter / Promoter Group” of the Company requesting to be re-classified from the category of “Promoters / Promoter Group” to “Public Category”.

S.No.	Name of Promoter	No. of Shares	Percentage
1.	RMS Mosquito Private	807600	5.72

	Limited		
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The aforesaid Outgoing Promoter has in his request letter, informed the Company that owing to the following reasons Outgoing Promoter has decided that it would be prudent for him to seek re-classification:

- a. He does not hold more than ten percent of the total voting rights in the company;
- b. He does not exercise control over the affairs of the listed entity directly or indirectly;
- c. He does not have any special rights with respect to the listed entity through formal or informal arrangement including through any shareholder agreements;
- d. He is not represented on the board of directors (including not having a nominee director) of the listed entity;
- e. He is not acting as a key managerial person in the listed entity;
- f. He is not 'wilful defaulter' as per the Reserve Bank of India Guidelines;
- g. He is not a fugitive economic offender.

The Outgoing Promoters have vide their aforementioned request letter also informed the Company that he shall:

- (i) satisfy all conditions specified in Regulation 31A(3)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) undertake to comply with the requirements specified in Regulation 31A(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at all times.

In view of applications received from the above entity and in consideration with the proper compliance of Regulation 31A of Listing Regulations, 2015, the Board of Directors of the Company at its meeting held on 28th August, 2023, has considered the application for re-classification received by the Company as above from the Promoter Group Category to Public Category subject to approval by the members, SEBI Board, Stock Exchange or any other regulatory body as may require.

Board of Directors recommend the passing of the Resolution in the Notice as an Ordinary Resolution.

None of the Directors/ Key Managerial Personal of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out in the Notice except to the extent of their shareholding, if any, in the Company.

ITEM NO. 8: Keeping in view the Company's existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may require finance from various banks or financial institutions and or lending institutions or Bodies corporate or individuals or such other persons as may deem fit by Company together with money already borrowed by the Company (apart from temporary loans obtained from the Company from ordinary course of business) may exceed the aggregate of paid up capital and free reserves of the Company.

Hence it is proposed to increase the maximum borrowing limits up-to Rs. Two Hundred Crores Only.

Pursuant to section 180(1)(c) of the Companies Act, 2013, Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any time except with the consent of the members by way of special resolution.

ITEM NO. 9: In order to facilitate securing the borrowings to be made by the Company in item no. 9, it would be necessary to create charge on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting by way of special resolution. Therefore Board recommends Special Resolution for your Approval. None of the Directors except to the extent of their shareholding and directorships in the Company or their relatives are financially or otherwise interested in this resolution.

ITEM NO. 10: In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other bodies corporate as and when required. Members may note that pursuant to Section 186 of the Companies Act, 2013 ("Act"), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with the approval of Members by special resolution passed at the general meeting. In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs. 200 Crores, as proposed in the Notice and ratify all such resolutions which were passed in earlier years. The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No.10 for approval by the members of the Company as Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

ITEM NO. 11: Pursuant to Section 185 of the Companies Act, 2013 ("the Act"), a Company may advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loan taken by any entity (said entity(ies) covered under the category of 'a person in whom any of the director of the Company is interested' as specified in the explanation to Section 185(2)(b) of the Companies Act, 2013, after passing a Special Resolution in the general meeting. It is proposed to make loan(s) including loan represented by way of Book Debt to, and/or give guarantee(s) and/or provide security(ies) in connection with any loan taken/to be taken by the Subsidiary Companies or Associate or Joint Venture or group entity or any other person in whom any of the Director of the Company is deemed to be interested as specified in the explanation to Section 185(2)(b) of the Act (collectively referred to as the "Entities"), from time to time, for the purpose of capital expenditure of the projects and/or working capital requirements including purchase of fixed assets as may be required from time to time for its principal business activities and other matters connected and incidental thereto, within the limits as mentioned in the Item no. 11 of

the notice. The members may note that Board of Directors would carefully evaluate the proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, and the proposed loan shall be at such rate of interest as agreed by the parties in the best interest of the Company and shall be used by the borrowing company for its principal business activities only. The Board of Directors recommend the resolution set forth in Item no. 11 of the notice for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

For AF Enterprises Limited

Sd/-

Payal Sachdeva

Date:03.09.2023

Place: New Delhi

Company Secretary & Compliance Officer

M.No. A56706

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER PURSUANT TO REGULATION 36(3) SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2:

Name	Mr. Santosh Kumar Kushawaha	Mr. Abhishek Singh	Mr. Manishkumar Prafulbhai Mehta
Designation	Managing Director	Executive Director	Non-Executive Director
Date of first appointment	30.05.2019	04.09.2015	03.09.2023
Qualification	Masters in Business Administration	Post Graduate	SBST (School of Business Studies and Trade) from CEPT (Centre for Environmental Planning and Technology)
Experience & Profile	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	Having Rich experience in Banking & Finance and Operational Manager in Business administration and Finance	- 2 years of experience at SJ Securities - 5 years of experience as a sub-broker at Monarch - 3 years of expertise in arbitrage trading - Successful transition into the field of research advisory Current Activities: - Actively engaged in activities related to IPOs, SMEs, and the main board - Demonstrated proficiency in fundraising efforts
Directorship held in other Companies	RDS Corporate Services Private Limited	Nil	Nil
Directorship held in Listed entities	AF Enterprises Limited	AF Enterprises Limited	A F Enterprises Limited
Membership of Committees of the Board the Board (only Listed Entities) in which Chairmanship membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	Stakeholders Relationship Committee- AF Enterprises Limited Right Issue Committee	1. Audit Committee- AF Enterprises Limited 2. Right Issue Committee- AF Enterprises Limited	Nomination & Remuneration Committee- AF Enterprises Limited
No. of Board Meeting attended during the year	10	12	Nil

Terms & Conditions of appointment/re-appointment	As per proposed Resolution and Explanatory Statement	As per proposed Resolution and Explanatory Statement	As per proposed Resolution and Explanatory Statement
Numbers of shares held in the Company	300000	Nil	Nil
Past Remuneration	7200000	3,60,000	Nil
Relationship with other Directors	Nil	Nil	Nil

BOARD'S REPORT

To
The Members,

Your Directors take pleasure in presenting the 40th Annual Report on the business and operations of the Company along with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended 31st March 2023.

1. FINANCIAL SUMMARY & HIGHLIGHTS

(Audited)

(Amount in Rs lakhs)

Particulars	Consolidated Financial Results		Standalone Financial Results	
	2022-23	2021-22	2022-23	2021-22
Revenue From Operations	2428.68	4857.54	2418.48	2391.86
Other Income	542.79	243.02	537.69	241.01
Total Revenue	2971.47	5100.56	2956.17	2632.87
Purchase of Stock in Trade	1499.72	3243.89	1499.72	895.12
Change in Inventories of Finished Goods, Stock in Trade and work in Progress	7.19	4.71	7.19	5.21
Employee Benefit Expense	190.51	215.58	131.09	165.49
Finance Cost	26.12	15.94	18.51	13.52
Depreciation and Amortization Expenses	125.45	138.74	122.97	136.01
Other Expenses	309.22	279.40	271.25	222.81
Total Expenses	3014.57	4935.29	2907.09	2475.19
Profit/ (Loss) before Tax	87.65	165.27	179.83	157.68
Tax Expense	53.61	53.60	67.64	48.99
Profit for the Year	34.05	111.67	103.20	103.60
Other Comprehensive Income	0	0	0	0
Total Comprehensive Income	35.13	112.22	104.29	104.15

2. OPERATIONAL HIGHLIGHTS

During the period under consideration, the total Revenue for the year decreased from Rs. 51.00 Crore in 2021-22 to Rs 29.71 Crore in 2022-23 on Consolidated basis and on Standalone basis, total revenue for the year increased from Rs. 26.32 Crore in 2021-22 to Rs 29.56 Crore in 2022-23. The Net Profit for the year decreased from 1.11 Crore in 2021-22 to Rs. 0.34 Crore in 2022-23 on Consolidated basis and The Net Profit for the year in 2021-22 was 1.036 Crore to Rs. 1.032 Crore in 2022-23 on Standalone basis

3. THE CHANGE IN NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the year or subsequently

4. CONTRIBUTION TO THE EXCHEQUER

The Company has contributed Rs. 54.55 Lakhs to the exchequer by way of Income tax, customs duty, goods and service tax, etc.

5. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2022-2023. The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

6. PUBLIC DEPOSITS

During the year under review, the company has not accepted any deposit under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

7. SHARE CAPITAL & FINANCE

a) Share Capital

The Authorized Share Capital of the Company as on March 31, 2023 stood at Rs.41,00,00,000/- divided into 2,45,00,000 equity shares of Rs. 10/- each. The Paid up Equity Share Capital as at March 31, 2023 stood at Rs.14,11,36,360/-divided into1,41,13,636 equity shares of Rs.10/-each fully paid.

At the beginning of the year the Company's Authorized Share capital stood at 24,50,00,000 divided into 2,45,00,000 equity shares of Rs. 10/- each. During the year the Company has increased the Authorized share capital to Rs. 41,00,00,000 divided into 4,10,00,000 equity shares at Rs. 10/- each.

At the beginning of the year the paid up share capital stood at Rs, 1,291,36,360 divided into 12913636 equity shares of Rs. 10/- each. On 23rd December, 2022 Company has converted 12,00,000 equity warrants into shares at a Face Value of Rs. 10/- each and at a premium of Re. 8/- per share on preferential basis this results to increase in Paid up share capital from Rs. 12,91,36,360(divided into 12913636 equity shares of Rs. 10/- each) to Rs. 141136360 (divided into 14113636 equity shares of Rs. 10/- each)

The Board has also initiated the process of Right Issue in which 22581817 equity shares at a issue price of Rs. 19/- per share (Premium of Rs. 9/- per share) were proposed to issue to the existing shareholders and the company was able to receive In-principle approval from the Stock Exchange dated 8th March, 2023. Due to adverse market conditions, the Company did not received minimum

subscription as per the requirement of Regulation 86 (1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Break Up of Increase in paid up share capital are as follows:-

S.No.	Date of Allotment	No. of Shares/Warrants Allotted	Type of Issue	Provision	Total No. of Shares Listed
1	As on 01.04.2022				12913636
2	12.07.2022	50,00,000	Preferential Issue (Issue of Warrants)	Section 42 and 62 of Companies Act, 2013 read with Chapter V of SEBI (ICDR) Regulations, 2015	12913636
3	23.12.2022	12,00,000	Preferential Issue (Conversion of Warrants into equity shares) 40,00,000 warrants issued on 27 th , July, 2021	Section 42 and 62 of Companies Act, 2013 read with Chapter V of SEBI (ICDR) Regulations, 2015	14113636

b) Finance

The Borrowings of the Company comprises of external commercial borrowings, term loan and working capital facilities. The debts (including interest) are being serviced regularly.

c) Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Companies Act, 2013 (“the Act”) are given in the notes to the financial statements.

8. BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015, top five hundred (500) listed entities based on market capitalization shall contain the Business Responsibility Report in their Annual Report. As the Company does not fall under top 500 listed Companies based on market capitalization, therefore, this regulation is not applicable to the Company.

9. MANAGEMENT DISCUSSION & ANALYSIS REPORT

In terms of the Regulation 34(2)(e) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management’s Discussion and Analysis Report (MDAR) is set out in the Annual Report.

10. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED

During the financial year 2022-23, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in the future.

11. TRANSFER TO RESERVES:

During the year under review, the company has not transferred any amount to the General Reserve.

12. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company's Wholly owned Subsidiary is Aunik IT Solutions Private Limited. Your Company do not have any Joint Ventures or any Associate Companies. Pursuant to the provisions of the Rule 8 of Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries, associates and joint venture companies in Form AOC-1 is attached as Annexure II.

13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board and shall formulate a Corporate Social Responsibility Policy. Your Company is not falling under the preview of said section during the year.

14. ANNUAL RETURN

Pursuant to the provisions of Section 92(3) and 134(3)(a) of the Act, the Annual Return of the Company as at 31st March, 2023 is uploaded on the website of the Company at <https://afenterprisesltd.in/announcement/>

15. VIGIL MECHANISM POLICY

The Vigil Mechanism Policy of the Company deals with instances of actual or suspected unethical behavior, fraud, etc. The Audit Committee reviews the functioning of the Policy. The details of the Vigil Mechanism has been elaborated in the Corporate Governance Report and posted on the Company's website <https://afenterprisesltd.in/our-policies/>

16. TRANSFER TO IEPF

In accordance with the provisions of Sections 124, 125 of the Act, read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") the amount of dividend or any other amount remaining unclaimed or unpaid for a period of seven consecutive years is required to be transferred to the IEPF Authority. The shares in respect of which dividend remained unclaimed or unpaid for seven consecutive years or more, shall also be liable for transfer to the demat account of the IEPF Authority. The shareholders may note that the Company has not declared dividend yet so this clause shall not be applicable to the Company.

17. BOARD OF DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

Your Company is managed and controlled by a Board comprising an optimum blend of Executives and Non-Executive Professional Directors. As on March 31, 2023; the Board of Directors consists of Five (5) Directors including one (1) Whole Time Director, one (1) Executive Director Two (2) Non-executive Independent Director and One (1) Non Executive and Non Independent Director including one Woman Director. All the Directors possess the requisite qualifications and experience

in general Corporate Management, Finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

S.NO	NAME OF DIRECTOR	DESIGNATION	DIN	DATE OF APPOINTMENT	DATE OF APPOINTMENT AT CURRENT DESIGNATION	DATE OF RESIGNATION
1.	Mr. Abhishek Singh	Chief Financial Officer & Whole Time Director	03603706	30.05.2019	30.05.2019	
2.	Mr. Santosh Kumar Kushawaha	Managing Director	02994228	30.05.2019	03.06.2021	
3.	Mr. Tinku Kathuria	Independent Director	08699650	14.02.2020	14.02.2020	
4.	Mr. Sahil Arora	Non-Executive Director	07143414	03.09.2020	03.09.2020	02.09.2022
5.	Ms. Shagun Ajmani	Non-Executive Director	08828322	03.09.2020	03.09.2020	02.09.2022
6.	Mr. Prateek Kumar	Independent Director	02923372	30.09.2021	30.09.2021	14.11.2022
7.	Mr. Amit Thakur	Non-Executive Director	09715772	02.09.2022	02.09.2022	14.02.2023
8.	Mr. Vikram Sharma	Non-Executive Director	09683486	02.09.2022	02.09.2022	30.05.2023
9.	Ms. Preeti	Independent Director	09662113	02.09.2022	02.09.2022	
10.	Mr. Manishkumar Prafulbhai Mehta	Non-Executive Director	07656957	03.09.2023	03.09.2023	
11.	Ms. Payal Sachdeva	Company Secretary	NA	12.03.2021	12.03.2021	

During the year under review following changes took place in the Board of Directors and Key Managerial Persons:

1. The Board has accepted the resignation of Mr. Sahil Arora from the position of Directorship w.e.f 2nd September, 2022
2. The Board has accepted the resignation of Ms. Shagun Ajmani from the position of Directorship w.e.f 2nd September, 2022
3. Mr. Prateek Kumar resigned from the position w.e.f 14.11.2022
4. Mr. Amit Thakur appointed as the director dated 2nd September, 2022 and resigned from the position w.e.f 14.02.2023
5. Ms. Preeti appointed as an Independent Director w.e.f 02.09.2022.
6. Mr. Vikram Sharma appointed as an Independent Director w.e.f 02.09.2022
7. Mr. Manishkumar Prafulbhai Mehta appointed as Non Executive Director w.e.f 03.09.2023

The Key Managerial Personnel of the Company during the financial year 2022-23 are Mr. Santosh Kumar Kushawaha, Managing Director ,Mr. Abhishek Singh, Chief Financial Officer and Ms. Payal Sachdeva Company Secretary.

None of the Directors have attained the age of seventy five years.

17.1 Meetings of Board and Committees

In accordance with the regulatory requirements, the Board of Directors has constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Right Issue Committee

The details with respect to the composition, terms of reference, number of meetings held, etc. of the Board and that of the Committees are disclosed in the Report on Corporate Governance, which forms part of the Annual Report.

17.2 Board Evaluation

The annual evaluation of the performance of the Board of Directors, Committee of the Directors individually has been made as more particularly specified in the Corporate Governance Report.

17.3 Remuneration Policy

The details of the Remuneration Policy forms part of the Corporate Governance Report. The information relating to remuneration as required pursuant to Section 197 of the Act read with Rule 5(1) of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- A . Number of permanent employees on the rolls of the Company –18(Eighteen)
- b. During the year every employee got 7% increment on the salaries of employees in last financial year.

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

18. DECLARATION BY THE INDEPENDENT DIRECTOR

The Company has received declarations from all the Independent Directors of the Company

confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and Listing Regulations.

19. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out an annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process. The Board of Directors reviewed all the laws applicable to the company, prepared by the company and taking steps to rectify instances of non-compliances.

20. PARTICULARS OF EMPLOYEES

None of the employees of the Company were in receipt of remuneration in excess of limits as prescribed under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are mentioned below:

(A) Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of the Director/ and KMP	Designation	Remuneration (in Lakhs) 2022-23	Remuneration in Consideration	Resignation Dated
Mr. Santosh Kumar Kushawaha	Managing Director	72	3,00,000 Equity Shares (On sweat basis)	NA
Mr. Abhishek Singh	CFO	6	NA	NA
Mr. Sahil Arora	Non- Executive Directors	Nil	1,50,000 Equity Shares (On sweat basis)	02.09.2022
Ms. Shagun Ajmani	Non- Executive Directors	Nil	1,50,000 Equity Shares (On sweat basis)	02.09.2022
Ms. Payal Sachdeva	Company Secretary	4.8	NA	NA

21. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed and there is no material departures;
- (b) They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) They had prepared the annual accounts on a going concern basis;
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. RELATED PARTY TRANSACTIONS

In compliance with the provisions of the SEBI Listing Regulations and the Act, the transactions with related parties are entered into with the approval of the Audit Committee and the Board of Directors. The omnibus approval of the Audit Committee are obtained for transaction which are repetitive in nature.

The Policy on Related Party Transactions can be accessed at <https://afenterprisesltd.in/our-policies/>

All transactions with related parties were on arm's length basis and in the ordinary course of business and necessary approvals were obtained, wherever required. There were no material related party transactions.

The necessary disclosures regarding the transactions are given in the notes to the financial statements.

None of the Directors and the KMP has any pecuniary relationships or transactions *vis-à-vis* the Company other than those disclosed in the financial statements.

23. INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Company's Internal Control Systems are commensurate with the nature of its business and the size and complexity of its operations. It comprises audit and compliance by internal audit checks by , M/sAnkit Chhabra & Associates as Internal Auditors of the Company.

The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the financial transactions and review various business processes. Independence of the Internal Auditors and therefore compliance is ensured by the direct report of internal audit division and Internal Auditors to the Audit Committee of the Board.

24. RISK MANAGEMENT

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implement the Risk Management Policy for the Company including identification therein of elements of risk, if any, which is in the opinion of the Board may threaten the existence of the Company. These are discussed at the meeting of the Audit Committee and the Board of Directors of the Company.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

25. PREVENTION OF INSIDER TRADING

The Company has a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and certain designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

26. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTOR INTER-SE

None of the Directors are related to each other.

27. SECRETARIAL STANDARDS

Your Company complies with the Secretarial Standard on Meetings of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) whenever it has applicable. Your Company will comply with the other Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) as and when they are made mandatory.

28. AUDITORS

28.1 STATUTORY AUDITORS

Pursuant to the provisions of section 139(8) of the Companies Act, 2013 and rules frame thereunder M/s. V. N. Purohit & Co., Chartered Accountants (FRN: 304040E) were appointed as a Statutory Auditors of the Company till the financial year 2023-2024, has been resigned from their office on 28th August 2023 due to refusal by the management to provide any increase in the existing fee.

To fill the casual vacancy arise due to resignation of M/s. V. N. Purohit & Co., the Board of Directors at their meeting held on 03 September 2023, appointed M/s. S. Agarwal & Co., Chartered Accountants (FRN: 000808N) for the financial year 2023-2024, subject to approval of shareholders in ensuing Annual General Meeting.

It is proposed to appoint M/s. S. Agarwal & Co., Chartered Accountants (FRN: 000808N), Chartered Accountants as the Statutory Auditors of the Company for a period of five years from the conclusion of 40th Annual General Meeting held in 2023 till the conclusion of 45th Annual General Meeting of the Company to be held in 2028, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined in consultation with the Auditors and duly approved by the members of the Company

AUDITOR'S REPORT

The Auditor's Report for financial year ended March 31, 2023, does not contain any qualification, reservation or adverse remarks. All Observations made in the Independent Auditors' Report and Notes forming part of the Financial Statements are self-explanatory and do not call for any further comments and also, there is no incident of fraud requiring reporting by the auditors under section 143(12) of the Companies Act, 2013 during the year. The Auditor's report is enclosed with the financial statements in this Auditor's Report.

28.2 SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s Sumit Bajaj & Associates, Company Secretaries to carry out Secretarial Audit, for the financial year ended March 31, 2023.

The report of the Secretarial Auditor is given in "Annexure-I". The Secretarial Audit Report does not contain any qualification, reservation of adverse remark.

28.3 INTERNAL AUDITOR

Pursuant to provisions of Section 138, read with the rules made there under, the Board has appointed M/s CAAN& Associates a Chartered Accountant Firm having FRN: 025675N as an Internal Auditor of the Company for the financial year 2022-2023, to check the internal controls and the functioning of the activities of the Company and also recommends ways of improvement. He has provided an Internal Audit Report of the Company for the financial year ended March 31, 2023. The Internal audit is carried out quarterly basis and the report is placed in the Audit Committee Meeting and Board Meeting for their consideration and direction.

28.4 COST AUDITORS

The Company has not appointed the Cost Auditor as pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit is not applicable to the Company.

29. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION& FOREIGN EXCHANGE

- (A) Conservation of energy:
- (i) Steps taken or impart on conservation of energy :-Required steps have been taken by the Company
 - (ii) Steps taken by the company for utilizing alternate sources of energy:- Required steps have been taken by the Company
 - (iii) Capital Investment on energy conservation equipments:-NIL
- (B) **Technology absorption**
- (I) Efforts made towards technology absorption:- As the Company is not using any borrowed technology no such steps are required.
 - (II) benefit derived :-NA
 - (III) In case of imported technology-N.A.
 - a) The detail of technology imported

- b) The year of import
 - c) Whether the technology been fully absorbed
 - d) If not fully absorbed areas where absorption has not been taken place, and the reasons thereof
- (IV) Expenses incurred on R & D: NIL

(c) Foreign Exchange Earnings And Outgo

(Amount in Rs. 000)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Foreign Exchange Outgo	--	--
Foreign Exchange Earning	--	13482.30

29.1 BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015, top five hundred (500) listed entities based on market capitalization shall contain the Business Responsibility Report in their Annual Report. As the Company does not fall under top 500 listed Companies based on market capitalization, therefore, this regulation is not applicable to the Company.

30. CORPORATE GOVERNANCE

During the year under review, the Company has complied with the requirements of Corporate Governance and a report on the same along with the Auditor's Certificate confirming compliance is attached with and forms part of this report.

31. PREVENTION OF SEXUAL HARRASMENT

The Company is an equal opportunity provider and has zero tolerance in any form or manner towards the sexual harassment of women at work place. In accordance with the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a policy on prevention, prohibition and redressal of sexual harassment of women at work place. The Company has constituted Internal Complaints Committee which meets as and when required.

No complaints pertaining to sexual harassment of women employees were received during the year.

32. ISO CERTIFICATION

Your Company continued to be certified under ISO 9001:2015 for quality management systems, ISO 14001:2015 for environment management systems and ISO 45001:2018 for Occupational Health and Safety Management System by UK Certification & Inspection Ltd.

33. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

Following material changes and commitments have occurred between Financial Year 2022-2023 are as under:

- 1) Issue of 50,00,000 Share Warrants at a Face Value of Rs. 10/- Per share and at a Premium of Rs.91/- Per Share on Preferential Basis on 12th July, 2022.
- 2) Conversion and allotment of 12,00,000 share warrants into equity shares of 1 allottee as follows

- Mrs. Anupreet Kaur Keer on 23rd December 2022
- 3) The Company has initiated the process of Issue of Equity Shares on Right basis to existing equity shareholders. The company received the in-principle approval from Stock exchange dated 08.03.2023. Due to adverse market conditions the company did not received minimum subscription as per regulation minimum subscription as per requirement of Regulation 86 (1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Accordingly, In the event of non-receipt of minimum subscription referred to in sub-regulation (1) of Regulation 86 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Company on 8th May, 2023 has already refunded all the application monies received from the applicants which is refunded within the timeline as prescribed under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and no share has been allotted till date with respect to right shares.

S. No.	Date of Allotment	No. of Shares/Warrants Allotted	Type of Issue	Provision	Total No. of Shares Listed
1	As on 01.04.2022				12913636
2	12.07.2022	50,00,000	Preferential Issue (Issue of Warrants)	Section 42 and 62 of Companies Act, 2013 read with Chapter V of SEBI (ICDR) Regulations, 2015	12913636
3	23.12.2022	12,00,000	Preferential Issue (Conversion of Warrants into equity shares)	Section 42 and 62 of Companies Act, 2013 read with Chapter V of SEBI (ICDR) Regulations, 2015	14113636

34. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors duly met 10 times during the year i.e. (04.05.2022, 27.05.2022, 12.07.2022, 12.08.2022, 02.09.2022, 28.10.2022, 14.11.2022, 23.12.2022, 29.12.2022, 14.02.2023) in respect of which notices were given and the proceedings were recorded and signed. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013. The details of Board meetings and the attendance of Directors in such meetings are given in the Corporate Governance Report forming part of this Annual Report.

35. COMMITTEES AND THEIR MEETINGS

A. Audit Committee

The Company has an Audit Committee of Directors in compliance with provisions of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee comprises of:

- Mr. Tinku Kathuria (Chairman & Independent Director),
- Mr. Prateek Kumar (Member, Independent Director), Resigned on 14.11.2022
- Ms. Preeti (Member, Independent Director), Appointed on 14.11.2022
- Mr. Abhishek Singh (Member, Executive Director) and

The terms of reference of the Audit Committee inter alia include overseeing the financial reporting process, reviewing the financial statements and recommending the appointment of Auditors. All the recommendations made by Audit Committee were accepted.

During the year Six (27.05.2022, 12.08.2022, 02.09.2022, 14.11.2022, 03.12.2022, 14.02.2023) Audit Committee Meetings were held.

B. NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination & Remuneration Committee of Directors in compliance with provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee's scope of work includes nominate the directors as per their qualifications, experience and positive attributes, deciding on remuneration and policy matters related to remunerations of Directors and laying guidelines for remuneration package or compensation etc.

The Committee comprises of:

- Mr. Prateek Kumar (Chairperson & Independent Director), Resigned on 14.11.2022
- Mr. Tinku Kathuria (Member, Independent Director) and
- Ms. Shagun Ajmani (Member, Non - Executive Director). Resigned on 02.09.2022
- Mr. Vikram Sharma (Member, Non- Executive Director), Appointed on 02.09.2022
- Ms. Preeti (Member, Independent Director) Appointed on 02.09.2022

During the year 03 Nomination and Remuneration Committee Meeting was held on 04.04.2022, 02.09.2022, 14.02.2023

C. STAKEHOLDERS & RELATIONSHIP COMMITTEE

The Company has a Stakeholder Relationship Committee of Directors in compliance with provisions of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices /annual reports, etc.

The Committee comprises of:

- Mr. Sahil Arora (Chairperson & Non- Executive Director), Resigned on 02.09.2022

- Mr. Tinku Kathuria (Member, Independent Director) and
- Mr. Santosh Kumar Kushawaha (Member, Executive Director).
- Mr. Vikram Sharma (Member, Non-Executive Director)
- Mr. Amit Thakur (Non-Executive Chairperson) Appointed on 02.09.2022

The Company has a Stakeholder Relationship Committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices /annual reports, etc.

During the year 01 Stakeholders & Relationship Committee Meeting was held on 14.02.2023.

36. CORPORATE GOVERNANCE CERTIFICATE

The Company believes that the essence of Corporate Governance lies in the phrase “Your Company”. The Chairman and Directors are “Your” fiduciaries and trustees. Their objective is to take the business forward in such a way that it maximizes “Your” long term value. Besides, adhering to the prescribed Corporate Governance practices as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company also endeavors to share information with its stakeholders openly and transparently on matters which have a bearing on its economic and reputational interest. The Corporate Governance Report is a part of this Annual report.

A certificate from Secretarial Auditors of the company regarding the compliance of the conditions of Corporate Governance by the Company as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also attached to this Annual Report.

37. HUMAN RESOURCES

The Management has a healthy relationship with the officers and the Employee.

38. ISSUE OF SHARES AND UTILISATION OF FUNDS

Your Company has raised worth Rs. 12,62,50,000/- (Indian Rupees Twelve Crore Sixty Two Lakhs Fifty Thousand Only) against the issue of 50,00,000 equity shares at Rs. 101/- per share on a preferential basis at a Face Value of Rs. 10/- including premium of Re. 91/- per share on a preferential basis and Rs. 1,62,00,000 (Indian Rupees One Crore Sixty Two Lakhs Fifty Thousand Only) against the conversion of 12,00,000 warrants into equity shares. The amount utilized as per the object of the issue mentioned in the explanatory statement of resolution passed in the issue of preferential shares. The utilization table are as under as on 31st March, 2023

HEAD	AMOUNT
CREDITOR PAYMENT	125817475.5
GENERAL CORPORATE PURPOSE	16523664.5
LOAN REPAYMENT	29209
SALARIES	79651
TOTAL	142450000

39. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION & DISCHARGE OF THEIR DUTIES

A Nomination and Remuneration Committee has been constituted under section 178 of the Companies Act, 2013 for formulation the criteria for determining qualifications, positive attributes and independence of a Directors and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees. Further, the

Directors of the Company are being paid remuneration as approved by the Shareholders and Board as per the provisions of the Act and rules made thereunder.

40. FORMAL ANNUAL EVALUATION

The Nomination and Remuneration Committee of the Company has formulated Evaluation Policy during the year, which was approved by the Board of Directors. The Policy provides for evaluation of the Board, the Committee of the Board and individual Directors, including the Chairman of the Board. The policy provides that evaluation of the performance of the Board as a whole, Board Committees and Directors shall be carried out on an annual basis.

41. WHOLE TIME DIRECTOR & CFO CERTIFICATE ON CODE OF CONDUCT

The Board has laid down a specific code of Conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code on annual basis. In this regard certificate from Whole time Director and CFO as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board and

the same is attached herewith as per Annexure "V".

42. CAUTIONARY NOTE

The statements forming part of the Board's Report may contain certain forward looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statements.

43. APPLICABILITY OF THE INDIAN ACCOUNTING STANDARDS (IND AS)

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

ACKNOWLEDGEMENTS

The Board of Directors acknowledges with gratitude the co-operation extended by the Company's Bankers and also appreciates the continued trust and confidence reposed by the Shareholders in the management. They also place on record their appreciation for the valuable contribution and whole hearted support extended by the Company's employees at all levels.

Date: 03/09/2023
Place: Delhi

By the Order of the Board
For AF Enterprises Limited

Sd/-
Abhishek Singh
Director
DIN: 03603706

Sd/-
Santosh Kumar Kushawaha
Managing Director
DIN:02994228

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31/03/2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
A F ENTERPRISES LIMITED
15/18 Basement B Portion West Patel Nagar
Patel Nagar West New Delhi-110008 IN

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **A F Enterprises Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and accordingly, expressing my opinion thereon.

Based on our inspection, verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2023 has possibly complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (No transaction has been recorded during the Audit Period)
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021; (No transaction has been recorded during the Audit Period)
 - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (No transaction has been recorded during the Audit Period)
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(No transaction has been recorded during the Audit Period)
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In respect of other laws specifically applicable to the Company, I have relied on information/records produced by the Company during the course of our audit and the reporting is limited to that extent.

In respect of Direct and Indirect Tax Laws like Income Tax Act, Goods & Service Tax Act, Excise & Custom Acts we have relied on the Reports given by the Statutory Auditor of the company.

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

1. Secretarial Standard issued by The Institute of Company Secretaries of India with respect to board and general meetings.
2. The Listing Agreement entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above except in respect of matters specified below:

1. The Company has not complied the provisions of Regulation 33 & 52 – Failure to File Financial Statements on Time for the Quarter ended 30th September, 2022. We observed that the Company has filed Standalone Financial Statements on time i.e. on 14th November, 2022 but due to non-availability of Financial results of Subsidiary, the results got submitted to stock exchange on 3rd December, 2022 and BSE imposed fine due to delay in Consolidated Financial results for 21 days via NEFT No. NEFTRATNN22362877685

We further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors including one-woman independent director.

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

All decisions of the Board were unanimous and the same are captured and recorded as part of the minutes.

We further report that there is scope to improve the systems and processes in the company and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that as informed to us, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For Sumit Bajaj & Associates
(Practicing Company Secretary)
FRN: S2019DE677200**

Date: 28.08.2023

Place: New Delhi

UDIN: A045042E000882527

CS SumitBajaj
(Proprietor)
C. P. No: 23948
M. No.: 45042

**This report is to be read with our letter of even date which is annexed as Annexure-A forming part of an integral.*

To,

The Members,

A F ENTERPRISES LIMITED

15/18 Basement B Portion West Patel Nagar

Patel Nagar West New Delhi-110008 IN

Our report is to be read along with this letter.

- I. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on this secretarial record based on our audit.
- II. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- III. We have not verified the correctness and appropriateness of financial records and books of the accounts of the company.
- IV. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- V. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- VI. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

For Sumit Bajaj & Associates
(Practicing Company Secretary)
FRN: S2019DE677200

Date: 28.08.2023

Place: New Delhi

UDIN: A045042E000882527

CS SumitBajaj
(Proprietor)
C. P. No: 23948
M. No.: 45042

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

The Members,

A F ENTERPRISES LIMITED

15/18 Basement B Portion West Patel Nagar
Patel Nagar West New Delhi-110008 IN

We have examined the compliance of the conditions of Corporate Governance A F Enterprises Limited for the year ended 31st March, 2023 as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

We state that in respect of Investor Grievances received during the year ended 31st March 2023, no investor grievances are pending against the Company as per the record maintained by the companies which are presented to Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Sumit Bajaj & Associates
(Practicing Company Secretary)
FRN: S2019DE677200**

**Date: 05.09.2023
Place: New Delhi
UDIN: A045042E000949572**

CS SumitBajaj
(Proprietor)
C. P. No: 23948
M. No.: 45042

The Members,

A F ENTERPRISES LIMITED

15/18 Basement B Portion West Patel Nagar
Patel Nagar West New Delhi-110008 IN

Subject: Certificate pursuant to Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

A F Enterprises Limited (CIN: L18100DL1983PLC016354) ("the Company"), a Listed Public Limited Company incorporated under the provisions of the erstwhile Companies Act, 1956 whose equity shares are listed on the BSE Limited ("BSE"), has approached us to issue certificate confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by the Securities and Exchange Board of India (SEBI or Board)/Ministry of Corporate Affairs or any such statutory authority and based on the individual confirmations received from the Board of Directors of the Company who were in their respective office as on March 31, 2023 viz.

Si. No.	Name of Director	DIN	DIN Status
I.	Santosh Kumar Kushawaha	02994228	Approved
II.	Abhishek Singh	03603706	Approved
III.	Tinku Kathuria	08699650	Approved
IV.	Preeti	09662113	Approved
V.	Vikram Sharma	09683486	Approved

and we certify that, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

This certificate is issued by us only for the purpose of disclosure to be furnished in the Corporate Governance Report of the Company for the financial year ended March 31, 2023, pursuant to Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and should not be used for any other purpose.

**For Sumit Bajaj & Associates
(Practicing Company Secretary)
FRN: S2019DE677200**

**Date: 28.08.2023
Place: New Delhi
UDIN: A045042E000949616**

CS Sumit Bajaj
(Proprietor)
C. P. No: 23948
M. No.: 45042

ANNEXURE "II"

FormAOC-1

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

Statement containing salient features of the financial statement of
subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in(Rs.) Company
does not have any subsidiary/ associate companies/ joint ventures.

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Aunik IT Solutions Pvt. Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreignSubsidiaries	NA
4.	Share capital	(1,37,59,684)
5.	Reserves & surplus	0
6.	Total assets	23,,82,06,443
7.	Total Liabilities	25,19,66,127
8.	Investments	0
9.	Turnover	15,30,616
10.	Profit before taxation	92,17,432
11.	Provision for taxation	0
12.	Profit after taxation	(69,15,470)
13.	Proposed Dividend	NA
14.	% of shareholding	95.27%

Part "B": Associates and Joint Ventures-NA

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures				
1. Latest audited Balance Sheet Date				
2. Shares of Associate/Joint Ventures held by the company on the year end				
No.				
Amount of Investment in Associates/Joint Venture		N.A		
Extend of Holding%				
3. Description of how there is significant influence				
4. Reason why the associate/joint venture is not consolidated				
5. Net worth attributable to shareholding as per latest audited Balance Sheet		N.A		
6. Profit/Loss for the year				
i. Considered in Consolidation				
ii. Not Considered in Consolidation				

1. Names of associates or joint ventures which are yet to commence operations.

2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

Form No. AOC-2

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

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

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

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

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

Name of related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of contract	Salient Terms	Date of Approval by the Board	Amount (in Lakhs)
Mr. Abhishek Singh (Whole Time Director)	Remuneration Paid	-	-	-	5.35
Mr. Abhishek Singh	Loan	-	-	-	.48
RDS Corporate Services private Limited	Loan	-	-	-	.45
Mr. Santosh Kumar Kushawaha	Loan	--	-	-	.41
Mr. Santosh Kumar Kushawaha	Remuneration	-	-	-	7.2
SNP Infosolutions LLP	Amount to be paid	-	-	-	.19
Consider Done		-	-	-	.08
Mr. Tinku Kathuria		--	-	-	.036
Mr. Prateek Kumar		-	-	-	.010

ANNEXURE "IV"

PARTICULARS OF EMPLOYEES

Information required with respect to Section 197(12) of the Companies Act, 2013.
Read With Rule5(1) Of The Companies (Appointment And Remuneration Of
Managerial Personnel) Rules,2014

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year under review

Name of Director/ KMP	Remuneration (In Rs.)	Ratio of Directors Remuneration to Median Remuneration	Percentage Increase in Remuneration
Abhishek Singh (Managing Director)	6,00,000	2:1	Nil

- (ii) The Median Remuneration of Employees is Rs.35,000.
(iii) The Company has 18 Employees on the rolls of Company as on 31st March,2023.
(iv) During the Year 2022-23, there was no increase in the salary of Employees.
(v) Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company affirms that the remuneration is as per the remuneration policy of the Company.

Information required with respect to Section 197(12) of the Companies Act, 2013.
Read With Rule5(2) Of The Companies (Appointment And Remuneration Of
Managerial Personnel) Rules,2014

None of the employee drawn remuneration more than of Rs. 1 Crore 2 Lakh per annum or Rs. 8.50 Lakh per month if any part of the year. Hence the provision of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014 are not applicable for the period under review.

Certificate from the Whole Time Director & CFO

[As required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015]

I, Abhishek Singh ,Chief Financial Officer of AF Enterprises Limited, certify that:

1. I have reviewed financial statements and the cash flow statement for the period and that to the best of our knowledge and belief:

a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b. these statements give a true and fair view of the Company's affairs and of the results of operations and cash flow. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.

2. To the best of our knowledge and belief, no transactions were entered into by the Company during the year that is fraudulent, illegal or violates the Company's code of conduct.

3. We accept overall responsibility for the Company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of its adequacy and effectiveness. Internal audit interacts with all levels of Management and statutory auditors, and reports significant issues to the Audit Committee of the Board. The Auditors' and the Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses.

4. We have indicated to the Auditors' and Audit Committee:

a. significant changes in internal control and overall financial reporting during the period;

b. significant changes in accounting policies during the period;

c. instances of significant fraud of which we have become aware of and which involve Management or employees, who have significant role in the Company's internal control system over financial reporting. However, during the period there were no such changes or instances.

Date: 03.09.2023

Place Delhi

For AF Enterprises Limited

Sd/-

Abhishek Singh

Whole Time Director & CFO

DIN: 03603706

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2023.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to adhere to the highest standards of governance in the way it carries business. The Company strives to continuously engage with and is receptive to the concerns of its stakeholders and the surrounding communities within which it operates. The principles of good governance can best be achieved when the Board, the management, the employees and all those associated with the business realize the inherent importance of ethics and channel their conduct accordingly. It is in this background that the Company lays specific emphasis on mutual trust and respect towards all concerned stakeholders.

BOARD OF DIRECTORS

Composition and category of the Directors

The Board of Directors, led by a Non-executive Non independent Chairman, comprises of five Directors with diverse background and profession and having an optimum combination of Executive and Non executive Non executive Independent Directors in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Mr. Abhishek Singh, Whole time Director & CFO and Mr. Santosh Kumar Kushawaha, Managing Director .Mr. Manishkumar Prafulbhai Mehta, Non Executive Director Mr. Tinku Kathuria and Ms. Preeti are Independent Directors. The Board constituted committees include Audit committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The role of the committees are defined by the Board and are in accordance with the SEBI Listing Regulations.

ATTENDANCE OF THE DIRECTORS AT THE MEETINGS

The Board met ten times during the year i.e., on 4th May, 2022, 27th May, 2022, 12th July, 2022 and 12th August, 2022, 2nd September 2022, 28th October, 2022, 14th November, 2022, 23rd December, 2022, 29th December, 2022, 14th February, 2023, The attendance of the Directors at the Board Meetings and the Annual General Meeting, Directorship and Committee membership in other Companies are given below:

Name of the Directors	Category	No. of Board Meetings Attended	Attendance at AGM held on 30.09.2022	No. of Directorship (s) held in other public Companies	Number of Committee position held in other public companies*		No. of Shares held
					Chairman	Member	
Mr. Abhishek Singh	Executive Director	9	Yes	0	0	0	0

Mr. Santosh Kumar Kushawaha	Executive Director	10	Yes	1	0	0	30000 0
Mr. Sahil Arora	Non-Executive Director	3	Yes	0	0	0	15000 0
Mr. Tinku Kathuria	Non-Executive Independent Director	10	Yes	0	0	0	0
Ms. Shagun Ajmani	Non-Executive Director	3	Yes	0	0	0	15000 0
Mr. Prateek Kumar	Non-Executive Independent Director	4	Yes	0	0	0	0
Mr. Amit Thakur	Non-Executive Non Independent Director	6	No	0	0	0	0
Ms. Preeti	Independent Director	6	Yes	1	0	1	0
Mr. Vikram Sharma	Non-Executive Non-Independent Director	6	Yes	1	0	0	0

*Mr. Sahil Arora has been resigned dated 2nd September, 2022

*Ms. Shagun Ajmani has been resigned dated 2nd September, 2022

*Mr. Prateek Kumar has been resigned dated 14th November, 2022

*Mr. Amit Thakur has been appointed in the Board Meeting Dated 2nd September, 2022

*Ms. Preeti has been appointed in the Board Meeting Dated 2nd September, 2022

*Mr. Vikram Sharma has been appointed in the Board Meeting Dated 2nd September, 2022

The familiarization programme of the Directors can be accessed at www.afenterprisesltd.in

None of the Directors of the Company are related to each other.

Matrix of skills/competence/expertise of the Board of Directors

The Board of Directors of the Company comprises of people with diverse knowledge, skills and expertise and experience such as management, finance, tax, etc. The Board is led by the Experts who have immense knowledge of Plastic Industries. The Managing Director and Executive Director are in charge of the overall affairs of the Company and at Plants respectively. The Independent Directors bring with them their respective domain expertise which are accountancy and management.

Wherever needed, the proposals are placed before the respective committee for its consideration and if recommended by it, then placed before the Board. All business transacted at the Board/Committee are with the presence of only non-interested directors. All committees (except Risk Management Committee) are chaired by the Independent Directors and the views of all members are taken into consideration before decisions are taken. The major skills/competencies/expertise and the directorships held by the Directors in other listed companies are summarized below:

Name of Directors	Directorships held in Listed Companies	Category	Skills/Expertise
Mr. Abhishek Singh	--	--	Accounts, Finance & Banking
Mr. Santosh Kumar Kushawaha	--	--	Audit, Finance & Compliances,
Mr. Tinku Kathuria	--	--	Finance & Taxation
Mr. Vikram Sharma	--	--	Project Set Up, General Management
Ms. Preeti	-Rajnish Wellness Limited -Elitecon International Limited	Non-Executive & Independent Director	

In the opinion of the Board, all the independent directors have fulfilled the conditions of the SEBI Listing Regulations and that they are independent of the Company's management.

AUDIT COMMITTEE

The terms of reference and the role of the Audit Committee are as per guidelines set out in Part C of Schedule II of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee meets periodically and mandatorily reviews the following:

The Role of Audit Committee together with its powers shall be as under:

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approving payment to the statutory auditors for any other services rendered by the statutory auditors;
4. Approving initial or any subsequent modification of transactions of the company with related parties;
5. Scrutinizing inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Monitoring the end use of funds raised through public offers and related matters;

8. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to; 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 134 of the Companies Act,2013; changes, if any, in accounting policies and practices along with reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by Management; significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions; and
- Qualifications in the audit report

9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

10. Reviewing, with the management, the statement of the 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/Draft prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of the proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

12. 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;

13. Discussing with the internal auditors any significant findings and follow up there on;

14. 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;

15. Discussing with the 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;

16. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;

17. Reviewing the functioning of the Whistle Blower Mechanism, in case the same is exist;

18. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and

19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

Further, the Audit Committee shall mandatorily review the following:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor.

The meetings of the Committee are held at regular intervals. The Audit Committee met six times during the year i.e. 27th May, 2022, 12th August, 2022, 2nd September, 2022, 14th November, 2022, 3rd December, 2022 and 14th February, 2023 which meetings were attended by all the members of the Committee. The Committee comprises of:

Name of Member	Position	Category
Mr. Tinku Kathuria	Chairman	Non -Executive, Independent
Ms. Preeti	Member	Non -Executive, Independent
Mr. Abhishek Singh	Member	Executive

*Mr. Prateek Kumar has resigned from the position dated 14th November, 2023

The Company Secretary acts as the Secretary of the Committee. The Internal Auditors & Statutory Auditors are the invitees to all Audit Committee meetings and have attended all meetings during the year.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a well framed vigil mechanism/whistle blower policy for its directors and employees. During the year all the directors, senior management personnel and other employees complied the vigil mechanism and none of the complaints are received against any directors and employees for any fraudulent dealings. An Audit Committee of the Board of directors has the responsibility to review the functioning of vigil mechanism and the same has been performed by the committee periodically. The Company has established a Vigil (Whistle Blower) mechanism that provides a channel to the Employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee functions within the ambit of powers as vested by the Board vis-à-vis Regulation 19 of the SEBI Listing Regulations and Section 178 of the Act, which includes amongst others policy relating to the remuneration of the directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and Board of Directors, devising a policy on diversity of Board, appointment of directors, key managerial personnel, senior management level employees, recommending to the Board the appointment of directors, evaluating the re-appointment and determining whether to extend the tenure of the independent directors, recommending to the Board the remuneration payable to senior management employees, The link to view the policy is on the website of the Company at <https://afenterprisesltd.in/cg-report/>

The Nomination and Remuneration Committee of the Board is constituted in accordance with the requirement of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. Two-thirds of the members of the Committee are independent directors. During the year, three meetings were held on 4th April, 2022, 2nd September, 2022 and 14th February, 2023 which were attended by all the members of the Committee. The terms of reference of the Committee are defined as per SEBI Listing Regulations. The Committee comprises of :

S. No.	Name of the Member	Category	Position
1.	Ms. Preeti	Independent Director	Chairperson
2.	Mr. Tinku Kathuria	Independent Director	Member
3.	Mr. Vikram Sharma	Non Executive and Non Independent Director	Member

The Company Secretary acts as the Secretary of the Committee.

*Mr. Prateek Kumar has resigned dated 14.11.2023 Ms. Preeti took his chair

*Ms. Shagun Ajmani resigned dated 2nd September, 2022 and Mr. Vikram Sharma has been appointed and took chair of Ms. Shagun Ajmani

Performance evaluation criteria of the Board and Directors

The criteria for the evaluation of directors are determined by the Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations on the basis of discussion amongst the Directors covering all aspects of the functioning of the Board and the Committees. The evaluation criteria provide for different parameters for the evaluation of the performance of the Board, its committees and Directors. The criteria for evaluation covers areas such as functioning of the Board/Committees, discharge of key responsibilities, Board governance, attendance at the meetings, independence of judgment exercised by the Directors, etc. Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance as well as the working of its Audit, Nomination & Remuneration, Stakeholders' Relationship, Risk Management, and Corporate Social Responsibility Committees.

All the Directors carried out the performance evaluation. The Independent Directors evaluated the performance of non-independent directors, the Board as a whole and Chairman. The performance evaluation of independent directors was done by the entire Board members in which the independent directors who were being evaluated did not participate.

Remuneration of Directors

The Remuneration Policy of the Company strives to ensure that the level and composition of the remuneration is reasonable and sufficient to attract, retain and motivate the best talent commensurate with the size of the Company.

The remuneration of the Directors are in accordance with the provisions of the Act and the approval of the members of the Company. There was no pecuniary relationship or transactions between the Company and any of its Directors apart from the remuneration as detailed below:

Name	Salary	Sitting Fees	Total
Mr. Abhishek Singh	600000	--	600000
Mr. Santosh Kumar Kushawaha	7200000	--	7200000
Mr. Vikram Sharma	--	--	--
Mr. Tinku Kathuria	--	36000	30000
Mr. Amit Thakur	--	--	--
Ms. Preeti	--	36000	36000
Mr. Prateek Kumar	--	10800	30000
Ms. Shagun Ajmani	3600000	--	3600000
Mr. Sahil Arora	360000	--	360000

*Mr. Sahil Arora and Ms Shagun Ajmani have resigned from the company dated 2nd September, 2022

*Mr. Prateek Kumar have resigned dated 14th November, 2022

Mr. Amit Thakur have resigned dated 14th February, 2023

The remuneration to Managing Director and Executive Director are as per their terms of no performance linked incentives or severance fees payable to the Directors. The Company has granted Sweat Equity shares as per Section 54 of the Companies Act, 2013 and other applicable provisions of Companies Act and as per SEBI (Issue of Sweat Equity Regulations), 2002 to its three Directors as under:

Name of Director	No. of Shares Allotted	Consideration	Issue Amount (Rs. Per Share)
Mr. Santosh Kumar Kushawaha	300000	Other Than Cash	18
Mr. Sahil Arora	150000	Other Than Cash	18
Ms. Shagun Ajmani	150000	Other Than Cash	18

The terms of appointment of the Managing Director and Executive Director provide that the appointment may be terminated by either party by giving to the other party three months' notice of such termination or the Company paying three months remuneration in lieu thereof.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee meets as and when required and reviews all matters relating to the resolution of the investors grievances viz. transfer of shares, non-receipt of annual report, non-receipt of dividends, issue of duplicate share certificates, etc..The Stakeholders' Relationship Committee of the Board is constituted in accordance with the requirement of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. Two-thirds of the members of the Committee are independent directors. During the year, one meetings were held on 14thFebruary, 2023 which were attended by all the members of the Committee.

The terms of reference of the Committee are defined as per SEBI Listing Regulations. The investor grievances are being attended by M/s Skyline Financial Services Pvt. Ltd., Registrar and Share Transfer Agent (RTA) administered under the supervision of the Company Secretary and a periodical report on the same is being presented before the Committee. The composition of the Committee and the status of the complaints are given below:

Name of the Member	Category	Position	No. of Complaints Received	No. of Complaints Resolved	No. of Complaint Pending
Mr. Vikram Sharma	Non Executive and Independent Director	Member	0	0	0
Mr. Tinku Kathuria	Non Executive-Independent Director	Chairperson	0	0	0
Mr. Santosh Kumar Kushawaha	Executive Director	Member	0	0	0

Sachdeva acts as Secretary of the Committee and is the Compliance Officer of the Company
Mr. Vikram Sharma appointed as member of the committee in lieu of Mr. Sahil Arora who resigned from the position dated 02.09.2022

MEETING OF INDEPENDENT DIRECTOR

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, a meeting of the Independent Directors of the Company was held. The Independent Directors of the Company had met during the year on 28, October, 2022 to review the performance of Non-Independent Directors and the Board as a whole,

review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of the flow of information between the company management and the Board.

GENERAL BODY MEETINGS

8. The Company's Last AGM (39th AGM) of the Financial Year 2021-22 was held on 30th September, 2022 through Video Conferencing
9. During the Year 1 (One) Postal Ballot was conducted and the following resolution was passed by requisite majority

Postal Ballot Notice was dated 27.05.2022 and the date of Passing of the resolution was 27th June, 2022.

Resolution	Type of Resolution	Votes in Favour of Resolution		Votes against the Resolution	
		No. of Votes	% to total votes assented	No. of Votes	% to Total votes
To Consider And Approve The Fund Raising Through Preferential Issue Of Convertible Warrants Into Equity Shares)	Special Resolution	7618044	99.99	270	0.01
Placement Of Certificate Of Chartered Accountant Before Members For Convertible Warrants Were Issued On Preferential Basis In The Financial Year 2021-22 Under Regulation 163(2) Of Icdr, Regulations, 2018	Special Resolution	7618044	99.99	270	0.01

Postal Ballot process:

1. M/s Sumit Bajaj& Associates, Practicing Company Secretaries was appointed as the scrutinizer for submitting report on voting through remote e-voting for postal ballot exercise for the postal ballot notice dated 04.05.2022.
2. The Board of Directors, at their Meeting, approved the resolution to be passed through Postal Ballot and authorised any of the Directors and/or the Company Secretary of the Company to conduct the postal ballot process.
3. Notice of Postal Ballot, along with the ballot papers, were sent to the Shareholders through

email. E-voting facility was also offered to eligible Shareholders to enable them to cast their votes electronically.

4. An advertisement was published in a English newspaper and a Hindi newspaper about the dispatch of Postal Ballot Notice along with ballot papers.

5. The Scrutinizer gave his report to the Chairman.

6. The Company Secretary announced the results of the Postal Ballot on receipt of the Scrutinizer's Report.

7. The result was intimated to the Stock Exchange and are also hosted on the Company's website www.afenterprisesltd.in

Other Details of Postal Ballot were as below:

Postal Ballot Notice dated	Cut Off Date	Date of Dispatch of Notice	Date of Publication of dispatch of Notice in Newspaper	Commencement of e-voting	End of e-voting	Date of Declaration of Results
27.05.2022	20.05.2022	28.05.2022	30.05.2022	28.05.2022 at 09:00 AM	26.06.2022 at 05:00 PM	27.06.2022

1. During the year one Extra Ordinary General Meeting was conducted and the following resolution was passed by requisite majority:

Extra Ordinary General Meeting Notice was dated 04.11.2022 and the date of Passing of the resolution was 28th November, 2022

Resolution	Type of Resolution	Votes in Favour of Resolution		Votes against the Resolution	
		No. of Votes	% to total votes assented	No. of Votes	% to Total votes
Increase In The Authorized Share Capital And Consequent Memorandum Of Association Of The Company	Special Resolution	4982618	90.43	527339	9.57

To Approve Adoption of Amended and Restated Articles Of Association (AOA) Of the Company	Special Resolution	4982618	90.43	527339	9.57
To Approve Raising Of Funds And Issuance Of Securities By The Company	Special Resolution	4982618	90.43	527339	9.57

Extra Ordinary General Meeting Process:

1. M/s Sumit Bajaj & Associates, Practicing Company Secretaries was appointed as the scrutinizer for submitting report on voting through remote e-voting for extra ordinary general meeting exercise for the general meeting notice dated 28.10.2022.
2. The Board of Directors, at their Meeting, approved the resolution to be passed through Extra Ordinary General Meeting and authorised any of the Directors and/or the Company Secretary of the Company to conduct the general meeting process.
3. Notice of general meeting, were sent to the Shareholders through email. E-voting facility was also offered to eligible Shareholders to enable them to cast their votes electronically.
4. An advertisement was published in a English newspaper and a Hindi newspaper about the dispatch of General Meeting Notice.
5. The Scrutinizer gave his report to the Chairman.
6. The Company Secretary announced the results of the Postal Ballot on receipt of the Scrutinizer's Report.
7. The result was intimated to the Stock Exchange and are also hosted on the Company's website www.afenterprisesltd.in

Other Details of General Meeting were as below:

General Meeting Notice dated	Cut Off Date	Date of Dispatch of Notice	Date of Publication of dispatch of Notice in Newspaper	Commencement of e-voting	End of e-voting	Date of Declaration of Results
04.11.2022	21.11.2022	04.11.2022	05.11.2022	25.11.2022 at 09:00 AM	27.11.2022 at 05:00 PM	29.11.2022

Disclosures:

- (i) As required by the Accounting Standard-18, details of related-party transactions is in Notes on Accounts.
- (ii) The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as the regulations and guidelines of SEBI.
- (iii) No penalties were imposed or strictures passed against the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

Means of Communication:

The Company's quarterly results are intimated to the Stock Exchange and to the Public. Generally, the results are published in the Financial Express (National newspaper) and Jansatta (Regional newspapers). The quarterly results are displayed on the website of the company at www.afenterprisesltd.in

Details of Shareholders' Complaints received, resolved & pending during FY 2022-2023

Particulars	Nos.
Complaints pending as on April 1, 2022	Nil
Complaints received during the year ended March 31, 2023	Nil
Complaints resolved during the year ended March 31, 2023	Nil
Complaints pending as on March 31, 2023	Nil

Name, designation and e-mail address of Compliance Officer

Ms. Payal Sachdeva
Company Secretary & Compliance Officer
e-mail: cs@ridh.in

Corporate Social Responsibility Committee

During the year under review, your Company does not touch the threshold limit as per the provisions of Section 135 of the Companies Act, 2013, accordingly the Company does not require to meet out the Compliance requirement as stipulated under Section 135 of the Companies Act, 2013.

Risk Management Committee

Your Company is not required to form Risk Management Committee as per Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Senior Management

There have been no changes in the senior management of the Company since the close of the previous financial year.

Familiarization program for Independent Directors:

The Company supports Directors to update their skills and knowledge and improve their familiarity with the Company, its business. Your Company provides familiarization programmed in the form of interactive sessions with the senior management. The Company Secretary periodically updates the Director(s) about regulatory changes. The Independent Directors are also provided with financial results, internal audit findings, risk inventories and other specific documents as sought for from time to time. The Independent Directors are also made aware of all policies and Code of Conduct and Business Ethics adopted by the Board. The policy on the familiarization programmes imparted to the Independent Directors is posted on the website of the Company and may be accessed at the link:<https://afenterprisesltd.in/wp-content/uploads/2021/09/Familiarisation-Programme.pdf>

Formal letter of appointment to the Independent Directors (“IDs”) :

The Company issues formal appointment letters to the IDs. All IDs have confirmed that they have met the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 (“Act”). As required under Regulation 46 of the Listing Regulations the terms and conditions of appointment of IDs are available at <https://afenterprisesltd.in/wp-content/uploads/2021/09/terms-of-ID-final.pdf>

Declaration by Independent Directors (“IDs”):

The Board of Directors of the Company have confirmed that all Independent Directors comply with the criteria of Independence as mentioned in SEBI (LODR), 2015 and have mentioned that they are independent of management as on 31.03.2023.

Necessary confirmations have also been taken from the Independent Directors in compliance with Rule 6 Sub Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2019, as amended from time to time. The Board of Directors of the Company have taken on record the declarations and confirmations submitted by the Independent Directors under Regulation 16(1)(b) read with 25(8) of the SEBI Listing Regulations. Pursuant to Section 150(1) of the Act, read with the Companies (Accounts) Rules, 2014 all the Independent Directors of the Company are registered on the website of Institute of Corporate Affairs.

In compliance with Regulation 36(3) of the Listing Regulations read with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the required information about the Directors proposed to be appointed/re-appointed has been annexed to the Notice convening the 40th Annual General Meeting.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serve as an Independent Director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2023 have been made by the Directors.

GENERAL SHAREHOLDER INFORMATION

1	Annual General Meeting Schedule:	September 29, 2023 (Friday)
2	Financial Year	April 1, 2022 to March 31, 2023
3	Dividend Payment Date	Not Applicable
4	Name and Address of the Stock Exchange at which the Company's securities are listed	BSE Regd. Address: 15/18, Basement B Portion West Patel Nagar, New Delhi-110008 Corp. Address: Plot No. 8, Sector-5, Main Mathura Road, Faridabad, Haryana-121006
5	Payment of Annual Listing Fee to Stock Exchange	Yes, the Annual Listing Fee has been paid to the BSE Limited for the financial year 2022-23
6	Stock Code	538351
7	Registrar to an issue and share transfer agents	M/s Skyline Financial Services Private Limited D-153 A, First Floor, Okhla Industrial Area Phase-1, New Delhi-110020 Contact: 0129-2248111 e-mail i.d: admin@skylinerta.com
8	ISIN	INE663P01015
9	Share Transfer System	The company has delegated the authority to approve shares received for transfer in physical form to M/s Skyline Financial services

		private limited
1	Dematerialization of shares and liquidity	The company has an agreement with M/s Skyline Financial Services Private Limited for dematerialization of shares
1	Outstanding GDR or ADR or warrants or any	The Company has issued 50,00,000 at Rs 101/- per warrant dated 12 th July, 2023. The allottees did not opt for the conversion of warrants into equity shares hence the warrants are not converted into equity shares yet
1	Plant Locations	Plot No. 8, Sector-5, Main Mathura Road, Faridabad, Haryana-121006
1	Corporate Secretarial/Investors' Assistance Department	Secretarial Department headed by Ms. Payal Sachdeva, Company Secretary of the Company

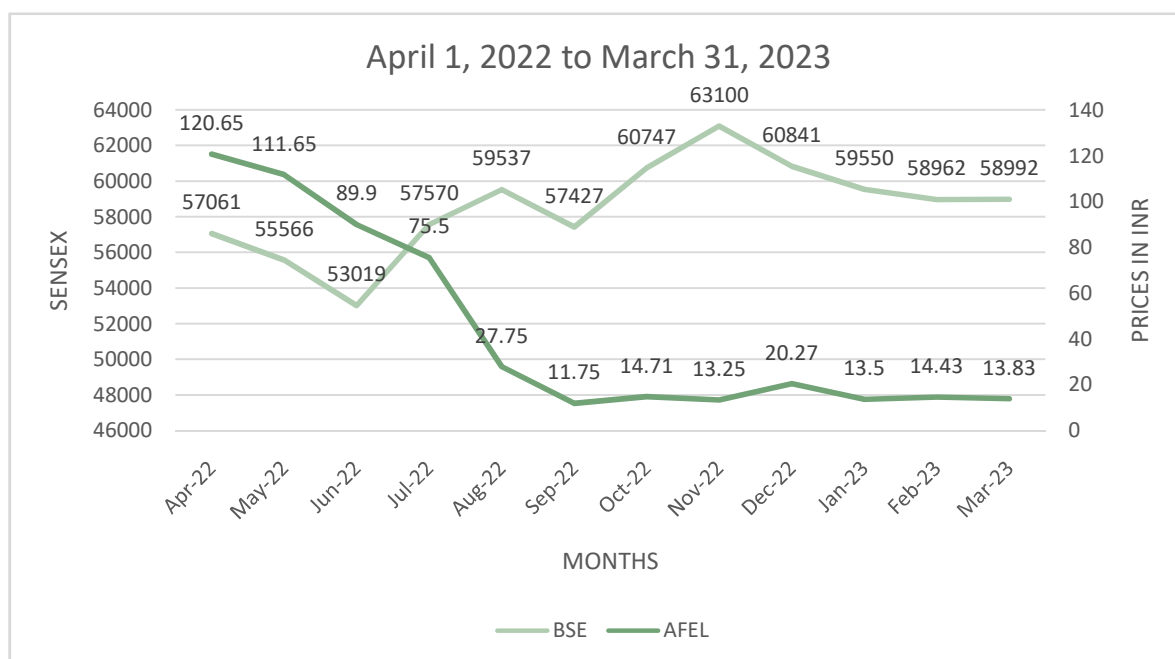
Market Price Data

Market Price Data for the period April 1, 2022 to March 31, 2023: The monthly high and low prices are as under:

Period	High	Low
April 2022	138.9	115.3
May 2022	126.9	79.75
June 2022	116.5	89.9
July 2022	102.2	72.55
August 2022	75	27.75
September 2022	27.7	11.75
October 2022	14.71	7.83
November 2022	16.21	9.71
December 2022	20.73	12.3
January 2023	20.5	13.4
February 2023	19.4	13.05

March 2023	16.33	12.7
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Stock Performance In Comparison to Board Based Indices



Distribution of shareholding as on 31st March 2023 is as follows

Category	No. of Share	Percentage
Promoter	807600	5.72
Public	13306036	94.28

Dematerialization of Shares & Liquidity:

To facilitate trading in dematerialized form, the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are traded on the Bombay Stock Exchange Limited.

Investor Relations:

All queries received from shareholders during the accounting year 2022-23 were responded adequately and in time. As required under Regulation 46 of the Listing Regulations, the designated e-mail address for investors services, i.e,

info.afenterprises@gmail.com or cs@ridh.in is provided on the website of the Company to serve them better.

Distribution of Equity Shareholding as on 31 March, 2023

No. of Shares	Number of Shareholders	% to Total Numbers	No. of Share Held	% to Holding
1	2	3	4	5
Up To 500	3693	78.04	369121.00	2.62
501 To 1000	321	6.78	259602.00	1.84
1001 To 2000	229	4.84	353603.00	2.51
2001 To 3000	93	1.97	237625.00	1.68
3001 To 4000	69	1.46	248425.00	1.76
4001 To 5000	46	0.97	216812.00	1.54
5001 To 10000	115	2.43	823677.00	5.84
10000 and Above	166	3.51	11604771.00	82.22
Total	4732	100.00	14113636.00	100.00

Categories of Shareholders as on 31 March, 2023

	No. of ordinary shares held	No. of Shareholders	No. of Shares held	Percentage (%)
A	Shareholding of Promoter and Promoting Group			
1	Indian	1	807600	5.72
2	Foreign	0	0	0
	Sub Total (A)			
B	Public Shareholding			
1	Institutions	0	0	0
a	Mutual Funds/ UTI	0	0	0
b	Financial institutions/ Banks	0	0	0
c	Central Government/ State Government(s) (IEPF)	0	0	0
d	Insurance Companies	0	0	0
e	Foreign institutional Investors	0	0	0
f	Alternate Investment Funds	0	0	0

g	Foreign Portfolio Investors	0	0	0
h	Sub-Total (B)(1)			
2	Non Institutions			
a	Bodies Corporate	35	2343077	16.06
b	Individual shareholders holding nominal share capital up to Rs. 2 Lacs	4520	3249718	23.03
c	Individual shareholders holding nominal share capital in excess of Rs. 2 Lacs	74	6975247	49.42
d	Directors	1	300000	2.12
e	NRI	10	15213	0.11
f	Resident Indian HUF	81	289327	2.16
g	Firms	5	128500	0.19
h	Clearing Member	5	4774	0.03
	Sub Total (B)(1) + (B)(2)	4730	13306036	94.28
	Total Public Shareholding (B)= (B)(1)+(B)(2) + B(3) +B(4)	4731	14113636	100

Note:

Pursuant to amendment in Regulation 31 of Listing Regulations, a public shareholder and a non-public non-promoter shareholder has to provide the details of their shareholding along with their PAN number. Earlier the details of the shareholding had to be given by the promoters and promoter groups only. In addition to the above, the shareholding of the public shareholder and non-public non-promoter shareholder has to be consolidated on the basis of PAN and folio number in order to avoid multiple disclosures of shareholding of the same person. In compliance with the above amendment, shareholding shown on the basis of PAN and folio number in order to avoid multiple disclosures of shareholding of the same person.

Top 10 Shareholders List as on 31 March, 2023

Sr.No	Name of Shareholders	Total Shares	%age
1	ANUPREET KAUR KEER	1200000	8.5024
2	ANUVA KAUR KEER	995000	7.0499
3	RISHAN SINGH KEER	946483	6.7062
4	DEEPAK GUPTA	255000	1.8068
5	SANDEEP ARNEJA	200000	1.4171
6	SAHIL ARORA .	150000	1.0628

7	SHAGUN AJMANI .	150000	1.0628
8	HIMMATSINGH RATHOUR	150000	1.0628
9	NIKHIL SINHA	117685	0.8338
10	SRINIVASA RAO BODAVULA	100000	0.7085

Dematerialization of Shares and Liquidity

The Company's shares are tradable compulsorily in electronic form. We have established connectivity with both the depositories in India – National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”). The International Securities Identification Number (“ISIN”) allotted to the Company's Share under the Depository System is INE663P01015. As on March 31, 2023, 99.04% shares equivalent to 13977906 shares are held in dematerialized form with NSDL & CDSL and 0.96% shares equivalent to 135730 equity shares are held in Physical mode of the Company's total shares representing 1,41,13,636 equity shares.

Location of Business and address for correspondence

AF Enterprises Limited

Regd. Address: 15/18, Basement B Portion, West Patel Nagar, Delhi-110015

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

Disclosures to Shareholders:

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large

No such transactions took place during the year ended 31st March, 2023. The transactions with related parties for the year ended 31st March, 2023 have been disclosed in Notes of the Annual Report and disclosures on the Related party transaction for the half year ended 30th September, 2022 have been submitted to BSE respectively and for the half-year ended 31st March, 2023 has been submitted to BSE. The Board has approved a policy on materiality of related party transactions and on dealing with related parties and the same is posted on the Company's website at www.afenterprisesltd.in

(b) Disclosure by Senior Management in accordance with Regulation 26(5) of the SEBI Listing Regulations:

For the financial year ended 31st March, 2023 the Senior Management Personnel of the Company has confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions entered into with the Company that may have a potential conflict with the interests of the Company at large.

(c) Disclosures on Compliance of Law

There has been no instance of non-compliance with any legal requirement during the Financial Year 2022-23 and no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any statutory authority relating to capital markets during Financial Year 2022-23.

However, there is one instance of non-compliance by the Company, which was qualified by the Company Secretary in Practice in his Annual Secretarial Compliance Report & and Secretarial Audit Report for the financial year ended March 31, 2023.

The Company has not complied the provisions of Regulation 33 & 52 – Failure to File Financial Statements on Time for the Quarter ended 30th September, 2022. We observed that the Company has filed Standalone Financial Statements on time i.e. on 14th November, 2022 but due to non-availability of Financial results of Subsidiary, the results got submitted to stock exchange on 3rd December, 2022 and BSE imposed fine due to delay in Consolidated Financial results for 21 days via NEFT No. NEFTRATNN22362877685

Save and except as stated herein before, there has been no other instance of non-compliance with any legal requirement. No other penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI, or any statutory authority relating to capital markets during the last 3 (three) years.

(d) Vigil Mechanism / Whistle Blower Policy

The Company has a Vigil Mechanism/Whistle Blower Policy which is posted on the website of Company at the link: <https://afenterprisesltd.in/wp-content/uploads/2021/09/Whistle-Blower-Policy-Final.pdf> for its Directors and employees to report their concerns about the Company's working or about any violation of its policies. Besides, as per the new requirement of Clause 6 of Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations as amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, our Company ensures to make employees aware of such Whistle-Blower Policy to report instances of leak of unpublished price sensitive information. The vigil mechanism provides for adequate safeguards against the victimization of Director(s) or Employee(s) or any other person who avails the mechanism and also provides direct access to the Chairperson of the Audit Committee. No personnel have been denied any access to the Audit Committee.

(e) Code for Prevention of Insider Trading Practices

In compliance with the SEBI Regulation on Prohibition of Insider Trading, the Company has in place a comprehensive code of conduct for its Directors and Senior Management Officers. The code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company. The code clearly specifies, among other matters, that Directors and specified employees of the Company can trade in the shares of the Company only during the 'Trading Window Open Period'. All amendments to the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' are updated on a regular basis. Annual Declarations containing the annual disclosures of holding of securities were obtained from all the Directors and the Designated Persons of the Company for the financial year ended 31st March, 2023. Besides, a declaration has also been obtained from the Managing Director of the Company ensuring compliance with Regulation 9 Sub

regulations 1 and 2 of the SEBI (Prohibition of Insider Trading) Regulations as amended. The trading window is closed during the time of declaration of results, and other material events, as per the Code, and the same is posted on the website of the Company at the link: www.afenterprisesltd.in

Ms. Payal Sachdeva, Company Secretary & Compliance Officer also acts as the Chief Investor Relations Officer.

(f) Details of compliance with mandatory requirements and adoption of non-mandatory requirements

All mandatory requirements have been complied with and the non-mandatory requirements are dealt with at the end of the Report.

(g) Policy for determining Material Subsidiaries

The Company has not any material Subsidiaries for the financial year i.e. 2022-23.

(h) Commodity price risk or foreign exchange risk and hedging activities

The Company has no exposure to commodity price risk or commodity hedging risk.

(i) Internal Complaints Committee

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 (POSH Act) covering all women employees of the Company. The Internal Complaints Committee (ICC) is set up for the purpose of providing protection against the sexual harassment of women at the workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.

(j) Loans & Advances

During the year under review, Your Company has given loan and advances as per the provisions of Section 186 of the Companies Act, 2013, please refer notes to accounts of the Financial Statements for the year 2022-2023

(k) Certificate from the Chief Financial Officer

Certificate from Mr. Abhishek Singh, Chief Financial Officer, in terms of Regulation 17(8) read with Regulation 33(2)(a) of the SEBI Listing Regulations for the financial year ended March 31, 2023, was placed before the Board of Directors of the Company in its Meeting held on May 30, 2023.

Declaration regarding Compliance by the Board Members and Senior Management Personnel with the Code of Conduct:

As provided under Regulation 17(5) & Schedule V Clause D of Regulation 34(3) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 this

is to confirm that a “Code of Conduct” has been laid down by the Board of Directors of AF Enterprises Limited, which has been made applicable to all the Directors and Senior Management Personnel of the Company. The code has been affirmed to by all members of the Board and the Senior Management Personnel of the Company. The said code of Conduct has also been posted on the website of the Company, namely, www.afenterprisesltd.in

(l) Acceptance of recommendations of any Committee of the Board

All the recommendations made by any Committee of the Board during the financial year 2022-2023 have been duly accepted and taken on record by the Board of Directors of the Company.

(m) Disclosure on Utilization of Funds as per Regulation 32(7A)

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) during the Financial Year 2022-2023.

(n) Certificate regarding non-disqualification of Directors

The Company has obtained a certificate from Mr. Sumit Bajaj (ACS No: 45042, CP No: 23948) Company Secretary in Whole-time Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority.

(o) Certificate on Compliance of the Conditions of Corporate Governance.

As required by Regulation 34(3) and Schedule V(E) of the Listing Regulations, a practicing Company Secretary’s certificate is annexed to this report.

(p) Status Of Adoption Of The Non-Mandatory Requirements

In terms of regulation 27(1) read with Schedule II to the said regulations the disclosure on account of the extent to which the discretionary requirements as specified in part E of schedule II are given below:

(a) The Chairperson of the Board is nominated by Nomination and Remuneration Committee of the Company. The Chairperson of the Company, does not maintain any office at the expense of the Company. The Chairperson of the Company is not related to the Managing Director of the Company.

(b) In view of the publication of Financial results of the Company in newspaper and disseminating the same on the website of the Company as well as on the website of the Stock Exchanges, the Company does not consider it prudent to circulate the half-yearly Results separately to the shareholders;

(c) There are no audit qualifications with respect to the financial statements of the Company.

(d) Your Company has maintained a separate person to the post of the Chairperson and the Managing Director or the CFO, such that the Chairperson is (i) Non- Executive Director and (ii) Not related to the Managing Director or CEO.

(e) The Internal Audit Reports are shared with the Statutory Auditors and the Audit Committee reviews the internal Audit report in presence of internal & statutory Auditors.

Nomination Facility:

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding, as permitted under the Companies Act, Companies Act, 2013, are requested to submit their request in this regard to the Company's Share Transfer Agents M/s Skyline Financial Services Private Limited D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020 Nomination facility in respect of shares held in electronic form is also available with the Depository Participant (DP) as per the by-laws and business rules applicable to NSDL and CDSL.

Compliance:

In compliance with the terms of the Listing Agreement, a certificate from an Independent Practicing Company Secretary regarding compliance of the provisions of Regulation 27 of SEBI (LODR) Regulations, 2015 is annexed to this Report.

No Disqualification Certificate from Company Secretary In Practice

The Company has obtained a Certificate from M/s. Sumit Bajaj and Associates, Company Secretaries confirming that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority, as stipulated under Regulation 34 (3) of SEBI (LODR) which forms part of this Report

Date: 03/09/2023

Place: Delhi

**By the Order of the Board
For AF Enterprises Limited**

**Sd/-
Abhishek Singh
Director
DIN: 03603706**

**Sd/-
Santosh Kumar Kushawaha
Managing Director
DIN:02994228**

MANAGEMENT DISCUSSION AND ANALYSIS

Forward Looking Statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward- looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could, thus, differ materially from those projected in any such forward- looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward- looking statements on the basis of any subsequent developments, information or events.

❖ OVERVIEW OF FINANCIAL YEAR

According to Press Note dated May 31, 2023 The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI) of the Government of India "...Real GDP or GDP at Constant (2011-12) Prices in the year 2022-23 is estimated to attain a level of `160.06 lakh crore, as against the First Revised Estimates of GDP for the year 2021-22 of `149.26 lakh crore. The growth in real GDP during 2022-23 is estimated at 7.2 per cent as compared to 9.1 per cent in 2021-22. .. Nominal GDP or GDP at Current Prices in the year 2022-23 is estimated to attain a level of ` 272.41 lakh crore, as against ` 234.71 lakh crore in 2021-22, showing a growth rate of 16.1 percent."

In its Bulletin- July 2023 dated July 17, 2023 the Reserve Bank of India on the 'State of the Economy' has commented - "...With domestic demand gaining traction and import demand picking up even as exports remained weak, the current account deficit is expected to have expanded modestly in April-June 2023 from a near-balance in the preceding quarter. The overall balance of payments improved from a surplus of US\$ 5.6 billion in January March 2023 to US\$ 24.4 billion in April-June 2023, indicating that financial flows comfortably exceeded the current account again on a quarterly basis." While, the World Bank in their overview of the Indian economy published in April, 2023 has said: "In FY22/23, India's real GDP expanded at an estimated 6.9 percent. Growth was underpinned by robust domestic demand, strong investment activity bolstered by the government's push for investment in infrastructure, and buoyant private consumption, particularly among higher income earners. The composition of domestic demand also changed, with government consumption being lower due to fiscal consolidation."

Key performance indicators of the Company are given below:

- The gross turnover increased by 2956.16 lakhs in FY 2022-23 from ` 2632.87

lakhs in FY 2021-22.

- The total EBIDTA decreased to 49.08 lakhs in FY 2022-23 from ` 157.68 lakhs in FY 2021-22.
- The Net Profit decreased to `103.20 lakhs in FY 2022-23 from ` 103.60 lakhs in FY 2021-22.

The year saw extremely high volatility of over 30% on the key Raw Material Prices in both Polypropylene & Polyethylene.

The Company continued to focus on increasing market penetration to ensure entire product range are available in deeper pockets of the Country. The Company continued to build strong designing & manufacturing capability in production of Plastic Moulded Components which will establish its competitive position of high-cost import substitution in the Plastic.

❖ **OPPORTUNITIES, THREATS & RISKS**

The Company is mainly exposed to market risk (including liquidity risk), interest risk and credit risk. However prudent business and risk management practices followed by the company over the years helps it to manage normal industry risk factors, which inter alia includes economic/ business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility, and credit risk. The Company is confident of managing these risks by observing a conservative financial profile in investment and trading of securities business. The sheer unpredictable nature of the markets makes investments a risky proposition. An investment company has to live with the fear of falling markets and movement of the SENSEX. However, the Company hopes to improve its performance on the strength of its long experience and its strong emphasis on the fundamentals. Your management has got ample exposure of the capital markets, which provide us an opportunity to make safer and profitable investments with minimum risks.

❖ **INTERNAL CONTROL SYSTEMS**

The Company has an Internal Control System which is commensurate with the size, scale and complexity of its operations. The Internal Auditors monitor the efficiency and efficacy of the internal control systems in the Company, compliance with operating systems/accounting procedures and policies of the Company. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. The Company has adequate systems and procedures to provide assurance of recording transactions in all material respects. The Internal Auditor reviewed the adequacy and operating effectiveness of the internal financial controls as per Section 134 (5) of the Companies Act, 2013 by covering the following broad areas:

- i. Material level assessment
- ii. Entity level assessment
- iii. Risk Control Matrix covering major processes and developing controls Internal audit and compliance.

The Company conducts its internal audit and compliance functions within the parameters of regulatory framework which is well commensurate with the size, scale and complexity of

operations. The internal controls and compliance functions are installed, evolved, reviewed, and upgraded periodically.

The Audit Committee reviews the performance of the audit and compliance functions, the effectiveness of controls and compliance with regulatory guidelines and gives such directions to the Management as necessary / considered appropriate. The Company has framed a compliance policy to effectively monitor and supervise the compliance function in accordance with the statutory requirements.

❖ **HUMAN RESOURCES**

Human Resource is the most vital factor to achieve the goals of any organization. Being a progressive organization, A F Enterprises Limited firmly believes in the strength of its most vital asset. The company recognizes the importance of human value and ensures that encouragement both moral and financial is extended to each individual for motivating them to perform to the maximum capacity, to contribute towards developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. The company Industrial relations are cordial and satisfactory during the year under review.

❖ **CAUTIONARY STATEMENT**

Certain statements in this Report may be forward-looking and are stated as may be required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Your Company does not undertake to update these statements.

❖ **ACKNOWLEDGEMENT**

Your directors take this opportunity to place on record their appreciation to all employees for their hard work, spirited efforts, dedication and loyalty to the Company which helped the Company for maintain its growth. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, dealers, business associates and employees in ensuring an excellent all around operational performance.

Date: 03/09/2023

Place: Delhi

**By the Order of the Board
For AF Enterprises Limited**

**Sd/-
Abhishek Singh
Director
DIN: 03603706**

**Sd/-
Santosh Kumar Kushawaha
Managing Director
DIN: 02994228**

Independent Auditor's Report

To
The members of
AF ENTERPRISES LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **AF ENTERPRISES LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2023, the statement of profit and loss, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereby referred as 'the Standalone Financial Statements').

In our opinion and to the best of our information and explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2023, and the **net profit** (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note 38 to the standalone financial statements, it is to be noted that Regulation 33(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 requires that if a listed entity has subsidiaries, it shall, while submitting quarterly standalone financial results also submit quarterly and year ended consolidated financial results to stock exchanges. As per information and explanations given to us, the Company till the date of signing these standalone financial results and standalone financial statements, could not prepare the quarterly and year ended consolidated financial results and consolidated financial statements for the year ended on 31st March 2023. It is stated by the Company's management that the management of the subsidiary i.e. M/s Aunik IT Solutions Private Limited ("the subsidiary") and its statutory auditors have not provided the requisite financial information of the subsidiary in spite of repeated reminders so as to compile the consolidated financial statements and consolidated financial results on time. The Company has also issued a show cause notice to the directors of the subsidiary in this regard. Hence, on till this date, we are unable to provide our opinion on quarterly and yearly consolidated financial results and annual consolidated financial statements of the Company. Our opinion on these standalone financial statements of the Company is not modified in respect of this matter.

Key Audit Matters

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

Key audit matters	Auditor's response
<p><u>Revenue from operations</u></p> <p>According to Ind AS 115, revenue to be recognized on satisfaction of performance obligation and transfer of control pertaining to goods.</p> <p>Determination of transaction price for measurement of revenue according to Ind AS 115.</p>	<p>Our audit procedure included the following-</p> <ul style="list-style-type: none"> • We assessed the company's process to consider the time of transfer of control of goods. • We performed year end cut off procedures to determine whether revenues are recorded in the correct period. • We used assessment of overall control environment relevant for measurement of revenue. • We performed testing of journals, with particular focus on manual adjustment to revenue account, to mitigate the risk of manipulation of revenue and profit figures.

Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's board of directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the applicable accounting standards and the other accounting

V.N. PUROHIT & CO.

Chartered Accountants

principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for insuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

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

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

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

Our objectives are to obtain a reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our 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 due to fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

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

V.N. PUROHIT & CO.

Chartered Accountants

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 controls 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, relevant safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, statement of changes in equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian accounting standards specified under Section 133 of the Act;
 - e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure-B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact, if any of pending litigations on its financial position, in its Standalone Financial Statements (Refer Note 38 of the standalone financial statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note 42 of the standalone financial statements)

V.N. PUROHIT & CO.
Chartered Accountants

- iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund. (Refer Note 43 of the standalone financial statements)
- iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on such audit procedures that has considered reasonable and appropriate in the circumstances, nothing has come our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. No dividend has been declared or paid by the company during the period covered by this report in pursuant to Section 123 of the Companies Act 2013.
- vi. As proviso to Rule 3(1) of the companies (Accounts) rules, 2014 is applicable for the company only w.e.f. 1st April, 2023, reporting under this Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable.
- h. In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its director during the current financial year is not in excess of the limits laid down under section 197 of the Act, read with Schedule V of the Act.

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

O.P. Pareek
Partner
Membership No. 014238
UDIN: 23041238BGXRQW3554

New Delhi, the 30th day of May 2023

ANNEXURE- A TO THE AUDITOR'S REPORT

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of **AF Enterprises Limited**(the Company) for the year ended on 31st March 2023.

- (i) (a) A. As per information and explanation given to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of the Property, plant and equipment;
- B. As per information and explanation given to us, the company does not have any Intangible asset hence the provisions of sub clause (i)(a)(B) of para 3 of the order are not applicable;
- (b) As per information and explanation given to us, physical verification of the Property Plant and equipment has been conducted once in a year by the management and no material discrepancies were noticed during the course of verification;
- (c) According to information and explanation given to us, the company does not hold any immovable property during the year dealt with by this report. Accordingly, the provisions of sub-clause (i)(c) of para 3 of the order are not applicable;
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year. Accordingly, the provisions of sub-clause (i)(d) of para 3 of the order are not applicable;
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, the provisions of sub-clause (i)(e) of para 3 of the order are not applicable.
- (ii) (a) As per information and explanation given to us, physical verification of inventory has been conducted once in a year by the management and no material discrepancies were noticed during the course of verification furthermore inventory consisting of securities are held in dematerialized form, balances of same has been verified with securities closing balances available at Depository participant (i.e. NSDL/CDSL) further no material discrepancies were noticed during the course of such verification;
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not taken any working capital loan during the period covered by this report. Accordingly, the provisions of sub-clause (ii)(b) of para 3 of the order are not applicable.
- (iii) In respect of loans or advances in the nature of loans, secured or unsecured given to the companies, firms, limited liability partnership or any other parties during the year.
- (a) A. According to the information and explanations given to us, the Company has not granted loans or advances in the nature of loans, secured or unsecured to subsidiaries, associates and joint ventures.
- B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to parties other than subsidiaries, joint ventures and associates, aggregate amount of which given during the year is Rs.

V.N. PUROHIT & CO.
Chartered Accountants

18,815.00 thousands and balance outstanding of such loan as at 31st March 2023 amounting to Rs. 26,515.12 thousands;

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, the loans have been provided by the Company without any interest and with moratorium on principal amount and thus we are of the opinion that the terms and conditions of the loans given are, prima facie, prejudicial to the interest of the Company;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the schedule of repayment of principal has been stipulated, however, the payment of interest has not been stipulated and accordingly the receipts are regular as stipulated in the arrangement.

(d) According to the information and explanations provided to us, the overdue management there is no loan overdue amount as per stipulations for more than ninety days in respect of loans given;

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended during the year or fresh loans given during the year to settle the over dues of existing loans given to the same party;

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, the provisions under sub- clause (iii)(f) of para 3 of the order are not applicable.

- (iv) According to information and explanations given to us, the Company has complied with the provisions of Section 186 of Companies Act, 2013 to the extent applicable in respect of loans, advances, guarantees and securities so given. Furthermore, the Company has complied with the provisions of section 185 of the Companies Act, 2013 *except to the extent of passing of special resolution at the general meeting in respect of granting of loan to the entities in which director is interested;*
- (v) According to information and explanations given to us, the Company has not accepted any public deposits during the year and the provision of section 73 to 76 or other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the Company;
- (vi) According to information and explanations given to us, the Company is not liable to maintain cost records as prescribed under section 148(1) of the Companies Act, 2013;
- (vii) (a) According to information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including income-tax and any other applicable statutory dues to the appropriate authorities and there are no outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable *except the following;*

Name of Statute under which dues are outstanding	Amount (Rs. In '000')
Tax deducted at source under the Income tax Act	1,395.26
Tax collected at source under the Income tax Act	138.73
Employee's provident fund	346.92
Employee' ESI Payable	1.99
Labour welfare fund	79.85

(b) According to information and explanations given to us, following are the outstanding statutory dues on the part of Company which is not deposited on account of dispute: -

V.N. PUROHIT & CO.
Chartered Accountants

Nature of Dues	Period	Amount involved (Rs. In '000')	Forum where dispute is pending
Income tax	A.Y. 2017- 18	1,916.26	ITAT, New Delhi

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported as per the format below:-

Nature of borrowing	Name of lender	Amount not paid (Rs. in '000')	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Car Loan	Axis Bank Limited	539.73	Principal	39 months	Unpaid since January 2020
		171.03	Interest	39 months	

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority;

(c) According to the information and explanations given to us by the management, the company has utilized the loans against the purpose for which it was obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis that have been utilized for the long- term purpose by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any fund on account of or to meet the obligations of subsidiary.

(f) According to the information and explanations given to us on an overall examination of the financial statements of the Company, we report that the Company has not raised loan during the year on the pledge of securities held in its subsidiary.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of sub clause (x)(a) of para 3 of the order are not applicable;

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provision of sub clause (x)(b) of para 3 of the order are not applicable;

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit;

V.N. PUROHIT & CO.
Chartered Accountants

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the Information and explanations given to us, there are no whistle blower complaints received by the company during the year;
- (xii) According to the information and explanation given to us and on the basis of our information and explanation of the records of the company is not a Nidhi Company. Hence the provisions of sub clause (xii) of para 3 of the order are not applicable;
- (xiii) According to information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Standalone Financial Statements etc., as required by the applicable Indian accounting standards;
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit;
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) According to information and explanations given to us, the Company is not a Non- Banking Financial Company and registered under Section 45-IA of the Reserve Bank of India Act, 1934;
- (b) According to information and explanations given to us, The Company has not conducted Non-Banking Financial activities with a valid certificate from Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provision of sub clause (xvi)(c) of para 3 the order are not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the provisions of sub clause (xvi)(d) of para 3 the order are not applicable.
- (xvii) The Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, provision of sub clause (xviii) of para 3 of the order are not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

V.N. PUROHIT & CO.
Chartered Accountants

- (xx) According to the information and explanations given to us, provisions of Corporate Social Responsibility (CSR) specified in section 135 read with schedule VII of Companies Act are not applicable upon the company.
- (xxi) In our opinion and according to the information and explanations given to us, the statutory auditors of the entities/ companies included in the consolidated financial statements have not issued their report on Companies Auditor Report Order (CARO) till the date of signing this report.

Signed for the purpose of identification

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

O.P. Pareek
Partner
Membership No. 014238
UDIN: 23041238BGXRQW3554

New Delhi, the 30th day of May2023

ANNEXURE- B TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **AF ENTERPRISES LIMITED** as on 31st March 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March 2023, based on “the internal financial controls with reference to standalone financial statements criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”.

Management's Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the standalone financial statements, whether due to fraud or error.

V.N. PUROHIT & CO.
Chartered Accountants

We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that: -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and the receipt and expenditures of the Company are being only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

O.P. Pareek
Partner
Membership No. 014238
UDIN: 23041238BGXRQW3554

New Delhi, the 30th day of May 2023

A F ENTERPRISES LIMITED

CIN : L18100DL1983PLC016354

Standalone Balance Sheet as at 31st March 2023

(Rupees in 000's unless otherwise stated)

Notes	As at 31st March 2023	As at 31st March 2022	
ASSETS			
Non- current assets			
Property, plant and equipment	3	52,755.61	39,851.76
Financial assets			
Investments	4	9,527.00	9,527.00
Loans	5	23,503.60	40,711.59
Other non current assets	6	6,054.52	1,439.40
Current Assets			
Inventories	7	15,760.76	39,769.21
Financial assets			
Trade receivables	8	10,62,809.63	8,53,576.45
Cash and cash equivalents	9	5,751.75	11,005.87
Loans	10	400.00	2,218.94
Other current assets	11	1,07,128.60	1,58,581.17
Total		12,83,691.47	11,56,681.39
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,41,136.36	1,29,136.36
Other equity	13	1,96,221.20	55,342.27
Liabilities			
Non- current liabilities			
Financial liabilities			
Borrowings	14	42,256.79	46,764.34
Other financial liabilities	15	14,814.42	-
Provisions	16	164.74	219.20
Deferred tax liabilities	17	3,784.64	2,849.40
Current liabilities			
Financial liabilities			
Trade payables	18		
Outstanding dues to micro enterprises and small enterprises		720.84	-
Outstanding dues of creditors other than micro enterprises and small enterprises		7,75,750.85	7,62,445.71
Other financial liabilities	19	4,224.61	709.18
Other current liabilities	20	92,958.44	1,54,615.66
Provisions	21	0.50	0.66
Current tax liabilities (net)		11,658.08	4,598.61
Total		12,83,691.47	11,56,681.39

Notes to the Standalone financial statements 1-53

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of
A F ENTERPRISES LIMITED

O. P. Pareek
Partner
Membership No. 014238
UDIN: 23014238BGXRQW3554

Abhishek Singh
Director & CFO
DIN: 03603706
3rd Floor G1/244,
Indra Enclave, Sector 21D
Faridabad,
Haryana -121001

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228
395, 2nd Floor, 46,
Near Vardhman Public School,
Amarnagar, Faridabad,
Haryana - 121003

Payal Sachdeva
Company Secretary

New Delhi, the 30th day of May 2023

Standalone Statement of Profit and Loss for the year ended on 31st March 2023

(Rupees in 000's unless otherwise stated)

	Notes	For the year ended on 31st March 2023	For the year ended on 31st March 2022
REVENUE			
Revenue from operations	22	2,41,847.93	2,39,185.90
Other income	23	53,768.83	24,101.48
Total revenue (I)		2,95,616.76	2,63,287.38
EXPENSES			
Cost of materials consumed	24	76,075.45	95,791.55
Purchase of stock in trade	25	1,49,972.18	89,512.05
Changes in inventories of stock in trade	26	718.80	521.45
Operating costs	27	9,561.13	7,911.42
Employee benefits expense	28	13,108.72	16,549.29
Finance cost	29	1,850.81	1,352.31
Depreciation expenses	3	12,296.92	13,601.22
Other expenses	30	27,124.88	22,280.74
Total expenses (II)		2,90,708.89	2,47,520.03
Profit/ (loss) before exceptional items and tax (I-II)		4,907.87	15,767.35
Exceptional items	31	13,075.00	-
Profit/ (loss) before tax		17,982.87	15,767.35
Tax expense			
Current tax		(6,764.20)	(4,898.87)
Deferred tax		(898.62)	(508.39)
Profit/ (loss) after tax (III)		10,320.05	10,360.09
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to profit or loss	39	145.50	73.46
A. (ii) Income tax relating to items that will not be reclassified		(36.62)	(18.49)
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to		-	-
Total Other Comprehensive Income (IV)		108.88	54.97
Total Comprehensive Income (III+IV)		10,428.93	10,415.06
Earning per equity share (EPS)			
[nominal value of share Rs. 10]			
Basic (in Rs.)		0.78	0.96
Diluted (in Rs.)		0.57	0.87
Weighted Average No. of Equity Shares		1,32,39,115	1,07,71,171
Weighted Average No. of Dilutive Equity Shares		1,82,39,115	1,19,71,171

Notes to the Standalone financial statements 1-53

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of
A F ENTERPRISES LIMITED

O. P. Pareek
Partner
Membership No. 014238

Abhishek Singh
Director & CFO
DIN: 03603706
3rd Floor G1/244,
Indra Enclave, Sector 21D
Faridabad,
Haryana -121001

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228
395, 2nd Floor, 46,
Near Vardhman Public School,
Amarnagar, Faridabad,
Haryana - 121003

UDIN: 23014238BGXRQW3554

Payal Sachdeva
Company Secretary

New Delhi, the 30th day of May 2023

Standalone Cash Flow Statement For The Year Ended On 31st March 2023

	<i>(Rupees in 000's unless otherwise stated)</i>	
	For the year ended on 31st March 2023	For the year ended on 31st March 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/ (loss) before tax and after extra- ordinary items	17,982.87	15,767.35
Adjustments for items: -		
Derecognition of financial liability	-	(4,951.46)
Foreign exchange fluctuation loss/ (gain)	(53,676.24)	(17,482.30)
Interest on lease liability	1,707.20	260.08
Profit on sale of property, plant & equipment	-	(437.99)
Interest paid	143.62	1,092.23
Interest received	-	-
Provision for Gratuity	90.89	115.35
Depreciation on Property, plant & equipment	12,296.93	13,601.22
Operating Profit before working capital changes	(21,454.73)	7,964.48
Working capital adjustments: -		
(Increase)/ decrease in trade receivables	(1,55,556.94)	43,057.16
(Increase)/ decrease in Inventories	24,008.46	(29,729.80)
(Increase)/ decrease in Other financial assets	-	-
(Increase)/ decrease in Other assets	(4,615.12)	(1,260.60)
Increase/ (decrease) in Current Assets	51,452.56	(1,03,360.17)
Increase/ (decrease) in Trade payables	14,025.98	2,409.63
(Increase)/ decrease in Other financial Liabilities	(5,537.11)	1,320.07
Increase/ (decrease) in Other liabilities	(61,657.22)	(1,873.02)
Cash generated from operations	(1,59,334.12)	(81,472.25)
Direct taxes paid	295.24	(3,371.53)
Net cash flow from operating activities (A)	(1,59,038.88)	(84,843.78)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale/ (Purchase) of Property, plant & equipment	(3,041.01)	1,682.44
Acquisition of subsidiary	-	-
Loans (given)/recovered	19,026.92	(10,438.44)
Interest received	-	-
Net cash flow from investing activities (B)	15,985.91	(8,756.00)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Issue of equity share capital	16,200.00	61,200.00
Proceeds from issue of Share Warrants	1,26,250.00	5,400.00
Interest paid	(143.62)	(1,092.23)
Net proceeds from borrowings	(4,507.54)	20,920.71
Net cash flow from financing activities (C)	1,37,798.84	86,428.48
Net cash flow during the year (A + B + C)	(5,254.12)	(7,171.30)
Add: Opening cash and cash equivalents	11,005.87	18,177.17
Closing cash and cash equivalents	5,751.75	11,005.87
Components of cash and cash equivalents		
Cash on hand	3,389.33	3,554.80
Balances with banks in current accounts	2,362.42	7,451.07
Total cash and cash equivalents (Note 9)	5,751.75	11,005.87

Notes to the Standalone financial statements

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of
A F ENTERPRISES LIMITED

O. P. Pareek
Partner
Membership No. 014238

UDIN: 23014238BGXRQW3554

Abhishek Singh
Director & CFO
DIN: 03603706
3rd Floor G1/244,
Indra Enclave, Sector 21D
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Haryana -121001

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228
395, 2nd Floor, 46,
Near Vardhman Public School,
Amarnagar, Faridabad,
Haryana - 121003

New Delhi, the 30th day of May 2023

Payal Sachdeva
Company Secretary

A F ENTERPRISES LIMITED

CIN : L18100DL1983PLC016354

Standalone Statement of Changes in Equity for the year ended on 31st March 2023

(Rupees in 000's unless otherwise stated)

A. Equity Share Capital

Balance as at 1st April 2021	Change in Equity Share Capital due to Prior Period Errors	Restated balance as at 1st April 2020	Changes in equity share capital during the year	Balance as at 31st March 2022
95,136.36	-	-	34,000.00	1,29,136.36
Balance as at 1st April 2022	Change in Equity Share Capital due to Prior Period Errors	Restated balance as at 1st April 2021	Changes in equity share capital during the year	Balance as at 31st March 2023
1,29,136.36	-	-	12,000.00	1,41,136.36

B. Other Equity

(Rupees in 000's unless otherwise stated)

Particulars	Reserve & Surplus			Other Comprehensive Income	Total
	Retained Earnings	Security Premium	Money Received against Share Warrants	Remeasurement of Defined Benefit Obligation through OCI	
Balance as at 1st April 2021	6,791.30	5,513.64	-	22.26	12,327.20
Change in accounting policy or prior period errors	-	-	-	-	-
Restated Balance as at 1st April 2021	6,791.30	5,513.64	-	22.26	12,327.20
Received during the year	-	-	33,400.00	-	33,400.00
Conversion of warrants into Shares	-	-	28,000.00	-	28,000.00
Profit for the year	10,360.09	-	-	-	10,360.09
Prem. On issue of share capital	-	27,200.00	-	-	27,200.00
Other Comprehensive Income (net of tax)	-	-	-	-	-
Remeasurement of Defined Benefit Obligation	-	-	-	54.97	54.97
Total Comprehensive Income	10,360.09	27,200.00	5,400.00	54.97	43,015.06
Balance as at 31st March 2022	17,151.40	32,713.64	5,400.00	77.23	55,342.26
Balance as at 1st April 2022	17,151.40	32,713.64	5,400.00	77.23	55,342.27
Change in accounting policy or prior period errors	-	-	-	-	-
Restated Balance as at 1st April 2022	17,151.40	32,713.64	5,400.00	77.23	55,342.27
Received during the year	-	9,600.00	1,26,250.00	-	1,35,850.00
Conversion of warrants into Shares	-	-	5,400.00	-	5,400.00
Profit/ (Loss) for the year	10,320.05	-	-	-	10,320.05
Premium on Issue of Share Capital	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-
Remeasurement of Defined Benefit Obligation	-	-	-	108.88	108.88
Total Comprehensive Income	10,320.05	9,600.00	1,20,850.00	108.88	1,40,878.93
Balance as at 31st March 2023	27,471.45	42,313.64	1,26,250.00	186.11	1,96,221.20

Notes to the Standalone financial statements

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of
A F ENTERPRISES LIMITED

O. P. Pareek
Partner
Membership No. 014238
UDIN: 23014238BGXRQW3554

Abhishek Singh
Director & CFO
DIN: 03603706
3rd Floor G1/244,
Indra Enclave, Sector 21D
Faridabad,
Haryana -121001

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228
395, 2nd Floor, 46,
Near Vardhman Public School,
Amarnagar, Faridabad,
Haryana - 121003

New Delhi, the 30th day of May 2023

Payal Sachdeva
Company Secretary

1 Corporate Information:

A F ENTERPRISES LIMITED (CIN L18100DL1983PLC016354) was incorporated on August 18th, 1983 under the Companies Act, 1956 with the Registrar of Companies AF Enterprises Limited (the Company) is engaged in the business of manufacture and trading of plastic and related products apart from trading in other goods such as fabric, emerald, glasses, etc. The Company is listed on Bombay Stock Exchange (BSE) [Script code: AFEL].

2 Significant Accounting Policies:

(a) Statement of Compliance with Ind AS:

The Standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. The Company has uniformly applied the accounting policies during the periods presented.

The financial statements are presented in Indian Rupees (Rs. In thousands) which is also the functional currency of the company.

(b) Basis for preparation of financial statements:

The Standalone financial statements have been prepared in historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end which is generally based on the fair value of consideration given in exchange for goods and services. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

(c) Use of Estimates:

The preparation of Standalone financial statements requires the management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

(d) Significant Management judgement in applying accounting estimates:

(i) Income taxes:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(ii) Impairment of investments:

The carrying value of investments is reviewed at cost annually, or more frequently whenever, there is indication for impairment. If the recoverable amount is less than the carrying amount, the impairment loss is accounted for.

(iii) Provision:

Provisions are recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

(iv) Recognition of Deferred Tax Assets:

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

(e) Property, Plant and Equipment:

PPE are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction/installation stage.

The Company has chosen the cost model for recognition and this model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Depreciable amount of an asset is the cost of an asset less its estimated residual value.

Depreciation on PPE, including assets taken on lease, other than freehold land is charged based on Written Down Value method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013. The useful life of asset taken into consideration as per Schedule II for the purpose of calculating depreciation is as follows: -

Particulars of Property, Plant & Equipment	Useful life (in years)
Plant & Machinery (Tools & Dies)	15
Furniture & fixtures	10
Vehicles	8
Office Equipment	5
Computers & peripherals	3

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment are determined as a difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

At the end of each reporting period, the Company reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

(f) Revenue recognition:

Revenue is recognized when the control over the goods or services promised in the contract are transferred to the customer. The amount of revenue recognized depicts the transfer of promised goods and services to customers for an amount that reflects the consideration to which the Company is entitled to in exchange for the goods or services.

(i) Sale of goods:

Revenue from sale of goods is recognised when control over such goods have been transferred, being when the goods are delivered to the customers. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, risks of loss have been transferred to the customers, and either the customer has accepted the goods in accordance with the sales contract or the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from these sales is recognized based on the price specified in the contract.

(ii) Dividend and interest income:

Dividend income from investments is recognised when the shareholders' right to receive such amount has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(iii) Other Income:

In respect of other heads of income in the Company's accounts the income shall be recognised on accrual basis.

(g) Foreign currency transactions:

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional and the foreign currency prevailing on date of transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of Balance Sheet. Exchange differences arising on monetary items on settlement or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

(h) Financial Instruments:

(i) Financial Assets:-

Recognition and initial measurement:-

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction cost.

Subsequent measurement:-

Equity instrument and Mutual Fund: - All equity instrument and mutual funds within scope of IndAS 109 are measured at fair value. Equity instrument and Mutual fund which are held for trading are classified as at fair value through profit & loss (FVTPL). For all other equity instruments, the Company decided to classify them as at fair value through other comprehensive income (FVTOCI).

Debt instrument: - A 'debt instrument' is measured at the amortised cost if both the following conditions are met. The assets are held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the assets given rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such Financial Assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

De-recognition of Financial Assets:-

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its right to receive cash flow from the asset.

(ii) Financial Liabilities:-

Recognition and initial measurement:-

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. Financial liabilities are classified as amortised cost.

Subsequent measurement:-

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

De-recognition of Financial liabilities:-

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Consequently, write back of unsettled credit balances is done on closure of the concerned project or earlier based on the previous experience of management and actual facts of each case and recognized in other operating revenues.

Further, when an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instrument:-

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on net basis, to realize the assets and settle the liabilities simultaneously.

(i) Impairment of Financial Assets

(i) Equity instruments, Debt Instruments and Mutual Fund:-

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets. Expected Credit Loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

(ii) **Other Financial Assets:** -

The Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

(j) **Inventories**

Inventories (other than quoted shares and securities) are valued at cost or net realisable value, whichever is lower. Cost is determined on FIFO and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(k) **Cash & Cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise of cash at bank and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(l) **Taxation**

Tax expense recognised in Statement of Profit and Loss comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with Income Tax Act, 1961. Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively. Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision.

Minimum Alternate Tax (MAT) credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised on temporary differences arising between the carrying amount of assets and liabilities and the corresponding tax bases used in computation of taxable profit under Income Tax Act, 1961.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity).

(m) **Earnings per share:**

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit/ (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potentially dilutive equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

(n) **Provision, Contingent Liabilities and Contingent Assets:**

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Assets and Contingent Liabilities are not recognized in the financial statements.

(o) **Leases:**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases using the modified retrospective approach whereby a lessee applies the new standard from the beginning of the current period. The lessee calculates the lease asset and lease liability as at the beginning of the current period and recognized an adjustment in equity at the beginning of the current period. Accordingly, a lessee will not restate its prior period financial information under this approach.

A F ENTERPRISES LIMITED

CIN : L18100DL1983PLC016354

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised substance fixed lease payments.

On application of Ind AS 116, the nature of expenses has changed to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability, in place of lease rentals payments.

(p) Employee Benefits

(i) Short-term Employee Benefits: -

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-Employment Benefits: -

Defined Contribution Plans: The Company has defined contribution plans in respect of PF & ESI which are accounted for as and when contribution payments are made.

Defined Benefit Plans: The Company has a gratuity scheme payable to employees as per the provisions of the Payment of Gratuity Act, 1972. The actuarial valuation of the liability against such sum is made at the year end.

(Rupees in 000's unless otherwise stated)

3 Property, plant and equipment

	As at 31st March 2023	As at 31st March 2022
<u>Carrying amount:</u>		
Building Premises (ROU Asset)	18,097.13	322.78
Plant & Machinery	32,102.05	36,449.61
Furniture & fixtures	1,580.70	2,132.81
Motor Vehicle	767.14	637.09
Office Equipment	122.43	168.17
Computers & peripherals	86.16	141.30
Total	52,755.61	39,851.76

	Building Premises ROU Asset	Computers & peripherals	Motor Vehicle	Furniture & fixtures	Office Equipment	Plant & Machinery	Total
<u>Cost or Deemed Cost :</u>							
Balance as at 1st April 2021	11,794.87	477.99	7,640.55	4,684.51	130.39	64,037.74	88,766.05
Additions during the year	-	148.31	-	36.30	179.06	3.90	367.57
Sale/ disposal during the year	-	-	4,000.00	-	-	-	4,000.00
Balance as at 31st March 2022	11,794.87	626.30	11,640.55	4,720.81	309.45	64,041.64	85,133.62
Additions during the year	22,159.75	64.41	467.40	-	43.78	2,470.98	25,206.32
Sale/ disposal during the year	-	0.70	-	-	4.85	-	5.55
Balance as at 31st March 2023	33,954.62	690.01	12,107.95	4,720.81	348.38	66,512.62	1,10,334.39

Accumulated Depreciation :

Balance as at 1st April 2021	7,598.69	380.44	4,603.66	1,850.55	102.44	19,532.83	34,068.61
Charge for the year	3,873.39	104.57	787.78	737.45	38.83	8,059.20	13,601.22
Adjustment for Sale/ disposal	-	-	2,387.98	-	-	-	2,387.98
Balance as at 31st March 2022	11,472.08	485.01	3,003.46	2,588.00	141.27	27,592.03	45,281.85
Charge for the year	4,385.40	118.84	337.35	552.11	84.68	6,818.54	12,296.92
Adjustment for Sale/ disposal	-	-	-	-	-	-	-
Balance as at 31st March 2023	15,857.48	603.85	3,340.81	3,140.11	225.95	34,410.57	57,578.77

Carrying amount :

Balance as at 31st March 2022	322.78	141.30	637.09	2,132.81	168.17	36,449.61	39,851.76
Balance as at 31st March 2023	18,097.13	86.16	767.14	1,580.70	122.43	32,102.05	52,755.61

3.1 All the above property, plant & equipment are owned by the company except ROU Assets.

4 Investments

	As at 31st March 2023	As at 31st March 2022
<u>Investment in subsidiary (at amortised cost)</u>		
95,270 (31st March 2022: 95,270) equity shares of Rs. 100 each fully paid in Aunik IT Solutions Private Limited	9,527.00	9,527.00
	9,527.00	9,527.00

5 Loans non-current

	As at 31st March 2023	As at 31st March 2022
<u>Unsecured, considered good (at amortised cost)</u>		
- to related parties	-	14,698.51
- to others	26,115.11	26,115.11
Less: Expected Credit loss	2,611.51	102.03
	23,503.60	40,711.59

5.1 Additional disclosure in respect of non current loans and advances:-

Particular	As at 31st March 2023		As at 31st March 2022	
	Amount of loan outstanding	Percentage of the total loan and advances	Amount of loan outstanding	Percentage of the total loan and advances
Loans and advances granted to promoters, directors, KMPs and other related parties that are (a) repayable on demand; or (b) without specifying any terms or period of repayment	Nil	Nil	Nil	Nil

6 Other non current assets

	As at 31st March 2023	As at 31st March 2022
Security deposit	6,054.52	1,439.40
	6,054.52	1,439.40

7 Inventories	As at	As at
	31st March 2023	31st March 2022
Stock in trade		
- Quoted Equity Instruments (at Fair Value Through Profit & Loss FVTPL)	958.49	1,677.29
Plastic products	14,802.27	38,091.92
	15,760.76	39,769.21

8 Trade receivables: current	As at	As at
	31st March 2023	31st March 2022
Considered good - unsecured	10,68,716.11	8,53,576.45
	10,68,716.11	8,53,576.45

8.1 Trade receivables ageing schedule

S No.	Particulars	Outstanding from due date of payment as on 31st March 2023					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables : Considered good	1,97,621.00	4,539.75	51,529.96	457.12	8,14,568.28	10,68,716.11
(ii)	Undisputed Trade Receivables : Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables : Considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables : Considered doubtful	-	-	-	-	-	-

S No.	Particulars	Outstanding from due date of payment as on 31st March 2022					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables : Considered good	80,689.83	1,209.27	20,456.70	5,78,824.36	1,72,396.28	8,53,576.45
(ii)	Undisputed Trade Receivables : Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables : Considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables : Considered doubtful	-	-	-	-	-	-

9 Cash and cash equivalents	As at	As at
	31st March 2023	31st March 2022
Cash on hand (as certified)	3,389.33	3,554.80
Balances with banks in current accounts	2,362.42	7,451.07
	5,751.75	11,005.87

10 Loans: current	As at	As at
	31st March 2023	31st March 2022
Unsecured, considered good		
Loan to body corporate	400.00	-
Loan to related party	-	2,224.50
Less: Expected Credit Loss	-	5.56
	400.00	2,218.94

10.1 Additional disclosure in respect of Current loans and advances:-

Particular	As at 31st March 2023		As at 31st March 2022	
	Amount of loan outstanding	Percentage of the total loan and advances	Amount of loan outstanding	Percentage of the total loan and advances
Loans and advances granted to promoters, directors, KMPs and other related parties that are (a) repayable on demand; or (b) without specifying any terms or period of repayment	Nil	Nil	Nil	Nil

11 Other current assets	As at	As at
	31st March 2023	31st March 2022
Advance to related party	-	500.01
Balances with revenue authorities (11.1)	2,108.99	1,742.45
Input credit under GST (Note 11.2)	35,662.32	39,012.48
Other Advances	68,713.13	1,17,062.18
Prepaid expenses	644.16	264.04
	1,07,128.60	1,58,581.17

- 11.1 Balance with revenue authorities includes a sum of Rs. 1702.32 thousands challenged by the GST Department pursuant to search conducted on 6th September 2019. The matter is pending for adjudication.
11.2 Input credit under GST includes a sum of Rs. thousands challenged by the GST Department pursuant to search conducted on 6th September 2019. The matter is pending for adjudication.

12 Equity share capital

	31st March 2023		31st March 2022	
	Nos.	(Rs. in '000')	Nos.	(Rs. in '000')
Authorized shares				
Equity shares of Rs. 10 each	4,10,00,000	4,10,000.00	2,45,00,000	2,45,000.00
	4,10,00,000	4,10,000.00	2,45,00,000	2,45,000.00
Issued, subscribed and fully paid- up shares				
Equity shares of Rs. 10 each fully Paid up	1,41,13,636	1,41,136.36	1,29,13,636	1,29,136.36
	1,41,13,636	1,41,136.36	1,29,13,636	1,29,136.36

12.1 Reconciliation of number of equity shares and amount outstanding

	31st March 2023		31st March 2022	
	Nos.	(Rs. in '000')	Nos.	(Rs. in '000')
<u>Equity Shares</u>				
At the beginning of the period	1,29,13,636	1,29,136.36	95,13,636	95,136.36
Add: Conversion of Share Warrants (Note 12.2)	12,00,000	12,000.00	28,00,000	28,000.00
Add: Sweat Equity shares issued (Note 12.3)	-	-	6,00,000	6,000.00
Total outstanding at the end of the period	1,41,13,636	1,41,136.36	1,29,13,636	1,29,136.36

- 12.2 The company has issued 40,00,000 Share warrants at an issue price of Rs. 18 each as per terms approved by shareholders in postal ballot held on 5th July 2021. Every share warrant has an option of conversion into one equity share of Rs. 10 each to be exercised by the warrant holder within 18 months of the issue by the Company. Out of 40,00,000 share warrants, 28,00,000 share warrants were converted into the equity shares during the year ended 31st March 2022 and remaining 12,00,000 share warrants are converted into equity shares in the current financial year.
12.3 During the year ended on 31st March 2022, the Company has allotted 6,00,000 equity Shares of face value of 10 each at a price of Rs. 18 (inclusive of premium of Rs. 8) each for a consideration other than cash for value addition in the company by the respective allottees i.e. Directors of the company.

12.4 Terms and rights attached to equity shares

The company has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.5 Details of shareholders holding more than 5% shares in the company :

	31st March 2023		31st March 2022	
	Nos.	% holding	Nos.	% holding
Anjaneyaputra Human Resource Consultancy Pvt.	-	0.00%	10,00,000	7.74%
Rishan Singh Keer	9,46,483	6.71%	10,00,000	7.74%
Anuva Kaur Keer	9,95,000	7.05%	10,00,000	7.74%
Anupreet Kaur Keer	12,00,000	8.50%	-	0.00%
Rakesh Rawat	-	0.00%	9,50,000	7.36%
Shashi Rawat	-	0.00%	9,50,000	7.36%
Sandeep Arneja	-	0.00%	9,50,000	7.36%
RMS Mosquito Pvt Ltd	8,07,600	5.72%	8,07,600	6.25%
RDS Corporate Services Private Limited	8,00,000	5.67%	8,00,000	6.20%
Sahil Arora	-	0.00%	6,50,000	5.03%

12.6 Details of shares held by promoters in the Company

Promoter Name	Shares held by the promoters at the end of the period March 2023		Shares held by the promoters at the end of the period 31st March 2022		% Change during the year
	No. of Shares	% of total Shares	No. of Shares	% of total Shares	
RMS Mosquito Private Limited	8,07,600	5.72	8,07,600	6.25	8.50%

There is change in promoters shareholding during the year ended March 31,2023 and March 31,2022.

13 Other equity

	As at		As at	
	31st March 2023		31st March 2022	
Reserve & Surplus				
<u>Security Premium:</u>				
Opening balance	32,713.64		5,513.64	
Add/(less) : Changes during the year	9,600.00		27,200.00	
Closing balance		42,313.64		32,713.64

Retained earnings:

Opening balance	17,151.40	6,791.31	
Add/(less) : Profit/ (loss) for the year	10,320.05	10,360.09	
Closing balance		27,471.45	17,151.40
		69,785.09	49,865.04

Money received against share warrants

Opening balance	5,400.00	-	
Add: received during the year	1,26,250.00	33,400.00	
Less: conversion of warrant into equity shares	5,400.00	28,000.00	
Closing balance		1,26,250.00	5,400.00

Fair Value through Other Comprehensive Income

Remeasurement of Defined Benefit Obligation:

Opening balance	77.23	22.26	
Add/(less) : Changes during the year (net of tax)	108.88	54.97	
Closing balance		186.11	77.23

Total Other Equity

	1,96,221.20	55,342.27
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14 Borrowings: non-current

	As at 31st March 2023	As at 31st March 2022
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From Banks

Secured loans:

Finance lease obligations (Note 14.1)	930.00	1,261.50
Less: current portion t/f to other financial liabilities (note 19)	(235.06)	(312.16)
	694.94	949.34

From other Parties

Unsecured loans

From Others	41,561.85	45,815.00
	42,256.79	46,764.34

14.1 Finance lease obligation reflects car loans obtained from Axis Bank Ltd and HDFC Bank Ltd.

Loan of Rs. 1,400.00 thousands has been obtained from Axis Bank Ltd. repayable in 60 Equated Monthly Installments of Rs. 29.57 thousands whereas Rs. 1,406.76 thousands has been obtained from HDFC Bank Ltd. repayable in 60 Equated Monthly installments of Rs. 29.21 thousands. Such loans are secured against hypothecation of respective vehicles.

14.2 Default in repayment of loan from Axis Bank Ltd.

Amount of Default	Interest outstanding during default period	Period of default
539.73	171.03	January 2020 till date

15 Other financial liabilities - non current

	As at 31st March 2023	As at 31st March 2022
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Lease Liability (as per Ind AS 116)	14,814.42	-
	14,814.42	-

16 Provisions-Non current

	As at 31st March 2023	As at 31st March 2022
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Provision for gratuity	164.74	219.20
	164.74	219.20

17 Deferred tax (assets)/Liabilities (net)

	As at 31st March 2023	As at 31st March 2022
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At the start of the year	2,849.40	2,322.52
Charge/ credit to statement of profit and loss & OCI	935.24	526.88
At the end of year	3,784.64	2,849.40

17.1 Deferred tax asset is recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

17.2 The tax effect of significant timing differences that has resulted in deferred tax assets are given below:-

Particulars	For the year ended on 31st March 2023 (Rs. in '000')			
	As at 1st April, 2022	Recognized in profit and loss	Recognized in OCI	As at 31st March, 2023
Property, plant and equipment	2,904.93	11.93	-	2,916.86
Losses carried forward under the Income Tax Act, 1961	-	-	-	-
Provision For Gratuity	(36.84)	41.81	36.62	41.59
Others	(18.68)	844.88	-	826.19
Total	2,849.41	898.62	36.62	3,784.64

Particulars	For the year ended on 31st March 2022 (Rs. in '000')			
	As at 1st April, 2021	Recognized in profit and loss	Recognized in OCI	As at 31st March, 2022
Property, plant and equipment	2,547.74	357.19	-	2,904.93
Losses carried forward under the Income Tax Act, 1961	-	-	-	-
Provision For Gratuity	(38.79)	(16.55)	18.49	(36.84)
Others	(186.43)	167.75	-	(18.68)
Total	2,322.52	508.39	18.49	2,849.41

18 Trade payables: current

	As at 31st March 2023	As at 31st March 2022
- Outstanding dues to micro enterprises and small enterprises (Note 18.1)	720.84	-
- Outstanding dues of creditors other than micro enterprises and small enterprises	7,75,750.85	7,62,445.71
	<u>7,76,471.69</u>	<u>7,62,445.71</u>

18.1 Trade payable due for payment and the ageing schedule as below:-

Particulars	Outstanding from due date of payment as on 31st March 2023				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	720.84	-	-	-	720.84
(ii) Others	2,03,878.14	1,20,047.68	16,645.59	4,35,179.45	7,75,750.85
(iii) Disputed dues : MSME	-	-	-	-	-
(iv) Disputed dues : others	-	-	-	-	-

Particulars	Outstanding from due date of payment as on 31st March 2022				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(i) Others	1,65,846.78	2,298.13	4,16,687.38	1,77,613.42	7,62,445.71
(iii) Disputed dues : MSME	-	-	-	-	-
(iv) Disputed dues : others	-	-	-	-	-

18.2 Additional disclosure relating to micro, small and medium enterprises covered under Micro, Small and Medium Enterprises Development ("MSMED") Act, 2006: -

	31st March 2023	31st March 2022
(a) Principal amount remaining unpaid at the end of the year	720.84	-
(b) Interest due on principal amount remaining unpaid at the end of the year	-	-
(c) Interest paid in terms of section 16 of the MSMED Act, 2006 during the year	-	-
(d) Interest accrued and remaining unpaid at the end of the year	133.74	-
(e) Interest remaining due and payable referred to in section 23 of the MSMED Act, 2006	-	-
	<u>854.58</u>	<u>-</u>

19 Other financial liabilities: current

	As at 31st March 2023	As at 31st March 2022
Current maturities of finance lease obligations (refer note 14)	235.06	312.16
Lease Liability (as per Ind AS 116)	3,989.55	397.02
	<u>4,224.61</u>	<u>709.18</u>

20 Other current liabilities

	As at 31st March 2023	As at 31st March 2022
Advance received from customers	79,969.01	1,50,550.53
TDS Payable	2,349.14	927.63
TCS payable	296.06	203.96
EPF, ESI and LWF payable	841.28	831.08
Other expenses payables	9,502.95	2,102.46
	<u>92,958.44</u>	<u>1,54,615.66</u>

(Rupees in 000's unless otherwise stated)

	As at 31st March 2023	As at 31st March 2022
21 Provisions: current		
For Gratuity	0.50	0.66
	<u>0.50</u>	<u>0.66</u>
22 Revenue from operation		
	For the year ended on 31st March 2023	For the year ended on 31st March 2022
<u>Sale of goods:</u>		
Plastic Products	84,835.83	1,36,935.17
Emerald and Other Stones	1,57,012.10	1,01,964.01
<u>Sale of shares & securities</u>	-	286.72
	<u>2,41,847.93</u>	<u>2,39,185.90</u>
23 Other income		
	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Foreign exchange fluctuation gain	53,676.24	17,482.30
Profit & Loss on Sale of PPE	-	437.99
Discount received	47.04	1,216.78
Miscellaneous income	45.55	12.95
Derecognition of financial liability	-	4,951.46
	<u>53,768.83</u>	<u>24,101.48</u>
24 Cost of materials consumed		
	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Opening stock of raw materials	38,091.92	7,840.67
Add: purchases during the year	52,785.80	1,26,042.80
Less: closing stock of raw materials	(14,802.27)	(38,091.92)
	<u>76,075.45</u>	<u>95,791.55</u>
25 Purchase of stock in trade		
	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Emerald and Other Stones	1,49,972.18	88,545.55
Shares & securities	-	966.50
	<u>1,49,972.18</u>	<u>89,512.05</u>
26 Changes in inventories		
	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Opening balance of stock in trade	1,677.29	2,198.74
Closing balance of stock in trade	(958.49)	(1,677.29)
Changes in inventories of stock in trade	<u>718.80</u>	<u>521.45</u>
27 Operating Costs		
	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Wages	7,380.84	5,213.05
Job Work Expenses	200.04	569.20
Fuel & power expenses	324.08	614.18
Consumables	1,608.25	1,361.29
Loading & freight	47.92	153.70
	<u>9,561.13</u>	<u>7,911.42</u>
28 Employee benefits expense		
	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Director Remuneration (Note 33)	7,200.00	11,159.85
Salaries and allowances	5,371.26	4,733.88
Employer contribution to PF	104.03	147.07
Employer contribution to ESIC	13.74	29.66
Gratuity Expense (Note 39)	90.89	115.35
Staff Welfare	328.80	363.48
	<u>13,108.72</u>	<u>16,549.29</u>
29 Finance cost		
	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Interest on lease liability (as per Ind AS 116)	1,707.20	260.08
Interest to banks	19.01	116.87
Interest to others	124.60	975.36
	<u>1,850.81</u>	<u>1,352.31</u>

30 Other expenses	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Advertisement expenses	866.15	3,548.72
Payment to statutory auditors (Note 37)	157.50	151.50
Bank charges	29.05	116.33
Balance written off	6,128.55	4.04
Certification charges	65.15	49.22
Consolidated charges	-	3.39
Conveyance expenses	22.89	74.46
Discount	-	6.74
Electricity and maintenance expenses	6,673.81	8,244.24
Expected Credit Loss	2,503.92	107.60
Festival expenses	18.90	1,425.15
Foreign exchange fluctuation loss	-	1,717.90
Fittings	2.40	88.00
Freight & cartage	1,288.80	1,533.78
Interest and penalties	297.75	0.33
Labour welfare	13.70	16.27
Legal & professional charges	1,128.67	987.89
Miscellaneous expenses	21.30	0.63
Membership & registration fees	1,688.59	884.38
Office expenses	89.94	231.01
Printing & stationery	305.77	101.95
Product testing charges	-	55.50
Rent, rate & taxes	-	362.97
Repair & maintenance of plant & machinery	2,016.95	1,027.97
Recruitment expenses	44.15	-
RTA expenses	117.35	22.72
ROC expenses	1,488.14	14.70
Security charges	780.38	661.28
Service Charge	51.63	26.30
Sitting fees	116.00	32.00
Software Renewal	45.60	10.80
Stamp Papers	4.81	0.50
Telephone & internet expense	89.92	152.67
Tender Fees	24.09	29.79
Tour & Travels	848.67	309.37
Vehicle running & maintenance	149.66	238.14
Workspace Expenses(Mail)	44.69	42.50
	27,124.88	22,280.74
31 Exceptional items	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Advertisement expenses (Note 31.1)	13,075.00	-
	13,075.00	-

31.1 Exceptional item of Rs.137.50 Lakhs (Previous year Rs. Nil) is related to remission of liability against advertisement expenditure incurred by the Company during the year ended on 31st March 2020 on it's brand name "RIDH". The liability has now settled with the vendors and debit note have been issued by the Company.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(Rupees in 000's unless otherwise stated)

32 The books of accounts of the company are maintained in Corporate Office situated at Plot No. 8, Sector-5 Main Mathura Road, Ballabgarh Faridabad and were checked thereat by the Auditors of the Company.

33 Related Parties: -

As per IND AS 24, the disclosures of transactions with the related parties are given below:

(i) List of related parties where control exists and also related parties with whom transactions have taken place and relationship:

(a)	Subsidiary/Associate Entity	Aunik IT Solutions Private Limited
(b)	Key Management Personnel	Mr. Santosh Kumar Kushwaha (Managing Director)
		Mr. Vikram Sharma (Director)
		Mr. Abhishek Singh (Director & CFO)
		Mr. Sahil Arora (Past Director)
		Ms. Shagun Ajmani (Past Director)
		Ms. Prema Sethi (Past Director)
(c)	Relatives of Key Management Personnel	Ms. Payal Sachdeva (Company Secretary)
		None
(d)	Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives	M/s RDS Corporate Services Private Limited
		M/s SNP Infosolutions LLP
		M/s RMS Mosquito Private Limited
		M/s Consider Done

(b) Transaction with Related Parties:-

	Transaction with	Nature of Transaction	Transactions during the year ended	
			31st March 2023	31st March 2022
(a)	<u>Subsidiary Company: -</u>			
	Aunik IT Solutions Private Limited	Loans Given	Nil	10,000.00
		Loan Recovered	Nil	10,000.00
(b)	<u>Key Management Personnel: -</u>			
	Mr. Sahil Arora	Loans received	Nil	3,737.00
		Loans repaid	Nil	3,737.00
		Remuneration (Sweat Equity Shares Issued)	Nil	2,700.00
	Ms. Shagun Ajmani	Loans received	Nil	1,778.00
		Loans repaid	Nil	1,700.00
		Remuneration (Sweat Equity Shares Issued)	Nil	2,700.00
	Mr. Abhishek Singh	Remuneration	549.73	359.85
		Reimbursement of Expenses	255.20	1,219.75
		Advance against salary	-	500.01
		Advance against salary recovered	500.01	-
	Mr. Santosh Kumar Kushwaha	Remuneration (Sweat Equity Shares Issued)	Nil	5,400.00
		Reimbursement of Expenses	6,893.84	Nil
		Remuneration	7,200.00	Nil
		Loans Received	2,224.50	3,012.00
Loans Repaid		Nil	787.50	
Ms. Payal Sachdeva	Remuneration	420.00	360.72	
(c)	<u>Relatives of Key Management Personnel:-</u> None			
(d)	<u>Enterprises in which Key Management Personnel and Relatives are having significant influences :-</u>			
	M/s RDS Corporate Services Private Limited	Loans given	583.90	562.00
		Loans recovered	6,982.87	Nil
		Sale of goods	6,924.97	Nil
		Services received	464.00	Nil
		Issue of Share Warrants	Nil	14,400.00
		Loan Given	787.46	17,019.54
	M/s Consider Done	Loan Recovered	9,087.00	8,720.00

(c) Balance with the Related Parties:-

	Transaction with	Nature of Transaction	Balance as at	
			31st March 2023	31st March 2022
(a)	<u>Subsidiary Company: -</u>			
	Aunik IT Solutions Private Limited	Investment in Equity Shares	9,527.00	9,527.00
(b)	<u>Key Management Personnel: -</u>			
	Ms. Shagun Ajmani	Borrowing	78.00	78.00
		Mr. Abhishek Singh	Remuneration Payable	49.98
		Expenses Payable	140.53	Nil
		Advance against salary	Nil	500.01
	Mr. Santosh Kumar Kushwaha	Remuneration Payable	7,200.00	Nil
		Expenses Payable	3,446.26	Nil
		Loans & Advances	Nil	2,224.50
Ms. Payal Sachdeva	Remuneration Payable	2.00	Nil	
(c)	<u>Relatives of Key Management Personnel :-</u> None			
(d)	<u>Enterprises in which Key Management Personnel and Relatives are having significant influences: -</u>			
	M/s RDS Corporate Services Private Limited	Loans & Advances	Nil	6,398.97
		Trade Receivable	1,606.07	Nil
	M/s SNP Infosolutions LLP	Advance received from customer	195.00	195.00
	M/s Consider Done	Loans & Advances	Nil	8,299.54

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(Rupees in 000's unless otherwise stated)

34 Segment Information:

The Company has identified five reportable segments viz., shares and securities, rough emerald, fabric, glasses and plastic molded components after taking into account the nature of product and services and the differing risk and returns on such products and services. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting: -

- (i) Revenue and expenses have been identified to a segment on the basis of relation to operating activities of the segment. Revenue and expenses that relates to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Un-allocable".
- (ii) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Un-allocable".
- (iii) **Segment Information:**

Particulars	31st March 2023	31st March 2022
Segment Revenue: -		
Shares & securities	-	-
Rough emerald	1,57,012.10	1,01,964.01
Plastic molded components	84,835.83	1,36,935.17
Unallocable	-	286.72
Total Revenue	2,41,847.93	2,39,185.90
Segment Results		
(Profit/ loss before interest and taxes)		
Rough Emerald	7,039.92	13,418.45
Plastic molded components	1,064.86	18,375.35
Less: Interest	(1,850.81)	(1,352.31)
Less: Other Un-allocable expenditure (net)	11,728.90	(14,674.14)
Total Profit Before Taxes	17,982.87	15,767.35
Segment assets		
Rough Emerald	2,14,883.13	-
Fabrics	2,36,441.24	2,28,359.93
Plastic molded components	6,56,230.97	6,23,887.83
Un-allocable	1,76,136.13	3,04,433.62
Total	12,83,691.47	11,56,681.39
Segment liabilities		
Shares & Securities	-	-
Rough Emerald	3,51,122.61	95,892.28
Fabrics	21,440.08	2,54,059.94
Plastic molded components	4,30,990.82	4,28,250.50
Un-allocable	1,42,780.40	1,94,000.04
Total	9,46,333.91	9,72,202.76
Capital employed		
Rough Emerald	(1,36,239.47)	(95,892.28)
Fabrics	2,15,001.15	(25,700.01)
Plastic molded components	2,25,240.15	1,95,637.33
Un-allocable	33,355.73	1,10,433.59
Total	3,37,357.56	1,84,478.63

 (iv) **Secondary Segment information: -**

The Company does not have secondary segment division in respect of reportable segments.

35 Categories of Financial Instruments and its fair value measurement

Financial assets	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost		
(i) Trade receivables	10,62,809.63	8,53,576.45
(ii) Cash and cash equivalents	5,751.75	11,005.87
(iii) Loans	23,903.60	42,930.53
Measured at Cost		
(i) Investment in subsidiaries	9,527.00	9,527.00
Total	11,01,991.98	9,17,039.85

Financial liabilities	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost		
(i) Borrowings	42,256.79	46,764.34
(ii) Other financial liabilities	19,039.03	709.18
(iii) Trade and other payables	7,76,471.69	7,62,445.71
Total	8,37,767.51	8,09,919.23

The fair values of current debtors, bank balances, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(Rupees in 000's unless otherwise stated)

36 Particulars	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Expenditure in foreign currency	Nil	Nil
Earning/ Income in foreign currency	Nil	Nil

37 Break- up of payments made to statutory auditors (including taxes) are disclosed as under:

Particulars	For the year ended on 31st March 2023	For the year ended on 31st March 2022
In respect of statutory audit	120.00	100.00
In respect of certification	37.50	51.50
TOTAL	157.50	151.50

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Particulars	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Contingent Liabilities not provided for: -		
Interest on default on car loans	171.03	118.00
Search and Seizure conducted under CGST/SGST Act: -	Unascertainable	Unascertainable
On 6th September 2019, a search has been conducted under provision of CGST/SGST Act, 2017 wherein the appropriate authorities had seized certain documents and freeze the bank accounts of the company. The bank accounts were subsequently unfreezed through stay order of High Court of Punjab and Haryana vide interim order dated 10 February 2020. The matter is pending for adjudication.		
Income tax Appeal: -	1,916.26	1,916.26
In the matter of addition u/s 68 of the Income tax Act, 1961 for A.Y. 2017- 18 vide order dated 28th September 2022 passed by CIT (Appeals) for a sum of Rs. 46.39 Lakhs. The Company has filed an Appeal against such order with Hon'ble Income Tax Appellate Tribunal, New Delhi, which is pending for disposal.		
Delay in submission of the financial results under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 for the year ended on 31st March 2023: -	Rs. 10.00 thousand per day for the period of continuing default.	None
The management of the subsidiary i.e. M/s Aunik IT Solutions Private Limited ("the subsidiary") and its statutory auditors have not provided the requisite financial information of the subsidiary for the year ended on 31st March 2023 in spite of repeated reminders so as to compile the consolidated financial statements and consolidated financial results on time. The Company has also issued a show cause notice to the directors of the subsidiary in this regard. However, to ensure complete compliance of Regulation 33(3) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, it would publish and submit to stock exchanges its quarterly and yearly consolidated financial results after the financial information of the subsidiary is received.		

39 Necessary disclosures as per requirements of Indian accounting Standard - 19 on 'Employee Benefits' are made as follows: -

In respect of 'Gratuity Scheme': -

Amount Recognised in the Balance Sheet: -

Particulars	As at 31st March 2023	As at 31st March 2022
Present Value of the obligation	165.24	219.86
Fair Value of Plan Assets	Nil	Nil
Funded Status [Surplus/ (Deficit)]	(165.24)	(219.86)
Unrecognised Past Service Cost	Nil	Nil
Asset/(liability) recognised in Balance Sheet	165.24	219.86

(ii) Amount Recognised in Statement of Profit & Loss: -

Particulars	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Current Service Cost	74.95	102.45
Interest Cost	15.94	12.90
Expected Return on Plan Asset	Nil	Nil
Past service cost	Nil	Nil
Expense to be recognized in profit and loss	90.89	115.35

(iii) Other Comprehensive (income)/ expenses (Reassessment)

Particulars	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Cumulative unrecognized actuarial (gain)/loss opening. B/F	103.21	(29.74)
Actuarial (gain)/loss- Obligation	145.50	(73.46)
Actuarial (gain)/loss- from changes in financial assumptions	-	-
Actuarial (gain)/loss - Plan assets	-	-
Total Actuarial (gain)/loss	145.50	(73.46)
Cumulative Total Actuarial (gain)/ loss. C/F	248.71	(103.21)

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(Rupees in 000's unless otherwise stated)

(iv) Principal Actuarial Assumptions: -

Method of Valuation	Project Unit Credit Method	Project Unit Credit Method
Discounting Rate	7.50% Per Annum	7.50% Per Annum
Salary Growth Rate	5.00% Per Annum	5.00% Per Annum
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal Rate	5.00% Per Annum	5.00% Per Annum

40 Ratio Analysis and its components

S.No.	Particulars	31st March 2023	31st March 2022	% change from March 31, 2022 to March 31, 2023
1	Current ratio	1.35	1.15	16.58%
2	Debt- Equity Ratio	0.13	0.25	-50.31%
3	Debt Service Coverage Ratio	5.69	18.59	-69.39%
4	Return on Equity Ratio (in %)	3.96%	7.10%	-44.27%
5	Inventory Turnover Ratio	8.71	9.60	-9.30%
6	Trade Receivable Turnover Ratio	0.25	0.28	-8.58%
7	Trade Payable Turnover Ratio	0.31	0.31	0.03%
8	Net Capital Turnover Ratio	0.79	1.68	-52.90%
9	Net Profit Ratio (in %)	4.27%	4.33%	-1.48%
10	Return on Capital Employed (in %)	0.53%	1.48%	64.43%
11	Return on Investment (in %)	0.00%	0.00%	0.00%

40.1 Reasons for variance of more than 25% in above ratios :-

S. No.	Particular	Variance	Reasons of variance of more than 25%
1	Debt- Equity Ratio	Decrease	Due to current year's profit resulting in increase of shareholder's fund.
2	Debt Service Coverage Ratio	Decrease	Due to decrease in the earnings available and increase in the finance cost.
3	Return on Equity Ratio (in %)	Decrease	Due to increase in profit after tax is proportionately more than the increase in total equity.
4	Trade Receivable Turnover Ratio	Increase	Due to increase in the revenue from operation for the year.
5	Trade Payable Turnover Ratio	Increase	Due to increase in the revenue from operation for the year.
6	Net Capital Turnover Ratio	Increase	Due to increase in working capital is proportionately more than the increase in revenue from operations.
7	Return on Capital Employed (in %)	Increase	Due to decrease in profit after tax is proportionately more than the increase in capital employed.

40.2 Components of Ratio

S.No.	Ratios	Numerator	Denominator	March 31st 2023		March 31st 2022	
				Numerator	Denominator	Numerator	Denominator
1	Current ratio	Current Assets	Current Liabilities	11,91,850.74	8,85,313.32	10,65,151.64	9,22,369.82
2	Debt- Equity Ratio	Borrowings	Total Equity(Equity Share capital+Other equity)	42,491.85	3,37,357.56	46,764.34	1,84,478.63
3	Debt Service Coverage Ratio	Earnings available for debt service (Net profit before exceptional Items & tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost + principle repayment of long term borrowings during the period/year	21,559.52	3,788.96	30,828.48	1,658.26
4	Return on Equity Ratio (in %)	Net profit after tax- Exceptional items	Average Total Equity [(Opening Equity Share capital + Opening Other equity + Closing Equity Share Capital + Closing Other Equity)/2]	10,320.05	2,60,918.10	10,360.09	1,45,971.10
5	Inventory Turnover Ratio	Revenue from sales of products	Average Inventory [(opening balance + closing balance)/2]	2,41,847.93	27,764.99	2,39,185.90	24,904.31
6	Trade Receivable Turnover Ratio	Revenue from operations	Average trade receivable [(Opening balance + closing balance)/2]	2,41,847.93	9,58,193.04	2,39,185.90	8,66,363.88
7	Trade Payable Turnover Ratio	Revenue from operations	Average trade payable [(Opening balance + closing balance)/2]	2,41,847.93	7,69,458.70	2,39,185.90	7,61,240.90
8	Net Capital Turnover Ratio	Revenue from operations	Working capital (Current asset-current liabilities)	2,41,847.93	3,06,537.42	2,39,185.90	1,42,781.82
9	Net Profit Ratio (in %)	Net profit after tax- Exceptional items	Revenue from operations	10,320.05	2,41,847.93	10,360.09	2,39,185.90
10	Return on Capital Employed (in %)	Profit Before interest, Tax & Exceptional item	Total Equity + Total Debts (including preference share liability)	6,758.68	12,83,691.47	17,119.66	11,56,681.39
11	Return on Investment (in %)	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank	-	9,527.00	-	9,527.00

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41 Financial risk management

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

- (i) Market risk
 - (a) Interest rate risk;
 - (ii) Credit risk and ;
 - (iii) Liquidity risk

Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk. The Company's primary risk management focus is to minimize potential adverse effects of risks on its financial performance. The Company's risk management assessment policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management of these policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee are responsible for overseeing these policies and processes.

(i) Market risk

Market risk is the risk of changes in the market prices on account of foreign exchange rates, interest rates and Commodity prices, which shall affect the Company's income or the value of its holdings of its financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the returns.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to borrowings from banks and others.

Interest rate sensitivity - variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by amounts shown below. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date.

Particulars	For the year ended 31st March 2023		For the year ended 31st March 2022	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
On account of Variable Rate on Loans and advances given	239.04	(239.04)	429.31	(429.31)
On account of Variable Rate on borrowings	(422.57)	422.57	(467.64)	467.64
Net impact on profitability	(183.53)	183.53	(38.34)	38.34

(ii) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from customer. The Company establishes an allowance for doubtful debts, impairment and expected credit loss that represents its estimate an allowance for doubtful debts, impairment and expected credit loss that represents its estimate on expected credit loss.

A. Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry has an influence on credit risk assessment. Credit risk managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

However, the company does not expect any losses from non-performance by these counter-parties apart from those already given in financials, and does not have any significant concentration of exposures.

B. Cash and cash equivalents

The Company holds cash and cash equivalents with creditworthy banks of ₹ 5,751.51 thousands. The credit worthiness of such banks is evaluated by the management on an on-going basis and is considered to be good.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has been taking measures to ensure that the Company's cash flow from business borrowing is sufficient to meet the cash requirements for the Company's operations. The Company managing its liquidity needs by monitoring forecasted cash inflows and outflows in day to day business. Liquidity needs are monitored on various time bands, on a day to day and week to week basis, as well as on the basis of a rolling 30 day projections. Net cash requirements are compared to available working capital facilities in order to determine head room or any shortfalls. Presently company's objective is to maintain sufficient cash to meet its operational liquidity requirements.

The below table summaries the maturity profile of the Company's financial liability

Particulars	Carrying amount	Contractual cash outflow				
		Total	1 year or less	1-2 year	2-5 years	> 5 years
As at March 31, 2023						
Other financial liabilities	19,039.03	19,039.03	4,224.61	14,814.42	0.00	0.00
Other current liabilities	92,958.44	92,958.44	92,958.44	0.00	0.00	0.00

Particulars	Carrying amount	Contractual cash outflow				
		Total	1 year or less	1-2 year	2-5 years	> 5 years
As at March 31, 2022						
Other financial liabilities	709.18	709.18	709.18	0.00	0.00	0.00
Other current liabilities	1,54,615.66	1,54,615.66	1,54,615.66	0.00	0.00	0.00

42 The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.

43 The Company has complied with number of layers of subsidiaries as prescribed under Section 186(1) of the Companies Act read with Companies (Restriction on number of layers) Rules, 2017.

44 The Company does not have transactions with the companies struck off under section 248 of Companies Act, 2013.

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- 45 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 46 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 47 The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 48 The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 49 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 50 The financial statements were approved for issue by the Board of Directors on 30th day of May, 2023.
- 51 Previous year's figures have been re-arranged or re- grouped wherever consider necessary.
- 52 Figures have been rounded off to the nearest thousands of rupees.
- 53 Figures in brackets indicate negative (-) figures.

Signed for the purpose of identification

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of
A F ENTERPRISES LIMITED

O. P. Pareek
Partner
Membership No. 014238

UDIN: 2301428BGXRQW3554

Abhishek Singh
Director & CFO
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Indra Enclave, Sector 21D
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Santosh Kumar Kushawaha
Managing Director
DIN: 02994228
395, 2nd Floor, 46,
Near Vardhman Public School,
Amarnagar, Faridabad,
Haryana - 121003

New Delhi, the 30th day of May 2023

Payal Sachdeva
Company Secretary

Independent Auditor's Report

To
The members of
AF ENTERPRISES LIMITED

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **AF ENTERPRISES LIMITED** ("hereinafter referred to as the "Company") and its subsidiary ("company and its subsidiary together referred to as group), which comprise the consolidated balance sheet as at 31st March 2023, the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and explanations given to us, the aforesaid consolidated financial statements *except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report* give the information required by the Companies Act, 2013 ("the Act") in the manner so required and *give a true and fair view* give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the group as at 31st March, 2023, and the consolidated **net profit** (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

We have not audited the financial statements of M/s. Aunik I.T. Solutions Private Limited ("the subsidiary") included in the consolidated financial statements of the group whose financial statements reflect total assets of Rs. 2,38,206.44 thousand as at 31st March 2023, total revenue of Rs. 1,020.00 thousand and net cash outflow of Rs. 533.93 thousand during the year ended on that date, as considered in the consolidated financial statements.

The Independent Auditors of M/s Aunik IT Private Limited ("the subsidiary") have given a Qualified Opinion on the separate financial statements of M/s Aunik IT Private Limited for the year ended 31st March 2023 vide their report dated 13th June 2023. The basis for Qualified 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 therefore we are unable to comment on such balances.*
- ii) Trade receivable (Note No. 2.05) and Trade Payable (Note No. 2.13) have been classified as current assets and current liabilities includes balances which are outstanding for realization/settlement since previous financial year and in the absence of adequate information/explanations regarding the realisability/settlement of such amounts within twelve months after the year end, reason for not classifying as non-current assets/liabilities is inconsistent with Ind AS-1 "Presentation of Financial Statement". This has resulted in over statement of respective current assets/liabilities and understatement of the corresponding non-current assets/liabilities.*

- iii) During the year under consideration the Company has received a sum of Rs. 1,00,00,000 from LSGD Growth Private Limited and showed this amount as Earnest Deposit under current liability. Further the company has refunded a sum of Rs. 18,45,000 against the receipt during the year. In absence of sufficient audit evidence and proper explanation, we are unable to comment upon classification of this amount as Earnest Deposit under Current Liabilities.
- iv) The company has made certain violation of Companies (Acceptance of Deposit) rules 2014. The Company has received under mentioned borrowings in violation with section 73 to 76 of the Companies Act 2013.

<u>Name of Depositor</u>	<u>Date of receipt of money</u>	<u>Amount of Receipt</u>	<u>Interest Provided</u>	<u>Amount Refunded/ adjusted</u>	<u>Balance Outstanding</u>
<u>Akshay Mathur</u>	<u>21.09.2022</u>	<u>50,00,000</u>	<u>2,10,411</u>	<u>21,041</u>	<u>51,89,370</u>
<u>Vivek Rana</u>	<u>09.06.2022</u>	<u>47,00,000</u>	<u>1,25,677</u>	<u>47,12,568</u>	<u>1,13,109</u>
<u>Nagendra Pandey</u>	<u>01.09.2022</u>	<u>1,00,000</u>	<u>-</u>	<u>1,00,000</u>	<u>Nil</u>

- v) During the year under consideration the company has debited the profit and Loss account for sum of Rs. 19,98,870 under tours and travelling head and for sum of Rs. 89,695 under business promotion. In absence of proper information and audit evidence we are unable to verify the business existences of the transactions. In our opinion few personal transactions have been booked in the company. Accordingly, loss of the company for financial year could have been reduced by these amounts.
- vi) Inventories includes obsolete stock, valued at cost, which is inconsistent with Ind AS-2 "Inventories" i.e. it should be valued at its Net Realisable value.
- vii) The company's net worth is negative and the company has also taken unsecured loans from various parties. 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. 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."

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 31st March 2023 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.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiary in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe

that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note 36 to the consolidated financial statements, it is to be noted that Regulation 33(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“listing regulations”) requires that if a listed entity has subsidiaries, it shall, while submitting quarterly standalone financial results also submit quarterly and year ended consolidated financial results to stock exchanges. As per information, the Company could not prepare and 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 regulations. It was stated by the Company’s management that the management of the subsidiary i.e. M/s Aunik IT Solutions Private Limited (“the subsidiary”) and its statutory auditors have not provided the requisite financial information of the subsidiary in spite of repeated reminders. The Company after receiving the audited financial statements of the subsidiary on 13th June 2023 have prepared the consolidated financial statements and consolidated financial results. Due to this reason, the Company shall be liable for the penalty and other consequences as prescribed under SEBI Circular No. SEBI/ HO/ CFD/ CMD/ CIR/ P/ 2018/ 77 dated 3rd May 2018. Our opinion on these consolidated financial statements of the Company is not modified in respect of this matter.

Key Audit Matters

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

Key audit matters	Auditor’s response
<p>Revenue from operations</p> <p>According to Ind AS 115, revenue to be recognized on satisfaction of performance obligation and transfer of control pertaining to goods.</p> <p>Determination of transaction price for measurement of revenue according to Ind AS 115.</p>	<p>Our audit procedure included the following-</p> <ul style="list-style-type: none"> • We assessed the company’s process to consider the time of transfer of control of goods. • We performed year end cut off procedures to determine whether revenues are recorded in the correct period. • We used assessment of overall control environment relevant for measurement of revenue. • We performed testing of journals, with particular focus on manual adjustment to revenue account, to mitigate the risk of manipulation of revenue and profit figures.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Company and its Subsidiary in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Company and its Subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its Subsidiaries respectively, 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the company and its subsidiary are responsible for assessing the ability of the Company and of its Subsidiary to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or its Subsidiary or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the company and its Subsidiary are responsible for overseeing the financial reporting process of the Company and its Subsidiary respectively.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level

of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- (i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- (ii) Obtain an understanding of the internal controls 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 system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its Subsidiary 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or its Subsidiary to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statement, individually or in aggregate, makes it probable that the economic decision of reasonable knowledgeable user of the consolidated financial statement 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 consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 reasonable be thought to bear on our independence, and where applicable, relevant safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Other Matters

We have not audited the financial statements of subsidiary company i.e. M/s. Aunik I.T. Solutions Private Limited included in the consolidated financial statements of the group whose financial statements reflect total assets of Rs. 2,38,206.44 thousand as at 31stMarch 2023, total revenue of from operations Rs.1,020.00 thousand and net cash outflow of Rs. 533.93 thousand during the year ended as on that date, as considered in the consolidated financial statements. The financial statements of the aforesaid subsidiary have been audited by the other auditor whose report has been furnished to us, and our opinion as so far it relates to the amount and disclosure included in respect of such subsidiary, is based solely on the report of such auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable on the consolidated financial statements.
2. As required by Section 143(3) of the Act, we report that:
 - a. *Except for the matters described in the "Basis of Qualified Opinion" section of this report*, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss, consolidated statement of changes in equity, and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. *Except for the matters described in the "Basis of Qualified Opinion" section of this report*, the aforesaid consolidated financial statements comply with the Indian accounting standards specified under Section 133 of the Act;
 - e. On the basis of the written representations received from the directors of the Company and its subsidiary as on 31stMarch, 2023 taken on record by the board of directors of the company and on the basis of report issued by the auditors of subsidiary, none of the directors of the Company and its Subsidiary is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate

Report in **Annexure-B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and on the basis of report issued by the statutory auditors of the subsidiary and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements have disclosed the impact, if any of pending litigations on the consolidated financial position of the group in its consolidated financial statements (Note no. 36).
 - ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by group.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(s), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that caused us to believe that the representations referred to in (a) and (b) above, contain any material mis-statement.
 - v. No dividend has been declared or paid by the company during the period covered by this report in pursuant to Section 123 of the Companies Act 2013
 - vi. As proviso to Rule 3(1) of the companies (Accounts) rules, 2014 is applicable for the company only w.e.f. 1st April 2023, reporting under this Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable.
- h. In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its director during the current financial year is in

accordance with the provision of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act, read with Schedule V of the Act.

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

O.P. Pareek
Partner
Membership No. 014238
UDIN: 230414238BGXRRJ8749

New Delhi, the 17th day of June 2023

Annexure A To the Independent Auditor's report on Consolidated Financial Statements

(Referred to in our report of even date)

In our opinion and According to the information and explanations given to us, the auditors of subsidiary i.e. M/s Aunik IT Solutions Private Limited, have qualified the information required in sub- clauses (ii), (iii)(b), (iv), (v) and (xix) of para 3 of the Companies Auditor Report Order (CARO), 2020 in their report of separate financial statements of the subsidiary as included in the consolidated financial statements.

**FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E**

**O.P. Pareek
Partner
Membership No. 014238**

UDIN: 230414238BGXRRJ8749

New Delhi, the 17th day of June 2023

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended on 31st March 2023, we have audited the internal financial controls over financial reporting of A F Enterprises Limited (hereinafter referred to as “the Company”) and its subsidiary (company and its subsidiary together referred to as the “group”), as of and for the year ended on that date.

Opinion

In our opinion, the group have in all material aspects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March 2023, based on “the internal financial controls with reference to consolidated financial statements” criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”.

Management’s Responsibility for the Internal Financial Controls

The respective Board of Directors of the Companies included in the group are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to consolidated financial statements” criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidences we have obtained and the audit evidences obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph is sufficient and appropriate to

provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that: -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and the receipt and expenditures of the Company are being only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Other Matters

We have not audited the internal financial controls with reference to financial statements of the subsidiary company i.e. M/s Aunik IT Solutions Private Limited ("the subsidiary") included in the consolidated financial statements. The auditors of the subsidiary have not reported on the internal financial controls with reference to financial statements of the subsidiary based on exemption from reporting vide MCA Notification G.S.R. 58(E) dated 13th June 2017. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial with reference to the consolidated financial statements in so far as it relates to the subsidiary company, which is incorporated in India, is based on corresponding report of the auditors of such company in India.

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

O.P. Pareek
Partner
Membership No. 014238
UDIN: 230414238BGXRRJ8749

New Delhi, the 17th day of June 2023

A F ENTERPRISES LIMITED

CIN : L18100DL1983PLC016354

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2023

		(Rs. in '000')	
		As at	As at
ASSETS	Notes	31st March 2023	31st March 2022
Non- current assets			
Property, plant and equipment	3	53,004.33	40,348.55
Goodwill		16,566.98	16,566.98
Financial assets			
Loans	4	23,503.60	40,711.59
Other non current assets	5	6,156.52	1,465.96
Current Assets			
Inventories	6	15,810.86	39,819.31
Financial assets			
Trade receivables	7	12,97,118.22	11,25,642.04
Cash and cash equivalents	8	5,926.87	11,714.93
Loans	9	400.00	2,236.95
Other current assets	10	1,07,947.18	1,58,927.98
Total		15,26,434.58	14,37,434.29
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	1,41,136.36	1,29,136.36
Other equity	12	1,90,152.22	55,861.66
Non Controlling Interest		(650.81)	(323.71)
Liabilities			
Non- current liabilities			
Financial liabilities			
Borrowings	13	55,125.16	65,075.82
Other financial liabilities	14	14,814.42	397.02
Provisions	15	164.74	729.13
Deferred tax Liabilities (net)	16	1,281.39	2,648.12
Current liabilities			
Financial liabilities			
<u>Trade payables</u>			
Outstanding dues to micro enterprises and small enterprises	17	720.84	-
Outstanding dues of creditors other than micro enterprises and small enterprises		10,05,592.41	10,23,471.31
Other financial liabilities	18	4,224.61	312.16
Other current liabilities	19	1,02,214.65	1,55,526.47
Provisions	20	0.50	1.34
Current tax liabilities (net)		11,658.09	4,598.61
Total		15,26,434.58	14,37,434.29

Notes to the financial statements 1-50

The accompanying notes are an integral part of the financial statements.
As per our report of even date

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of
A F ENTERPRISES LIMITED

O. P. Pareek
Partner
Membership No. 014238
UDIN: 23014238BGXRRJ8749

Abhishek Singh
Director & CFO
DIN: 03603706

Santosh Kumar Kushwaha
Director
DIN: 02994228

New Delhi, the 17th day of June, 2023

Payal Sachdeva
Company Secretary

A F ENTERPRISES LIMITED

CIN : L18100DL1983PLC016354

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2023

	Notes	For the year ended on 31st March 2023	For the year ended on 31st March 2022
<i>(Rs. in '000')</i>			
REVENUE			
Revenue from operations	21	2,42,867.93	4,85,753.85
Other income	22	54,279.45	24,302.28
Total revenue (I)		2,97,147.38	5,10,056.13
EXPENSES			
Cost of materials consumed	23	76,075.45	95,791.55
Purchase of stock in trade	24	1,49,972.18	3,24,388.79
Changes in inventories of stock in trade	25	718.80	471.35
Operating costs	26	9,561.13	7,911.42
Employee benefits expense	27	19,051.20	21,557.87
Finance cost	28	2,611.56	1,593.95
Depreciation expenses	3	12,544.99	13,873.91
Other expenses	29	30,921.64	27,939.90
Total expenses (II)		3,01,456.95	4,93,528.74
Profit/ (loss) before exceptional items and tax (I-II)		(4,309.57)	16,527.39
Exceptional items	30	13,075.00	-
Profit/ (loss) before tax		8,765.43	16,527.39
Tax expense			
Current tax		6,764.20	(5,072.31)
MAT tax		-	(41.41)
Deferred tax	16.2	(1,403.35)	(508.39)
Profit/ (loss) after tax (III)		3,404.58	10,905.28
OTHER COMPREHENSIVE INCOME			
A. (i) Items that will not be reclassified to profit or loss		145.50	73.46
(ii) Income tax relating to items that will not be reclassified		(36.62)	(18.49)
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to		-	-
Total Other Comprehensive Income (IV)		108.88	54.97
Total Comprehensive Income (III+IV)		3,513.46	10,960.25
Net Profit attributable to: -			
a) Owners of the parent		3,731.68	10,879.49
b) Non controlling interest		(327.10)	25.79
Other Comprehensive Income attributable to: -			
a) Owners of the parent		108.88	54.97
b) Non controlling interest		-	-
Total Comprehensive Income attributable to: -			
a) Owners of the parent		3,840.56	10,934.46
b) Non controlling interest		(327.10)	25.79
Earning per equity share (EPS)			
[nominal value of share Rs. 10]			
Basic (in Rs.)		0.26	1.01
Diluted (in Rs.)		0.19	0.91
Weighted Average No. of Equity Shares		1,32,39,115	1,07,71,171
Weighted Average No. of Dilutive Equity Shares		1,82,39,115	1,19,71,171

Notes to the financial statements 1-50

The accompanying notes are an integral part of the financial statements.
As per our report of even date

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of
A F ENTERPRISES LIMITED

O. P. Pareek
Partner
Membership No. 014238
UDIN: 23014238BGXRRJ8749

Abhishek Singh
Director & CFO
DIN: 03603706

Santosh Kumar Kushwaha
Director
DIN: 02994228

New Delhi, the 17th day of June, 2023

Payal Sachdeva
Company Secretary

A F ENTERPRISES LIMITED

CIN : L18100DL1983PLC016354

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2023

	(Rs. in '000')	
	For the year ended on 31st March 2023	For the year ended on 31st March 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/ (loss) before tax and after extra- ordinary items	8,765.44	16,527.39
<u>Adjustments for items: -</u>		
Derecognition of financial liability	-	(4,951.46)
Foreign exchange fluctuation loss/ (gain)	(53,676.24)	-
Loss/Profit on sale of property, plant & equipment	-	(437.99)
Interest on lease liability	1,707.20	-
Interest paid	904.37	1,444.06
Interest paid on advance tax	9.63	-
Depreciation on Property, plant & equipment	12,545.00	13,873.91
Provision for gratuity	(419.73)	(75.92)
Operating Profit before working capital changes	<u>(30,164.33)</u>	<u>26,379.99</u>
<u>Working capital adjustments: -</u>		
(Increase)/ decrease in trade receivables	(1,17,799.95)	(54,885.78)
(Increase)/ decrease in Inventories	24,008.46	(29,779.90)
(Increase)/ decrease in Other assets	(5,086.89)	(1,255.60)
Increase/ (decrease) in Current Assets	51,074.89	(1,03,571.61)
Increase/ (decrease) in Trade payables	(17,158.08)	80,168.42
Increase/ (decrease) in other current Liabilities	8,345.41	235.54
(Increase)/ decrease in Other financial Liabilities	1,920.67	(3,710.70)
Increase/ (decrease) in Other liabilities	(68,737.32)	(1,206.61)
Cash generated from operations	<u>(1,53,597.14)</u>	<u>(87,626.25)</u>
Direct taxes paid	210.18	(4,232.93)
Net cash flow from operating activities (A)	<u>(1,53,386.96)</u>	<u>(91,859.19)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Sale/ (Purchase) of Property, plant & equipment	(3,041.01)	1,360.88
Loans (given)/recovered	19,044.93	(10,383.97)
Net cash flow from investing activities (B)	<u>16,003.92</u>	<u>(9,023.10)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Issue of equity Share Capital	16,200.00	61,200.00
Proceeds From Issue of Share Warrants	1,26,250.00	5,400.00
Interest paid	(904.37)	(1,352.31)
Net proceeds from borrowings	(9,950.65)	29,012.35
Net cash flow from financing activities (C)	<u>1,31,594.99</u>	<u>94,260.04</u>
Net cash flow during the year (A + B + C)	<u>(5,788.05)</u>	<u>(6,622.24)</u>
Add: Opening cash and cash equivalents	11,714.92	18,337.17
Closing cash and cash equivalents	<u>5,926.87</u>	<u>11,714.92</u>
Components of cash and cash equivalents		
Cash on hand	3,507.03	4,044.79
Balances with banks in current accounts	2,419.84	7,670.13
Total cash and cash equivalents (Note 9)	<u>5,926.87</u>	<u>11,714.92</u>

The accompanying notes are an integral part of the financial statements.

As per our report of even date
FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of
A F ENTERPRISES LIMITED

O. P. Pareek
Partner
Membership No. 014238
UDIN: 23014238BGXRRJ8749

Abhishek Singh
Director & CFO
DIN: 03603706

Santosh Kumar Kushwaha
Director
DIN: 02994228

Payal Sachdeva
Company Secretary

New Delhi, the 17th day of June, 2023

A F ENTERPRISES LIMITED

CIN : L18100DL1983PLC016354

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2023

A. Equity Share Capital

(Rs. in '000')

Current reporting period

Balance as at 1st April 2021	Changes in equity share capital during the year	Balance as at 31st March 2022
95,136.36	34,000.00	1,29,136.36

Previous reporting period

Balance as at 1st April 2022	Changes in equity share capital during the year	Balance as at 31st March 2023
1,29,136.36	12,000.00	1,41,136.36

B. Other Equity

Current reporting period

(Rs. in '000')

Particulars	Reserve & Surplus		Other Comprehensive Income	Money received against share warrants	Attributable to the parent	Attributable to Non-Controlling Interest	Total
	Retained Earnings	Securities Premium	Remeasurement of Defined Benefit Obligation				
Balance as at 1st April 2022	17,670.80	32,713.64	77.23	5,400.00	55,861.67	(323.71)	55,537.96
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balances as at 1st April 2022	17,670.80	32,713.64	77.23	5,400.00	55,861.67	(323.71)	55,537.96
On Issue of equity share capital	-	9,600.00	-	-	9,600.00	-	9,600.00
Received during the year	-	-	-	1,26,250.00	1,26,250.00	-	1,26,250.00
Conversion of warrants into Shares	-	-	-	(5,400.00)	(5,400.00)	-	(5,400.00)
Profit for the year	3,731.68	-	-	-	3,731.68	(327.10)	3,404.58
Other Comprehensive Income (net of tax)	-	-	108.88	-	108.88	-	108.88
Total Comprehensive Income	3,731.68	-	108.88	-	3,840.56	(327.10)	3,513.46
Balances as at 31st March 2023	21,402.48	42,313.64	186.11	1,26,250.00	1,90,152.23	(650.81)	1,89,501.42

Previous reporting period

Particulars	Reserve & Surplus		Other Comprehensive Income	Money received against share warrants	Attributable to the parent	Attributable to Non-Controlling Interest	Total
	Retained Earnings	Securities Premium	Remeasurement of Defined Benefit Obligation				
Balance as at 1st April 2021	6,890.85	5,513.64	22.26	-	12,426.75	(349.50)	12,077.25
Changes in accounting policy or prior period errors	(99.54)	-	-	-	(99.54)	-	(99.54)
Restated balances as at 1st April 2021	6,791.31	5,513.64	22.26	-	12,327.21	(349.50)	11,977.71
On Issue of equity share capital	-	27,200.00	-	-	27,200.00	-	27,200.00
Received during the year	-	-	-	33,400.00	33,400.00	-	33,400.00
Conversion of warrants into shares	-	-	-	(28,000.00)	(28,000.00)	-	(28,000.00)
On acquisition of subsidiary	-	-	-	-	-	-	-
Profit for the year	10,879.49	-	-	-	10,879.49	25.79	10,905.28
Other Comprehensive Income (net of tax)	-	-	54.97	-	54.97	-	54.97
Total Comprehensive Income	10,879.49	-	54.97	-	10,934.46	25.79	10,960.25
Less: on account of pre-acquisition profits of the subsidiary	-	-	-	-	-	-	-
Balances as at 31st March 2022	17,670.80	32,713.64	77.23	5,400.00	55,861.67	(323.71)	55,537.96

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of
A F ENTERPRISES LIMITED

O. P. Pareek
Partner
Membership No. 014238
UDIN: 23014238BGXRRJ8749

Abhishek Singh
Director & CFO
DIN: 03603706

Santosh Kumar Kushwaha
Director
DIN: 02994228

New Delhi, the 17th day of June, 2023

Payal Sachdeva
Company Secretary

A F ENTERPRISES LIMITED

CIN : L18100DL1983PLC016354

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

1 Corporate Information:

A F ENTERPRISES LIMITED (CIN L18100DL1983PLC016354) was incorporated on August 18th, 1983 under the Companies Act, 1956 with the Registrar of Companies AF Enterprises Limited (the Company) is engaged in the business of manufacture and trading of plastic and related products apart from trading in other goods such as fabric, emerald, glasses, etc. The Company is listed on Bombay Stock Exchange (BSE) [Script code: AFEL].

2 Significant Accounting Policies:

(a) Statement of Compliance with Ind AS:

The Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. The Company has uniformly applied the accounting policies during the periods presented.

The financial statements are presented in Indian Rupees (Rs.) which is also the functional currency of the company.

(b) Basis for preparation of financial statements:

The consolidated financial statements have been prepared in historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end which is generally based on the fair value of consideration given in exchange for goods and services. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

(c) Principles of Consolidation:

The consolidated financial statements comprise of the holding company A F Enterprises Limited and all its subsidiaries and associates in accordance with the requirements of Ind AS 110- Consolidated Financial Statements and Ind AS 28 - Investment in Associates and Joint Ventures (to the extent applicable). The consolidated financial statements have been prepared on the following bases: -

- (i) The financial statements of the holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (ii) Profits or losses resulting from intra-group transactions that are recognized in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- (iii) Goodwill represents the difference between the Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.
- (iv) The financial statements of the associate/ subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2023.
- (v) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- (vi) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.
- (vii) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the Consolidated statement of profit & loss being the profit or loss on disposal of investment in subsidiary.
- (viii) Investment in Associates and Joint Ventures has been accounted under the Equity Method as per Ind AS 28 - Investments in Associates and Joint Ventures.
- (ix) The Group accounts for its share of post-acquisition changes in net assets of associates and joint ventures, after eliminating unrealized profits and losses resulting from transactions between the Group and its associates and joint ventures.
- (x) Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.
- (xi) Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

Changes in a parent's ownership interest after control is obtained that do not result in a change in control of the subsidiary are accounted for as equity transactions. The carrying amount of the non-controlling interest is adjusted to reflect the change in the non-controlling interest's ownership interest in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized in equity and attributed to the parent's equity holders.

(d) Use of Estimates:

The preparation of consolidated financial statements requires the management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

(e) Significant Management judgement in applying accounting estimates:

(i) Income taxes:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(ii) Impairment of investments:

The carrying value of investments is reviewed at cost annually, or more frequently whenever, there is indication for impairment. If the recoverable amount is less than the carrying amount, the impairment loss is accounted for.

(iii) Provision:

Provisions are recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

(iv) Recognition of Deferred Tax Assets:

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

(f) Property, Plant and Equipment:

Properties, Plant & Equipment are stated at actual cost less accumulated depreciation and net of impairment, if any. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction/installation stage.

The Company has chosen the cost model for recognition and this model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Depreciable amount of an asset is the cost of an asset less its estimated residual value.

Depreciation on Property, Plant and Equipment, including assets taken on lease, other than freehold land is charged based on written down method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013.

Particulars of Property, Plant & Equipment	Useful life (in years)
Plant & Machinery (Tools & Dies)	15
Furniture & fixtures	10
Vehicles	8
Office Equipment	5
Computer	3

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment are determined as a difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

At the end of each reporting period, the Company reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

(g) Revenue recognition:

Revenue is recognized when the control over the goods or services promised in the contract are transferred to the customer. The amount of revenue recognized depicts the transfer of promised goods and services to customers for an amount that reflects the consideration to which the Company is entitled to in exchange for the goods or services.

(i) Sale of goods:

Revenue from sale of goods is recognised when control over such goods have been transferred, being when the goods are delivered to the customers. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, risks of loss have been transferred to the customers, and either the customer has accepted the goods in accordance with the sales contract or the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from these sales is recognized based on the price specified in the contract.

(ii) Dividend and interest income:

Dividend income from investments is recognised when the shareholders' right to receive such amount has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(iii) Other Income:

In respect of other heads of income in the Company's accounts the income shall be recognised on accrual basis.

(h) Foreign currency transactions:

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional and the foreign currency prevailing on date of transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of Balance Sheet. Exchange differences arising on monetary items on settlement or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

(i) Financial Instruments:

(i) Financial Assets: -

Recognition and initial measurement: -

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction cost.

Subsequent measurement: -

Equity instrument and Mutual Fund: - All equity instrument and mutual funds within scope of IndAS 109 are measured at fair value. Equity instrument and Mutual fund which are held for trading are classified as at fair value through profit & loss (FVTPL). For all other equity instruments, the Company decided to classify them as at fair value through other comprehensive income (FVTOCI).

Debt instrument: - A 'debt instrument' is measured at the amortised cost if both the following conditions are met. The assets are held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the assets given rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such Financial Assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

De-recognition of Financial Assets:-

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its right to receive cash flow from the asset.

(ii) Financial Liabilities: -

Recognition and initial measurement: -

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. Financial liabilities are classified as amortised cost.

Subsequent measurement: -

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

De-recognition of Financial liabilities: -

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Consequently, write back of unsettled credit balances is done on closure of the concerned project or earlier based on the previous experience of management and actual facts of each case and recognized in other operating revenues.

Further, when an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instrument: -

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on net basis, to realize the assets and settle the liabilities simultaneously.

(j) Impairment of Financial Assets

(i) Equity instruments, Debt Instruments and Mutual Fund: -

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets. Expected Credit Loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

(ii) Other Financial Assets: -

The Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

(k) Inventories

Inventories (other than quoted shares and securities) are valued at cost or net realisable value, whichever is lower. Cost is determined on FIFO and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(l) Cash & Cash equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash at bank and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(m) Taxation

Tax expense recognised in Statement of Profit and Loss comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with Income Tax Act, 1961. Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively. Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision.

Minimum Alternate Tax (MAT) credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised on temporary differences arising between the carrying amount of assets and liabilities and the corresponding tax bases used in computation of taxable profit under Income Tax Act, 1961.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity).

(n) Earnings per share:

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period and also after the Balance Sheet date but before the date the consolidated financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit/ (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potentially dilutive equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

(o) Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Assets and Contingent Liabilities are not recognized in the consolidated financial statements.

(p) Leases:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases using the modified retrospective approach whereby a lessee applies the new standard from the beginning of the current period. The lessee calculates the lease asset and lease liability as at the beginning of the current period and recognized an adjustment in equity at the beginning of the current period. Accordingly, a lessee will not restate its prior period financial information under this approach.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

On application of Ind AS 116, the nature of expenses has changed to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability in place of lease rentals payments.

(q) Employee Benefits

(i) Short-term Employee Benefits: -

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-Employment Benefits: -

Defined Contribution Plans: The Company has defined contribution plans in respect of PF & ESI which are accounted for as and when contribution payments are made.

Defined Benefit Plans: The Company has a gratuity scheme payable to employees as per the provisions of the Payment of Gratuity Act, 1972. The actuarial valuation of the liability against such sum is made at the year end.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(in Rs '000')

3 Property, plant and equipment

	As at 31st March 2023	As at 31st March 2022
Carrying amount:		
Building Premises (ROU Asset)	18,097.14	322.79
Plant & Machinery	32,102.05	36,449.61
Furniture & fixtures	1,583.97	2,137.22
Vehicles	767.14	637.09
Office Equipment	236.24	375.13
Computers & peripherals	217.78	426.70
Total	53,004.33	40,348.55

	Building Premises ROU Asset	Computers & peripherals	Motor Car	Furniture & fixtures	Office Equipment	Plant & Machinery	Total
Cost or Deemed Cost :							
Balance as at 1st April 2021	11,794.87	1,483.88	7,640.55	4,699.51	602.61	64,037.74	90,259.16
Additions during the year	-	429.75	-	36.30	219.18	3.90	689.13
On acquisition of subsidiary	-	-	-	-	-	-	-
Sale/ disposal during the year	-	-	4,000.00	-	-	-	4,000.00
Balance as at 31st March 2022	11,794.87	1,913.63	3,640.55	4,735.81	821.79	64,041.64	86,948.29
Additions during the year	22,159.75	64.41	467.40	-	43.78	2,470.98	25,206.32
On acquisition of subsidiary	-	-	-	-	-	-	-
Sale/ disposal during the year	-	0.70	-	-	4.85	-	5.55
Balance as at 31st March 2023	33,954.62	1,977.34	4,107.95	4,735.81	860.72	66,512.62	1,12,149.06
Accumulated Depreciation :							
Balance as at 1st April 2021	7,598.69	1,264.53	4,603.66	1,859.59	254.52	19,532.83	35,113.82
Charge for the year	3,873.39	222.40	787.78	739.00	192.14	8,059.20	13,873.91
On acquisition of subsidiary	-	-	-	-	-	-	-
Adjustment for Sale/ disposal	-	-	2,387.98	-	-	-	2,387.98
Balance as at 31st March 2022	11,472.08	1,486.93	3,003.46	2,598.59	446.66	27,592.03	46,599.75
Charge for the year	4,385.40	272.63	337.35	553.25	177.82	6,818.54	12,544.99
On acquisition of subsidiary	-	-	-	-	-	-	-
Adjustment for Sale/ disposal	-	-	-	-	-	-	-
Balance as at 31st March 2023	15,857.48	1,759.56	3,340.81	3,151.84	624.48	34,410.57	59,144.74
Carrying amount :							
Balance as at 31st March 2022	322.79	426.70	637.09	2,137.22	375.13	36,449.61	40,348.54
Balance as at 31st March 2023	18,097.14	217.78	767.14	1,583.97	236.24	32,102.05	53,004.32

3.1 All the above property, plant & equipment are owned by the company.

4 Loans : non-current

	As at 31st March 2023	As at 31st March 2022
<u>Considered good - unsecured</u>		
Loans (at amortised cost)		
- Others	11,416.60	26,115.11
- Related Parties	14,698.51	14,698.51
Less: Expected Credit loss	2,611.51	102.03
	23,503.60	40,711.59

4.1 Additional disclosure in respect of non current loans and advances:-

Particular	As at 31st March 2023		As at 31st March 2022	
	Amount of loan outstanding	Percentage of the total loan and advances	Amount of loan outstanding	Percentage of the total loan and advances
Loans and advances granted to promoters, directors, KMPs and other related parties that are (a) repayable on demand; or (b) without specifying any terms or period of repayment	Nil	Nil	Nil	Nil

5 Other non current assets

	As at 31st March 2023	As at 31st March 2022
Security deposit	6,054.52	1,439.40
Advance tax and TDS (Net of provision)	102.00	26.56
	6,156.52	1,465.96

6 Inventories

	As at 31st March 2023	As at 31st March 2022
<u>Stock in trade</u>		
- Quoted Equity Instruments (at Fair Value Through Profit & Loss FVTPL)	958.49	1,677.29
- Others	50.10	50.10
Plastic products	14,802.27	38,091.92
	15,810.86	39,819.31

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(in Rs '000')

7 Trade receivables: current

	As at 31st March 2023	As at 31st March 2022
Considered good - unsecured	12,97,118.22	11,25,642.04
	12,97,118.22	11,25,642.04

7.1 Trade receivables ageing schedule

Particulars	Outstanding from due date of payment as on 31st March 2023					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables : Considered good	1,97,621.00	4,539.75	2,84,782.15	457.12	8,09,718.20	12,97,118.22
(ii) Undisputed Trade Receivables : Considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables : Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables : Considered doubtful	-	-	-	-	-	-

Particulars	Outstanding from due date of payment as on 31st March 2022					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables : Considered good	3,28,120.78	24,787.51	21,513.11	5,78,824.36	1,72,396.28	11,25,642.04
(ii) Undisputed Trade Receivables : Considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables : Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables : Considered doubtful	-	-	-	-	-	-

8 Cash and cash equivalents

	As at 31st March 2023	As at 31st March 2022
Cash on hand (as certified)	3,507.03	4,044.79
Balances with banks in current accounts	2,419.84	7,670.14
	5,926.87	11,714.93

9 Loans: current

	As at 31st March 2023	As at 31st March 2022
<u>Unsecured, considered good</u>		
Loan to body corporate	400.00	-
Advance to others	-	18.01
Loan to related party	-	2,224.50
Less: Expected Credit Loss	-	5.56
	400.00	2,236.95

9.1 Additional disclosure in respect of Current loans and advances:-

Particular	As at 31st March 2023		As at 31st March 2022	
	Amount of loan outstanding	Percentage of the total loan and advances	Amount of loan outstanding	Percentage of the total loan and advances
Loans and advances granted to promoters, directors, KMPs and other related parties that are (a) repayable on demand; or (b) without specifying any terms or period of repayment	Nil	Nil	Nil	Nil

10 Other current assets

	As at 31st March 2023	As at 31st March 2022
Input credit of GST	35,662.32	39,012.48
Balances with revenue authorities	2,927.58	2,070.03
Other advances	68,713.12	1,17,817.75
Prepaid expenses	644.16	27.72
	1,07,947.18	1,58,927.98

10.1 Balance with revenue authorities includes a sum of Rs. 1,702.32 thousands challenged by the GST Department pursuant to search conducted on 6th September 2019. The matter is pending for adjudication.

10.2 Input credit under GST includes a sum of Rs. 29,481.10 thousands challenged by the GST Department pursuant to search conducted on 6th September 2019. The matter is pending for adjudication.

11 Equity share capital

	31st March 2023		31st March 2022	
	Nos.	(Rs. in '000')	Nos.	(Rs. in '000')
Authorized shares				
Equity shares of Rs. 10 each	4,10,00,000	2,45,000.00	2,45,00,000	2,45,000.00
	4,10,00,000	2,45,000.00	2,45,00,000	2,45,000.00
Issued, subscribed and fully paid- up shares				
Equity shares of Rs. 10 each fully Paid up	1,41,13,636	1,41,136.36	1,29,13,636	1,29,136.36
	1,41,13,636	1,41,136.36	1,29,13,636	1,29,136.36

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(in Rs '000')

11.1 Reconciliation of number of equity shares and amount outstanding

	31st March 2023		31st March 2022	
	Nos.	(Rs. in '000')	Nos.	(Rs. in '000')
<u>Equity Shares</u>				
At the beginning of the period	1,29,13,636	1,29,136.36	95,13,636	95,136.36
Add: Conversion of Share Warrants (Note 11.2)	12,00,000	12,000.00	28,00,000	28,000
Add: Sweat Equity shares issued (Note 11.3)	-	-	6,00,000	6,000
Total outstanding at the end of the period	1,41,13,636	1,41,136.36	1,29,13,636	1,29,136.36

11.2 The company has issued 40,00,000 Share warrants at an issue price of Rs. 18 each as per terms approved by shareholders in postal ballot held on 5th July 2021. Every share warrant has an option of conversion into one equity share of Rs. 10 each to be exercised by the warrant holder within 18 months of the issue by the Company. Out of 40,00,000 share warrants, 28,00,000 share warrants were converted into the equity shares during the year ended 31st March 2022 and remaining 12,00,000 share warrants are converted into equity shares in the current financial year.

11.3 During the year ended on 31st March 2022, the Company has allotted 6,00,000 equity Shares of face value of 10 each at a price of Rs. 18 (inclusive of premium of Rs. 8) each for a consideration other than cash for value addition in the company by the respective allottees i.e. Directors of the company.

11.4 Terms and rights attached to equity shares

The company has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

11.5 Details of shareholders holding more than 5% shares in the company :

	31st March 2023		31st March 2022	
	Nos.	% holding	Nos.	% holding
Anjaneyaputra Human Resource Consultancy Pvt.	-	0.00%	10,00,000	7.74%
Rishan Singh Keer	9,46,483	6.71%	10,00,000	7.74%
Anuva Kaur Keer	9,95,000	7.05%	10,00,000	7.74%
Anupreet Kaur Keer	12,00,000	8.50%	-	0.00%
Rakesh Rawat	-	0.00%	9,50,000	7.36%
Shashi Rawat	-	0.00%	9,50,000	7.36%
Sandeep Arneja	-	0.00%	9,50,000	7.36%
RMS Mosquito Pvt Ltd	8,07,600	5.72%	8,07,600	6.25%
RDS Corporate Services Private Limited	8,00,000	5.67%	8,00,000	6.20%
Sahil Arora	-	0.00%	6,50,000	5.03%

As per records, registers and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

11.6 Details of shares held by promoters in the Company

Promoter Name	As at 31st March 2023		As at 31st March 2022		% Change during the year
	No of Shares	% of total Shares	No of Shares	% of total Shares	
RMS Mosquito Private Limited	8,07,600	5.72	8,07,600	6.25	8.50%

There is change in promoters shareholding during the year ended March 31,2023 and March 31,2022.

12 Other equity

	As at		As at	
	31st March 2023		31st March 2022	
<u>Security Premium :</u>				
Opening balance	32,713.64		5,513.64	
Add/(less) : On Issue of equity shares	9,600.00		27,200.00	
Closing balance		42,313.64		32,713.64
<u>Retained earnings :</u>				
Opening balance	17,670.79		6,791.30	
Add/(less) : Profit/ (loss) for the year	3,731.68		10,879.49	
Less: Pre- acquisition profits of the subsidiary	-		-	
Closing balance		21,402.47		17,670.79
<u>Money received against share warrants</u>				
Opening balance	5,400.00		-	
Add: received during the year	1,26,250.00		33,400.00	
Less: conversion of warrant into equity shares	5,400.00		28,000.00	
Closing balance		1,26,250.00		5,400.00
<u>Fair Value through Other Comprehensive Income</u>				
<u>Remeasurement of Defined Benefit Obligation</u>				
Opening balance	77.23		22.26	
Add/(less) : Changes during the year (net of tax)	108.88		54.97	
Closing balance		186.11		77.23
Total Other Equity		1,90,152.22		55,861.66

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(in Rs '000')

13 Borrowings (other than debt securities)	As at 31st March 2023	As at 31st March 2022
From Banks		
Secured loans:		
Finance lease obligations (Note 13.1)	930.00	1,261.50
Less: current portion transfer to other financial liabilities (note 18)	(235.06)	(312.16)
From other Parties		
Unsecured loans:		
From Others	54,430.22	64,126.48
	<u>55,125.16</u>	<u>65,075.82</u>

13.1 Finance lease obligation reflects car loans obtained from Axis Bank Ltd and HDFC Bank Ltd. Loan of Rs. 1,400.00 thousands has been obtained from Axis Bank Ltd. repayable in 60 Equated Monthly Installments of Rs. 29.57 thousands whereas Rs. 1,406.76 thousands has been obtained from HDFC Bank Ltd. repayable in 60 Equated Monthly installments of Rs. 29.21 thousands. Such loans are secured against hypothecation of respective vehicles.

13.2 Default in repayment of loan from Axis Bank Ltd.			(Rs. in '000')
Amount of Default	Interest outstanding during default period	Period of default	
539.73	171.03	January 2020 till date	

14 Other financial liabilities - non current	As at 31st March 2023	As at 31st March 2022
Lease Liability (as per Ind AS 116)	14,814.42	397.02
	<u>14,814.42</u>	<u>397.02</u>

15 Provision -Non current	As at 31st March 2023	As at 31st March 2022
For Gratuity	164.74	729.13
	<u>164.74</u>	<u>729.13</u>

16 Deferred tax assets/Liabilities (net)	As at 31st March 2023	As at 31st March 2022
At the start of the year	2,648.12	2,079.83
(Charge)/ credit to statement of profit and loss and reserves & surplus	(1,366.73)	568.29
At the end of year	<u>1,281.39</u>	<u>2,648.12</u>

16.1 Deferred tax asset is recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

16.2 The tax effect of significant timing differences that has resulted in deferred tax assets are given below:-

Particulars	For the year ended on 31st March 2023			
	Opening Balance	Recognized in profit and loss	Recognized in OCI	Closing Balance
Property, plant and equipment	2,655.51	4.56	-	2,660.07
Provision For Gratuity	11.30	41.81	36.62	89.73
Others	(186.69)	(1,449.72)	-	(1,468.41)
Total	2,648.12	(1,403.35)	36.62	1,281.39

Particulars	For the year ended on 31st March 2022			
	Opening Balance	Recognized in profit and loss	Recognized in OCI	Closing Balance
Property, plant and equipment	2,305.04	350.46	-	2,655.51
Provision For Gratuity	(38.78)	31.59	18.49	11.30
Others	(186.44)	167.75	-	(18.69)
Total	2,079.82	549.80	18.49	2,648.12

17 Trade payables: current	As at 31st March 2023	As at 31st March 2022
- Outstanding dues to micro enterprises and small enterprises (Note 17.1)	720.84	-
- Outstanding dues of creditors other than micro enterprises and small enterprises	10,05,592.41	10,23,471.31
	<u>10,06,313.25</u>	<u>10,23,471.31</u>

17.1 Trade payable due for payment and the ageing schedule as below:-

Particulars	Outstanding from due date of payment as on 31st March 2023				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	720.84	-	-	-	720.84
(ii) Others	2,03,918.34	3,49,849.03	16,645.59	4,35,179.45	10,05,592.41
(iii) Disputed dues : MSME	-	-	-	-	-
(iv) Disputed dues : others	-	-	-	-	-

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(in Rs '000')

Particulars		Outstanding from due date of payment as on 31st March 2022				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	4,04,229.92	24,940.60	4,16,687.38	1,77,613.41	10,23,471.31
(iii)	Disputed dues : MSME	-	-	-	-	-
(iv)	Disputed dues : others	-	-	-	-	-

17.1 Additional disclosure relating to micro, small and medium enterprises covered under Micro, Small and Medium Enterprises Development ("MSMED") Act, 2006: -

	<u>31st March 2023</u>	<u>31st March 2022</u>
(a) Principal amount remaining unpaid at the end of the year	720.84	-
(b) Interest due on Principal amount remaining unpaid at the end of the year	-	-
(c) Interest paid in terms of section 16 of the MSMED Act, 2006 during the year	-	-
(d) Interest accrued and remaining unpaid at the end of the year	133.74	-
(e) Interest remaining due and payable referred to in section 23 of the MSMED Act, 2006	-	-
	<u>854.58</u>	<u>-</u>
18 Other financial liabilities: current	As at	As at
	<u>31st March 2023</u>	<u>31st March 2022</u>
Current maturities of finance lease obligations (refer note 13)	235.06	312.16
Lease Liability (as per Ind AS 116)	3,989.55	-
	<u>4,224.61</u>	<u>312.16</u>
19 Other current liabilities	As at	As at
	<u>31st March 2023</u>	<u>31st March 2022</u>
Advance received from customers	79,969.01	1,50,550.53
TDS Payable	2,349.14	927.63
Outstanding statutory Dues	782.35	631.89
TCS payable	296.06	203.96
EPF, ESI and LWF payable	841.28	831.08
Other payables	17,976.81	2,381.38
	<u>1,02,214.65</u>	<u>1,55,526.47</u>
20 Provisions: current	As at	As at
	<u>31st March 2023</u>	<u>31st March 2022</u>
For gratuity	0.50	1.34
	<u>0.50</u>	<u>1.34</u>
21 Revenue from operations	For the year ended on	For the year ended
	<u>31st March 2023</u>	<u>on 31st March 2022</u>
<u>Sale of products :</u>		
Plastic	84,835.83	1,36,935.17
Rough emerald	1,57,012.10	1,01,964.01
Others	1,020.00	2,46,567.95
<u>Sale of shares & securities</u>	-	286.72
	<u>2,42,867.93</u>	<u>4,85,753.85</u>
22 Other income	For the year ended on	For the year ended
	<u>31st March 2023</u>	<u>on 31st March 2022</u>
Foreign exchange fluctuation gain	53,676.24	17,482.30
Profit & Loss on Sale of PPE	-	437.99
Interest On Income Tax Refund	-	9.53
Derecognition of financial liability	510.62	191.27
Discount received	47.04	1,216.78
Miscellaneous income	45.55	12.95
Prior period income	-	4,951.46
	<u>54,279.45</u>	<u>24,302.28</u>
23 Cost of materials consumed	For the year ended on	For the year ended
	<u>31st March 2023</u>	<u>on 31st March 2022</u>
Opening stock of raw materials	38,091.92	7,840.67
Add: purchases during the year	52,785.80	1,26,042.80
Less: closing stock of raw materials	(14,802.27)	(38,091.92)
	<u>76,075.45</u>	<u>95,791.55</u>
24 Purchase of stock in trade	For the year ended on	For the year ended
	<u>31st March 2023</u>	<u>on 31st March 2022</u>
Fabrics	1,49,972.18	88,545.55
Others	-	2,34,876.74
Shares & securities	-	966.50
	<u>1,49,972.18</u>	<u>3,24,388.79</u>

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	For the year ended on 31st March 2023	For the year ended on 31st March 2022
25 Changes in inventories		
Opening balance of stock in trade	1,627.19	2,198.74
Closing balance of stock in trade	<u>(908.39)</u>	<u>(1,727.39)</u>
Changes in inventories of stock in trade	<u>718.80</u>	<u>471.35</u>
26 Operating Costs		
Wages	7,380.84	5,213.05
Job work materials	200.04	569.20
Fuel & power expenses	324.08	614.18
Consumables	1,608.25	1,361.29
Loading & freight	47.92	153.70
	<u>9,561.13</u>	<u>7,911.42</u>
27 Employee benefits expense		
Director Remuneration (Basic Salary)	9,600.00	11,159.85
Salaries and allowances	8,481.26	9,308.88
Employer contribution to PF	104.03	147.07
Employer contribution to ESIC	13.74	29.66
Staff Welfare	523.37	548.93
Gratuity expense	328.80	363.48
	<u>19,051.20</u>	<u>21,557.87</u>
28 Finance cost		
Interest on lease liability (as per Ind AS 116)	1,707.20	260.08
Interest to banks	19.01	116.87
Interest to others	885.35	1,217.00
	<u>2,611.56</u>	<u>1,593.95</u>
29 Other expenses		
Advertisement expenses	866.15	3,552.15
Payment to statutory auditors (Note 35)	320.00	400.00
Bank charges	29.05	116.33
Balance written off	6,128.55	4.04
Credit card charges	350.73	705.23
Business promotion	89.70	385.95
Certification charges	97.65	85.72
Consolidated charges	-	3.39
Conveyance expenses	613.16	822.90
Discount	-	6.74
Electricity and maintenance expenses	6,673.81	8,250.24
Expected Credit Loss	2,503.92	107.60
Festival Expenses	18.90	1,425.15
Foreign exchange fluctuation loss	-	1,717.90
Fittings	2.40	88.00
Freight & cartage	1,288.80	1,533.78
General expenses	218.65	261.26
Interest and penalties	297.75	0.33
Labour welfare	13.70	16.27
Legal & professional charges	1,133.67	1,034.89
Miscellaneous expenses	21.30	0.71
Membership & registration fees	1,688.59	884.38
Office expenses	89.94	231.01
Printing & stationery	305.77	101.95
Product testing charges	-	55.50
Professional & consultancy charges	210.00	15.00
Rent, rate & taxes	117.69	416.97
Repair & maintenance	2,037.80	1,079.05
Recruitment expenses	44.15	-
RTA expenses	117.35	22.72
ROC expenses	1,488.14	14.70

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Security charges	780.38	661.28
Service Charge	51.63	26.30
Sitting fees	116.00	-
Software Renewal	45.60	10.80
Stamp Papers	4.81	0.50
Telephone expense	89.92	152.67
Tender Fees	24.09	29.79
Tour & Travels	2,847.54	3,438.06
Vehicle running & maintenance	149.66	238.14
Workspace Expenses(Mail)	44.69	42.50
	30,921.64	27,939.90

30 Exceptional item

	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Advertisement expenses	13,075.00	-
	13,075.00	-

30.1 Exceptional item of Rs.137.50 Lakhs (Previous year Rs. Nil) is related to remission of liability against advertisement expenditure incurred by the Company during the year ended on 31st March 2020 on it's brand name "RIDH". The liability has now settled with the vendors and debit note have been issued by the Company.

31 Related Parties: -

As per IND AS 24, the disclosures of transactions with the related parties are given below:

(i) List of related parties where control exists and also related parties with whom transactions have taken place and relationship:

(a) Subsidiary/Associate Entity	Aunik IT Solutions Private Limited
(b) Key Management Personnel	Mr. Santosh Kumar Kushwaha (Director)
	Mr. Sahil Arora (Director)
	Ms. Shagun Ajmani (Director)
	Mr. Abhishek Singh (Director & CFO)
	Ms. Payal Sachdeva (Company Secretary)
	Ms.Prerna Sethi (Past Director)
(c) Relatives of Key Management Personnel	None
(d) Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives	M/s RDS Corporate Services Private Limited
	M/s SNP Infosolutions LLP
	M/s RMS Mosquito Private Limited
	M/s Consider Done

(ii) Transaction with Related Parties:-

(a) Transaction with	Nature of Transaction	Transactions during the year	
		31st March 2023	31st March 2022
(a) Subsidiary Company: -			
Aunik IT Solutions Private Limited	Loans Given	Nil	10,000.00
	Loan Recovered	Nil	10,000.00
(b) Key Management Personnel: -			
Mr. Sahil Arora	Loans received	Nil	3,737.00
	Loans repaid	Nil	3,737.00
	Remuneration (Sweat Equity Shares Issued)	Nil	2,700.00
Ms. Shagun Ajmani	Loans received	Nil	1,778.00
	Loans repaid	Nil	1,700.00
	Remuneration (Sweat Equity)	Nil	2,700.00
Mr. Abhishek Singh	Remuneration	549.73	359.85
	Reimbursement of Expenses	255.20	1,219.75
	Advance against salary	-	500.01
	Advance against salary recovered	500.01	-
Mr. Santosh Kumar Kushwaha	Remuneration (Sweat Equity Shares Issued)	Nil	5,400.00
	Reimbursement of Expenses	6,893.84	Nil
	Remuneration	7,200.00	Nil
	Loans Received	2,224.50	3,012.00
	Loans Repaid	Nil	787.50
Ms. Payal Sachdeva	Remuneration	420.00	360.72
(c) Relatives of Key Management Personnel :- None			
(d) Enterprises in which Key Management Personnel and Relatives are having significant influences :-			
M/s RDS Corporate Services Private Limited	Loans given	583.90	562.00
	Loans recovered	6,982.87	Nil
	Sales of goods	6,924.97	Nil
	Services received	464.00	Nil
	Issue of Share Warrants	Nil	14,400.00
	Loan Given	787.46	17,019.54
M/s Consider Done	Loan Recovered	9,087.00	8,720.00

(iii) Balance with the Related Parties:-

(a) Transaction with	Nature of Transaction	Balance as at	
		31st March 2023	31st March 2022
(a) Subsidiary Company: -			
Aunik IT Solutions Private Limited	Investment in Equity Shares	9,527.00	9,527.00
(b) Key Management Personnel: -			
Ms. Shagun Ajmani	Borrowing	78.00	78.00
Mr. Abhishek Singh	Remuneration Payable	49.98	Nil
	Expenses Payable	140.53	Nil
	Advance against salary	Nil	500.01

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Mr. Santosh Kumar Kushwaha	Remuneration Payable	7,200.00	Nil
	Expenses Payable	3,446.26	Nil
	Loans & Advances	Nil	2,224.50
Ms. Payal Sachdeva	Remuneration Payable	2.00	Nil
(c) Relatives of Key Management Personnel :- None			
(d) Enterprises in which Key Management Personnel and Relatives are having significant influences: -			
M/s RDS Corporate Services Private Limited	Loans & Advances	Nil	6,398.97
	Trade receivables	1,606.07	Nil
M/s SNP Infosolutions LLP	Advance received from customer	195.00	195.00
M/s Consider Done	Loans & Advances	Nil	8,299.54

32 Segment Information:

The Company has identified five reportable segments viz., shares and securities, rough emerald, fabric, glasses and plastic molded components after taking into account the nature of product and services and the differing risk and returns on such products and services. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting: -

- Revenue and expenses have been identified to a segment on the basis of relation to operating activities of the segment. Revenue and expenses that relates to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Un-allocable".
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Un-allocable".

(iii) **Segment Information:**

Particulars	31st March 2023	31st March 2022
Segment Revenue: -		
Rough emerald	1,57,012.10	1,01,964.01
Software Services	1,020.00	2,46,567.95
Plastic molded components	84,835.83	1,36,935.17
Unallocable	-	286.72
Total Revenue	2,42,867.93	4,85,753.85
Segment Results		
(Profit/ loss before interest and taxes)		
Rough Emerald	7,039.92	13,418.45
Software Services	(9,217.43)	760.12
Plastic molded components	1,064.86	18,375.35
Less: Interest	(2,611.56)	(1,593.95)
Less: Other Un-allocable expenditure (net)	12,489.65	(14,432.58)
Total Profit Before Taxes	8,765.43	16,527.39
Segment assets		
Rough Emerald	2,14,883.13	-
Software Services	2,35,703.11	2,73,712.91
Fabrics	2,36,441.24	2,28,359.93
Plastic molded components	6,56,230.97	6,23,887.83
Un-allocable	1,83,176.13	3,11,473.62
Total	15,26,434.58	14,37,434.29
Segment liabilities		
Rough Emerald	3,51,122.61	95,892.28
Software Services	2,49,462.80	2,80,557.22
Fabrics	21,440.08	2,54,059.94
Plastic molded components	4,30,990.82	4,28,250.50
Un-allocable	1,42,780.50	1,94,000.04
Total	11,95,796.81	12,52,759.98
Capital employed		
Rough Emerald	(1,36,239.47)	(95,892.28)
Software Services	(13,759.69)	(6,844.31)
Fabrics	2,15,001.15	(25,700.01)
Plastic molded components	2,25,240.15	1,95,637.33
Un-allocable	40,395.63	1,17,473.57
Total	3,30,637.77	1,84,674.31

(iv) **Secondary Segment information: -**

The Company does not have secondary segment division in respect of reportable segments.

33 Categories of Financial Instruments and its fair value measurement

Financial assets	As at 31st March, 2023	As at 31st March, 2022
Measured at amortised cost		
(i) Loans	23,903.60	42,948.54
(i) Trade receivables	12,97,118.22	11,25,642.04
(ii) Cash and Bank balance	5,926.87	11,714.93
Total	13,26,948.69	11,80,305.51

Financial liabilities	As at 31st March, 2023	As at 31st March, 2022
Measured at amortised cost		
(i) Borrowings	55,125.16	65,075.82
(ii) Other financial liabilities	19,039.03	709.18
(iii) Trade and other payables	10,05,592.41	10,23,471.31
Total	10,79,756.60	10,89,256.31

The fair values of current debtors, bank balances, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

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34 Particulars	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Expenditure in foreign currency i.e loss	Nil	Nil
Earning/ Income in foreign currency	Nil	Nil

35 Break- up of payments made to statutory auditors (including taxes) are disclosed as under:

Particulars	For the year ended on 31st March 2023	For the year ended on 31st March 2022
In respect of statutory audit (including tax audit)	320.00	400.00
In respect of certification	51.50	51.50
TOTAL	371.50	451.50

36 Particulars	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Contingent Liability not provided for		
Interest on default on car loans	171.03	118.04
Search and Seizure conducted under CGST/SGST Act: - On 6th September 2019, a search has been conducted under provision of CGST/SGST Act, 2017 wherein the appropriate authorities had seized certain documents and freeze the bank accounts of the company. The bank accounts were subsequently unfreeze through stay order of High Court of Punjab and Haryana vide interim order dated 10 February 2020. The matter is pending for adjudication.	Unascertainable	Unascertainable
Income tax Appeal: - In the matter of addition u/s 68 of the Income tax Act, 1961 for A.Y. 2017- 18 vide order dated 28th September 2022 passed by CIT (Appeals) for a sum of Rs. 46.39 Lakhs. The Company has filed an Appeal against such order with Hon'ble Income Tax Appellate Tribunal, New Delhi, which is pending for disposal.	1,916.26	1,916.26
Delay in submission of the financial results under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 for the year ended on 31st March 2023: - Regulation 33(3) of the listing regulations requires that if a listed entity has subsidiaries, it shall, while submitting quarterly standalone financial results also submit quarterly and year ended consolidated financial results to stock exchanges. As per information, the Company could not prepare and 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 regulations. It was stated by the Company' management that the management of the subsidiary i.e. M/s Aunik IT Solutions Private Limited ("the subsidiary") and its statutory auditors have not provided the requisite financial information of the subsidiary in spite of repeated reminders. The Company after receiving the audited financial statements of the subsidiary on June 13, 2023 have prepared such consolidated financial results to be filed with the stock exchange.	Rs. 10.00 thousand per day for the period of continuing default.	None

37 The following subsidiary company is considered in the Consolidated Financial Statements: -

S. No.	Name of Subsidiary	Country of Incorporation	% of Equity holding either directly or through Subsidiaries	% of Equity holding either directly or through Subsidiaries
			31st March 2023	31st March 2022
Direct Subsidiary				
(i)	Aunik I.T. Solutions Private Limited	India	95.27%	95.27%

38 Necessary disclosures requirements of Indian Accounting Standard (Ind AS) - 19 on 'Employee Benefits' in respect of gratuity are made as required: -

In respect of 'Gratuity Scheme': -

(i) Amount Recognised in the Balance Sheet: -

Particulars	As at 31st March 2023	As at 31st March 2022
Present Value of the obligation	165.24	730.47
Fair Value of Plan Assets	Nil	Nil
Funded Status [Surplus/ (Deficit)]	(165.24)	(730.47)
Unrecognised Past Service Cost	Nil	Nil
Asset/(liability) recognised in Balance Sheet	165.24	730.47

(ii) Amount Recognised in Statement of Profit & Loss: -

Particulars	For the year ended on 31st March 2023	For the year ended on 31st March 2022
Current Service Cost	315.90	350.58
Interest Cost	12.90	12.90
Expected Return on Plan Asset	Nil	Nil
Past service cost	Nil	Nil
Expense to be recognized in profit and loss	328.80	363.48

(iii) Other Comprehensive (income)/ expenses (Remeasurement)

Particulars	For the year ended on 31st March 2023
Cumulative unrecognized actuarial (gain)/loss opening. B/F	Nil
Actuarial (gain)/loss- Obligation	Nil
Actuarial (gain)/loss- from changes in financial assumptions	Nil
Actuarial (gain)/loss - Plan assets	Nil
Total Actuarial (gain)/loss	Nil
Cumulative Total Actuarial (gain)/ loss. C/F	Nil

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(iv) Principal Actuarial Assumptions: -

Method of Valuation	Project Unit Credit Method
Discounting Rate	7.00% Per Annum
Salary Growth Rate	5.00% Per Annum
Mortality	IALM 2012-14
Withdrawal Rate	5.00% Per Annum

38 Ratio Analysis and its components

S.No.	Particulars	31st March 2023	31st March 2022	% change from March 31, 2022 to March 31, 2023
1	Current ratio	1.27	1.13	12.28%
2	Debt- Equity Ratio	0.17	0.35	-52.70%
3	Debt Service Coverage Ratio	0.69	1.59	-56.66%
4	Return on Equity Ratio (in %)	0.01	0.07	-82.30%
5	Inventory Turnover Ratio	8.73	19.49	-55.19%
6	Trade Receivable Turnover Ratio	0.20	0.44	-54.67%
7	Trade Payable Turnover Ratio	0.24	0.49	-51.45%
8	Net Capital Turnover Ratio	0.80	3.15	-74.50%
9	Net Profit Ratio (in %)	1.40%	2.25%	-37.56%
10	Return on Capital Employed (in %)	-0.87%	9.33%	109.27%
11	Return on Investment (in %)	0.00%	0.00%	0.00%

Reasons for variance of more than 25% in above ratios

S.No.	Particulars	Variance	Reasons
1	Debt- Equity Ratio	Decrease	Decrease in borrowings and increase in total equity for the current year.
2	Debt Service Coverage Ratio	Decrease	Decrease in the earnings available and increase in the finance cost for the current year.
3	Return on Equity Ratio (in %)	Decrease	Increase in profit after tax is proportionately more than the increase in total equity.
4	Inventory Turnover Ratio	Decrease	
5	Trade Receivable Turnover Ratio	Decrease	Increase in the revenue from operation for the year.
6	Trade Payable Turnover Ratio	Decrease	Increase in the revenue from operation for the year.
7	Net Capital Turnover Ratio	Decrease	Increase in working capital is proportionately more than the increase in revenue from operations.
8	Net Profit Ratio (in %)	Decrease	
9	Return on Capital Employed (in %)	Decrease	Decrease in profit after tax is proportionately more than the increase in capital employed.

Components of Ratio

S.No.	Ratios	Numerator	Denominator	March 31st 2023		March 31st 2022	
				Numerator	Denominator	Numerator	Denominator
1	Current Ratio	Current Assets	Current Liabilities	14,27,203.15	11,24,411.10	13,38,341.21	11,83,909.89
2	Debt- Equity Ratio	Borrowings	Total Equity (Equity Share capital+Other equity)	55,125.16	3,31,288.58	65,075.82	1,84,998.02
3	Debt Service Coverage Ratio	Earnings available for debt service (Net profit before exceptional items & tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost + principle repayment of long term borrowings during the period/year	13,350.90	19,396.20	32,102.85	20,211.26
4	Return on Equity Ratio (in %)	Net profit after tax-Exceptional items	Average Total Equity [(Opening Equity Share capital + Opening Other equity + Closing Equity Share Capital + Closing Other Equity)/2]	3,404.58	2,58,143.30	10,905.28	1,46,361.45
5	Inventory Turnover Ratio	Revenue from sales of products	Average Inventory [(opening balance + closing balance)/2]	2,42,867.93	27,815.09	4,85,753.85	24,929.36
6	Trade Receivable Turnover Ratio	Revenue from operations	Average trade receivable [(Opening balance + closing balance)/2]	2,42,867.93	12,11,380.13	4,85,753.85	10,98,199.15
7	Trade Payable Turnover Ratio	Revenue from operations	Average trade payable [(Opening balance + closing balance)/2]	2,42,867.93	10,14,892.28	4,85,753.85	9,85,530.52
8	Net Capital Turnover Ratio	Revenue from operations	Working capital (Current asset-current liabilities)	2,42,867.93	3,02,792.05	4,85,753.85	1,54,431.32
9	Net Profit Ratio (in %)	Net profit after tax-Exceptional items	Revenue from operations	3,404.58	2,42,867.93	10,905.28	4,85,753.85
10	Return on Capital Employed (in %)	Profit Before interest, Tax & Exceptional item	Total Equity + Total Debts (including preference share liability)	(1,698.01)	1,96,261.52	18,121.34	1,94,212.18
11	Return on Investment (in %)	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank	-	-	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(in Rs '000')

39 Financial risk management

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

- (i) Market risk
 - (a) Interest rate risk;
- (ii) Credit risk and ;
- (iii) Liquidity risk

Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk . The Company's primary risk management focus is to minimize potential adverse effects of risks on its financial performance. The Company's risk management assessment policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management of these policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee are responsible for overseeing these policies and processes.

(i) Market risk

Market risk is the risk of changes in the market prices on account of foreign exchange rates, interest rates and Commodity prices, which shall affect the Company's income or the value of its holdings of its financial instruments . The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the returns.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to borrowings from banks and others.

Interest rate sensitivity - variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased /(decreased) equity and profit or loss by amounts shown below. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date.

Particulars	For the year ended 31st March 2023		For the year ended 31st March 2022	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
On account of Variable Rate on Loans and advances given	239.04	(239.04)	429.49	(429.49)
On account of Variable Rate on borrowings	(551.25)	551.25	(650.76)	650.76
Net impact on profitability	(312.22)	312.22	(221.27)	221.27

(ii) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from customer. The Company establishes an allowance for doubtful debts, impairment and expected credit loss that represents its estimate on expected credit loss.

A. Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer , including the default risk of the industry has an influence on credit risk assessment. Credit risk managed through credit approvals ,establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

However, the company doesnot expect any losses from non-performance by these counter-parties apart from those already given in financials, and does not have any significant concentration of exposures.

B. Cash and cash equivalents

The Company holds cash and cash equivalents with creditworthy banks of ₹22.51 thousands. The credit worthiness of such banks is evaluated by the management on an on-going basis and is considered to be good.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has been taking measures to ensure that the Company's cash flow from business borrowing is sufficient to meet the cash requirements for the Company's operations. The Company managing its liquidity needs by monitoring forecasted cash inflows and outflows in day to day business. Liquidity needs are monitor endonvarious time bands, on a day to day and week to week basis, as well as on the basis of a rolling 30 day projections. Net cash requirements are compared to available working capital facilities in order to determine head room or any shortfalls. Presently company's objective is to maintain sufficient cash to meet its operational liquidity requirements.

The below table summaries the maturity profile of the Company's financial liability

Particulars As at 31st March, 2023	Carrying amount	Contractual cash outflow				
		Total	1 year or less	1-2 year	2-5 years	> 5 years
Other financial liabilities	19,039.03	19,039.03	4,224.61	14,814.42	0.00	0.00
Other current liabilities	1,02,214.65	1,02,214.65	1,02,214.65	0.00	0.00	0.00

Particulars As at 31st March, 2022	Carrying amount	Contractual cash outflow				
		Total	1 year or less	1-2 year	2-5 years	> 5 years
Other financial liabilities	709.18	709.18	312.16	397.02	0.00	0.00
Other current liabilities	1,55,526.47	1,55,526.47	1,55,526.47	0.00	0.00	0.00

39 The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.

40 The Company has complied with number of layers of subsidiaries as prescribed under Section 186(1) of the Companies Act read with Companies (Restriction on number of layers) Rules, 2017.

41 The Company does not have transactions with the companies struck off under section 248 of Companies Act ,2013.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(in Rs '000')

- 42 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 43 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 44 The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 45 The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 46 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 47 The consolidated financial statements were approved for issue by the Board of Directors on 30th day of May, 2023.
- 48 Previous year's figures have been re-arranged or re- grouped wherever consider necessary.
- 49 Figures have been rounded off to the nearest thousand of rupees.
- 50 Figures in brackets indicate negative (-) figures.

Signed for the purpose of identification

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of
A F ENTERPRISES LIMITED

O. P. Pareek
Partner
Membership No. 014238
UDIN: 23014238BGXRRJ8749

Abhishek Singh
Director & CFO
DIN: 03603706

Santosh Kumar Kushwaha
Director
DIN: 02994228

New Delhi, the 17th day of June, 2023

Paval Sachdeva
Company Secretary



AF ENTERPRISES LTD.

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