



AF ENTERPRISES LTD.

CIN No.:L18100DL1983PLC016354

ANISO9001:2015 Certified Co.

Mfrs. of Plastic Moulded Components

Date: 03rd September, 2024

To,
The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai,
Maharashtra – 400001.

Scrip Code: 538351
BSE Symbol: AFEL

Subject: Compliance Under Regulation 34 Of The SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015- Annual Report For The Financial Year 2023-2024

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of the Company for the Financial Year 2023-2024, along with the Notice of Annual General Meeting (AGM) scheduled to be held on Wednesday, the 25th day of September, 2024 at 12.00 P.M. through Video Conferencing/Other Audio Visual Means (VC/OAVM).

The soft copies of the Annual Report are being dispatched today electronically to those Members whose email IDs are registered with the Company/Depositories and RTA of the Company as on cutoff date i.e. 30th August,2024. This is for your information and record.

Thanking you,
Yours Faithfully,

For **A F ENTERPRISES LIMITED**

SANTOSH KUMAR KUSHAWAHA
Digitally signed by
SANTOSH KUMAR
KUSHAWAHA
DN: cn=SANTOSH KUMAR
KUSHAWAHA, c=IN,
st=Haryana, o=Personal,
serialNumber=72008db8ad
cc290f4bdd7f43ed5c71281c
3515c63d1299bccc13c8bfe0
adcb9
Date: 2024.09.03 18:57:30
+05'30'

SANTOSH KUMAR KUSHAWAHA
(Managing Director)
DIN: 02994228

**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



41st
ANNUAL REPORT
2023-2024



AF ENTERPRISES LTD.

An ISO 9001:2015 Certified Co.

Manufacturers of Plastic Moulded Components

www.ridh.in

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.





A F ENTERPRISES LIMITED

ANNUAL REPORT 2023-24

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COMPANY INFORMATION

| | | |
|---|---|---|
| <p>BOARD OF DIRECTORS Managing Director Santosh Kumar Kushawaha Whole Time Director & CFO Abhishek Singh Non-Executive –Independent Director Tinku Kathuria Preeti Non-Executive - Non Independent Director Manishkumar Prafulbhai Mehta</p> <p>COMPANY SECRETARY & COMPLIANCE OFFICER Neha Srivastava</p> <p>BOARD COMMITTEES :-</p> <p>AUDIT COMMITTEES Tinku Kathuria-Chairperson Preeti- Member Abhishek Singh-Member</p> <p>NOMINATION & REMUNERATION COMMITTEE Preeti-Chairperson Tinku Kathuria- Member Manishkumar Prafulbhai Mehta- Member</p> | <p>STAKEHOLDERS & RELATIONSHIP COMMITTEE Tinku Kathuria-Chairperson Preeti- Member Santosh Kumar Kushawaha- Member</p> <p>RIGHT ISSUE COMMITTEE Santosh Kumar Kushawaha – Chairperson Abhishek Singh- Member Tinku Kathuria- Member</p> <p>BANKERS Kotak Mahindra Bank RBL Bank</p> <p>REGISTERED OFFICE H 15/18, Basement B Portion, West Patel Nagar, New Delhi-110008 Website: www.afenterprisesltd.in email:info.afenterprises@gmail.com, cs@ridh.in Ph. No.: +91-7428399452</p> <p>CORPORATE OFFICE: Plot No.8, Sector-5, Main Mathura Road, Faridabad, Haryana-121006 Website: www.ridh.in e-mail: info@ridh.in Ph. No.: 0129-2248111</p> | <p>Manufacturing Unit: Plot No. 8, Sector-5, Main Mathura Road, Faridabad, Haryana-121006 Website: www.ridh.in e-mail: info@ridh.in Ph. No.: 0129-2248111</p> <p>REGISTRAR & TRANSFER AGENT: Skyline Financial Services Pvt. Ltd. D-153A, 1st Floor, Okhla Industrial Area, New Delhi-110020 Ph.No.: 011-40450193-97 Website: www.skylinerta.com</p> <p>STATUTORY AUDITOR: (AFTER 01/09/2023) M/S S. AGARWAL & CO. 123, Vinobapuri, Lajpat Nagar-11, New Delhi-110024 e-mail: sagarwal1910@gmail.com Ph. No.: 09811823222</p> |
|---|---|---|

NOTICE OF THE 41ST ANNUAL GENERAL MEETING

NOTICE

NOTICE is hereby given that Forty-One Annual General Meeting (41st AGM) of the members of A F Enterprises Limited (CIN: L18100DL1983PLC016354) will be held on **Wednesday, September 25th, 2024** at **12:00 PM (IST)** through Video Conferencing / Other Audio Video Means (VC/ OAVM), to transact the following business:

ORDINARY BUSINESSES:

1. To receive, consider and adopt
 - (a) The Audited Standalone Financial Statements of the Company as on 31st March, 2024 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, 2024 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.

SPECIAL BUSINESSES:

3. **Appointment of Ms. Geetika Garg (DIN: 10643307) as an Independent Director 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 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors for appointment of Ms. Geetika Garg (DIN: 10643307) as an Additional Director in the capacity of an Independent Director of the Company w.e.f. August 29, 2024, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act and who holds office as such up to the date of ensuing Annual General Meeting, be and is hereby, appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a period of five years with effect from August 29, 2024 till August 28, 2029.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

4. **To alter the Articles of Association of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution**

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

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to such other approvals, consents, sanctions and permissions as may be necessary, the consent of the members of the Company be and is hereby accorded to deletion of the clause 13(i) proviso calls on shares of Article of Association of the company.

“Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.”

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Directors of the Company and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary or expedient in this regard.”

For AF Enterprises Limited

Date: 29-08-2024
Place: New Delhi

Sd/-
Neha Srivastava
Company Secretary &
Compliance Officer
M.No. 43927

NOTES:

1. In view of the Ministry of Corporate Affairs circulars May 05,2022 and 28-12-2022 & SEBI circular dated May 13,2022 and permitting holding of the Annual General Meeting (“AGM”) through Video conference (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue and in compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and earlier MCA Circulars, the ensuing AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. SINCE THE ENSUING AGM IS BEING HELD THROUGH VC / OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.**
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through his registered email address to cssumitbajaj@gmail.com with a copy marked to www.evoting.nsdl.com . The cutoff date to decide the eligibility of members to attend and vote at AGM is 18th September, 2024.
4. The relative Explanatory Statement pursuant to Regulation 36 (5) of SEBI Listing Regulation in respect to item no. 3 to 4 set out in the notice and pursuant to Section102(1) of The Companies Act, 2013 in respect to item number 3 to 4 are set out in the Notice is annexed hereto and form part of the Notice.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 19th September, 2024 to Wednesday, the 25th September, 2024 (Both days inclusive) for the purpose of Annual General Meeting.
6. Brief resume of Directors who are proposed to be appointed/ re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors are provided in the Corporate Governance Report forming part of the Annual/ Notice/ Directors Report. The details of appointment/re-appointment of retiring directors are given in Annexure ‘A’ is forming part of Notice for Annual General Meeting.
7. E voting facility will be available to all the shareholders of the Company.
8. Annual Report is available at website of the company i.e. www.afenterprisesltd.in
9. Members holding shares in physical mode are requested to communicate their change of postal address (enclose copy of Aadhar Card), e-mail address, if any, PAN (enclose self-attested copy of PAN Card) and Bank account details (enclose cancelled cheque leaf) quoting their folio numbers to the Registrar and Share Transfer Agent M/s Skyline Financial Services Pvt. Ltd.D-153A, 1st Floor, Okhla Industrial Area, New Delhi110020. Similarly, members holding shares in Demat form shall intimate the above details to their respective Depository Participants.

10. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, any other document which may be required to avail the tax treaty benefits by sending an email to info@skylinerta.com . The aforesaid declarations and documents need to be submitted by the shareholders on or before the end of business hours of 18th September, 2024.
11. Members who require any clarifications on accounts or operations of the Company are requested to write to the Company Secretary of the company at registered office of the company or by email at info.afenterprises@gmail.com so as to reach by 12th September, 2024 (5.00 pm IST). The queries will be answered accordingly.
12. Members who want to participate in discussion and express their views at AGM must lodge their request by 18th September, 2024, by 5.00 P.M. by post at registered office of the company or by email at info.afenterprises@gmail.com.
13. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated May 12, 2020, January 15, 2021, May 5, 2022, December, 28, 2022 and SEBI Circular dated May 13, 2022, Electronic copy of the Notice of the AGM along with the Annual Report 2023-2024 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-2024 will also be available on the Company's website www.afenterprisesltd.in and website of the BSE Limited at www.bseindia.com.
14. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. In case of Joint holders, the member whose name appears as First Holder in the order of names on the Register of Members of the Company will be entitled to vote.
15. Since the AGM will be held through VC/OAVM, the Route Map of the venue is not annexed to this Notice.
16. The results of the remote e-voting and e-voting during the Annual General Meeting will be announced by the Chairman or a person authorized by the Chairman within 2 days from the date of conclusion of the Annual General Meeting at the Registered office of the Company. A copy of which will be posted on the Company's website and forwarded to Stock Exchanges.
17. The Registers and documents maintained under the Act, which are eligible for inspection, will be available electronically for inspection by the members during the AGM.
18. 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. 18.09.2024, 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. 18.09.2024 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

19. Updation of Permanent Account Number (PAN)/ Bank Account Details of Members:

The Securities and Exchange Board of India (SEBI) vide its circular no.

SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has mandated registration of PAN and Bank Account Details for all security holders. Members holding Shares in physical form are therefore, requested to submit their PAN and Bank Account details to Share Transfer Agent of the Company along with self attested copy of PAN and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of Bank passbook/statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

20. Updation of Member's Details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company / Share Registrars and Transfer Agents to record additional details of members, including their PAN details, email address, bank details for payment of dividend etc. A form for compiling the additional details is appended in this Notice.

Members holding shares in physical form are requested to submit the filled in form to the Company or its Share Registrars and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants

21. SEBI has decided that securities of listed companies can be transferred only in dematerialized form, from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the EGM/AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the 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 AGM without restriction on account of first come first served basis.
4. 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.
5. 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 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 AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 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 Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com
7. EGM/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.

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

The remote e-voting period begins on Sunday, 22nd September, 2024 at 09:00 A.M. and ends on Tuesday, 24th September, 2024 at 5:00 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. 18th September, 2024, 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 18th September, 2024.

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.

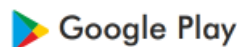
Login method for Individual shareholders holding securities in demat mode is given below:

| 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 |

NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

2. 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>
3. 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. NSDLand 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.
4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL

1. 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.
2. 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 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.
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.
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. |
| 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 (Name of NSDL Official) 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 (Company email id).
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 (Company email id). 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 EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/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 EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/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 EGM/AGM 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 The same will be replied by the company suitably.

For AF Enterprises Limited

Sd/-

Neha Srivastava

Company Secretary &

Compliance Officer

M.No. 43927

Date: 29-08-2024

Place: New Delhi

Item no. 3

The Board of Directors of the Company at its meeting held on August 29, 2024, appointed Ms. Geetika Garg (DIN: 10643307) as an Additional Director of the Company in the capacity of Independent Director for a term of 5 years with effect from August 29, 2024, subject to the approval of the Members of the Company. In terms of section 160 of the Companies Act, 2013, the Board Governance, Nomination and Remuneration Committee and the Board have recommended the appointment of Ms. Geetika Garg as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013.

The Company has also received a notice in writing from a member proposing the candidature of Ms. Geetika Garg to be appointed as Director of the Company. The Company has received a declaration from Ms. Geetika Garg confirming that she meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Ms. Geetika Garg's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Ms. Geetika Garg fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company and he is independent of the management. Considering Ms. Geetika Garg's knowledge and experience, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of five years with effect from August 29, 2024. Copy of letter of appointment of Ms. Geetika Garg setting out the terms and conditions of appointment is being made available for inspection by the members through electronic mode. Additional information in respect of Ms. Geetika Garg, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at Annexure A to this Notice.

Brief profile of Ms. Geetika Garg is given at Annexure A to this Notice. Except Ms. Geetika Garg, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No.3

Item no. 4

The Board of Directors of the Company proposes to alter the Articles of Association (AOA) by deleting the proviso under Clause 13(i) concerning calls on shares. The existing proviso in Clause 13(i) of the AOA reads as follows:

"Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call."

The proposed alteration aims to provide greater flexibility to the Company in making calls on shares. Under the existing proviso, the Company is restricted from making a call that exceeds one-fourth of the nominal value of the share or requiring payment of any call in less than one month from the date fixed for payment of the last preceding call. This restriction limits the Company's ability to manage its capital requirements effectively.

The deletion of this proviso will allow the Company to make calls on shares that exceed one-fourth of the nominal value or within a shorter timeframe, if necessary, subject to compliance with the applicable provisions of the Companies Act, 2013 and the Articles of Association. This flexibility is considered necessary to respond swiftly to the Company's financial needs and ensure more efficient capital management.

The Board of Directors recommends the resolution set out in Item No. 4 of the Notice as a Special Resolution for approval by the shareholders.

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

Details of Directors seeking appointment/re-appointment at the 41st Annual General Meeting to be held on September 25, 2024 [Pursuant to Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

| Name of the Director | Mr. Santosh Kumar Kushawaha | Ms. Geetika Garg |
|---|---|--|
| Date of Birth | 02/03/1987 | 17/10/1991 |
| Age | 37 Years | 32 Years |
| Date of appointment | 30.05.2019 | 29.08.2024 |
| Relationship with Directors and Key Managerial Personnel | No inter-se relationship between the directors | No inter-se relationship between the directors. |
| Expertise in specific functional area | He has more than a decade of experience in business development, financing deals, and corporate management. He also possesses strong leadership skills that contribute to the company's growth. | Having experience in the legal Sector, Secretarial and Compliance departments. she has been instrumental in managing corporate governance, ensuring compliance with regulatory requirements, and supporting the company's secretarial functions. |
| Qualification | Graduated | Graduated |
| Board Membership of other listed Companies as on March 31, 2024 | NA | NA |
| Chairmanships/Memberships of the Committees of other public limited companies as on March 31,2024 | Member in Stakeholder's Relationship Committee | NA |
| Number of equity shares held in the Company as at March 31, 2024 | 300000 | NA |

BOARD'S REPORT

To
The Members,

The Directors of the Company take pleasure in presenting the 41st 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 2024.

1. FINANCIAL SUMMARY & HIGHLIGHTS

(Amount in Thousands)

| Particulars | Consolidated Financial Results | | Standalone Financial Results | |
|--|--------------------------------|--------------------|------------------------------|--------------------|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Revenue From Operations | 85,013.85 | 2,42,867.93 | 85,013.85 | 2,41,847.93 |
| Other Income | 10,073.87 | 54,279.45 | 9,956.68 | 53,768.83 |
| Total Revenue | 95,087.72 | 2,97,147.38 | 94,970.53 | 2,95,616.83 |
| Cost of materials consumed | 38,450.32 | 76,075.45 | 38,450.32 | 76,075.45 |
| Purchase of Stock in Trade | 5,184.20 | 1,49,972.18 | 5,184.20 | 1,49,972.18 |
| Change in Inventories of Finished Goods, Stock in Trade and work in Progress | 165.25 | 718.80 | 115.15 | 718.80 |
| Operating Expenses | 8,850.78 | 9,561.13 | 8,850.78 | 9,561.13 |
| Employee Benefit Expense | 3,229.83 | 19,051.20 | 3,229.83 | 13,108.72 |
| Finance Cost | 1,835.26 | 2,611.56 | 1,692.36 | 1,850.81 |
| Depreciation and Amortization Expenses | 11,112.83 | 12,544.99 | 11,010.14 | 12,296.92 |
| Other Expenses | 37,064.31 | 30,921.64 | 36,035.24 | 27,124.88 |
| Total Expenses | 1,05,892.78 | 3,01,456.95 | 1,04,838.02 | 2,90,708.89 |
| Profit/ (Loss) before exceptional items and tax. | (10,805.06) | (4,309.57) | (9,86.49) | 4,907.87 |
| Exceptional Items | 10,000 | 13,075.00 | 10,000 | 13,075.00 |
| Profit/ (Loss) before Tax | (805.06) | 8,765.43 | 132.51 | 17,982.87 |
| Tax Expense | 2577.46 | 5360.85 | 2,342.41 | (7662.82) |
| Profit for the Year | 1,772.4 | 14,126.28 | 2,474.93 | 10,320.05 |
| Other Comprehensive Income | 44.02 | 108.88 | 44.02 | 108.88 |
| Total Comprehensive Income | 1,816.42 | 14,235.16 | 2,518.95 | 10,428.93 |

2. OPERATIONAL HIGHLIGHTS

During the financial year under review, the company experienced a significant decrease in total revenue. On a consolidated basis, total revenue declined from ₹242,867.93 thousand in FY 2022-23 to ₹85,013.85 thousand in FY 2023-24. Similarly, on a standalone basis, total revenue decreased from ₹241,847.93 thousand in FY 2022-23 to ₹85,013.85 thousand in FY 2023-24.

The net profit also saws a notable decline. On a consolidated basis, net profit decreased from ₹ 3,404.58

thousand in FY 2022-23 to ₹1,772.40 thousand in FY 2023-24. On a standalone basis, net profit fell from ₹10,320.05 thousand in FY 2022-23 to ₹2,474.93 thousand in FY 2023-24.

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 2023-2024. 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, 2024 stood at Rs.41,00,00,000/- divided into 41,00,00,00 equity shares of Rs. 10/- each. The Paid up Equity Share Capital as at March 31, 2024 stood at Rs.14,11,36,360/-divided into1,41,13,636 equity shares of Rs.10/-each fully paid.

The Company's Authorized Share capital stood at 41,00,00,000 divided into 41,00,00,00 equity shares of Rs. 10/- each.

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. Annexure-VII

10. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED

During the financial year 2023-24, 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. 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 FormAOC-1ist 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. The 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, 2024 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, 2024; 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.

| Sr. 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. | Ms. Preeti | Independent Director | 09662113 | 02.09.2022 | 02.09.2022 | 31-08-2024 |
| 5. | Mr. Manishkumar Prafulbhai Mehta | Non-Executive Director | 07656957 | 03.09.2023 | 03.09.2023 | - |

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

1. Mr. Manishkumar Prafulbhai Mehta appointed as Non-Executive Director w.e.f 03.09.2023
2. Ms. Payal Sachdeva the Company Secretary of the Company had resigned during the financial year 2023-2024 w.e.f. 14th November,2023
3. Mr. Vikram Sharma has resigned as Non- Executive Director on 30.05.2023.
4. Ms. Neha Srivastava appointed as a Company Secretary of the company with effect from 19.03.2024.

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

11.1 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.

11.2 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.

11.3 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) 2023-24 | Remuneration in Consideration | Resignation Dated |
|----------------------------------|--|---------------------------------|-------------------------------|-------------------|
| Mr. Santosh Kumar Kushawaha | Managing Director | 00 | - | - |
| Mr. Abhishek Singh | CFO | 6 | - | - |
| Mr. Tinku Kathuria | Non-Executive Independent Director | 00 | - | - |
| Mrs. Preeti | Non-Executive Independent Director | 00 | - | 31-08-2024 |
| Mr. Manishkumar Prafulbhai Mehta | Non-Executive Non-Independent Director | 00 | -- | - |
| Mrs. Neha Srivastav | Company Secretary | 7.13 | - | - |

21. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the company confirm that;

- In the preparation of the annual accounts, the applicable accounting standards had been followed and there is no material departures;
- 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;
- 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;
- They had prepared the annual accounts on a going concern basis;
- 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.
- 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 is 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/s CAAN& Associates a Chartered Accountant 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

The Company complies with the Secretarial Standard on Meetings of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) whenever it has applicable. The 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

22.1 STATUTORY AUDITORS

Pursuant to the provisions of section 139(8) of the Companies Act, 2013 and rules frame thereunder M/s. S. Agarwal & Co., Chartered Accountants (FRN: 000808N), were appointed as a 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.

22.2 AUDITOR'S REPORT

The Auditor's Report for financial year ended March 31, 2024, 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.

22.3 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, 2024.

The Secretarial Audit Report does contain qualification, reservation of adverse remark.

The report of the Secretarial Auditor is given in “**Annexure-I**”.

Management Response on Auditor's Observation:

The management has responded on the matters that: The management takes all tax-related matters seriously and ensures full compliance with the applicable laws and regulations. In instances where there are disputes or demands raised by the tax authorities, we engage top-tier legal and tax experts to assess and address these issues. We believe that the Company has a strong case in all such matters, and we remain committed to defending the interests of the Company vigorously. We are optimistic that all outstanding issues will be resolved favorably and that they will not have any significant impact on the Company's financial health or operations.

22.4 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 2023-2024, 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, 2024. 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.

22.5 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.

22.6 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 equipment:- 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 | Nil | -- |
| Foreign Exchange Earning | Nil | 13482.30 |

29. 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

The 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

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

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

-There is liability of Rs. 542.00 Lakhs on account of Demand from the GST Department, our Company has filed an appeal with higher authority(ies) which is under process.

-In the matter of M/s. Findoc Finvest Pvt Ltd (Petitioner) and M/s. AF Enterprises Limited (Respondent) under Section 7 of the Insolvency and Bankruptcy Code, 2016, before the National Company Law Tribunal (NCLT) at New Delhi concerning an amount of Rs 210.00 Lakhs. M/S Findoc Finvest Pvt Ltd sanctioned a loan of Rs 500 lakhs to M/S AF Enterprises Limited, but the sanctioned amount has not been fully disbursed. Consequently, M/S AF Enterprises Limited has not been able to complete its project due to a shortage of funds.

Litigation involving Tax Liabilities

| Sr. No. | Section Code | Date of demand raised | Demand Reference No. | Assessment Year | Outstanding Demand Amount | Accrued Interest | Outstanding Demand Amount |
|---------|--------------|-----------------------|----------------------|-----------------|---------------------------|------------------|---------------------------|
|---------|--------------|-----------------------|----------------------|-----------------|---------------------------|------------------|---------------------------|

| | | | | | | | |
|---|------------------|------------|--------------------------|------|-------------|-----------|-------------|
| 1 | U/s 154 | 17/03/2024 | 202320174041587117 0C | 2017 | 37,92,477 | - | 37,92,477 |
| 2 | U/s143(1)(a) | 01/05/2020 | 202020193700217821 5C | 2019 | 9,60,250 | 1,82,438 | 11,42,688 |
| 3 | U/s143(3) | 28/03/2024 | 202320223724654737 5C | 2022 | 13,5,21,170 | 20,28,165 | 1,55,49,335 |
| 4 | U/s143(1)(a) | 30/04/2024 | 202420233724726903 2C | 2023 | 25,73,510 | 51,470 | 26,24,980 |

34. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors duly met 09 times during the year i.e.

- 30.05.2023
- 18.06.2023
- 14.08.2023
- 28.08.2023
- 03.09.2023
- 14.11.2023
- 27.01.2024
- 14.02.2024
- 19.03.2024

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),
- Ms. Preeti (Member, Independent Director) and
- Mr. Abhishek Singh (Member, Executive Director)

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 **Five (5)** Audit Committee Meetings were held;

- 30.05.2023
- 18.06.2023
- 03.09.2023
- 14.11.2023
- 14.02.2024

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:

- Ms. Preeti (Independent Director & Chairperson)
- Mr. Tinku Kathuria (Member, Independent Director)
- Mr. Vikram Sharma (Member, Non- Executive Director), Resigned on 30.05.2023
- Mr. Manishkumar Prafulbhai Mehta (Member, Non-Executive - Non Independent Director) Appointed on 03-09-2023

During the year (04) Nomination and Remuneration Committee Meeting was held on;

- 30.05.2023
- 03.09.2023
- 14.11.2023
- 19.03.2024

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 redressed of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices /annual reports, etc.

The Committee comprises of:

- Mr. Tinku Kathuria (Independent Director& Chairman) and
- Ms. Preeti (Member, Independent Director)
- Mr. Santosh Kumar Kushawaha (Member, Executive Director).
- Mr. Vikram Sharma (Member, Non-Executive Director) Resigned on 30.05.2023

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 (03) Stakeholders & Relationship Committee Meeting was held on;

- 30.05.2023
- 14.11.2023
- 27.01.2024

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. 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.

39. 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.

40. 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**.

41. 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.

42. 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.

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

**Date: 29/08/2024
Place: Delhi**

**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 31/03/2024**

[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
H 15/18, Basement B Portion, West Patel Nagar,
New Delhi, Delhi, 110008

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, 2024 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, 2024 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; *the Board of Directors of the Company in their meeting held on Saturday, January 27, 2024 has, inter alia, considered the Lapsing of 50,00,000 share warrant at Rs. 101/- (Face value Rs. 10/- including Rs. 91/- premium per warrant) aggregating to Rs. 50,50,00,000/- (Rupees Fifty Crores Fifty Lakhs Only) Fully Convertible Warrants (“Warrants”) on 12th July, 2022, due to non- exercise of option to convert warrants into equity shares within the stipulated eighteen-month period from the date of allotment. Warrants have been forfeited by the company due to non-exercise of Warrants within the Warrant Exercise Period date on 11th January, 2024.*
 - 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.

Observation remarks:

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

- i) There is liability of Rs. 542.00 Lakhs on account of Demand from the GST Department, our Company has filed an appeal with higher authority(ies) which is under process.
- ii) In the matter of M/s. Findoc Finvest Pvt Ltd (Petitioner) and M/s. AF Enterprises Limited (Respondent) under Section 7 of the Insolvency and Bankruptcy Code, 2016, before the National Company Law Tribunal (NCLT) at New Delhi concerning an amount of Rs 210.00 Lakhs. M/S Findoc Finvest Pvt Ltd sanctioned a loan of Rs 500 lakhs to M/S AF Enterprises Limited, but the sanctioned amount has not been fully disbursed. Consequently, M/S AF Enterprises Limited has not been able to complete its project due to a shortage of funds.

Litigation involving Tax Liabilities

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

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

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.

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, 2024 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.

We further report that during the audit period there was no other event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards.

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

**Date: 29-08-2024
Place: New Delhi
UDIN: A045042F001068867**

**Sd/-
CS Sumit Bajaj
(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-IA forming part of an integral.*

To,

The Members,
A.F Enterprises Limited
H 15/18, Basement B Portion, West Patel Nagar,
New Delhi, Delhi, 110008

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: 29-08-2024
Place: New Delhi
UDIN: A045042F001068867

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

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.

| Sr. 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 | 10,00,000 |
| 5. | Reserves & surplus | (2,44,621.90) |
| 6. | Total assets | 23,73370.61 |
| 7. | Total Liabilities | 25,17,992.51 |
| 8. | Investments | 0 |
| 9. | Turnover | 0 |
| 10. | Profit before taxation | 93,75,740.00 |
| 11. | Provision for taxation | 0 |
| 12. | Profit after taxation | (70,25,060) |
| 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.

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

**Date: 29/08/2024
Place: Delhi**

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

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

FORM NO. AOC-2

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

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

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 | -- | -- | -- | 6 |
| RDS Corporate Services private Limited | Loan | -- | -- | -- | 57.78 |
| Mr. Santosh Kumar Kushawaha | Loan | -- | -- | -- | 00 |
| Mr. Santosh Kumar Kushawaha | Remuneration | -- | -- | -- | 00 |
| SNP Infosolutions LLP | Advanced Received | -- | -- | -- | 1.95 |
| Mr. Tinku Kathuria | Sitting Fee | -- | -- | -- | .47 |
| Mr. Prateek Kumar | Sitting Fee | -- | -- | -- | .45 |

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

**Date: 29/08/2024
Place: Delhi**

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

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

PARTICULARS OF EMPLOYEES

Information required with respect to Section 197(12) of the Companies Act, 2013 Read With Rule 5(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 |
|-----------------------|-----------------------|--|-------------------------------------|
| Mr. Abhishek Singh | 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,2024.
 (iv) During the Year 2023-24, 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.

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

**Date: 29/08/2024
Place: Delhi**

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

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

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.

For AF Enterprises Limited

Date:28-08-2024
Place Delhi

Sd/-
Abhishek Singh
Director
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, 2024.

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 is defined by the Board and are in accordance with in the SEBI Listing Regulations.

ATTENDANCE OF THE DIRECTORS AT THE MEETINGS

The Board of Directors duly met 09 times during the year i.e.

- 30.05.2023
- 18.06.2023
- 14.08.2023
- 28.08.2023
- 03.09.2023
- 14.11.2023
- 27.01.2024
- 14.02.2024
- 19.03.2024

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 30.09.2023 | 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 | 9 | Yes | 1 | 0 | 0 | 300000 |
| Mr. Tinku Kathuria | Non-Executive Independent | 9 | Yes | 0 | 0 | 0 | 0 |
| Ms. Preeti | Independent Director | 6 | Yes | 1 | 0 | 1 | 0 |
| Mr. Manishkumar Prafulbhai Mehta | Non-Executive - Non Independent Director | 9 | Yes | 1 | 0 | 0 | 0 |

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 brings 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. Manishkumar Prafulbhai Mehta | -- | -- | Project Set Up, General Management |
| Ms. Preeti | -Kotia Enterprises Limited -Vintage Coffee And Beverages Limited -Artificial Electronics Intelligent Material Limited -Rajnish Wellness Limited -Elitecon International Limited | Director Director Director Director Director | Secretarial Compliances. |

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 Five times during the year i.e

- 30.05.2023
- 18.06.2023
- 03.09.2023
- 14.11.2023
- 14.02.2024

In 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, four meetings were held on ;

- 30.05.2023
- 03.09.2023
- 14.11.2023
- 19.03.2024

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. Manishkumar Prafulbhai Mehta | Non-Executive - Non Independent Director | Member |
| 4. | Mr. Vikram Sharma | Non- Executive Director | Member |

*Mr. Vikram Sharma (Member, Non- Executive Director), Resigned on 30.05.2023

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 is 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 | - | -- | - |
| Mr. Vikram Sharma* | - | -- | -- |

| | | | |
|--------------------|---|-------|-------|
| Mr. Tinku Kathuria | - | 47700 | 47700 |
| Ms. Preeti | - | 45900 | 45900 |

*Mr. Vikram Sharma (Member, Non- Executive Director), Resigned on 30.05.2023

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, Three (3) meetings were held on;

- 30.05.2023
- 14.11.2023
- 27.01.2024

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 |
|-----------------------------|--|-------------|----------------------------|----------------------------|--------------------------|
| Mrs. Preeti | 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 |
| Mr. Vikram Sharma | Non- Executive Director | Member | 0 | 0 | 0 |

*Mr. Vikram Sharma (Member, Non- Executive Director), Resigned on 30.05.2023

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 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

The Company's Last AGM (40th AGM) of the Financial Year 2022-23 was held on 29th September, 2023 through Video Conferencing

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 2023-2024

| Particulars | Nos. |
|--|------|
| Complaints pending as on April 1, 2023 | Nil |
| Complaints received during the year ended March 31, 2024 | Nil |
| Complaints resolved during the year ended March 31, 2024 | Nil |
| Complaints pending as on March 31, 2024 | Nil |

Name, designation and e-mail address of Compliance Officer

Ms. Neha Srivastava

Company Secretary & Compliance Officer

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->

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 31.03.2024.

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 25, 2024 (Wednesday) |
| 2. | Financial Year | April 1, 2023 to March 31, 2024 |
| 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 2023-24 |
| 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 |
| 10. | Dematerialization of shares and liquidity | The company has an agreement with M/s Skyline Financial Services Private Limited for dematerialization of shares |
| 11. | Outstanding GDR or ADR or warrants or any | we wish to inform you that the Board of Directors of the Company in their meeting held on <i>Saturday, January 27, 2024 has, inter alia, considered the Lapsing of 50,00,000 share warrant at Rs. 101/- (Face value Rs. 10/- including Rs. 91/- premium per warrant) aggregating to Rs. 50,50,00,000/- (Rupees Fifty Crores Fifty Lakhs Only) Fully Convertible Warrants (“Warrants”) on 12th July, 2022</i> , due to non- exercise of option to convert warrants into equity shares within the stipulated eighteen-month period from the date of allotment. Warrants have been forfeited by the company due to non-exercise of Warrants within the Warrant Exercise Period date on 11 th January, 2024. |
| 12. | Plant Locations | Plot No. 8, Sector-5, Main Mathura Road, Faridabad, Haryana-121006 |
| 13. | Corporate Secretarial/Investors’ Assistance Department | Secretarial Department headed by Ms. Neha Srivastava, Company Secretary of the Company |

Market Price Data

Market Price Data for the period April 1, 2023 to March 31, 2024: The monthly high and low prices are as under:

| Period | High | Low |
|----------------|-------|-------|
| April 2023 | 15.20 | 12.50 |
| May 2023 | 15.95 | 9.70 |
| June 2023 | 13.49 | 7.56 |
| July 2023 | 8.49 | 6.84 |
| August 2023 | 8.19 | 5.60 |
| September 2023 | 6.22 | 4.61 |
| October 2023 | 5.35 | 4.30 |
| November 2023 | 4.90 | 4.33 |
| December 2023 | 6.06 | 4.67 |
| January 2024 | 8.47 | 4.82 |
| February 2024 | 10.86 | 6.25 |
| March 2024 | 7.01 | 5.35 |

Distribution of shareholding as on 31st March 2024 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 2023-24 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.

Categories of Shareholders as on 31 March, 2024

| Sr. No. | 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 | 31 | 1103570 | 7.82 |
| b | Individual shareholders holding nominal share capital up to Rs. 2 Lacs | 7235 | 5865875 | 41.56 |
| c | Individual shareholders holding nominal share capital in excess of Rs. 2 Lacs | 101 | 5426191 | 38.45 |
| d | Directors | 1 | 300000 | 2.13 |
| e | NRI | 7 | 24149 | 0.17 |
| f | Resident Indian HUF | 95 | 457411 | 3.24 |
| g | Firms | 5 | 128500 | 0.91 |
| h | Clearing Member | - | - | - |
| | Sub Total (B)(1) + (B)(2) | 7476 | 13306036 | 94.28 |
| | Total Public Shareholding (B)= (B)(1)+(B)(2) + B(3) +B(4) | 7476 | 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.

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 INE820M01018. As on March 31, 2024, the Company's total shares representing 5897633 equity shares were held in dematerialized form with NSDL & 8080273 with CDSL.

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, 2024. The transactions with related parties for the year ended 31st March, 2024 have been disclosed in Notes of the Annual Report and disclosures on the Related party transaction for the half year ended 30th September, 2023 have been submitted to BSE respectively and for the half-year ended 31st March, 2024 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, 2024 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 2023-24 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 2023-24.

(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. Neha Srivastava, 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. 2023-24.

(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 2023-2024

(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, 2024, was placed before the Board of Directors of the Company in its Meeting held on August 28, 2024.

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 2023-2024 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 2023-2024.

(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

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

**Date: 29/08/2024
Place: Delhi**

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

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

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,
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, 2024.

We state that in respect of Investor Grievances received during the year ended 31st March 2024, 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: 29-08-2024
Place: New Delhi
UDIN: A045042F001068768**

**Sd/-
CS Sumit Bajaj
(Proprietor)
C. P. No: 23948
M. No.: 45042**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
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, 2024 viz.

| Sl. 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. | Manishkumar Prafulbhai Mehta | 07656957 | 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, 2024, 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: 29-08-2024
Place: New Delhi
UDIN: A045042F001068900

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

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 realized. 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

The financial year 2023-2024 presented a mixed landscape for the global plastic industry. The sector faced several challenges, including volatile raw material prices and shifting regulatory environments, while also benefiting from strong demand across various applications.

- 1. Raw Material Volatility:** The year saw significant volatility in the prices of key raw materials such as Polypropylene (PP) and Polyethylene (PE). Prices fluctuated by over 30% due to supply chain disruptions, geopolitical tensions, and fluctuating crude oil prices. These price swings put pressure on profit margins for many plastic manufacturers, particularly those heavily dependent on these materials.
- 2. Regulatory Changes and Environmental Pressures:** Governments across the globe continued to tighten regulations on plastic production and waste management in response to growing environmental concerns. There was increased emphasis on reducing single-use plastics and enhancing recycling efforts. Companies in the industry had to navigate evolving regulatory frameworks, which demanded more sustainable practices and greater transparency.
- 3. Demand Fluctuations:** Despite these challenges, demand for plastic products remained robust, particularly in sectors such as packaging, automotive, and construction. The packaging industry, in particular, continued to grow due to increased consumer demand for packaged goods and e-commerce. However, the automotive sector's demand for plastics was affected by global semiconductor shortages and supply chain issues.
- 4. Technological Advancements and Sustainability Initiatives:** Many companies in the plastic industry invested in research and development to create more sustainable products and processes. Innovations included the development of biodegradable plastics, increased use of recycled materials, and advancements in chemical recycling technologies. These efforts were aimed at reducing the environmental footprint of plastic products and aligning with global sustainability goals.
- 5. Market Dynamics:** Emerging markets like India, Vietnam, and Mexico showed strong growth in the plastic industry, fueled by increasing industrialization and rising foreign investment. In

contrast, mature markets like Europe and North America saw slower growth due to regulatory pressures and a shift towards sustainability.

6. Financial Performance: The financial performance of plastic companies varied widely. While some companies struggled with shrinking margins due to high raw material costs and compliance costs, others capitalized on strong demand and technological advancements to achieve growth. Companies that successfully adapted to the evolving regulatory landscape and invested in sustainable practices generally fared better.

7. Outlook: Looking ahead, the plastic industry is expected to continue facing challenges related to raw material volatility, regulatory changes, and environmental pressures. However, opportunities exist for companies that invest in innovation and sustainability. The industry is likely to see a shift towards more sustainable practices, driven by both regulatory requirements and consumer demand for environmentally friendly products.

Indian Economic Overview

India is the third largest economy in the world after US and China in terms of purchasing power parity. It ranked fifth in terms of market exchange rates. According to high frequency indicators, the Indian economy is maintaining the same momentum it had in the first half of the year even in the face of many upgrades for 2023–24 and 2024–25 by multilateral agencies. Companies in the oil and gas industry made up the largest portion of the profit gain overall, aided by higher marketing margins. The announcements made in the Interim Union Budget 2024–25 align with the goal of "Viksit Bharat," which is to create a prosperous nation that is in harmony with the environment, has access to modern infrastructure, and offers chances for all of its residents and regions to realise their full potential. The capital expenditure push, particularly on roads and railroads, has persisted in order to maintain the economic growth pace.

Key performance indicators of the Company are given below:

- There was a decrease in the company's gross turnover to ₹85,013.85 thousand in FY 2023-24, down from ₹241,847.93 thousand in FY 2022-23.
- The total EBITDA decreased significantly to ₹132.51 thousand in FY 2023-24 from ₹17,982.87 thousand in FY 2022-23.
- The net profit also saw a decline, decreasing to ₹2,474.93 thousand in FY 2023-24 from ₹10,320.05 thousand in FY 2022-23.

The year was marked by significant volatility, with key raw material prices, particularly Polypropylene and Polyethylene, experiencing fluctuations of over 20%.

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 are 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

The directors of the company 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.

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

**Date: 29/08/2024
Place: Delhi**

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

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



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF A F Enterprises Limited

Opinion

We have audited the accompanying Standalone financial statements of **A F Enterprises Limited** (*the company*), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including the statement of other comprehensive income, the Cash flow statement and the Statement of change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2024 and its profit/(loss) (including Other Comprehensive Income), its 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 together with the ethical requirements that are relevant to our audit of the Ind AS Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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

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



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 Board's Report including Annexures to Board's Report, but does not include the Standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the 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.

Responsibilities of Management and Those Charged with Governance 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 Ind AS Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

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

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

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



Auditor's Responsibilities for the audit of the Standalone financial statements

Our objectives are to obtain 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 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 Standalone financial statements.

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

- Identify and assess the risks of material misstatement of the 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

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



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

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.
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 purpose 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, except for the matters stated in the paragraph below Clause h(iv), on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
 - c. The Balance Sheet and the Statement of Profit and Loss including other comprehensive income, the Cash Flow statement and the statement of changes in equity 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 ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time
 - e. On the basis of written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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**"; and
 - g. The provision of section 197 read with Schedule V to the Act regarding managerial remuneration have been complied by the company
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts 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 the Company.
- iv. Based on our examination which included test checks and information given to us, the Company has used accounting softwares for maintaining its books of account, which did not have a feature of recording audit trail (edit log) facility throughout the year for all relevant transactions recorded in the respective softwares, hence we are unable to comment on audit trail feature of the said software
- v. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph above on reporting under section 143(3)(b) of the Act and paragraph above on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014

For S. Agarwal & Co.
Chartered Accountants
FRN: 000808N



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

Place: New Delhi
Date: 29.05.2024
UDIN: 24012103BKDHNT6092



"Annexure A" to the Independent Auditors' Report
(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Standalone financial statements of the Company for the year ended March 31, 2024)

Annexure - A to the Auditors' Report

The Annexure A referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2024, we report that:

- 1) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of 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) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such 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) The company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 2) (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) The company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- 3) 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, during the year amounting to Rs. 9367.00 thousand and outstanding balance of such loan as at 31March is Rs. 30281.68 thousand

(b) As in respect of the above-mentioned loans neither confirmation from parties nor Loan agreements are available on record hence, we are unable to comment whether their terms and conditions are prejudicial to the company's interest or not.

(c) In absence of confirmation from parties and existence of loan agreements we are unable to comment on the existence of schedule of repayment of principal and payment of interest and whether the repayments or receipts are regular.

(d) In absence of confirmation from parties and existence of loan agreements we are unable to comment on whether any amount in respect of such loans is overdue or not.

(e) In absence of confirmation from parties and existence of loan agreements we are unable to comment on whether out of the above-mentioned loans granted any loans that have fallen due during the year, have been renewed or extended or fresh loans have been granted to settle the overdue of existing loans given to the same parties.

(f) In absence of confirmation from parties and existence of loan agreements we are unable to comment on whether they are repayable on demand, about the terms and period of repayment in respect of the entire amount of loan.

4) 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, in absence of any agreement or term of loans provided to us by the company, we are unable to comment whether the provisions of Sec 185 are applicable to the company and whether the company has complied with them or not or not

5) As per the provisions of Section 73 and 76 the company does not have nor has accepted any deposit during the year.

6) The maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act is not applicable on the Company.

7) (a)The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, value added tax, cess and any other statutory dues to the appropriate authorities and there are no arrears of 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 | 1768.17 |
| Tax collected at source under the Income tax Act | 250.17 |



| | |
|---------------------------|--------|
| Employee's provident fund | 346.32 |
| Employer's provident fund | 403.10 |
| Employee' ESI Payable | 5.74 |
| Labor welfare fund | 92.70 |

(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

| Nature of Dues | Period | Amount involved (Rs Forum where dispute in '000') | Forum where dispute is pending |
|----------------|-------------|---|--------------------------------|
| Income Tax | A.Y 2017-18 | 1916.26 | ITAT, New Delhi |

8) There are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(9) (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 | Remarks, if Any |
|---------------------|----------------|--------------------------------|-------------------------------|-----------------------|
| Car Loan | Axis Bank | 539.73 | Principal | Unpaid since Jan 2020 |
| | | 171.03 | Interest | |

(b) The company has not been declared willful defaulter by any bank or financial institution or other lender;

(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) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) therefore clause relating to diversion of said funds is not applicable.

(b) The company has not made any preferential allotment or private placement of shares or



convertible debentures (fully, partially or optionally convertible) during the year.

- 11) (a) No fraud by the company or fraud on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) No whistle-blower complaints, have been, received during the year by the company;
- 12) The Company is not a Nidhi Company defined under section 406 of Companies Act 2013
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- 14) (a) The company has an internal audit system commensurate with the size and nature of its business;
- (b) The reports of the Internal Auditors for the period under audit were considered by the us.
- 15) The company has not entered into any non-cash transactions with directors or persons connected with him.
- 16) (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 is 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.
- 17) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- 18) There has been resignation of the statutory auditors during the year. We have adequately communicated with the outgoing auditors and no material issues, objections or concerns raised by the them.
- 19) 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 Standalone financial statements , the auditor's knowledge of the Board of Directors and management plans, there is no material uncertainty on the date of the audit report that company is



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.

- 20) Provisions of section 135 of the Companies Act 2013 relating to CSR activities regarding are not applicable on the Company
- 21) Reporting on any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated Standalone financial statements is not applicable in case of standalone financial statements

Place: New Delhi
Date: 29.05.2024
UDIN: 24012103BKDHNT6092

For S. Agarwal & Co.
Chartered Accountants
FRN: 000808N


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



"Annexure B" to the Independent Auditors' Report

(Referred to in paragraph 2(f) of the independent auditor's report of even date on the Standalone financial statements of the company for the year ended March 31, 2024.)

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

We have audited the internal financial controls over financial reporting of **A F Enterprises Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing



the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. Agarwal & Co.
Chartered Accountants
FRN: 000808N



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

Place: New Delhi
Date: 29.05.2024
UDIN: 24012103BKDHNT6092



A F ENTERPRISES LIMITED
CIN : L18100DL1983PLC016354
Standalone Balance Sheet as at 31st March 2024

(Amt. in 000's)

| Notes | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Non- current assets | | |
| Property, plant and equipment | 3 41,802.93 | 52,755.61 |
| Financial assets | | |
| Investments | 4 12,347.00 | 9,527.00 |
| Loans | 5 30,281.68 | 23,503.60 |
| Other non current assets | 6 2,568.22 | 6,054.52 |
| Current Assets | | |
| Inventories | 7 15,314.42 | 15,760.76 |
| Financial assets | | |
| Trade receivables | 8 9,41,401.13 | 10,62,809.63 |
| Cash and cash equivalents | 9 7,387.68 | 5,751.75 |
| Loans | 10 - | 400.00 |
| Other current assets | 11 54,059.18 | 1,07,128.60 |
| Total | 11,05,162.24 | 12,83,691.47 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 12 1,41,136.36 | 1,41,136.36 |
| Other equity | 13 1,98,740.18 | 1,96,221.20 |
| Liabilities | | |
| Non- current liabilities | | |
| Financial liabilities | | |
| Borrowings | 14 44,530.37 | 42,256.79 |
| Other financial liabilities | 15 10,203.17 | 14,814.42 |
| Provisions | 16 171.16 | 164.74 |
| Deferred tax liabilities | 17 3,678.80 | 3,784.64 |
| Current liabilities | | |
| Financial liabilities | | |
| Trade payables | 18 | |
| Outstanding dues to micro enterprises and small enterprises | 645.63 | 720.84 |
| Outstanding dues of creditors other than micro enterprises and small enterprises | 6,09,526.39 | 7,75,750.85 |
| Other financial liabilities | 19 4,860.77 | 4,224.61 |
| Other current liabilities | 20 90,312.23 | 92,958.44 |
| Provisions | 21 0.47 | 0.50 |
| Current tax liabilities (net) | 1,356.71 | 11,658.08 |
| Total | 11,05,162.24 | 12,83,691.47 |
| 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 S Agarwal & Co,
Chartered Accountants
Firm Regn. No. 000808N

CA S.N. Agarwal 
Partner
Membership No. 012103
UDIN:

For A F ENTERPRISES LIMITED


DIRECTOR
Abhishek Singh
Director & CFO
DIN: 03603706

For A F ENTERPRISES LIMITED


DIRECTOR
Santosh Kumar Kushawaha
Managing Director
DIN: 02994228

For A F ENTERPRISES LIMITED


COMPANY SECRETARY
Neha Srivastava
Company Secretary
PAN:- EETPS5130A

Faridabad, the 29th day of May 2024



A F ENTERPRISES LIMITED
CIN : L18100DL1983PLC016354
Standalone Statement of Profit and Loss for the year ended on 31st March 2024

(Amt. in 000's)

| Notes | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|---|--|--|
| REVENUE | | |
| Revenue from operations | 85,013.85 | 2,41,847.93 |
| Other income | 9,956.68 | 53,768.83 |
| Total revenue (I) | 94,970.53 | 2,95,616.76 |
| EXPENSES | | |
| Cost of materials consumed | 38,450.32 | 76,075.45 |
| Purchase of stock in trade | 5,184.20 | 1,49,972.18 |
| Changes in inventories of stock in trade | 115.15 | 718.80 |
| Operating costs | 8,850.78 | 9,561.13 |
| Employee benefits expense | 3,229.83 | 13,108.72 |
| Finance cost | 1,692.36 | 1,850.81 |
| Depreciation expenses | 11,010.14 | 12,296.92 |
| Other expenses | 36,305.24 | 27,124.88 |
| Total expenses (II) | 1,04,838.02 | 2,90,708.89 |
| Profit/ (loss) before exceptional items and tax (I-II) | (9,867.49) | 4,907.87 |
| Exceptional items | 10,000.00 | 13,075.00 |
| Profit/ (loss) before tax | 132.51 | 17,982.87 |
| Tax expense | | |
| Current tax | 2,221.77 | (6,764.20) |
| Deferred tax | 120.64 | (898.62) |
| Profit/ (loss) after tax (III) | 2,474.93 | 10,320.05 |
| OTHER COMPREHENSIVE INCOME | | |
| (i) Items that will not be reclassified to profit or loss | 39 | 58.83 |
| A. loss | | 145.50 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (14.81) |
| B. (i) Items that will be reclassified to profit or loss | | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - |
| Total Other Comprehensive Income (IV) | | 44.02 |
| Total Comprehensive Income (III+IV) | 2,518.95 | 10,428.93 |
| Earning per equity share (EPS) | | |
| [nominal value of share Rs. 10] | | |
| Basic (in Rs.) | 0.18 | 0.78 |
| Diluted (in Rs.) | 0.18 | 0.57 |
| Weighted Average No. of Equity Shares | 1,41,13,636 | 1,32,39,115 |
| Weighted Average No. of Dilutive Equity Shares | 1,41,13,636 | 1,82,39,115 |
| 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 S Agarwal & Co.
Chartered Accountants
Firm Regn. No. 000808N
CA S.N. Agarwal
Partner
Membership No. 012103

For A F ENTERPRISES LIMITED


DIRECTOR
Abhishek Singh
Director & CFO
DIN: 03603706

For A F ENTERPRISES LIMITED


DIRECTOR
Santosh Kumar Kushawaha
Managing Director
DIN: 01994228

UDIN:

Faridabad, the 29th day of May 2024



For A F ENTERPRISES LIMITED


COMPANY SECRETARY
Neha Srivastava
Company Secretary
PAN:- EETPS5130A

A F ENTERPRISES LIMITED
CIN : L18100DL1983PLC016354
Standalone Cash Flow Statement For The Year Ended On 31st March 2024

| | (Amt. in 000's) | |
|---|--|--|
| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit/ (loss) before tax and after extra- ordinary items | 132.51 | 17,982.87 |
| <u>Adjustments for items: -</u> | | |
| Derecognition of financial liability | - | - |
| Foreign exchange fluctuation loss/ (gain) | (9,276.06) | (53,676.24) |
| Interest on lease liability | 1,692.36 | 1,707.20 |
| Profit on sale of property, plant & equipment | - | - |
| Interest paid | - | 143.62 |
| Interest received | - | - |
| Provision for Gratuity | 65.22 | 90.89 |
| Depreciation on Property, plant & equipment | 11,010.14 | 12,296.93 |
| Operating Profit before working capital changes | 3,624.17 | (21,454.73) |
| <u>Working capital adjustments: -</u> | | |
| (Increase)/ decrease in trade receivables | 1,30,684.56 | (1,55,556.94) |
| (Increase)/ decrease in Inventories | 446.33 | 24,008.46 |
| (Increase)/ decrease in Other financial assets | - | - |
| (Increase)/ decrease in Other assets | 3,486.31 | (4,615.12) |
| Increase/ (decrease) in Current Assets | 53,069.37 | 51,452.56 |
| Increase/ (decrease) in Trade payables | (1,66,299.67) | 14,025.98 |
| (Increase)/ decrease in Other financial Liabilities | (5,667.43) | (5,537.11) |
| Increase/ (decrease) in Other liabilities | (2,646.20) | (61,657.22) |
| Cash generated from operations | 16,697.44 | (1,59,334.12) |
| Direct taxes paid | (8,079.60) | 295.24 |
| Net cash flow from operating activities (A) | 8,617.84 | (1,59,038.88) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale/ (Purchase) of Property, plant & equipment | (57.46) | (3,041.01) |
| Acquisition of subsidiary | - | - |
| Sale/(Purchase) of Investment | (2,820.00) | - |
| Loans (given)/recovered | (6,378.07) | 19,026.92 |
| Interest received | - | - |
| Net cash flow from investing activities (B) | (9,255.53) | 15,985.91 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds From Issue of equity share capital | - | 16,200.00 |
| Proceeds from issue of Share Warrants | - | 1,26,250.00 |
| Interest paid | - | (143.62) |
| Net proceeds from borrowings | 2,273.58 | (4,507.54) |
| Net cash flow from financing activities (C) | 2,273.58 | 1,37,798.84 |
| Net cash flow during the year (A + B + C) | 1,635.93 | (5,254.12) |
| Add: Opening cash and cash equivalents | 5,751.75 | 11,005.87 |
| Closing cash and cash equivalents | 7,387.68 | 5,751.75 |
| Components of cash and cash equivalents | | |
| Cash on hand | 3,332.39 | 3,389.33 |
| Balances with banks in current accounts | 4,055.29 | 2,362.42 |
| Total cash and cash equivalents (Note 9) | 7,387.68 | 5,751.75 |

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

CA S.N. Agarwal
Partner
Membership No. 012103

UDIN:

Faridabad, the 29th day of May 2024



For A F ENTERPRISES LIMITED For A F ENTERPRISES LIMITED

Abhishek Singh
DIRECTOR

Abhishek Singh
Director & CFO
DIN: 03603706

Santosh Kumar Kushawaha
DIRECTOR

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228

For A F ENTERPRISES LIMITED

Meena Srivastava
Company Secretary
PAN:- EETP55130A

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.

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.

(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 | | | | | | As at |
|---------------------------------|--------------------------------|----------------------------|---------------|-------------------------|------------------|-------------------|-----------------|
| | 31st March 2024 | | | | | | 31st March 2023 |
| Carrying amount: | 13,665.18 | | | | | | 18,097.13 |
| Building Premises (ROU Asset) | 26,290.43 | | | | | | 32,102.05 |
| Plant & Machinery | 1,171.51 | | | | | | 1,580.70 |
| Furniture & fixtures | 545.14 | | | | | | 767.14 |
| Motor Vehicle | 108.05 | | | | | | 122.43 |
| Office Equipment | 22.62 | | | | | | 86.16 |
| Computers & peripherals | 41,802.93 | | | | | | 52,755.61 |
| Total | | | | | | | |
| | Building Premises ROU Asset | Computers & peripherals | Motor Vehicle | Furniture & fixtures | Office Equipment | Plant & Machinery | Total |
| Cost or Deemed Cost : | | | | | | | 35,135.62 |
| Balance as at 31st March 2022 | 11,794.07 | 626.30 | 11,640.55 | 4,720.81 | 309.45 | 64,041.64 | 25,206.32 |
| Additions during the year | 22,159.75 | 64.41 | 467.40 | - | 43.78 | 2,470.98 | 5.55 |
| Sale/ disposal during the year | - | 0.70 | - | - | 4.85 | - | - |
| 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 |
| Additions during the year | - | - | - | - | 57.46 | - | 37.40 |
| Sale/ disposal during the year | - | - | - | - | - | - | - |
| Balance as at 31st March 2024 | 33,954.62 | 690.01 | 12,107.95 | 4,720.81 | 405.84 | 66,512.62 | 1,10,391.85 |
| Accumulated Depreciation : | | | | | | | 45,281.85 |
| Balance as at 31st March 2022 | 11,472.08 | 485.01 | 3,003.46 | 2,588.00 | 141.27 | 27,592.03 | 12,296.92 |
| Charge for the year | 4,385.40 | 118.84 | 337.35 | 552.11 | 84.68 | 6,816.54 | - |
| 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 | 57,978.77 |
| Charge for the year | 4,431.95 | 63.54 | 222.00 | 409.19 | 71.84 | 5,811.62 | 11,010.14 |
| Adjustment for Sale/ disposal | - | - | - | - | - | - | - |
| Balance as at 31st March 2024 | 20,289.43 | 667.39 | 3,562.81 | 3,549.30 | 297.79 | 40,222.19 | 68,988.91 |
| Carrying amount : | | | | | | | 52,755.61 |
| Balance as at 31st March 2023 | 18,097.13 | 86.16 | 767.14 | 1,580.70 | 122.43 | 32,102.05 | 41,802.93 |
| Balance as at 31st March 2024 | 13,665.18 | 22.62 | 545.14 | 1,171.51 | 108.05 | 26,290.43 | |

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

| 4 Investments | As at | |
|---|-----------------|-----------------|
| | 31st March 2024 | 31st March 2023 |
| Investment in subsidiary (at amortised cost): | | |
| 95,270 (31st March 2023: 95,270) equity shares of Rs. 100 each fully paid in Aurik IT Solutions Private Limited | 9,527.00 | 9,527.00 |
| 200,000 (31st March 2023: Nil) equity shares of Rs 10 each at a Premium of Rs 4.10 in Saanvi Advisors Limited | 2,820.00 | - |
| | 12,347.00 | 9,527.00 |

| 5 Loans non-current | As at | |
|---|-----------------|-----------------|
| | 31st March 2024 | 31st March 2023 |
| Unsecured, considered good (at amortised cost): | | |
| - to related parties | - | - |
| - to others | 30,281.68 | 26,115.11 |
| Less: Expected Credit loss | - | 2,611.51 |
| | 30,281.68 | 23,503.60 |

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

| Particular | As at 31st March 2024 | | As at 31st March 2023 | |
|---|----------------------------|---|----------------------------|---|
| | 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, KAPs and other related parties that are (a) repayable on demand; or (b) without specifying any terms or period of repayment | Nil | Nil | Nil | Nil |



(Rupees in 000's unless otherwise stated)

| | As at 31st March 2024 | As at 31st March 2023 |
|-----------------------------------|--------------------------|--------------------------|
| 6 Other non current assets | | |
| Security deposit | 2,568.22 | 6,054.52 |
| | <u>2,568.22</u> | <u>6,054.52</u> |

| | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| 7 Inventories | | |
| Stock in trade | 843.34 | 958.49 |
| - Quoted Equity Instruments (at Fair Value Through Profit & Loss FVTPL) | | |
| - Sunlenses | | |
| - Others | 14,671.08 | 14,802.27 |
| Plastic products | 15,314.42 | 15,760.76 |
| | <u>15,314.42</u> | <u>15,760.76</u> |

| | As at 31st March 2024 | As at 31st March 2023 |
|-------------------------------------|--------------------------|--------------------------|
| 8 Trade receivables: current | | |
| Considered good - unsecured | 9,41,401.13 | 10,68,716.11 |
| | <u>9,41,401.13</u> | <u>10,68,716.11</u> |

8.1 Trade receivables ageing schedule:

| S No. | Particulars | Outstanding from due date of payment as on 31st March 2024 | | | | | 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 | 32,291.48 | 1,031.17 | 65,099.02 | 3,926.92 | 8,19,052.55 | 9,41,401.13 |
| (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 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 | 51,329.96 | 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 | - | - | - | - | - | - |

| | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| 9 Cash and cash equivalents | | |
| Cash on hand (as certified) | 3,332.39 | 3,389.33 |
| Balances with banks in current accounts | 4,055.29 | 2,362.42 |
| | <u>7,387.68</u> | <u>5,751.75</u> |

| | As at 31st March 2024 | As at 31st March 2023 |
|-----------------------------------|--------------------------|--------------------------|
| 10 Loans: current | | |
| <u>Unsecured, considered good</u> | | |
| Loan to body corporate | - | 400.00 |
| Loan to related party | - | - |
| Less: Expected Credit Loss | - | - |
| | <u>-</u> | <u>400.00</u> |



(Rupees in '000's unless otherwise stated)

| 11 Other current assets | As at | | As at | |
|--|-----------------|------------------|-----------------|--------------------|
| | 31st March 2024 | | 31st March 2023 | |
| advance to related party | | | | |
| Balances with revenue authorities (11.1) | | 1,947.53 | | 2,108.99 |
| Input credit under GST (Note 11.2) | | 35,610.80 | | 35,662.32 |
| Other Advances | | 16,476.72 | | 68,713.13 |
| Prepaid expenses | | 24.13 | | 644.16 |
| | | <u>54,059.18</u> | | <u>1,07,128.60</u> |

11.1 Balance with revenue authorities includes a sum of Rs. 1792.32 thousands charged 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. 29481.10 thousands charged by the GST Department pursuant to search conducted on 6th September 2019. The matter is pending for adjudication.

| 12 Equity share capital | 31st March 2024 | | 31st March 2023 | |
|--|--------------------|--------------------|--------------------|--------------------|
| | Nos. | (Rs. in '000') | Nos. | (Rs. in '000') |
| Authorized shares | | | | |
| Equity shares of Rs. 10 each | 4,10,00,000 | 4,10,000.00 | 4,10,00,000 | 4,10,000.00 |
| | <u>4,10,00,000</u> | <u>4,10,000.00</u> | <u>4,10,00,000</u> | <u>4,10,000.00</u> |
| Issued, subscribed and fully paid-up shares | | | | |
| Equity shares of Rs. 10 each fully Paid up | 1,41,13,636 | 1,41,136.36 | 1,41,13,636 | 1,41,136.36 |
| | <u>1,41,13,636</u> | <u>1,41,136.36</u> | <u>1,41,13,636</u> | <u>1,41,136.36</u> |

12.1 Reconciliation of number of equity shares and amount outstanding

| Equity Shares | 31st March 2024 | | 31st March 2023 | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Nos. | (Rs. in '000') | Nos. | (Rs. in '000') |
| At the beginning of the period | 1,41,13,636.00 | 1,41,136.36 | 1,29,13,636 | 1,29,136.36 |
| Add: Conversion of Share Warrants (Note 12.2) | - | - | 12,00,000 | 12,000.00 |
| Add: Sweat Equity shares issued (Note 12.1) | - | - | - | - |
| Total outstanding at the end of the period | <u>1,41,13,636</u> | <u>1,41,136.36</u> | <u>1,41,13,636</u> | <u>1,41,136.36</u> |

12.2 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 2024 | | | |
|--|-----------------|-----------|-----------|-----------|
| | Nos. | % holding | Nos. | % holding |
| Robin Singh Keer | - | - | 9,46,483 | 6.71% |
| Anjura Kaur Keer | - | - | 9,95,000 | 7.05% |
| Anupreet Kaur Keer | - | - | 12,00,000 | 8.50% |
| BHS Mosquito Pvt Ltd | 8,07,600 | 5.72% | 8,07,600 | 5.72% |
| HDS Corporate Services Private Limited | - | - | 8,00,000 | 5.67% |



(Rupees in 000's unless otherwise stated)

12.5 Details of shares held by promoters in the Company

| Promoter Name | Shares held by the promoters at the end of the period March 2024 | | Shares held by the promoters at the end of the period 31st March 2023 | | % Change during the year |
|------------------------------|--|-------------------|---|-------------------|--------------------------|
| | No. of Shares | % of total Shares | No. of Shares | % of Total Shares | |
| RWS Mosquito Private Limited | 8,07,600 | 5.72 | 8,07,600 | 5.71 | 0.00% |

There is change in promoters shareholding during the year ended March 31, 2024 and March 31, 2023.

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|--------------------------|--------------------|--------------------------|--------------------|
| 13 Other equity | | | | |
| Reserve & Surplus | | | | |
| Capital Reserve | | | | |
| Opening balance | 1,26,350.00 | - | - | - |
| Add/(less) : Changes during the year | | 1,26,250.00 | | |
| Closing balance | | | | |
| Security Premium | | | | |
| Opening balance | 42,313.64 | 32,713.64 | 5,513.64 | 27,200.00 |
| Add/(less) : Changes during the year | | 9,600.00 | | |
| Closing balance | | 42,313.64 | | 42,313.64 |
| Retained earnings | | | | |
| Opening balance | 27,471.43 | 17,151.40 | 6,791.31 | 10,360.09 |
| Add/(less) : Profit/ (loss) for the year | 2,474.96 | 10,320.05 | | |
| Closing balance | | 29,916.41 | | 27,471.43 |
| | | 73,260.09 | | 69,785.09 |
| Money received against share warrants | | | | |
| Opening balance | 1,26,250.00 | 5,400.00 | 33,400.00 | 28,000.00 |
| Add: received during the year | | 1,26,250.00 | | |
| Less: conversion of warrant into equity shares | | 5,400.00 | | |
| Less: Share Forfeited | | | | |
| Closing balance | 1,26,250.00 | | 1,26,250.00 | |
| Fair Value through Other Comprehensive Income | | | | |
| Remeasurement of Defined benefit Obligation | | | | |
| Opening balance | 186.11 | 77.23 | 22.28 | 54.97 |
| Add/(less) : Changes during the year (net of tax) | 44.02 | 108.88 | | |
| Closing balance | | 230.13 | | 186.11 |
| Total Other Equity | | 1,98,740.18 | | 1,96,221.20 |
| 14 Borrowings: non-current | | | | |
| From Banks | | | | |
| Secured loans: | | | | |
| Finance lease obligations (Note 14.1) | 1,056.15 | | 930.00 | (239.06) |
| Less: current portion into other financial liabilities (note 19) | (87.63) | | | |
| | 968.52 | | | 694.94 |
| From other Parties | | | | |
| Unsecured loans | | | | |
| From Others | 43,561.85 | | 41,561.85 | |
| | 44,530.37 | | 42,286.79 | |
| 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 40 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. | | | | |
| 15 Other financial liabilities - non current | | | | |
| Lease Liability (as per Ind AS 116) | | | | |
| | | | | |
| | 10,203.18 | | 14,814.42 | |
| | 10,203.18 | | 14,814.42 | |
| 16 Provisions-Non current | | | | |
| Provision for gratuity | | | | |
| | 171.17 | | 164.74 | |
| | 171.17 | | 164.74 | |



(Rupees in 000) unless otherwise stated)

17 Deferred tax (assets)/Liabilities (net)

| | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| At the start of the year | 3,784.64 | 2,849.40 |
| Charge/ credit to statement of profit and loss B (IX) | (105.84) | 935.24 |
| At the end of year | <u>3,678.80</u> | <u>3,784.64</u> |

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 2024 (Rs. in '000) | | | |
|---|---|-------------------------------|-------------------|------------------------|
| | As at 1st April, 2023 | Recognized in profit and loss | Recognized in OCI | As at 31st March, 2024 |
| Property, plant and equipment | 2,916.86 | (152.57) | - | 2,764.29 |
| Losses carried forward under the Income Tax Act, 1961 | - | - | - | - |
| Provision For Gratuity | 41.39 | (13.20) | 14.81 | 43.20 |
| Others | 826.19 | 45.12 | - | 871.32 |
| Total | 3,784.64 | (120.64) | 14.81 | 3,678.80 |

| 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 | (18.58) | 844.88 | - | 826.19 |
| Total | 2,849.41 | 898.62 | 36.62 | 3,784.64 |

18 Trade payables: current

| | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| Outstanding dues to micro enterprises and small enterprises (Note 18.1) | 645.63 | 720.84 |
| Outstanding dues of creditors other than micro enterprises and small enterprises | 6,09,526.19 | 7,73,750.80 |
| | <u>6,10,172.02</u> | <u>7,76,471.69</u> |

| Particulars | Outstanding from due date of payment as on 31st March, 2024 | | | | |
|-----------------------------|---|-----------|-----------|-------------------|-------------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) MSME | 645.63 | - | - | - | 645.63 |
| (ii) Others | 31,425.39 | 25,086.42 | 84,005.97 | 4,69,008.60 | 6,09,526.39 |
| (iii) Disputed dues - MSME | - | - | - | - | - |
| (iv) Disputed dues - others | - | - | - | - | - |

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 | 2,01,878.14 | 1,70,047.68 | 16,645.59 | 4,35,179.45 | 7,73,750.83 |
| (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 2024 | 31st March 2023 |
|---|-----------------|-----------------|
| (a) Principal amount remaining unpaid at the end of the year | 645.63 | 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 | - | - |
| (e) Interest remaining due and payable referred to in section 23 of the MSMED Act, 2006 | - | - |
| | <u>645.63</u> | <u>720.84</u> |

19 Other financial liabilities: current

| | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| Current maturities of finance lease obligations (refer note 14) | 87.63 | 235.06 |
| Lease Liability (as per Ind AS 116) | 6,773.15 | 3,989.55 |
| | <u>6,860.78</u> | <u>4,224.61</u> |

20 Other current liabilities

| | As at 31st March 2024 | As at 31st March 2023 |
|---------------------------------|--------------------------|--------------------------|
| Advance received from customers | 8046.34 | 79,969.81 |
| TDS Payable | 1777.77 | 2,345.14 |
| TCS payable | 296.56 | 194.06 |
| EPF, ESI and LWF payable | 849.89 | 841.28 |
| Other expenses payables | 6442.18 | 9,502.95 |
| | <u>90,312.24</u> | <u>92,958.44</u> |



(Rupees in 000's unless otherwise stated)

| | As at 31st March 2024 | As at 31st March 2023 |
|--|--|--|
| 21 Provisions: current | | |
| For Gratuity | 0.47 | 0.50 |
| | <u>0.47</u> | <u>0.50</u> |
| 22 Revenue from operation | | |
| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
| Sale of goods: | | |
| Plastic Products | 80,559.91 | 84,835.83 |
| Emerald and Other Stones | 4,453.94 | 1,57,012.10 |
| Sale of shares & securities | — | — |
| | <u>85,013.85</u> | <u>1,41,847.93</u> |
| 23 Other Income | | |
| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
| Foreign exchange fluctuation gain | 9,276.06 | 53,676.24 |
| Discount received | 606.61 | 47.04 |
| Miscellaneous income | 74.01 | 45.55 |
| | <u>9,956.68</u> | <u>53,768.83</u> |
| 24 Cost of materials consumed | | |
| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
| Opening stock of raw materials | 14,802.37 | 38,091.92 |
| Add: purchases during the year | 38,119.13 | 52,789.80 |
| Less: closing stock of raw materials | (14,471.00) | (14,802.27) |
| | <u>38,450.50</u> | <u>76,079.45</u> |
| 25 Purchase of stock in trade | | |
| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
| Emerald and Other Stones | 3,184.20 | 1,49,972.18 |
| Shares & securities | — | — |
| | <u>3,184.20</u> | <u>1,49,972.18</u> |
| 26 Changes in inventories | | |
| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
| Opening balance of stock in trade | 958.49 | 1,677.29 |
| Closing balance of stock in trade | (843.34) | (958.49) |
| Changes in inventories of stock in trade | <u>115.15</u> | <u>718.80</u> |
| 27 Operating Costs | | |
| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
| Wages | 7,438.86 | 7,180.84 |
| Job Work Expenses | 387.36 | 200.04 |
| Fuel & power expenses | 3,184.53 | 324.08 |
| Consumables | 710.48 | 1,608.25 |
| Loading & Freight | 159.55 | 47.92 |
| | <u>8,850.78</u> | <u>9,361.13</u> |
| 28 Employee benefits expense | | |
| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
| Director Remuneration (Note 33) | 600.00 | 7,200.00 |
| Salaries and allowances | 1,152.29 | 9,371.26 |
| Employer contribution to PF | 50.84 | 104.03 |
| Employer contribution to ESIC | 1.25 | 13.74 |
| Gratuity Expense (Note 39) | 65.22 | 90.89 |
| Staff Welfare | 160.23 | 128.80 |
| | <u>3,229.83</u> | <u>13,108.72</u> |



(Rupees in 000's unless otherwise stated)

| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|---|--|--|
| 29 Finance cost | | |
| Interest on lease liability (as per Ind AS 116) | 1,692.36 | 1,707.20 |
| Interest to banks | - | 19.01 |
| Interest to others | - | 124.60 |
| | <u>1,692.36</u> | <u>1,850.81</u> |
| 30 Other expenses | | |
| Advertisement expenses | 18,213.56 | 866.13 |
| Payment to statutory auditors (note 37) | 120.00 | 157.50 |
| Bank charges | 596.83 | 29.05 |
| Balance written off | 37.64 | 6,128.55 |
| Certification charges | 23.00 | 65.15 |
| Conveyance expenses | 1.45 | 22.89 |
| Donation | 321.00 | - |
| Electricity and maintenance expenses | - | 6,673.81 |
| Expected Credit Loss | - | 2,503.92 |
| Festival expenses | 7.66 | 18.90 |
| Fittings | - | 2.40 |
| Freight & cartage | 3,495.94 | 1,288.80 |
| Interest and penalties | 154.70 | 297.75 |
| Labour welfare | 8.61 | 13.70 |
| Legal & professional charges | 6,586.18 | 1,128.67 |
| Miscellaneous expenses | 55.57 | 21.30 |
| Membership & registrations fees | 828.03 | 1,688.99 |
| Office expenses | 124.18 | 89.94 |
| Printing & stationery | 80.52 | 305.77 |
| Rent, rate & taxes | 100.00 | - |
| Repair & maintenance of plant & machinery | 1,350.80 | 2,016.95 |
| Recruitment expenses | - | 44.15 |
| RTA expenses | 173.60 | 117.35 |
| RDC expenses | - | 1,489.14 |
| Security charges | 868.93 | 780.38 |
| Service Charge | 52.08 | 51.63 |
| Sitting fees | 104.00 | 116.00 |
| Software Renewal | 28.33 | 45.60 |
| Stamp Papers | - | 4.81 |
| Telephone & internet expense | 111.29 | 89.92 |
| Tender Fees | 70.66 | 24.09 |
| Tour & Travels | 854.14 | 848.67 |
| Vehicle running & maintenance | 88.08 | 149.66 |
| Workspace Expenses(Mall) | 34.44 | 44.69 |
| | <u>36,303.24</u> | <u>27,124.88</u> |
| 31 Exceptional Items | | |
| Advertisement expenses (Note 31.2) | - | 13,075.00 |
| Capital Receipt from FDSL (Note 31.1) | 10,000.00 | - |
| | <u>10,000.00</u> | <u>13,075.00</u> |

31.1 Exceptional Item of Rs.100 Lakhs is related to the compensation received for the non-fulfilment of underwriting commitments related to the subscription of the rights issue. The underwriting agreement required the underwriters to subscribe to any unsubscribed shares in the rights issue. However, as the underwriters failed to fulfill this obligation, the amount received serves as a compensation for this non-fulfillment.



(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 there 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. Abhishek Singh (Director & CFD) Mr. Manish Kumar Praful Jhai Mehta (Director) Mr. Vikram Sharma (Past Director) Mr. Sahil Arora (Past Director) Ms. Shaqun Ajmani (Past Director) Ms. Purna Sethi (Past Director) Ms. Payal Sachdeva (Company Secretary) |
| (c) | Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives | Ms. Neha Srivastava (Company Secretary) 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 2024 | 31st March 2023 |
| (a) | Subsidiary Company:- Aunik IT Solutions Private Limited | Loans Given Loan Recovered | Nil Nil | Nil Nil |
| (b) | Key Management Personnel:- | | | |
| | Mr. Sahil Arora | Loans received Loans repaid Remuneration (Sweat Equity Shares) | Nil Nil Nil | Nil Nil Nil |
| | Ms. Shaqun Ajmani | Loans received Loans repaid Remuneration (Sweat Equity Shares) | Nil Nil Nil | Nil Nil Nil |
| | Mr. Abhishek Singh | Remuneration Reimbursement of Expenses Advance against salary Advance against salary recovered | 600.00 1,079.50 - - | 549.73 255.20 - - |
| | Mr. Santosh Kumar Kushwaha | Payment towards Remuneration payable Reimbursement of Expenses Remuneration Loans Received Payment towards expenses payable | 7,200.00 9,201.75 - - 3,446.00 | Nil 6,893.84 7,200.00 2,224.50 Nil |
| | Ms. Payal Sachdeva | Remuneration | - | 420.00 |
| | Ms. Neha Srivastava | Remuneration | 7.13 | Nil |
| (c) | Relatives of Key Management Personnel:- None | | | |
| | Enterprises in which Key Management Personnel and Relatives are having significant influences :- | | | |
| | M/s. RDS Corporate Services Private Limited | Loans given Loans recovered Sale of goods Services received Issue of Share Warrants | 13,503.50 9,331.50 Nil 3,480.00 Nil | 583.90 6,982.87 5,924.97 464.00 Nil |
| | M/s. Consider Done | Loan Given Loan Recovered | - - | 787.46 9,067.00 |



(Rupees in 000's unless otherwise stated)

(c) Balance with the Related Parties:-

| | Transaction with | Nature of Transaction | Balance as at | |
|-----|--|--------------------------------|-----------------|-----------------|
| | | | 31st March 2024 | 31st March 2023 |
| (a) | Subsidiary Company:- | | | |
| | Auntik IT Solutions Private Limited | Investment in Equity Shares | | |
| (b) | Key Management Personnel:- | | 9,527.00 | 9,527.00 |
| | Ms. Shagun Ajmani | Borrowing | | |
| | Mr. Abhishek Singh | Remuneration Payable | 49.98 | 78.00 |
| | | Expenses Payable | - | 49.98 |
| | | Advance against salary | - | 140.53 |
| | Mr. Santosh Kumar Kushwaha | Remuneration Payable | - | nil |
| | | Expenses Payable | - | 7,200.00 |
| | | Loans & Advances | - | 3,446.26 |
| | Ms. Payal Sachdeva | Remuneration Payable | - | nil |
| | Ms. Neha Srivastava | Remuneration Payable | Nil | 2.00 |
| (c) | Relatives of Key Management Personnel:- None | | 7.13 | Nil |
| (d) | Enterprises in which Key Management Personnel and Relatives are having significant influences:- | | | |
| | M/s RDS Corporate Services Private Limited | Loans & Advances | 5,778.07 | Nil |
| | | Trade Receivable | - | 1,606.07 |
| | | Trade Payables | - | - |
| | M/s SNP Infosolutions LLP | Advance received from customer | 13.00 | - |
| | M/s Consider Done | Loans & Advances | 195.00 | 195.00 |
| | | | Nil | Nil |

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 2024 | 31st March 2023 |
|---|---------------------|---------------------|
| Segment Revenue: | | |
| Shares & securities | - | - |
| Rough emerald | 4,453.94 | 1,57,012.10 |
| Plastic molded components | 80,559.59 | 84,835.83 |
| Unallocable | 9,957.00 | - |
| Total Revenue | 94,970.53 | 2,41,847.93 |
| Segment Results | | |
| (Profit/ loss before interest and taxes) | | |
| Trading in shares | -115.15 | (719.00) |
| Rough Emerald | 159.32 | 7,039.92 |
| Plastic molded components | 41,220.01 | 1,064.86 |
| Less: Interest | (1,692.36) | (1,850.81) |
| Less: Other Un-allocable expenditure (net) | (39,439.31) | 12,447.90 |
| Total Profit Before Taxes | 132.51 | 17,982.87 |
| Segment assets | | |
| Shares & Securities | 843.00 | 958.00 |
| Rough Emerald | 1,21,073.27 | 2,19,071.00 |
| Fabrics | 5,866.50 | 1,30,167.00 |
| Glasses | 2,15,736.86 | 2,17,142.00 |
| Plastic molded components | 7,61,642.61 | 7,16,352.47 |
| Un-allocable | - | - |
| Total | 11,05,162.24 | 12,83,691.47 |
| Segment liabilities | | |
| Shares & Securities | 119.00 | 1,925.00 |
| Rough Emerald | 2,04,359.10 | 2,08,805.00 |
| Fabrics | 2,833.07 | 10,105.00 |
| Plastic molded components | 1,57,123.96 | 1,67,008.00 |
| Un-allocable | 4,00,850.57 | 5,58,490.91 |
| Total | 7,65,285.70 | 9,46,333.91 |



A F ENTERPRISES LIMITED

CIN : L18100DL1983PLC016354

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(Rupees in 000's unless otherwise stated)

| Capital employed | | |
|---------------------------|--------------------|--------------------|
| Shares & Securities | | |
| Rough Emerald | 724.00 | (967.00) |
| Fabrics | (83,285.84) | 10,266.00 |
| Plastic molded components | 3,033.44 | 1,20,062.00 |
| Un-allocable | 58,612.90 | 50,134.00 |
| Total | 3,60,792.04 | 1,57,861.56 |
| | 3,39,876.54 | 3,37,357.56 |

(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, 2024 | As at March 31, 2023 |
|-----------------------------------|-----------------------------|-----------------------------|
| Measured at amortised cost | | |
| (i) Trade receivables | | |
| (ii) Cash and cash equivalents | 9,41,401.13 | 10,62,809.63 |
| (iii) Loans | 7,387.68 | 5,751.75 |
| | 30,281.68 | 23,903.60 |
| Measured at Cost | | |
| (i) Investment in subsidiaries | 9,527.00 | 9,527.00 |
| (i) Investment in other Entity | 2,820.00 | |
| Total | 9,91,417.49 | 11,01,991.98 |

| Financial liabilities | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------|-----------------------------|-----------------------------|
| Measured at amortised cost | | |
| (i) Borrowings | | |
| (ii) Other financial liabilities | 44,530.37 | 42,256.79 |
| (iii) Trade and other payables | 15,063.94 | 19,039.03 |
| Total | 6,10,172.02 | 7,76,471.69 |
| | 6,69,766.33 | 8,37,767.51 |

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.

36 Particulars

| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|-------------------------------------|--|--|
| 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 2024 | For the year ended on 31st March 2023 |
|-------------------------------|--|--|
| In respect of statutory audit | 120.00 | 120.00 |
| In respect of certification | - | 37.50 |
| TOTAL | 120.00 | 157.50 |

38

| Particulars | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|---|--|--|
| Contingent Liabilities not provided for :- | | |
| 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. | | |



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 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| Present Value of the obligation | 171.639 | 165.24 |
| Fair Value of Plan Assets | Nil | Nil |
| Funded Status (Surplus/ (Deficit)) | (171.64) | (165.24) |
| Unrecognised Past Service Cost | Nil | Nil |
| Asset/(liability) recognised in Balance Sheet | 171.64 | 165.24 |

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

| Particulars | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|--|--|--|
| Current Service Cost | 52.83 | 74.95 |
| Interest Cost | 12.39 | 15.94 |
| Expected Return on Plan Asset | Nil | Nil |
| Past service cost | Nil | Nil |
| Expense to be recognized in profit and loss | 65.22 | 90.89 |

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

| Particulars | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|--|--|--|
| Cumulative unrecognized actuarial (gain)/loss opening, B/F | 248.71 | 103.21 |
| Actuarial (gain)/loss- Obligation | 58.83 | 145.50 |
| Actuarial (gain)/loss- from changes in financial assumptions | - | - |
| Actuarial (gain)/loss - Plan assets | - | - |
| Total Actuarial (gain)/loss | 58.83 | 145.50 |
| Cumulative Total Actuarial (gain)/ loss, C/F | 307.54 | 248.71 |

(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 2024 | 31st March 2023 | % change from March 31, 2023 to March 31, 2024 |
|-------|-----------------------------------|-----------------|-----------------|--|
| 1 | Current ratio | 1.44 | 1.35 | 7.02% |
| 2 | Debt- Equity Ratio | 0.13 | 0.13 | 4.23% |
| 3 | Debt Service Coverage Ratio | 1.50 | 5.69 | -73.67% |
| 4 | Return on Equity Ratio (In %) | 0.73% | 3.96% | -81.52% |
| 5 | Inventory Turnover Ratio | 5.47 | 8.71 | -37.19% |
| 6 | Trade Receivable Turnover Ratio | 0.08 | 0.25 | -66.39% |
| 7 | Trade Payable Turnover Ratio | 0.12 | 0.31 | -60.99% |
| 8 | Net Capital Turnover Ratio | 0.27 | 0.79 | -65.40% |
| 9 | Net Profit Ratio (In %) | 2.91% | 4.27% | -31.78% |
| 10 | Return on Capital Employed (In %) | -0.74% | 0.53% | 240.50% |
| 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 Service Coverage Ratio | Decrease | Due to decrease in the earnings available. |
| 2 | Return on Equity Ratio (In %) | Decrease | Due to increase in profit after tax is proportionately more than the increase in total equity. |
| 3 | Inventory Turnover Ratio | Decrease | Decrease in the revenue from operation for the year. |
| 3 | Trade Receivable Turnover Ratio | Decrease | Due to Decrease in the revenue from operation for the year. |
| 4 | Trade Payable Turnover Ratio | Decrease | Due to Decrease in the revenue from operation for the year. |
| 5 | Net Capital Turnover Ratio | Decrease | Due to Decrease in revenue from operations. |
| 6 | Return on Capital Employed (In %) | Decrease | Due to decrease in Profit Before Interest , Tax and Exceptional Items |



40.2 Components of Ratio

| S.No. | Ratios | Numerator | Denominator | March 31st 2024 | | March 31st 2023 | |
|-------|-----------------------------------|---|--|-----------------|--------------|-----------------|--------------|
| | | | | Numerator | Denominator | Numerator | Denominator |
| 1 | Current ratio | Current Assets | Current Liabilities | 10,18,162.41 | 7,06,702.20 | 11,91,850.74 | 8,85,313.32 |
| 2 | Debt- Equity Ratio | Borrowings | Total Equity(Equity Share capital+Other equity) | 44,618.00 | 3,39,876.54 | 42,491.85 | 3,37,357.56 |
| 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 adjustments) | Finance cost + principle repayment of long term borrowings during the period/year | 2,835.01 | 1,892.36 | 21,559.52 | 3,788.96 |
| 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] | 2,474.93 | 3,38,617.05 | 10,320.05 | 2,60,918.10 |
| 5 | Inventory Turnover Ratio | Revenue from sales of products | Average inventory [(opening balance + closing balance)/2] | 85,013.85 | 15,537.59 | 2,41,847.93 | 27,764.99 |
| 6 | Trade Receivable Turnover Ratio | Revenue from operations | Average trade receivable [(Opening balance + closing balance)/2] | 85,013.85 | 10,02,105.38 | 2,41,847.93 | 9,58,193.04 |
| 7 | Trade Payable Turnover Ratio | Revenue from operations | Average trade payable [(Opening balance + closing balance)/2] | 85,013.85 | 6,93,321.85 | 2,41,847.93 | 7,69,458.70 |
| 8 | Net Capital Turnover Ratio | Revenue from operations | Working capital (Current asset-current liabilities) | 85,013.85 | 3,11,460.21 | 2,41,847.93 | 3,06,537.42 |
| 9 | Net Profit Ratio (in %) | Net profit after tax- Exceptional Items | Revenue from operations | 2,474.93 | 85,013.85 | 10,320.05 | 2,41,847.93 |
| 10 | Return on Capital Employed (in %) | Profit Before Interest, Tax & Exceptional item | Total Equity + Total Debts (Including preference share liability) | (8,175.13) | 11,05,162.24 | 6,758.68 | 12,83,691.47 |
| 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 | - | 12,347.00 | - | 9,527.00 |

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.



(Rupees in 000's unless otherwise stated)

| Particulars | For the year ended 31st March 2024 | | For the year ended 31st March 2023 | |
|---|------------------------------------|-----------------|------------------------------------|-----------------|
| | 100 bp increase | 100 bp decrease | 100 bp increase | 100 bp decrease |
| On account of Variable Rate on Loans and advances given | 302.82 | (302.82) | 239.04 | (239.04) |
| On account of Variable Rate on borrowings | (445.30) | 445.30 | (422.57) | 422.57 |
| Net Impact on profitability | (142.49) | 142.49 | (183.53) | 183.53 |

(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 risks 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 ₹ 7387.68 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

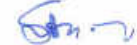
| Particulars | Carrying amount | Contractual cash outflow | | | | |
|-----------------------------|-----------------|--------------------------|----------------|-------------|-----------|-----------|
| | | Total | 1 year or less | 1-2 year | 2-5 years | > 5 years |
| As at March 31, 2024 | | | | | | |
| Other financial liabilities | 1,41,307.52 | 1,41,307.52 | 171.16 | 1,41,136.36 | 0.00 | 0.00 |
| Other current liabilities | 3,678.80 | 3,678.80 | 3,678.80 | 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, 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 |

- 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.
- 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 29th day of May, 2024.
- 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 S Agerwal & Co.
Chartered Accountants
Firm Regn. No. 000808N



CA S.N. Agarwal
Partner
Membership No. 012103

UDIN:



For A F ENTERPRISES LIMITED For A F ENTERPRISES LIMITED

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

 DIRECTOR
Abhishek Singh
Director & CFD
DIN: 03603706

 DIRECTOR
Santosh Kumar Kushawaha
Managing Director
DIN: 02994228

For A F ENTERPRISES LIMITED


Neha Srivastava
Company Secretary
PAN: EETPS5130A



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 2024, 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, 2024, 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 results of the group whose financial statements reflect total assets of Rs. 2373.7 lakhs as at March 31, 2024, total revenue of Rs. 1.17 lakhs and net cash outflow of Rs. 0.31 lakhs during the year ended on that date.

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

"i) The company has shown a sum of Rs. 23,43,08,599 as Trade Receivable for which we have not received any third-party confirmation. During the course of our audit, we have not found sufficient audit evidence to prove the reliability of these recoveries. These trade receivables are outstanding for more than 2 years. Also, the Company has not made any provision against these long outstanding.

ii) The company has shown a sum of Rs. 22,98,21,646/- as Trade Payable to Morpheus Care Limited, for which we have not received any third-party confirmation. During the course of our audit we have not found sufficient audit evidence to prove the reliability of his claim and company's ability to pay. These trade payables are outstanding for more than two years. Further upon our verification from MCA portal we came to know that the company, Morpheus Care Limited, is not filing their returns on MCA portal from March 2020 onwards

iii) During the year under consideration the company has taken unsecured loan of Rs 2,12,08,604/- from Mr. Sourabh Koolwal, director of the company, in violation of section 73(2) of The Companies Act, 2013. The said loan was given by the director out of borrowed fund which is violation of section 73(2)



iv) As on March 2024, the losses of the company accumulate to Rs 2.45 Crores and its net worth is fully eroded. The company has also taken unsecured loans from director of the company. The Companies current liabilities exceed its current assets by Rs. 1.73 crores. As per the management the company is still a going concern entity because it is in process of identifying new plans to improve the performance of the company. During the course of our audit we came to know that the company has already surrendered its GST registration during the year. In absence of conclusive evidence about management plan for improving the financial position of the company and considering large liabilities outstanding as on balance sheet date we have doubt about the company's ability to continue as a going concern. However the company has prepared its financial statements on a going concern basis. The financial statements do not adequately disclose this matter..

v) The matters as stated in para 1 to 4 of Basis of Disclaimer of opinion give rise to the material uncertainties as regard possible material adjustments that may require to be made to the values of recorded assets and liabilities. These matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern

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

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.

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

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

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.

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 31st March, 2024 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, 2024 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 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.

(d) 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

(e) Based on our examination which included test checks and information given to us, the Company has used accounting softwares for maintaining its books of account, which did not have a feature of recording audit trail (edit log) facility throughout the year for all relevant transactions recorded in the respective softwares, hence we are unable to comment on audit trail feature of the said software

For S. Agarwal & Co.
Chartered Accountants
FRN: 000808N



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

Place: New Delhi
Date: 29.05.2024
UDIN: 24012103BKDHNV5060



"Annexure A" to the Independent Auditors' Report
(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Consolidated financial statements of the Company for the year ended March 31, 2024)

We have qualified the information required in sub- clauses (iii), (iv), (vii), (ix) of para 3 of the Companies Auditor Report Order (CARO), 2020 in our report of separate financial statements of the standalone financial statements of the Company for the year ended March 31, 2024 as included in the consolidated financial statements

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)(a), (v) and (xix) of para 3 of the Companies Auditor Report Order (CARO), 2020 in their report of separate standalone financial statements of the subsidiary as included in the consolidated financial statements

For S. Agarwal & Co.
Chartered Accountants
FRN: 000808N



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

Place: New Delhi
Date: 29.05.2024
UDIN: 24012103BKDHNV5060



"Annexure B" to the Independent Auditors' Report

(Referred to in paragraph 2(f) of the independent auditor's report of even date on the Consolidated financial statements of the company for the year ended March 31, 2024.)

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

We have audited the internal financial controls over financial reporting of **A F Enterprises Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. Agarwal & Co.
Chartered Accountants
FRN: 000808N


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

Place: New Delhi
Date: 29.05.2024
UDIN: 24012103BKDHNV5060



A F ENTERPRISES LIMITED
CIN : L18100DL1983PLC016354

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2024

(Amt. in 000's)

| Notes | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Non- current assets | | |
| Property, plant and equipment | 41,948.95 | 53,004.33 |
| Investment | 2,820.00 | - |
| Goodwill | 16,566.98 | 16,566.98 |
| Financial assets | | |
| Loans | 30,281.67 | 23,503.60 |
| Other non current assets | 2,568.22 | 6,156.52 |
| Current Assets | | |
| Inventories | 15,314.42 | 15,810.86 |
| Financial assets | | |
| Trade receivables | 11,75,709.74 | 12,97,118.22 |
| Cash and cash equivalents | 7,531.73 | 5,926.87 |
| Loans | - | 400.00 |
| Other current assets | 54,059.18 | 1,07,947.17 |
| Total | 13,46,800.89 | 15,26,434.57 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 1,41,136.36 | 1,41,136.36 |
| Other equity | 1,92,219.65 | 1,90,369.98 |
| Non Controlling Interest | (901.80) | (868.58) |
| Liabilities | | |
| Non- current liabilities | | |
| Financial liabilities | | |
| Borrowings | 66,407.98 | 55,125.16 |
| Other financial liabilities | 10,612.53 | 14,814.42 |
| Provisions | 171.17 | 164.74 |
| Deferred tax Liabilities (net) | 940.49 | 1,281.39 |
| Current liabilities | | |
| Financial liabilities | | |
| Trade payables | | |
| Outstanding dues to micro enterprises and small enterprises | 645.63 | 720.84 |
| Outstanding dues of creditors other than micro enterprises and small enterprises | 8,39,348.04 | 10,05,592.41 |
| Other financial liabilities | 4,451.42 | 4,224.61 |
| Other current liabilities | 90,412.24 | 1,02,214.65 |
| Provisions | 0.47 | 0.50 |
| Current tax liabilities (net) | 1,356.71 | 11,658.09 |
| Total | 13,46,800.89 | 15,26,434.57 |
| Notes to the financial statements | 1-50 | -0.00 |

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

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

CA S.N. Agarwal
Partner
Membership No. 012103
UDIN:

Faridabad, the 29th day of May 2024

For A F ENTERPRISES LIMITED


DIRECTOR

Abhishek Singh
Director & CFO
DIN: 03603706

For A F ENTERPRISES LIMITED


DIRECTOR

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228

For A F ENTERPRISES LIMITED


Neha Srivastava
Company Secretary
PAN:- EETPS5130A



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2024

(Amt. in 000's)

| | Notes | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|---|-------|--|--|
| REVENUE | | | |
| Revenue from operations | 21 | 85,013.85 | 2,42,867.93 |
| Other income | 22 | 10,073.87 | 54,279.45 |
| Total revenue (I) | | 95,087.72 | 2,97,147.38 |
| EXPENSES | | | |
| Cost of materials consumed | 23 | 38,450.32 | 76,075.45 |
| Purchase of stock in trade | 24 | 5,184.20 | 1,49,972.18 |
| Changes in inventories of stock in trade | 25 | 165.25 | 718.80 |
| Operating costs | 26 | 8,850.78 | 9,561.13 |
| Employee benefits expense | 27 | 3,229.83 | 19,051.20 |
| Finance cost | 28 | 1,835.26 | 2,611.56 |
| Depreciation expenses | 3 | 11,112.83 | 12,544.99 |
| Other expenses | 29 | 37,064.31 | 30,921.64 |
| Total expenses (II) | | 1,05,892.78 | 3,01,456.95 |
| Profit/ (loss) before exceptional items and tax (I-II) | | (10,805.06) | (4,309.57) |
| Exceptional items | 30 | 10,000.00 | 13,075.00 |
| Profit/ (loss) before tax | | (805.06) | 8,765.43 |
| Tax expense | | | |
| Current tax | | 2,221.75 | (6,764.20) |
| MAT tax | | | - |
| Deferred tax | 16.2 | 355.71 | 1,403.35 |
| Profit/ (loss) after tax (III) | | 1,772.40 | 14,126.28 |
| OTHER COMPREHENSIVE INCOME | | | |
| A. (i) Items that will not be reclassified to profit or loss | | 58.83 | 145.50 |
| (ii) Income tax relating to items that will not be reclassified | | (14.81) | (36.62) |
| 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) | | 44.02 | 108.88 |
| Total Comprehensive Income (III+IV) | | 1,816.42 | 14,235.16 |
| Net Profit attributable to: | | | |
| a) Owners of the parent | | 1,805.63 | 14,671.15 |
| b) Non controlling interest | | (33.23) | (544.87) |
| Other Comprehensive Income attributable to: | | | |
| a) Owners of the parent | | 44.02 | 108.88 |
| b) Non controlling interest | | | - |
| Total Comprehensive Income attributable to: | | | |
| a) Owners of the parent | | 1,849.65 | 14,780.03 |
| b) Non controlling interest | | (33.23) | (544.87) |
| Earning per equity share (EPS) | | | |
| [nominal value of share Rs. 10] | | | |
| Basic (In Rs.) | | 0.13 | 1.07 |
| Diluted (in Rs.) | | 0.13 | 0.77 |
| Weighted Average No. of Equity Shares | | 1,41,13,636.00 | 1,32,39,115 |
| Weighted Average No. of Dilutive Equity Shares | | 1,41,13,636.00 | 1,82,39,115 |

Notes to the financial statements

1-50

The accompanying notes are an integral part of the financial statements. For A F ENTERPRISES LIMITED
As per our report of even date

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

CA S.N. Agarwal
Partner
Membership No. 012103
UDIN:


DIRECTOR
Abhishek Singh
Director & CFO
DIN: 03603706

For A F ENTERPRISES LIMITED

DIRECTOR
Santosh Kumar Kushawaha
Managing Director
DIN: 02994228
For A F ENTERPRISES LIMITED

Neha Srivastava
Company Secretary
PAN: EETPS5130A

Faridabad, the 29th day of May 2024



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2024

(Amt. in 000's)

| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|---|--|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit/ (loss) before tax and after extra- ordinary items | (957.32) | 8,765.44 |
| Adjustments for items: - | - | - |
| Derecognition of financial liability | - | - |
| Foreign exchange fluctuation (loss)/ (gain) | (9,276.06) | (53,676.24) |
| Loss/Profit on sale of property, plant & equipment | - | - |
| Interest on lease liability | 1,692.36 | 1,707.20 |
| Interest paid | 142.90 | 904.37 |
| Interest paid on advance tax | (4.08) | 9.63 |
| Depreciation on Property, plant & equipment | 11,112.83 | 12,545.00 |
| Provision for gratuity | 65.22 | (419.73) |
| Operating Profit before working capital changes | 2,775.85 | (30,164.33) |
| Working capital adjustments: - | - | - |
| (Increase)/ decrease in trade receivables | 1,22,841.07 | (1,17,799.95) |
| (Increase)/ decrease in Inventories | 668.62 | 24,008.46 |
| (Increase)/ decrease in Other financial assets | - | - |
| (Increase)/ decrease in Other assets | 4,304.90 | (5,086.89) |
| Increase/ (decrease) in Current Assets | 52,558.24 | 51,074.89 |
| Increase/ (decrease) in Trade payables | (1,66,074.00) | (17,158.08) |
| Increase/ (decrease) in other current Liabilities | (9,156.20) | 8,345.41 |
| (Increase)/ decrease in Other financial Liabilities | (5,667.43) | 1,920.67 |
| Increase/ (decrease) in Other liabilities | (2,322.54) | (68,737.32) |
| Cash generated from operations | (71.50) | (1,53,597.14) |
| Direct taxes paid | (208.02) | 210.18 |
| Net cash flow from operating activities (A) | (279.52) | (1,53,386.96) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale/ (Purchase) of Property, plant & equipment | (57.46) | (3,041.01) |
| Sale/ (Purchase) of Investment | (2,820.00) | - |
| Loans (given)/recovered | (6,378.07) | 19,044.93 |
| Net cash flow from investing activities (B) | (9,255.53) | 16,003.92 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds From Issue of equity Share Capital | - | 16,200.00 |
| Proceeds From Issue of Share Warrants | - | 1,26,250.00 |
| Interest paid | (142.90) | (904.37) |
| Net proceeds from borrowings | 11,282.82 | (9,950.65) |
| Net cash flow from financing activities (C) | 11,139.91 | 1,31,594.99 |
| Net cash flow during the year (A + B + C) | 1,604.86 | (5,788.05) |
| Add: Opening cash and cash equivalents | 5,926.87 | 11,714.92 |
| Closing cash and cash equivalents | 7,531.73 | 5,926.87 |
| Components of cash and cash equivalents | | |
| Cash on hand | 3,335.09 | 3,507.03 |
| Balances with banks in current accounts | 4,196.64 | 2,419.84 |
| Total cash and cash equivalents (Note 9) | 7,531.73 | 5,926.87 |

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S Agarwal & Co.
Chartered Accountants
Firm Regn. No. 000808N



CA S.N. Agarwal
Partner
Membership No. 012103
UDIN:

For A F ENTERPRISES LIMITED



DIRECTOR

Abhishek Singh
Director & CFO
DIN: 03603706

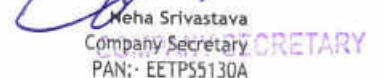
For A F ENTERPRISES LIMITED



DIRECTOR

Santosh Kumar Kushawaha
Managing Director
DIN: 02994228

For A F ENTERPRISES LIMITED



NEHA SRIVASTAVA
Company Secretary
PAN: EETP55130A

Faridabad, the 29th day of May 2024



A F ENTERPRISES LIMITED

CIN : L18100DL1983PLC016354

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

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, 2024.
- (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.



A F ENTERPRISES LIMITED

CIN : L18100DL1983PLC016354

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(In Rs 000')

3 Property, plant and equipment

| Carrying amount: | As at | |
|-------------------------------|------------------|------------------|
| | 31st March 2024 | 31st March 2023 |
| Building Premises (ROU Asset) | 13,000.19 | 18,097.14 |
| Plant & Machinery | 26,290.43 | 32,102.05 |
| Furniture & fixtures | 1,173.93 | 1,583.97 |
| Vehicles | 545.14 | 767.14 |
| Office Equipment | 171.52 | 236.24 |
| Computers & peripherals | 102.74 | 217.78 |
| Total | 41,948.95 | 53,004.33 |

| | Building Premises ROU Asset | Computers & peripherals | Motor Car | Furniture & fixtures | Office Equipment | Plant & Machinery | Total |
|--------------------------------------|--------------------------------|----------------------------|-----------------|-------------------------|---------------------|----------------------|--------------------|
| Cost or Deemed Cost : | | | | | | | |
| 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 |
| Additions during the year | - | - | - | - | 57.46 | - | 57.46 |
| On acquisition of subsidiary | - | - | - | - | - | - | - |
| Sale/ disposal during the year | - | - | - | - | - | - | - |
| Balance as at 31st March 2024 | 33,954.62 | 1,977.34 | 4,107.95 | 4,735.81 | 918.18 | 66,512.62 | 1,12,206.52 |

| | Building Premises ROU Asset | Computers & peripherals | Motor Car | Furniture & fixtures | Office Equipment | Plant & Machinery | Total |
|--------------------------------------|--------------------------------|----------------------------|-----------------|-------------------------|---------------------|----------------------|------------------|
| Accumulated Depreciation : | | | | | | | |
| 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 | 337.33 | 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 |
| Charge for the year | 4,431.95 | 115.04 | 222.00 | 410.04 | 122.18 | 5,811.62 | 11,112.83 |
| On acquisition of subsidiary | - | - | - | - | - | - | - |
| Adjustment for Sale/ disposal | - | - | - | - | - | - | - |
| Balance as at 31st March 2024 | 20,289.43 | 1,874.60 | 3,562.81 | 3,561.88 | 746.66 | 40,222.19 | 70,257.57 |

| | Building Premises ROU Asset | Computers & peripherals | Motor Car | Furniture & fixtures | Office Equipment | Plant & Machinery | Total |
|-------------------------------|--------------------------------|----------------------------|-----------|-------------------------|---------------------|----------------------|-----------|
| Carrying amount : | | | | | | | |
| Balance as at 31st March 2023 | 18,097.14 | 217.78 | 767.14 | 1,583.97 | 236.24 | 32,102.05 | 53,004.32 |
| Balance as at 31st March 2024 | 13,665.19 | 102.74 | 545.14 | 1,173.93 | 171.52 | 26,290.43 | 41,948.95 |

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

4 Loans : non-current

| Considered good - unsecured Loans (at amortised cost) | As at | |
|--|------------------|------------------|
| | 31st March 2024 | 31st March 2023 |
| - Others | 30,281.67 | 11,416.60 |
| - Related Parties | - | 14,698.51 |
| Less: Expected Credit loss | - | 2,611.51 |
| | 30,281.67 | 23,503.60 |

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

| Particular | As at 31st March 2024 | | As at 31st March 2023 | |
|---|-------------------------------|---|-------------------------------|---|
| | 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 |



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(in Rs '000')

5 Other non current assets

| | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| Security deposit | 2,568.22 | 6,054.52 |
| Advance tax and TDS (net of provision) | - | 102.00 |
| | 2,568.22 | 6,156.52 |

6 Inventories

| | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| <u>Stock in trade</u> | | |
| - Quoted Equity Instruments (at Fair Value Through Profit & Loss FVTPL) | 843.34 | 958.49 |
| - Sunglasses | - | - |
| - Others | - | - |
| <u>Raw Materials</u> | | 50.10 |
| - Plastic moulded components | - | - |
| <u>Finished goods</u> | | |
| Plastic products | 14,471.08 | 14,802.77 |
| | 15,314.42 | 15,810.86 |

7 Trade receivables: current

| | As at 31st March 2024 | As at 31st March 2023 |
|-----------------------------|--------------------------|--------------------------|
| Considered good - unsecured | 11,75,709.72 | 12,97,118.22 |
| | 11,75,709.72 | 12,97,118.22 |

7.1 Trade receivables ageing schedule

| Particulars | Outstanding from due date of payment as on 31st March 2024 | | | | | 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 | 32,291.48 | 1,031.17 | 65,099.02 | 2,37,179.11 | 8,40,108.95 | 11,75,709.72 |
| (ii) Undisputed Trade Receivables : Considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables : Considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables : Considered doubtful | - | - | - | - | - | - |

7.2 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 | 4,339.75 | 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 | - | - | - | - | - | - |

8 Cash and cash equivalents

| | As at 31st March 2024 | As at 31st March 2023 |
|---|--------------------------|--------------------------|
| Cash on hand (as certified) | 3,335.09 | 3,507.03 |
| Balances with banks in current accounts | 4,196.64 | 2,419.84 |
| | 7,531.73 | 5,926.87 |

9 Loans: current

| | As at 31st March 2024 | As at 31st March 2023 |
|-----------------------------------|--------------------------|--------------------------|
| <u>Unsecured, considered good</u> | | |
| Loan to body corporate | - | 400.00 |
| Advance to others | - | - |
| Loan to related party | - | - |
| Less: Expected Credit Loss | - | - |
| | - | 400.00 |

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

| Particular | As at 31st March 2024 | | As at 31st March 2023 | |
|---|----------------------------|---|----------------------------|---|
| | 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 |



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(In Rs '000')

10 Other current assets

| | As at | | As at | |
|-----------------------------------|-----------------|------------------|-----------------|--------------------|
| | 31st March 2024 | | 31st March 2023 | |
| Input credit of GST | | 35,810.80 | | 35,862.32 |
| Balances with revenue authorities | | 1,947.53 | | 2,927.58 |
| Other advances | | 16,476.72 | | 66,713.12 |
| Prepaid expenses | | 24.13 | | 544.16 |
| | | 54,059.18 | | 1,07,947.18 |

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 2024 | | 31st March 2023 | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Nos. | (Rs. in '000') | Nos. | (Rs. in '000') |
| Authorized shares: | | | | |
| Equity shares of Rs. 10 each | 4,10,00,000 | 4,10,000.00 | 4,10,00,000 | 4,10,000.00 |
| | 4,10,00,000 | 4,10,000.00 | 4,10,00,000 | 4,10,000.00 |
| Issued, subscribed and fully paid-up shares: | | | | |
| Equity shares of Rs. 10 each Fully Paid up | 1,41,13,636 | 1,41,136.36 | 1,41,13,636 | 1,41,136.36 |
| | 1,41,13,636 | 1,41,136.36 | 1,41,13,636 | 1,41,136.36 |

11.1 Reconciliation of number of equity shares and amount outstanding

| Equity Shares | 31st March 2024 | | 31st March 2023 | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Nos. | (Rs. in '000') | Nos. | (Rs. in '000') |
| At the beginning of the period | | | | |
| Add: Conversion of Share Warrants (Note 11.2) | 1,41,13,636 | 1,41,136 | 1,29,13,636 | 1,29,136.36 |
| Add: Sweat Equity shares Issued (Note 11.3) | - | - | 12,00,000 | 12,000.00 |
| Total outstanding at the end of the period | 1,41,13,636 | 1,41,136.36 | 1,41,13,636 | 1,41,136.36 |

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 financial year ended 31st March 2023.

11.3 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.

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

| | 31st March 2024 | | 31st March 2023 | |
|--|-----------------|-----------|-----------------|-----------|
| | Nos. | % holding | Nos. | % holding |
| Rishan Singh Keer | - | - | 9,46,483 | 0.71% |
| Anuva Kaur Keer | - | - | 9,95,000 | 7.05% |
| Anupreet Kaur Keer | - | - | 12,00,000 | 8.50% |
| RMS Mosquito Pvt Ltd. | 8,07,600 | 5.72% | 8,07,600 | 5.72% |
| RDS Corporate Services Private Limited | - | - | 8,00,000 | 5.67% |

As per records, registers and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

11.5 Details of shares held by promoters in the Company

| Promoter Name | As at 31st March 2024 | | As at 31st March 2023 | | % 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 | 5.72 | 0.00% |

There is no change in promoters shareholding during the year ended March 31, 2024 and March 31, 2023.



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(In Rs '000')

12 Other equity

| | As at | | As at |
|--|-----------------|--------------------|--------------------|
| | 31st March 2024 | | 31st March 2023 |
| Capital Reserve | | | |
| Opening balance | - | - | - |
| Add/(less) : Changes during the year | 1,26,250.00 | - | - |
| Closing balance | | 1,26,250.00 | - |
| Security Premium | | | |
| Opening balance | - | 32,713.64 | - |
| Add/(less) : On Issue of equity shares | 42,313.64 | - | 9,600.00 |
| Closing balance | | 42,313.64 | 42,313.64 |
| Retained earnings | | | |
| Opening balance | 21,620.23 | 17,670.79 | - |
| Add/(less) : Profit/ (loss) for the year | 1,805.66 | 3,949.44 | - |
| Less: Pre- acquisition profits of the subsidiary | - | - | - |
| Closing balance | | 23,425.89 | 21,620.23 |
| Money received against share warrants | | | |
| Opening balance | - | - | - |
| Add: received during the year | 1,26,250.00 | 5,400.00 | - |
| Less: conversion of warrant into equity shares | - | 1,26,250.00 | - |
| Less: Share Forfeited | - | 5,400.00 | - |
| Closing balance | 1,26,250.00 | - | 1,26,250.00 |
| Fair Value through Other Comprehensive Income | | | |
| Remeasurement of Defined Benefit Obligation | | | |
| Opening balance | 186.11 | 77.23 | - |
| Add/(less) : Changes during the year (net of tax) | 44.02 | 108.88 | - |
| Closing balance | | 230.12 | 186.11 |
| Total Other Equity | | 1,92,219.66 | 1,90,369.98 |

13 Borrowings (other than debt securities)

| | As at | | As at |
|---|------------------|---|------------------|
| | 31st March 2024 | | 31st March 2023 |
| From Banks | | | |
| Secured loans: | | | |
| Finance lease obligations (Note 13.1) | 1,056.15 | - | 930.00 |
| Less: current portion transfer to other financial liabilities (note 18) | (87.63) | - | (235.06) |
| From other Parties: | | | |
| Unsecured loans: | | | |
| From Others | 65,439.46 | - | 54,430.22 |
| | 66,407.98 | | 55,125.16 |

14 Other financial liabilities - non current

| | As at | | As at |
|-------------------------------------|------------------|---|------------------|
| | 31st March 2024 | | 31st March 2023 |
| Lease Liability (as per Ind AS 116) | 10,612.53 | - | 14,814.42 |
| | 10,612.53 | | 14,814.42 |

15 Provision -Non current

| | As at | | As at |
|--------------|-----------------|---|-----------------|
| | 31st March 2024 | | 31st March 2023 |
| For Gratuity | 171.17 | - | 164.74 |
| | 171.17 | | 164.74 |

16 Deferred tax assets/Liabilities (net)

| | As at | | As at |
|---|-----------------|---|-----------------|
| | 31st March 2024 | | 31st March 2023 |
| At the start of the year | 1,281.39 | - | 2,648.12 |
| (Charge)/ credit to statement of profit and loss and reserves & surplus | (340.90) | - | (1,366.73) |
| At the end of year | 940.49 | | 1,281.39 |

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 2024 | | | |
|---|---------------------------------------|-------------------------------|-------------------|-----------------|
| | Opening Balance | Recognized in profit and loss | Recognized in OCI | Closing Balance |
| Property, plant and equipment | 2,660.07 | (142.50) | - | 2,517.57 |
| Losses carried forward under the Income Tax Act, 1961 | - | - | - | - |
| Provision For Gratuity | 89.73 | (13.20) | 14.81 | 91.34 |
| Others | (1,468.41) | (200.02) | - | (1,668.42) |
| Total | 1,281.39 | (355.71) | 14.81 | 940.49 |
| 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 | (18.69) | (1,449.72) | - | (1,468.41) |
| Total | 2,648.12 | (1,403.35) | 36.62 | 1,281.39 |



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(In Rs '000')

17 Trade payables: current

- Outstanding dues to micro enterprises and small enterprises (Note 17.1)
- Outstanding dues of creditors other than micro enterprises and small enterprises

| | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| | 645.63 | 720.84 |
| | 8,39,348.04 | 10,05,592.41 |
| | <u>8,39,993.67</u> | <u>10,06,313.25</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 2024 | | | | |
|-----------------------------|--|-----------|-------------|-------------------|-------------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) MSME | 645.63 | - | - | - | 645.63 |
| (ii) Others | 31,448.69 | 25,066.42 | 3,13,807.33 | 4,69,008.60 | 8,39,348.04 |
| (iii) Disputed dues : MSME | - | - | - | - | - |
| (iv) Disputed dues : others | - | - | - | - | - |

| 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 | - | - | - | - | - |

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

- (a) Principal amount remaining unpaid at the end of the year
- (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
- (e) Interest remaining due and payable referred to in section 23 of the MSMED Act, 2006

| | 31st March 2024 | 31st March 2023 |
|--|-----------------|-----------------|
| | 645.63 | 720.84 |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| | <u>645.63</u> | <u>720.84</u> |

18 Other financial liabilities: current

- Current maturities of finance lease obligations (refer note 13)
- Lease Liability (as per Ind AS 116)

| | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| | 87.63 | 235.06 |
| | 4,363.79 | 3,989.55 |
| | <u>4,451.42</u> | <u>4,224.61</u> |

19 Other current liabilities

- Advance received from customers
- TDS Payable
- Outstanding statutory Dues
- TCS payable
- EPF, ESI and LWF payable
- Other payables

| | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| | 80,946.34 | 79,969.01 |
| | 1,777.27 | 2,349.14 |
| | 10.00 | 782.35 |
| | 296.56 | 296.06 |
| | 849.89 | 841.28 |
| | 6,532.18 | 17,976.81 |
| | <u>90,412.24</u> | <u>1,02,214.65</u> |

20 Provisions: current

- For gratuity

| | As at 31st March 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| | 0.47 | 0.50 |
| | <u>0.47</u> | <u>0.50</u> |

21 Revenue from operations

- Sale of products :
 - Plastic
 - Rough emerald
 - Others
- Sale of shares & securities

| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|--|--|--|
| | 80,859.91 | 84,835.83 |
| | 4,453.94 | 1,57,012.10 |
| | - | 1,020.00 |
| | <u>85,013.85</u> | <u>2,42,867.93</u> |

22 Other income

- Foreign exchange fluctuation gain
- Profit & Loss on Sale of PPE
- Interest On Income Tax Refund
- Derecognition of financial liability
- Discount received
- Miscellaneous income
- Prior period income

| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|--|--|--|
| | 9,376.06 | 53,676.24 |
| | 4.08 | - |
| | 113.11 | 510.82 |
| | 606.61 | 47.04 |
| | 74.01 | 45.55 |
| | <u>10,073.87</u> | <u>54,279.45</u> |



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| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|---|--|--|
| (In Rs '000') | | |
| 23 Cost of materials consumed | | |
| Opening stock of raw materials | 14,802.27 | 38,091.92 |
| Add: purchases during the year | 38,119.13 | 52,785.80 |
| Less: closing stock of raw materials | (14,471.08) | (14,802.27) |
| | <u>38,450.32</u> | <u>76,075.45</u> |
| 24 Purchase of stock in trade | | |
| Fabrics | - | - |
| Rough emerald | 5,184.20 | 1,49,972.18 |
| Others | - | - |
| Shares & securities | - | - |
| | <u>5,184.20</u> | <u>1,49,972.18</u> |
| 25 Changes in inventories | | |
| Opening balance of stock in trade | 1,008.59 | 1,627.19 |
| Closing balance of stock in trade | (843.24) | (906.39) |
| Changes in inventories of stock in trade | <u>165.25</u> | <u>718.80</u> |
| 26 Operating Costs | | |
| Wages | 2,408.86 | 7,380.84 |
| Job work materials | 387.36 | 200.04 |
| Fuel & power expenses | 5,184.53 | 324.08 |
| Consumables | 710.48 | 1,608.25 |
| Loading & freight | 159.55 | 47.92 |
| | <u>8,850.78</u> | <u>9,561.13</u> |
| 27 Employee benefits expense | | |
| Director Remuneration (Basic Salary) | - | 9,600.00 |
| Salaries and allowances | 2,952.29 | 8,481.26 |
| Employer contribution to PF | 50.84 | 104.03 |
| Employer contribution to ESIC | 1.25 | 13.74 |
| Staff Welfare | 65.22 | 523.37 |
| Gratuity expense | 160.23 | 328.80 |
| | <u>3,229.83</u> | <u>19,051.20</u> |
| 28 Finance cost | | |
| Interest on lease liability (as per Ind AS 116) | 1,692.36 | 1,707.20 |
| Interest to banks | - | 19.01 |
| Interest to others | 142.90 | 885.35 |
| | <u>1,835.26</u> | <u>2,611.56</u> |
| 29 Other expenses | | |
| Advertisement expenses | 18,223.56 | 866.15 |
| Payment to statutory auditors (Note 35) | 220.00 | 320.00 |
| Bank charges | 196.83 | 24.05 |
| Balance written off | 37.64 | 6,128.55 |
| Credit card charges | - | 350.73 |
| Business promotion | - | 89.70 |
| Certification charges | 23.00 | 97.65 |
| Consolidated charges | - | - |
| Conveyance expenses | 1.45 | 613.16 |
| Donation | 521.00 | - |
| Electricity and maintenance expenses | - | 6,673.81 |
| Expected Credit Loss | - | 2,503.92 |
| Festival Expenses | 7.66 | 18.90 |
| Fittings | - | 2.40 |
| Freight & cartage | 5,495.96 | 1,289.80 |
| General expenses | 69.34 | 218.65 |
| Interest and penalties | 154.70 | 297.79 |
| Labour welfare | 8.61 | 13.70 |
| Legal & professional charges | 6,586.18 | 1,133.67 |
| Miscellaneous expenses | 55.57 | 21.30 |
| Membership & registration fees | 828.03 | 1,688.59 |
| Office expenses | 124.18 | 86.94 |
| Printing & stationery | 80.52 | 305.77 |
| Professional & consultancy charges | 15.00 | 210.00 |
| Rent, rate & taxes | 674.73 | 117.69 |
| Repair & maintenance | 1,350.80 | 2,037.80 |
| Recruitment expenses | - | 44.15 |
| RTA expenses | 175.60 | 117.35 |
| ROC expenses | - | 1,488.14 |
| Security charges | 868.93 | 790.38 |



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

| | | (In Rs. '000') |
|-------------------------------|------------------|------------------|
| Service Charge | 52.08 | 51.63 |
| Sitting Fees | 104.00 | 116.00 |
| Software Renewal | 28.35 | 45.60 |
| Stamp Papers | - | 4.81 |
| Telephone expense | 113.29 | 89.92 |
| Tender Fees | 70.66 | 24.09 |
| Tour & Travels | 854.14 | 2,847.34 |
| Vehicle running & maintenance | 88.08 | 149.66 |
| Workspace Expenses(Mail) | 34.44 | 44.69 |
| | 37,064.31 | 30,921.64 |

30 Exceptional Item

| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|---------------------------|--|--|
| Advertisement expenses | - | 13,075.00 |
| Capital Receipt from FOSL | 10,000.00 | - |
| | 10,000.00 | 13,075.00 |

30.1 Exceptional item of Rs. 100 Lakhs is related to the compensation received for the non-fulfillment of underwriting commitments related to the subscription of the rights issue. The underwriting agreement required the underwriters to subscribe to any unsubscribed shares in the rights issue. However, as the underwriters failed to fulfill this obligation, the amount received serves as a compensation for this non-fulfillment.

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 | Aunli IT Solutions Private Limited |
| (b) | Key Management Personnel | Mr. Santosh Kumar Kushwaha (Managing Director) |
| | | Mr. Abhishek Singh (Director & CFO) |
| | | Mr. Manish Kumar Praful Jhai Mehta (Director) |
| | | Mr. Vikram Sharma (Past Director) |
| | | Mr. Sahil Arora (Past Director) |
| | | Ms. Shagun Ajmani (Past Director) |
| | | Ms. Prerna Sethi (Past Director) |
| (c) | Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives | Ms. Payal Sachdeva (Company Secretary) |
| | | Ms. Neha Srivastava (Company Secretary) |
| | | M/s. RDS Corporate Services Private Limited |
| | | M/s. SNF Infosolutions LLP |
| | | M/s. RMS Mosquito Private Limited |
| | | M/s. Consider Done |

(ii) Transaction with Related Parties:-

| | Transaction with | Nature of Transaction | Transactions during the year ended | |
|-----|--|---|------------------------------------|-----------------|
| | | | 31st March 2024 | 31st March 2023 |
| (a) | Subsidiary Company:- | | | |
| | Aunli IT Solutions Private Limited | Loans Given | Nil | Nil |
| | | Loan Recovered | Nil | Nil |
| (b) | Key Management Personnel:- | | | |
| | Mr. Sahil Arora | Loans received | Nil | Nil |
| | | Loans repaid | Nil | Nil |
| | | Remuneration (Sweat Equity Shares Issued) | Nil | Nil |
| | Ms. Shagun Ajmani | Loans received | Nil | Nil |
| | | Loans repaid | Nil | Nil |
| | | Remuneration (Sweat Equity Shares) | Nil | Nil |
| | Mr. Abhishek Singh | Remuneration | 600.00 | 549.73 |
| | | Reimbursement of Expenses | - | 255.20 |
| | | Advance against salary | - | - |
| | | Advance against salary recovered | - | 500.01 |
| | Mr. Santosh Kumar Kushwaha | Payment towards Remuneration payable | 7,200.00 | Nil |
| | | Reimbursement of Expenses | 9,201.75 | 6,893.84 |
| | | Remuneration | - | 7,200.00 |
| | | Loans Received | - | 2,224.50 |
| | | Payment towards expenses payable | 3,446.00 | Nil |
| | Ms. Payal Sachdeva | Remuneration | - | 420.00 |
| | Ms. Neha Srivastava | Remuneration | 7.13 | Nil |
| (c) | Relations of Key Management Personnel :- | | | |
| | Enterprises in which Key Management Personnel and Relatives are having significant influences :- | | | |
| | M/s. RDS Corporate Services Private Limited | Loans given | 13,803.50 | 583.90 |
| | | Loans recovered | 9,331.50 | 6,982.87 |
| | | Sale of goods | Nil | 6,924.97 |
| | | Services received | 3,480.00 | 464.00 |
| | M/s. Consider Done | Loan Given | - | 787.46 |
| | | Loan Recovered | - | 9,087.00 |



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(In Rs. '000')

(iii) **Balance with the Related Parties:-**

| | Transaction with | Nature of Transaction | Balance as at | |
|-----|---|--|---|---------------------------------------|
| | | | 31st March 2024 | 31st March 2023 |
| (a) | Subsidiary Company:- Aunlik IT Solutions Private Limited | Investment in Equity Shares | 9,527.00 | 9,527.00 |
| (b) | Key Management Personnel:- Mr. Abhishek Singh Mr. Santosh Kumar Kushwaha Ms. Payal Sechideva Ms. Neha Srivastava | Advance against salary Loans & Advances Remuneration Payable Remuneration Payable | - - Nil 7.13 | Nil Nil Nil Nil |
| (c) | Relatives of Key Management Personnel:- None | | | Nil |
| (d) | Enterprises in which Key Management Personnel and Relatives are having significant influences:- M/s. RDS Corporate Services Private Limited M/s. RMS Mosquito Private Limited M/s. Consider Done | Loans & Advances Trade Receivable Trade Payables Advance received from customer Loans & Advances | 5,778.07 - 13.00 195.00 Nil | Nil 1,606.07 - 195.00 Nil |

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:-

- (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 2024 | 31st March 2023 |
|---|---------------------|---------------------|
| Segment Revenue:- | | |
| Rough emerald | 4,453.94 | 1,57,012.10 |
| Software Services | - | 1,020.00 |
| Plastic molded components | 80,559.59 | 84,835.83 |
| Unallocable | 9,957.00 | - |
| Total Revenue | 85,013.85 | 2,42,867.93 |
| Segment Results | | |
| (Profit/ loss before interest and taxes) | | |
| Trading in shares | -115.15 | (719.00) |
| Rough Emerald | 159.32 | 7,039.92 |
| Software Services | (937.57) | (9,217.43) |
| Plastic molded components | 41,220.01 | 1,064.86 |
| Less: Interest | (1,692.36) | (1,850.81) |
| Less: Other Un-allocable expenditure (net) | (39,439.31) | 12,447.90 |
| Total Profit Before Taxes | (805.06) | 8,765.43 |
| Segment assets | | |
| Trading in shares | - | 958.00 |
| Rough Emerald | 1,21,073.27 | 2,19,071.00 |
| Fabrics | 5,866.50 | 1,30,167.00 |
| Glasses | - | - |
| Plastic molded components | 2,15,736.86 | 2,17,142.00 |
| Software Services | 2,34,308.60 | 2,35,703.00 |
| Un-allocable | 7,69,815.65 | 7,23,770.00 |
| Total | 13,46,800.89 | 15,26,434.57 |
| Segment liabilities | | |
| Trading in shares | - | 1,925.00 |
| Rough Emerald | 1,21,073.27 | 2,08,805.00 |
| Software Services | 2,29,821.65 | 2,49,463.00 |
| Fabrics | 28,33,067.75 | 10,105.00 |
| Plastic molded components | 1,57,123.96 | 1,67,008.00 |
| Un-allocable | (23,26,739.94) | 5,58,869.00 |
| Total | 10,14,346.68 | 11,95,796.81 |
| Capital employed | | |
| Rough Emerald | - | 10,266.00 |
| Software Services | 4,486.95 | (1,19,296.00) |
| Fabrics | (28,27,201.25) | (10,105.00) |
| Plastic molded components | 58,612.90 | 68,695.00 |
| Un-allocable | 30,96,555.57 | 1,64,901.00 |
| Total | 3,32,454.18 | 3,31,603.00 |



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(iv) Secondary Segment Information:

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

(in Rs '000')

33 Categories of Financial Instruments and its fair value measurement

| Financial assets | As at 31st March, 2024 | As at 31st March, 2023 |
|-----------------------------|------------------------|------------------------|
| Measured at amortised cost | | |
| (i) Loans | | |
| (ii) Trade receivables | 30,261.67 | 23,903.60 |
| (iii) Cash and Bank balance | 11,75,709.74 | 12,97,118.22 |
| Total | 7,531.73 | 5,926.87 |
| | 12,13,523.14 | 13,26,948.69 |

| Financial liabilities | As at 31st March, 2024 | As at 31st March, 2023 |
|----------------------------------|------------------------|------------------------|
| Measured at amortised cost | | |
| (i) Borrowings | | |
| (ii) Other financial liabilities | 65,407.98 | 55,125.16 |
| (iii) Trade and other payables | 15,063.95 | 19,039.03 |
| Total | 8,19,348.04 | 10,05,592.41 |
| | 9,20,819.97 | 10,79,756.60 |

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.

34 Particulars

| | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|---|--|--|
| Expenditure in foreign currency i.e. loss | | |
| Earning/ Income in foreign currency | Nil | Nil |
| | 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 2024 | For the year ended on 31st March 2023 |
|---|--|--|
| In respect of statutory audit (including tax audit) | | |
| In respect of certification | 220.00 | 320.00 |
| TOTAL | 220.00 | 371.50 |



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024.

(In Rs '000')

36

| Particulars | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|---|--|--|
| Contingent Liability not provided for | | |
| 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 Honble Income Tax Appellate Tribunal, New Delhi, which is pending for disposal. | 1,916.26 | 1,916.26 |

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 2024 | 31st March 2023 |
| 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 2024 | As at 31st March 2023 |
|--|--------------------------|--------------------------|
| Present Value of the obligation | 171.64 | 165.24 |
| Fair Value of Plan Assets | Nil | Nil |
| Funded Status [Surplus/ (Deficit)] | (171.64) | (165.24) |
| Unrecognised Past Service Cost | Nil | Nil |
| Asset/(liability) recognised in Balance Sheet | 171.64 | 165.24 |

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

| Particulars | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|--|--|--|
| Current Service Cost | 52.83 | 74.95 |
| Interest Cost | 12.39 | 15.94 |
| Expected Return on Plan Asset | Nil | Nil |
| Past service cost | Nil | Nil |
| Expense to be recognized in profit and loss | 65.22 | 90.89 |

(iii) Other Comprehensive (Income)/ expenses (Remeasurement)

| Particulars | For the year ended on 31st March 2024 | For the year ended on 31st March 2023 |
|--|--|--|
| Cumulative unrecognized actuarial (gain)/loss opening, B/F | 248.71 | 103.21 |
| Actuarial (gain)/loss- Obligation | 58.83 | 145.50 |
| Expected Return on Plan Asset/Actuarial (gain)/loss- from changes in financial | - | - |
| Actuarial (gain)/loss - Plan assets | - | - |
| Total Actuarial (gain)/loss | 58.83 | 145.50 |
| Cumulative Total Actuarial (gain)/ loss- C/F | 307.54 | 248.71 |

(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 2024 | 31st March 2023 | % change from March 31, 2023 to March 31, 2024 |
|-------|-----------------------------------|-----------------|-----------------|--|
| 1 | Current ratio | 1.34 | 1.27 | 5.41% |
| 2 | Debt- Equity Ratio | 0.20 | 0.17 | 19.80% |
| 3 | Debt Service Coverage Ratio | 0.12 | 0.69 | -83.28% |
| 4 | Return on Equity Ratio (in %) | 0.01 | 0.05 | -90.25% |
| 5 | Inventory Turnover Ratio | 5.46 | 8.73 | -37.44% |
| 6 | Trade Receivable Turnover Ratio | 0.07 | 0.20 | -65.70% |
| 7 | Trade Payable Turnover Ratio | 0.09 | 0.24 | -61.52% |
| 8 | Net Capital Turnover Ratio | 0.27 | 0.80 | -66.50% |
| 9 | Net Profit Ratio (in %) | 2.08% | 5.82% | -64.16% |
| 10 | Return on Capital Employed (in %) | -4.32% | -0.87% | -399.54% |
| 11 | Return on Investment (in %) | 0.00% | 0.00% | 0.00% |



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Reasons for variance of more than 25% in above ratios

(In Rs 000)

| S.No. | Particulars | Variance | Reasons |
|-------|-----------------------------------|----------|---|
| 1 | Debt Service Coverage Ratio | Decrease | Decrease in the earnings available and increase in the finance cost for the current year. |
| 2 | Return on Equity Ratio (In %) | Decrease | Increase in profit after tax is proportionately more than the increase in total equity. |
| 3 | Inventory Turnover Ratio | Decrease | Decrease in the revenue from operation for the year. |
| 4 | Trade Receivable Turnover Ratio | Decrease | Decrease in the revenue from operation for the year. |
| 5 | Trade Payable Turnover Ratio | Decrease | Decrease in the revenue from operation for the year. |
| 6 | Net Capital Turnover Ratio | Decrease | Increase in working capital and decrease in revenue from operations. |
| 7 | Net Profit Ratio (In %) | Decrease | Decrease in profit after tax is proportionately more than the decrease in Total Revenue. |
| 8 | Return on Capital Employed (In %) | Decrease | Due to decrease in Profit Before Interest , Tax and Exceptional Items |

Components of Ratio

| S.No. | Ratios | Numerator | Denominator | March 31st 2024 | | March 31st 2023 | |
|-------|-----------------------------------|--|--|-----------------|--------------|-----------------|--------------|
| | | | | Numerator | Denominator | Numerator | Denominator |
| 1 | Current Ratio | Current Assets | Current Liabilities | 12,52,619.07 | 9,36,214.51 | 14,27,203.14 | 11,24,411.10 |
| 2 | Debt- Equity Ratio | Borrowings | Total Equity (Equity Share capital+Other equity) | 66,407.98 | 3,33,356.01 | 55,125.16 | 3,31,906.34 |
| 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 | 2,143.03 | 18,619.90 | 13,350.90 | 19,796.20 |
| 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] | 1,772.40 | 3,32,431.18 | 14,126.28 | 2,58,252.18 |
| 5 | Inventory Turnover Ratio | Revenue from sales of products | Average Inventory [(opening balance + closing balance)/2] | 85,013.85 | 15,562.64 | 2,42,867.93 | 27,815.09 |
| 6 | Trade Receivable Turnover Ratio | Revenue from operations | Average trade receivable [(Opening balance + closing balance)/2] | 85,013.85 | 12,36,413.98 | 2,42,867.93 | 12,11,380.13 |
| 7 | Trade Payable Turnover Ratio | Revenue from operations | Average trade payable [(Opening balance + closing balance)/2] | 85,013.85 | 9,23,153.46 | 2,42,867.93 | 10,14,892.28 |
| 8 | Net Capital Turnover Ratio | Revenue from operations | Working capital (Current asset-current liabilities) | 85,013.85 | 3,16,400.56 | 2,42,867.93 | 3,02,792.04 |
| 9 | Net Profit Ratio (In %) | Net profit after tax-Exceptional items | Revenue from operations | 1,772.40 | 85,013.85 | 14,126.28 | 2,42,867.93 |
| 10 | Return on Capital Employed (In %) | Profit Before Interest, Tax & Exceptional item | Total Equity - Total Debts (Including preference share liability) | 18,969.80 | 2,07,544.34 | (1,698.01) | 1,96,261.52 |
| 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 | | | | |

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.



A F ENTERPRISES LIMITED

CIN : L18100DL1983PLC016354

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(in Rs 000')

| Particulars | For the year ended 31st March 2024 | | For the year ended 31st March 2023 | |
|---|------------------------------------|-----------------|------------------------------------|-----------------|
| | 100 bp increase | 100 bp decrease | 100 bp increase | 100 bp decrease |
| On account of Variable Rate on Loans and advances given | 302.82 | (302.82) | 239.04 | (239.04) |
| On account of Variable Rate on borrowings | (664.08) | 664.08 | (551.25) | 551.25 |
| Net impact on profitability | (361.26) | 361.26 | (312.22) | 312.22 |

(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 of 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 ₹7,531.73 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.

- 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.
- 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 29th day of May, 2024.
- 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 S Agarwal & Co.
Chartered Accountants
Firm Regn. No. 000808N

CA S.N. Agarwal
Partner
Membership No. 012103

UDIN:

Faridabad, the 29th day of May 2024

For A F ENTERPRISES LIMITED For A F ENTERPRISES LIMITED

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

DIRECTOR

Abhishek Singh
Director & CFO
DIN: 03603706

DIRECTOR

Santosh Kumar Kushwaha
Managing Director
DIN: 02092226

For A F ENTERPRISES LIMITED

Neha Srivastava
Company Secretary
PAN: EETPS5130A

COMPANY SECRETARY

