



3<sup>rd</sup> June, 2021

**AF ENTERPRISES LTD.**

CIN No.: L18100BL1983PLC016354

An ISO 9001:2015 Certified Co.

*Mfrs. of Plastic Moulded Components*

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

Scrip Code: 538351

Dear Sir,

**Sub: Postal Ballot for Issue of Sweat Equity Shares to Directors of the Company and Issue of Share Warrants**

Further to the outcome of meeting of the board of directors of the Company dated June 03<sup>rd</sup>, 2021, we hereby enclose a copy of the postal ballot notice dated June 03<sup>rd</sup>, 2021 ("Postal Ballot Notice"). The Postal Ballot Notice, along with other relevant documents, will be sent to all the shareholders whose names appear in the register of members/ beneficial owners received from the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited as on May 28, 2021 ("Cutoff date"), seeking their approval as set out in the Postal Ballot Notice.

The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its members. The voting through e-voting will commence from Saturday, June 05, 2021 (9:00 A.M. IST) and shall end on Sunday, July 04, 2021 (5:00 P.M. IST). The results of the postal ballot will be announced on or before Monday, July 05, 2021. The above information will also be made available on the website of the Company [www.afenterprisesltd.in](http://www.afenterprisesltd.in).

You are requested to kindly take the above information on record.

Thanking You,  
Yours Faithfully,  
For AF ENTERPRISES LTD

  
**PAYAL SACHDEVA**  
COMPANY SECRETARY/COMPLIANCE OFFICER



**Regd. Office:**

DSM-334, DLF Tower,  
Shivaji Margh, Najafgarh Road,  
Mathura, New Delhi-110015

**Factory:**

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

**POSTAL BALLOT NOTICE**

[Pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given that pursuant to and in compliance with the provisions of Section 110, 108 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, read with the General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020 and the General Circular No. 33/2020 dated September 28, 2020 and the General Circular No. 39/2020 dated December 31<sup>st</sup>, 2020 issued by the Ministry of Corporate Affairs ("MCA Circulars") (including any statutory modification or re-enactment thereof for the time being in force, and as amended from time to time), and pursuant to other applicable laws and regulations, it is proposed to seek the consent of the members ("Members") of **A F Enterprises Limited** ("Company"), for the resolutions appended below, through postal ballot by remote e-voting process ("e-voting").

The proposed resolutions along with the explanatory statement pursuant to Sections 102, 110 and other applicable provisions, if any, of the Act pertaining to the aforesaid resolution setting out the material facts and the reasons thereof is annexed hereto for your consideration.

The Board of Directors of the Company has appointed Mr. Sumit Bajaj, Company Secretary in whole time practice (Membership No. ACS 45042; C.P. No. 23948), as the Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner.

In accordance with the provisions of the MCA Circulars, shareholders can vote only through the remote e-voting process. Accordingly, the Company is pleased to offer a remote e-voting facility to all its members to cast their votes electronically. Shareholders are requested to read the instructions in the Notes under the section **"Instructions and other information relating to e-voting"** in this postal ballot notice ("Postal Ballot Notice") to cast their vote electronically. Shareholders are requested to cast their vote through the e-voting process not later than 17:00 Hours IST on Sunday, July 04, 2021 to be eligible for being considered, failing which it will be strictly considered that no vote has been received from the shareholder.

In accordance with the provisions of the MCA Circulars and SEBI Circulars the Company has made arrangements for the shareholders to register their e-mail addresses. Therefore, those shareholders who have not yet registered their e-mail addresses are requested to register the same by following the procedure set out in the notes to this Postal Ballot Notice.

The Scrutinizer will submit his report to the Chairman of the Company after completion of scrutiny of the e-voting. The results shall be declared on or before Monday, July 05, 2021 and will communicate the same to BSE Limited ("BSE"), National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited, Skyline Financial Services Private Limited ("Skyline" or "Registrar and Share Transfer Agent") and will also be displayed on the Company's website [www.afenterprisesltd.in](http://www.afenterprisesltd.in).

**Regd. Office:**

DSM-334, DLF Tower,  
Shivaji Margh, Najafgarh Road,  
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Ballabgarh, Faridabad,  
Haryana-121006, INDIA

## **SPECIAL BUSINESS:**

### **1. TO APPROVE APPOINTMENT AND REMUNERATION OF MR. SANTOSH KUMAR KUSHAWAHA AS MANAGING DIRECTOR**

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of Section 196, 197, 203 read with section 1, part II of Schedule V of the Companies Act, 2013, rules made there under and other applicable provisions of the Companies Act, 2013 and all other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force) the approval of the Members of the Company be and is hereby accorded to appoint Mr. Santosh Kumar Kushawaha as Managing Director of the Company for a period of 5 years with effect from 03<sup>rd</sup> June, 2021 at a remuneration not exceeding Rs.72,00,000 /- per annum of such appointment as per breakup of salary/remuneration as decided by the Board.

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

### **2. TO APPROVE THE PAYMENT OF REMUNERATION TO MR. SAHIL ARORA (DIN: [07143414](#)), DIRECTOR OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of Section 188, Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to payment of remuneration of Rs. 30,00,000 p.a. effective from 01<sup>st</sup> April, 2021 to **Mr. Sahil Arora (DIN: [07143414](#))**, Director, asset out in the statement annexed to the Notice convening this Meeting with the liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the said terms and conditions of appointment and / or remuneration, or any statutory modification(s) or re-enactment thereof;

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

### **3. TO APPROVE THE PAYMENT OF REMUNERATION TO MS. SHAGUN AJMANI (DIN: [08828322](#)), DIRECTOR OF THE COMPANY**

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

**“RESOLVED THAT** pursuant to the provisions of Section 188, Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to payment of remuneration of Rs. 30,00,000 p.a. effective from 01<sup>st</sup> April, 2021 to **Ms. Shagun Ajmani (DIN: [08828322](#))**, Director, as set out in the statement annexed to the Notice convening this Meeting with the liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the said terms and conditions of appointment and / or remuneration, or any statutory modification(s) or re-enactment thereof;

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

**4. TO CONSIDER AND APPROVE THE ISSUANCE OF SWEAT EQUITY SHARES TO DIRECTORS OF THE COMPANY**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 54 of the Companies Act, 2013 and the SEBI (Issue of Sweat Equity Shares) Rules, 2002, (including any statutory modifications or re-enactment thereof for the time being in force) (Listing Regulations) and other applicable laws and subject to necessary approvals from the BSE Limited and such other approvals as may be necessary and in accordance with the recommendations of the Board, consent of the members be and is hereby accorded to Issue of 6,00,000 (Six Lakhs) sweat equity share, at a price of Rs. 18/- (Rupees Eighteen only) (Face value of Rs. 10/- per share including premium of Rs. 8/-) per sweat equity share aggregating to Rs. 1,08,00,000/- (Rupees One Crore Eight Lakhs only) . The details are as under:

S.NO.	NAME OF EMPLOYEE/DIRECTOR	CATEGORY	NO. OF SHARES TO BE ISSUED
1	Mr. Santosh Kushawaha	Managing Director	3,00,000
2	Mr. Sahil Arora	Director	1,50,000
3	Ms. Shagun Ajmani	Director	1,50,000
	<b>Total</b>		<b>6,00,000</b>

**RESOLVED FURTHER THAT** the Sweat equity shares issued shall be locked in for a period of at least three years from the date of allotment. The price of the share shall be calculated as per the guidelines issued by the SEBI, the Valuation Report has been obtained by a merchant banker in regard to valuation of the intellectual property or of the know-how provided or other value addition by Mr. Santosh Kumar Kushwaha, Mr. Sahil Arora and Ms. Shagun Ajmani, Directors of the Company to whom sweat equity capital is to be issued. The Board discussed the matter and thereafter passed the following resolutions:-

**RESOLVED FURTHER THAT** subject to the provisions of Section 54 of the Companies Act, 2013 and also in accordance with the SEBI (Issue of Sweat Equity Shares) Rules, 2002, and also other requisite approvals of appropriate agencies, banks & financial institutions if any, 6,00,000 number of equity of shares be and are hereby issued for consideration other than cash for providing know-how or making available rights in the nature of intellectual rights or value additions, by whatever name called) at Rs. 18 per share to Mr. Santosh Kumar Kushwaha, Mr. Sahil Arora and Ms. Shagun Ajmani, Directors of the Company, as per the detailed statement and Valuation Report , which is also duly initialed by the Chairman for identification.

**RESOLVED FURTHER THAT** any of the Directors and Company Secretary of the Company, be and are hereby severally authorized to intimate Stock exchanges post Member's approval within the permitted time and execute all such forms, documents, instruments, papers and writings etc., on behalf of the Company as may be required from time to time, to do and to perform all such acts, deeds and things as may be necessary to give effect to this resolution and to settle any question, difficulty or doubt, that may arise in giving effect to aforementioned resolution

5. **TO CONSIDER AND APPROVE THE FUND RAISING THROUGH PREFERENTIAL ISSUE OF CONVERTIBLE WARRANTS INTO EQUITY SHARES**

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

**"RESOLVED THAT** pursuant to the provisions of Section 23, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and such others rules and regulations made there under (including any amendments, statutory modification(s) and/or re-enactment thereof for the time being in force) (the "Act"), the provisions of the Memorandum and Articles of Association of the Company and any other rules, regulations, guidelines, notifications, circulars and clarifications issued by the Government of India, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India ("SEBI"), including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI Listing Regulations"), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended or re-enacted from time to time ("SEBI (ICDR) Regulations") Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI Takeover Regulations") and subject to necessary approvals, permissions, sanctions and consents, if any and as may be required from the any other relevant governmental authorities including from BSE Limited ("Stock Exchange") and subject to such other approvals, permissions, sanctions and consents as may be necessary under all other statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable and on such terms and conditions (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents as the case may be required) by any other regulatory authorities which may be agreed to and/or accepted by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by

the Board in its absolute discretion, the consent of the Board of Director of the Company be and is hereby accorded, Subject to Approval of Members in General Meeting, to create, offer, issue and allot at an appropriate time, in one or more tranches in aggregate and upto 40,00,000 (Fourty Lakh ) equity warrants ("Equity Warrants") at a price of Rs. 18/-per warrant, each convertible into or exchangeable for One (1) equity share of face value of Rs. 10/-each ("the Equity Shares") aggregating to Rs. 7,20,00,000/- (Rupees Seven Crore Twenty only) on a preferential basis, for cash and in such form and manner and in accordance with the provisions of SEBI (ICDR) Regulations and SEBI Takeover Regulations or other applicable laws and on such terms and conditions as the Board may, in its absolute discretion think fit and subject to approval or consent from the Members to following promoters and other allottees:

S.NO.	NAME OF PROPOSED ALLOTTEES	NO. OF SHARES TO BE ISSUED	Issue Price(Rs.)	Amount(Rs.)
1	M/S RDS Corporate Service Pvt. Ltd.	8,00,000	18.00	1,44,00,000.00
2	Mr. Rishan Singh Keer	10,00,000	18.00	1,80,00,000.00
3	Mrs. Anupreet Kaur Keer	12,00,000	18.00	2,16,00,000.00
4	Ms. Anuva Kaur Keer	10,00,000	18.00	1,80,00,000.00
	<b>Total</b>	<b>40,00,000</b>		<b>7,20,00,000.00</b>

**RESOLVED FURTHER THAT** the "Relevant Date" in accordance with SEBI (ICDR) Regulations would be 4<sup>th</sup> June, 2021, 30 days prior to the date of the postal ballot, shall be considered as the Relevant Date for the purpose of above-mentioned issue of Equity Warrants convertible into Equity Shares

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the issue of Equity Warrants shall be subject to following terms:

- The proposed Equity Warrants shall be issued and allotted by the Company to Proposed Allottee within a period of Fifteen (15) days from the date of passing of resolution at Postal Ballot. provided that where the issue and allotment of the proposed Equity Warrants is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of Fifteen(15)days from the date receipt of last of such approvals;
- Each Equity Warrant is convertible into One (1) Equity Share and the conversion can be exercised by warrant holder(s) at anytime during the period of Eighteen(18) months from the date of allotment of Equity Warrants, in one or more tranches, as the case may be and on such other terms and conditions as applicable;
- The Equity Warrants proposed to be issued shall be subject to appropriate adjustment, if during the interim period , the Company makes any issue of equity shares by way of capitalization of profits or reserves, upon demerger / realignment, rights issue or undertakes consolidation/sub-division/re-classification of equity shares or such other similar event so or circumstances requiring adjustments as permitted under SEBI(ICDR)Regulations and all other applicable regulations from time to time;
- Equity Warrant subscription price equivalent to 25% of the issue price will be pay able at the time of subscription of Equity Warrants, as prescribed by the SEBI(ICDR)Regulations, which would be adjusted by the Company and appropriated against the issue price of the Equity Shares. Equity Warrants exercise price equivalent to the75% of the issue price of the

equity shares shall be payable by the warrant holder(s) at the time of exercising conversion of Equity Warrants;

- e) The warrant holder(s) shall be entitled to exercise the option of exercising any or all of the Equity Warrants in one or more tranches by way of a written notice which shall be given to the Company, specifying the number of Equity Warrants proposed to exercise along with the aggregate amount payable thereon, prior to or at the time of conversion. The Company shall accordingly, without any further approval from the members of the Company, issue and allot the corresponding number of Equity Shares and perform such actions as required to credit the Equity Shares to the depository account and entering the name of allottee in the records of the Company as the registered owner of such Equity Shares;
- f) The Equity Shares to be so allotted on exercise of Equity Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank *pari-passu* in all respects including dividend, with the existing equity shares of the Company;
- g) In the event the warrant holder(s) does not exercise the Equity Warrants within Eighteen (18) months from the date of allotment of the Equity Warrants, then such Equity Warrants shall lapse and the amount paid shall stand forfeited by the Company;
- h) The Equity Warrants issued and allotted to promoter group will be transferable within the Promoter Group subject to compliance of applicable provisions and subject to such other approvals as may be necessary from time to time;
- i) The Equity Shares arising from the exercise of the Equity Warrants will be listed on Stock Exchanges where the equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be and shall *inter-alia* be governed by the regulations and guidelines issued by SEBI or any other statutory authority;
- j) The Equity Warrants and the Equity Shares being allotted pursuant to exercise of such Equity Warrants shall be subject to a lock-in for such period as specified under applicable provisions of SEBI (ICDR) Regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option by the warrant holder(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarification on the offer, issue and allotment of the equity Warrants convertible into Equity Shares, and listing of equity shares at the Stock Exchanges as per the terms and conditions of SEBI (LODR) Regulations and other applicable Guidelines, Rules and Regulations, to execute the necessary documents and enter into contracts, arrangements, agreements, documents (including appointment of agencies, intermediaries and advisor for the Preferential Issue), resolving all questions and doubt that may arise with respect to the offer, issued and allotment of equity warrants convertible into Equity Shares, and to authorize all such person as may be deemed necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Shareholders of the Company and that the decision of the Board shall be final and conclusive.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power herein conferred, to Mr. Santosh Kumar Kushawaha, Director of the Company and Ms. Payal Sachdeva, Company Secretary of the Company including making necessary filings with the Stock Exchanges and Regulatory Authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint Consultants, Professional Advisors and Legal Advisors to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

Notes:

1. The Statement as required under Section 102 of the Companies Act is annexed to the Notice. A Postal Ballot Form is also enclosed. A copy of the Notice and the Postal Ballot Form is also available on the website of the Company [www.afenterprisesltd.in](http://www.afenterprisesltd.in)
2. The Postal Ballot Notice is being sent to the shareholders of the Company whose names appear on the Register of Members/List of Beneficial Owners as received from the Depositories as on Friday, May 28, 2021.
3. In line with the MCA Circulars, the Postal Ballot Notice is being sent only by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories. Members may please note that the Postal Ballot Notice will also be available on the Company's website at [www.afenterprisesltd.in](http://www.afenterprisesltd.in), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
4. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Skyline Financial Services Private Limited. Members may note that pursuant to the MCA Circulars, the Members may update their email address by sending a mail at [info.afenterprises@gmail.com](mailto:info.afenterprises@gmail.com).
5. In accordance with the provisions of the MCA Circulars, SEBI Circulars, Shareholders can vote only through the remote e-voting process. Shareholders whose names appear on the Register of Members/List of Beneficial Owners as on Friday, May 28, 2021 will be considered for the purpose of e-voting.
6. Resolutions passed by the shareholders through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the shareholders.
7. The voting rights for Equity Shares are one vote per Equity Share, registered in the name of the members. Voting rights shall be reckoned on the paid-up value of Equity Shares registered in the name of the shareholders as on Friday, May 28, 2021. A person who is not a shareholder on the relevant date should treat this notice for information purpose only.
8. In compliance with Sections 108 and 110 of the Act and the rules made there under, the MCA Circulars and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided the facility to the shareholders to exercise their votes electronically and vote on the resolutions through the e-voting service facility arranged by NSDL. The instructions for e-voting are provided as part of this Postal Ballot Notice.
9. Shareholders desiring to exercise their vote through the e-voting process are requested to read the instructions in the Notes under the section “**Instructions and other information relating to e-**

**voting**” in this Postal Ballot Notice. Shareholders are requested to cast their vote through the e-voting process not later than 17:00 Hours IST on Sunday, July 04, 2021 to be eligible for being considered, failing which it will be strictly considered that no vote has been received from the shareholder.

10. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny, and the result of the voting by postal ballot through the e-voting process will be announced by the Chairman or any Director of the Company duly authorised, on or before Monday, July ,5<sup>th</sup> , 2021 and will also be displayed on the website of the Company (www.afenterprises.in), besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent.
11. The resolutions, if passed by the requisite majority shall be deemed to have been passed on July 05, 2021 i.e., the last date specified for receipt of votes through the e-voting process.
12. All the material documents referred to in the explanatory statement will be available for inspection electronically until the last date for receipt of votes through the e-voting process. Members seeking to inspect such documents can send an email to info.afenterprises@gmail.com.

## **INSTRUCTIONS FOR E- VOTING:**

### **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 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:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL.	Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “ <b>Beneficial Owner</b> ” icon under “ <b>Login</b> ” which is available under ‘ <b>IDeAS</b> ’ 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 “ <b>Access to e-Voting</b> ” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting

	<p>period.</p> <p>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="699 1093 1206 1400" data-label="Complex-Block"> <p><b>NSDL Mobile App is available on</b></p> <div>  App Store          Google Play       </div> <div>   </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at</li> </ol>

	<p><a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method 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 :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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](http://www.evoting.nsdl.com).

b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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 on NSDL e-Voting system.**

### **How to cast your vote electronically 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.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.

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 [cssumitbajaj@gmail.com](mailto:cssumitbajaj@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
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](http://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](http://www.evoting.nsdl.com) or call on toll free no. **1800 1020 990** and **1800 22 44 30** or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade world, 'A' wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or [SoniS@nsdl.co.in](mailto:SoniS@nsdl.co.in) or at telephone nos.:- +912224994545, +91-2224994559, who will also address the grievances connected with voting by electronic means. Members may also write to the Company Secretary's email address [info.afenterprises@gmail.com](mailto:info.afenterprises@gmail.com)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [info.afenterprises@gmail.com](mailto:info.afenterprises@gmail.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [info.afenterprises@gmail.com](mailto:info.afenterprises@gmail.com) .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 for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto: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.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, ANNEXURE TO AND FORMING PART OF THE NOTICE DATED 3<sup>rd</sup> JUNE, 2021.**

The following Explanatory Statement relating to the accompanying Notice sets out all material facts in respect of the resolutions:

**ITEM NO.1: TO APPROVE APPOINTMENT AND REMUNERATION OF MR. SANTOSH KUMAR KUSHAWAHA AS MANAGING DIRECTOR**

Pursuant to provisions of Section 196 and 197 of the Companies Act, 2013, read with Section 1, Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and applicable clauses of the Articles of Association of the Company, the above said remuneration requires approval of members of the Company by way of Special Resolution, accordingly your Board on the recommendation of the Nomination & Remuneration Committee of the Company, at its meeting held on 03<sup>rd</sup> June, 2021, change in designation of Director, Mr. Santosh Kumar Kushawaha (DIN: [02994228](#)) to Managing Director of the Company in accordance with Section 196 of the Companies Act, 2013. Your Board recommends appointment of Mr. Santosh Kumar Kushawaha as Managing Director of the Company for a term of upto 5 (five) years, from 03<sup>rd</sup> June, 2021 to 02<sup>nd</sup> June, 2026 and has approved payment of remuneration of Rs.72,00,000/- p.a. for which approval the members is required. The remuneration proposed to be paid to Mr. Santosh Kumar Kushawaha (DIN: [02994228](#)) the Managing Director of the Company has also been recommended by the Nomination and Remuneration Committee. The remuneration proposed will be within the limits permissible under Schedule V to the Act. Brief profile of Mr. Santosh Kumar Kushawaha is annexed to the notice. Keeping in view, the vast experience of Mr. Santosh Kumar Kushawaha, the Board of Directors has recommended the payment of remuneration as set out herein below:

A. Period: Period of appointment is Five Years w.e.f. 03<sup>rd</sup> June, 2021.

B. Salary: The gross Salary will be Rs 72,00,000/-per year including the Perquisites & Allowances

C. Perquisites & Allowances: The following Perquisites & Allowances are included in gross salary

- i. House Rent Allowance: House Rent Allowance in accordance with the rules of the Company.
- ii. Medical Reimbursement: Expenses incurred for the appointee and his family subject to a ceiling of one month salary in one year.
- iii. Leave Travel Concession: As per rules of the Company.
- iv. Club Fees: Fees of club subject to maximum of two clubs. This will not include admission and life membership fees.
- v. Personal Accident Insurance: Personal Accident Insurance Cover as applicable in line with rules & policies of the Company.
- vi. Contribution to Provident Fund: As per Company rules.
- vii. Gratuity: As per Company rules subject to maximum of half months' salary for each completed year of service.
- viii. Encashment of leaves- As per rules of the Company at the end of tenure.

D. General Information:

- i. Nature of Industry:
- ii. Date of Commencement of Activity: 18th August, 1983.

iii. Financial performance based on given indicators: The Company has grown rapidly in the recent years. Net Profit after Tax is Rs. 78.46 Lakhs for the Financial year 2020-21

E. Information about the appointee:

Particulars	Santosh Kumar Kushawaha
Background details	He has more than 10 years experience in multi industries
Past remuneration drawn	None
Qualifications	PGDM in 2009 from IIPM University
Remuneration proposed Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country	The remuneration payable to the Directors has been benchmarked with the remuneration being drawn by similar positions in the same industry and has been considered by the Nomination and Remuneration Committee of the Company at its Meeting held on June 03, 2021
Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any	The Managing Director have no pecuniary relationship directly or indirectly with the Company except to the extent of their remuneration and shareholdings in the Company

Mr. Santosh Kumar Kushawaha and the relatives of Mr. Santosh Kumar Kushawaha may be deemed to be interested in the said resolution to the extent of their shareholding interest, if any, in the company. Save and except the above, none of the other directors /Key Managerial personnel of the company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution. This statement may also be registered as an appropriate disclosure under the Listing regulations.

The Board recommends the special resolution set out as Item No.1 of the notice for approval by members.

**ITEM NO 2: TO APPROVE THE PAYMENT OF REMUNERATION TO MR. SAHIL ARORA (DIN: [07143414](#)), DIRECTOR OF THE COMPANY**

Pursuant to provisions of Section 196 and 197 of the Companies Act, 2013, read with Section 1, Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and applicable clauses of the Articles of Association of the Company, the above said remuneration requires approval of members of the Company by way of Special Resolution.

Mr. Sahil Arora was appointed as an Additional Director w.e.f. 03rdSeptember, 2020 by the Board of Directors of the Company to strengthen the Board and after that his appointment was

regularize by the shareholders in their meeting held on 30<sup>th</sup> September, 2020 . Mr. Sahil Arora was appointed in the category of non-executive non-independent Director. Mr. Sahil Arora has rich and versatile experience in the field of Business Administration and finance, which includes extensive experience in specialty. Keeping in view, the vast experience of Mr. Sahil Arora, the Board of Directors has recommended the payment of remuneration of Rs. 30,00,000/- per annum effective from the 01<sup>st</sup> April, 2021. The draft terms and conditions of appointment of Mr. Sahil Arora as Director shall be open for inspection at the Registered Office of the Company by any member during normal business hours (8.30 a.m. to 5.30 p.m.) on all working days until the date of the AGM.

No other Director(s) or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 2. Disclosure pursuant to regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the 'Annexure A' to the Explanatory Statement. Other details as required under ICSI Secretarial Standard SS-2 are also included in the Corporate Governance Report of the Annual Report of the Company.

The Board recommends the special resolution set out as Item No.2 of the notice for approval by members.

***ITEM NO.3: TO APPROVE THE PAYMENT OF REMUNERATION TO MS. SHAGUN AJMANI(DIN: [08828322](#)),DIRECTOR OF THE COMPANY***

Pursuant to provisions of Section 196 and 197 of the Companies Act, 2013, read with Section 1, Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and applicable clauses of the Articles of Association of the Company, the above said remuneration requires approval of members of the Company by way of Special Resolution.

Ms. Shagun Ajmani was appointed as an Additional Director w.e.f. 03rd September, 2020 by the Board of Directors of the Company to strengthen the Board and after that her appointment was regularize by the shareholders in their meeting held on 30<sup>th</sup> September, 2020. Ms. Shagun Ajmani was appointed in the category of Non-executive non-independent Director. Ms. Shagun Ajmani has rich and versatile experience in the field of Human Resources and others, which includes extensive experience in specialty. Keeping in view, the vast experience of Ms.Shagun Ajmani the Board of Directors has recommended the payment of remuneration of Rs. 30,00,000/- per annum effective from the 01<sup>st</sup> April, 2021. The draft terms and conditions of appointment of Ms. Shagun Ajmani as Director shall be open for inspection at the Registered Office of the Company by any member during normal business hours (8.30 a.m. to 5.30 p.m.) on all working days until the date of the AGM.

No other Director(s) or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 2. Disclosure pursuant to regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the 'Annexure A' to the Explanatory Statement. Other details as required under ICSI Secretarial Standard SS-2 are also included in the Corporate Governance Report of the Annual Report of the Company.

The Board recommends the special resolution set out as Item No.3 of the notice for approval by members..

#### **ITEM NO.4: ISSUE OF SWEAT EQUITY SHARES**

*Pursuant to Section 54 of the Companies Act, 2013 and SEBI(Issue of Sweat Equity)Regulations, 2002 and other applicable provisions, if any, Board of Directors have proposed to issue of 6,00,000(Six Lakh) sweat equity shares to the Directors of the Company as specified below:-*

S.NO.	NAME OF EMPLOYEE/DIRECTOR	CATEGORY	NO. OF SHARES TO BE ISSUED
1	Mr. Santosh Kushawaha	Director	3,00,000
2	Mr. Sahil Arora	Director	1,50,000
3	Ms. Shagun Ajmani	Director	1,50,000
	<b>Total</b>		<b>6,00,000</b>

In terms of the resolutions of Board of Directors passed on 3<sup>rd</sup> June, 2021, the Company has agreed to grant/issue of 6,00,000 equity shares at a value of Rs. 18 each towards his contribution, making available rights in the nature(intellectual property rights or value additions, by whatever name called) and knowhow provided by Mr. Santosh Kumar Kushawaha, Mr. Sahil Arora and Ms. Shagun Ajmani (hereinafter referred as “allottees”) to the Company and valued by Mr. Vikas Kumar Verma of M/s Fast Track Finsec Private Limited, SEBI Registered Category-1 Merchant Banker vide their Valuation Report enclosed with this notice.

Summary of the proposed issue as per SEBI (Issue of Sweat Equity) Regulations, 2002 and other applicable laws and guidelines as below :

Sr.No.	Particulars	Details
1.	The total number of shares to be issued as sweat equity.	6,00,000 Equity shares
2.	The current market price of the shares of the company.	Rs.17.55 *
3.	The value of the intellectual property rights or technical know-how or other value addition to be received from the employee or director along with the valuation report / basis of valuation.	108 Lakhs
4.	The names of the employees or directors or promoters to whom the sweat equity shares shall be issued and their relationship with the company.	1. Mr. Santosh Kumar Kushawaha , Non Executive Director 2. Mr. Sahil Arora, Non Executive Director

		3. Ms. Shagun Ajmani, Non Executive Director
5.	The consideration to be paid for the sweat equity.	Non cash consideration i.e. in the form of value addition
6.	The price at which the sweat equity shares shall be issued.	Rs. 18#
7.	Ceiling on managerial remuneration, if any, which will be affected by issuance of such sweat equity.	The remuneration paid within within the limits under Section 197 read with schedule V of Companies Act, 2013
8.	Diluted Earnings per Share pursuant to the issue of securities to be calculated in accordance with International Accounting Standards / standards specified by the Institute of Chartered Accountants of India.	Rs. 2 (Based on PAT for the year ending March 2021)

\*market rate of share on BSE on the date of BM approved the notice has been consider  
## value is derived by dividing allottees value addition by the number of shares offered to them.  
The members may further be informed that the company shall adhere to the accounting policies as prescribed by the relevant authorities from time to time.  
The valuation report (dated 24th May, 2021) carried out by a registered valuer M/s Fastrack Finsec Private Limited is given below:-

## EXECUTIVE SUMMARY& VALUE RECOMMENDATION

### Background

AF Enterprises Limited was initially incorporated as AF Investments Limited in the year 1983. The Company was in the investment business and continued its objective till the year 2016, then the Company started its business in Export and Import of Fabric and Rough Emeralds respectively . In 2019, the Company Started in the profile of manufacturing of Plastic Moulded Components and still continuing in present

In 1991 Company Changed its name from AF Investments Limited to AF Enterprises Limited and the Company got listed in 2014 on BSE Limited

The shares of the Company are listed at BSE. However, we understand that its shares at present are infrequently traded.

We have been represented by the management that the Company wants to derive the fair value of the efforts and contributions of Mr. Santosh Kumar Kushawaha, Mr. Sahil Arora and Ms. Shagun Ajmani (Non Executive Directors) which helped the Company to gain various tangible & intangible benefits paving the way for the Company for its growth and prosperity. Thus, in this respect, we as a SEBI Registered (Category I) Merchant Banker have been appointed by Company to determine the value of value-additions that can be attributed to the efforts and leadership for the purpose of issue of sweat equity shares pursuant to Rule 8(7) of Companies (Share Capital and Debentures) Rules, 2014.

This Valuation analysis and result relies upon the information pertaining to the Company substantially contained herein and which inter alia has been provided to us by the key management of the Company as well as the information available in public domain till the valuation date only. Any new information after the valuation date may impact the value recommendation significantly and we cannot comment on the same.

It is pertinent to mention that the accurate quantification of the intangible gains made by the Company consequent to the contribution of the allottees difficult to be ascertained in absolute numerical terms and involves careful consideration and review of various parameters that directly and / or indirectly contribute to business expansion with consequent accretion in value. These include the general economic outlook as well as the current and expected conditions in the business environment and the industry's relationship with the economy, the competitive environment prevailing within the industry, the relative competitive advantages of the business in terms of its service capability, management capabilities and the quality of the clients of the entity, the management of the Company, the historical financial and operational performance of the business, etc.

#### **Valuation Methodologies Adopted:-**

The following is the summary with respect to use of methodology considered by us to calculate valuation of the value-additions to the Company. All other popular methods of valuation were considered inappropriate or suboptimal for current analysis.

**Net Assets Value (NAV) Methodology:** We have considered NAV method in our valuation analysis on the basis of the Management certified projected financial statements of the Company (with and without Contribution of the allottees. We have further made necessary adjustments in derived equity value to calculate Net Value Additions solely due to efforts of allottees.

The valuation of Sweat Equity is summarized below :

<b>Networth of Company</b>	
<b>Particulars</b>	<b>Amount</b>
Paid-up Share Capital	951.36
Reserve & Surplus	124.27
<b>Networth</b>	<b>1075.63</b>

<b>COMPUTATION OF SWEAT EQUITY VALUE</b>	
<b>Particulars</b>	<b>Amount</b>
Company Net worth	1,111.27
Less-Other factor created value for company	1,055.71
Value addition by Santosh Kushwaha	55.56
Less-Net reimbursement paid to Santosh Kushwaha including perquisite	1.56
<b>Value of Sweat Equity shares belong to Santosh Kushwaha</b>	<b>54.00</b>
<b>Particulars</b>	<b>Amount</b>
Company Net worth	1,111.27
Less-Other factor created value for company	1,084.04
Value addition by Sahil Arora	27.23
Less-Net reimbursement paid to Sahil Arora including perquisite	0.23
<b>Value of Sweat Equity shares belong to Sahil Arora</b>	<b>27.00</b>
<b>Particulars</b>	<b>Amount</b>
Company Net worth	1,111.27
Less-Other factor created value for company	1,084.04
Value addition by Shagun Ajmani	27.23
Less-Net reimbursement paid to Shagun Ajmani including perquisite	0.23
<b>Value of Sweat Equity shares belong to Shagun Ajmani</b>	<b>27.00</b>

1. The valuation has been based on Globally Acceptable Pricing Methodology (i.e. Net Asset Value Method)
2. The net worth of the Company is determined based on the Net equity plus the reserve and surplus / retained earnings and Notes collectively.

Based on our Analysis of the Company and subject to our comments and caveats as further detailed in this report, we have arrived at the value of the value-additions made by allottees is Rs. 108 Lakhs

Please note that our Value Recommendation should not be construed as an Investment Advice

and specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.

#### **PURPOSE OF VALUATION, SCOPE & LIMITATIONS ABOUT THE TRANSACTION:-**

Based on the discussions held with the Management and Key Managerial Personnel (KMP's), we understand that the Company believes that the efforts and contributions of the allottees who has helped the Company to gain various intangible benefits over and above the tangible benefits which paved the way for the Company for its growth and prosperity. Thus, in this respect, we as a SEBI Registered (Category I) Merchant Banker have been appointed by Company to determine the value of value-additions that can be attributed to the efforts and leaderships of allottees pursuant to Rule 8(7) of Companies (Share Capital and Debentures) Rules, 2014.

#### **BRIEF PROFILE OF ALLOTTEES:-**

##### **MR. SANTOSH KUMAR KUSHAWAHA**

Santosh Kushawaha, in full Santosh Kumar Kushawaha, (born on March 3<sup>rd</sup> 1987) Sonabhadra, Uttar Pradesh, he was graduated in 2007 with BCA in Computers and did his PGDM in 2009 from IIPM University, Delhi.

He started his career with Money Mine India as a researcher in stock market in 2009 till 2012, and then in 2012 he started his own investment Company and invested through stock market,

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

Mr. Kushawaha again appointed as MD in A F Enterprises in 2019 and emerge with a brand name of RIDH.

Santosh Kushwaha is the pillar behind the growth of the company. He specializes in creating optimized and sustainable solutions. He also fosters a culture of innovation and efficiency leading to effective operations.

Sustainability plays a vital role in our company. As a result, we have a recycling process in place. Emphasizing on the proper use of Plastic our youngest Managing Director Santosh Kushwaha is the brain behind creating awareness on the sustainable use of plastic. He has conceptualized innovative marketing strategies and brings a unique perspective to the table.

His efforts made the Company profitable from a continuous loss of 3 years; the revenues grew over 10 times. He acquired Aunik It solutions in 2021 which offers remarkable IT Solutions and offers GIS Mapping Technologies.

Mr. Kushawaha's profound knowledge in finance helped the Company to become a 0 debt Company. His abilities will help the company to achieve more goals and his positive attitude and enthusiasm to take the Company on heights makes him an asset for the Company.

### **MR. SAHIL ARORA**

Mr. Sahil Arora, the youngest director at AF Enterprises, is a young entrepreneur dedicated towards combining innovation and technology to create efficient solutions. Mr. Arora is a strategic planner and has remarkable analytical ability. His visionary approach, leadership skills combined with unwavering determination has enabled him to contribute immensely to the company's growth and is bound to take the company to greater heights.

After completing BBA from Amity University, Mr. Arora ventured into exploring his business interests early on. His profound interest in Marketing led him to setting up his own media agency, Consider Done. Today, Consider Done is one of the leading digital marketing agencies with prestigious clients from various industries. Consider Done provides services such as PR, Online Reputation Management, Social Media Marketing, Search Engine Optimization and Content Creation helping clients enhance their online presence.

Mr. Arora is also the director of Aunik IT, a Delhi-based company offering remarkable IT Solutions. Aunik IT offers GIS Mapping Technologies that provides an in-depth geographical analysis. Working in line with Government missions, Aunik IT has also devised technologies to support Smart Education. Their technological solutions include interactive boards and digital tablets to facilitate learning. Mr. Arora has innovated unique digital concepts that are bound to transform technology in India.

Mr. Arora's background in Marketing and Technology makes him a valuable asset to AF Enterprises. He is a natural leader, with a well-rounded skill set, and zeal to make a difference.

### **MS. SHAGUN AJMANI**

Shagun Ajmani, a renowned actress and entrepreneur, is the core of Marketing & PR at Ridh.. Born in Sagar Madhya Pradesh, Ms. Ajmani has always possessed a go-getter attitude. She began her career in acting in 2006 and is a popular face in Indian Television.

Through her career in acting, Ms. Ajmani has developed a vast and expansive network. Her experience with PR has given her tremendous knowledge in the field and she exemplifies the integration of creativity and strategy. Taking a break from acting, Ms. Ajmani explored her interest in PR and Marketing as a partner in Consider Done - a digital marketing agency. She played a vital role in the development of strategy for PR. Further diversifying her interests, Ms. Ajmani brings a strong PR Background to AF Enterprises Pvt Ltd.

### **SCOPE OF SERVICES:-**

This valuation report has been prepared by M/s Fastrack Finsec Private Limited, SEBI Registered

(Category - I), Merchant Banker to determine the value of value-additions that can be attributed to the efforts and leadership of the Allottees.

## **DATA RELIED UPON**

For the purpose of the Report, documents and information, as provided by the Management have been relied upon. We have completely relied on the information provided by the Management and have not verified the same.

We have relied upon the following information :

1. Standalone audited Financial Statements of AF Enterprises Limited for the period ended 31<sup>st</sup>March, 2021, 31<sup>st</sup>March 2020 and as on 31<sup>st</sup>March. 2019.
2. Management representation letter provided by management.
3. MOA & AOA of the Company.
4. Brief profile of proposed allottees.
5. Other information considered useful during the course of assignment.

## **LIMITATION OF REPORT:-**

This valuation report has been prepared on the basis of the provisional financial statement for the period ended 31<sup>st</sup> March, 2021 and other information provided by the management.

The Valuation exercise was carried out under the following limitations:

- The Valuation analysis of equity shares is based upon the values appearing in the provisional financial statement of the Company for the period ended 31.03.2021 and is based upon various assumptions made by Company relating to the operations of its business and any change in these assumptions may have an impact on the conclusion of this report.
- Our Valuation & Analysis and the conclusions drawn there are further based on number of factors which are largely dependent upon the prevailing business and Industry conditions as on the valuation date and explanations provided by the Management. We presume that the Board of Company has taken reasonable care to ensure that all relevant information which could have an impact over the Valuation has been duly disclosed & made available to us.
- We have solely relied on the information provided by the management in respect of its past activities and future business plans.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the Company.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There

may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.

## **VALUATION METHODOLOGIES, APPROACH AND ANALYSIS**

It is pertinent to mention that the accurate quantification of the intangible gains made by the Company consequent to the contribution of the allottees is difficult to be ascertained in absolute numerical terms and involves careful consideration and review of various parameters that directly and / or indirectly contribute to business expansion with consequent accretion in value. These include:

- The general economic outlook as well as the current and expected conditions in the business environment and the industry's relationship with the economy.
- The competitive environment prevailing within the industry.
- The relative competitive advantages of the business in terms of its service capability.
- Management capabilities and the quality of the clients of the entity.
- The management of the Company.
- The historical financial and operational performance of the business, etc.

The Basis of Valuation is globally Acceptable Pricing Methodology (i.e. Net Asset Value Method)

The net worth of the Company is determined based on the Net equity plus the reserve and surplus / retained earnings and Notes collectively.

<b>Networth of Company</b>	
<b>Particulars</b>	<b>Amount</b>
Paid-up Share Capital	951.36
Reserve & Surplus	124.27
<b>Networth</b>	<b>1075.63</b>

<b>COMPUTATION OF SWEAT EQUITY VALUE</b>	
<b>Particulars</b>	<b>Amount</b>
Company Net worth	1,111.27
Less-Other factor created value for company	1,055.71
Value addition by Santosh Kushwaha	55.56
Less-Net reimbursement paid to Santosh Kushwaha including perquisite	1.56
<b><i>Value of Sweat Equity shares belong to Santosh Kushwaha</i></b>	<b><i>54.00</i></b>
<b>Particulars</b>	<b>Amount</b>
Company Net worth	1,111.27
Less-Other factor created value for company	1,084.04
Value addition by Sahil Arora	27.23
Less-Net reimbursement paid to Sahil Arora including perquisite	0.23
<b><i>Value of Sweat Equity shares belong to Sahil Arora</i></b>	<b><i>27.00</i></b>
<b>Particulars</b>	<b>Amount</b>
Company Net worth	1,111.27
Less-Other factor created value for company	1,084.04
Value addition by Shagun Ajmani	27.23
Less-Net reimbursement paid to Shagun Ajmani including perquisite	0.23
<b><i>Value of Sweat Equity shares belong to Shagun Ajmani</i></b>	<b><i>27.00</i></b>

## **DISCLAIMER AND CONFIDENTIALITY**

This valuation report ("Report") is being furnished on the request of the AF Enterprises Limited (hereafter referred to as 'Client') for determining the value addition of allottees under regulation 8(1) of Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002

The report has been prepared by Fast Track Finsec Private Limited ("Fasttrack") from information extracted from desk research, published reports and other data supplied by the Client and other sources believed to be reliable and true. Our scope of work includes limited verification of data submitted by Client and we have relied upon the data so submitted. The report cannot be distributed, published, reproduced or used, without the prior express written consent of "Fasttrack", for any purpose except as mentioned in the report.

The valuation has been derived using international valuation standard & used audited financial statement as on 31<sup>st</sup> March, 2021, and other information as have been detailed in later part of the report. Client has provided the factual data, business details and audited financial statements on which Fasttrack has relied.

While the information provided here in is believed to be true and reliable to the best of our knowledge, we do not make any representations or warranties express or implied, as to the accuracy or completeness of such information. In case of any future inquiry or proceedings before any regulatory authority in regard to accuracy of data, what so ever, Fasttrack shall not be answerable directly or indirectly. However for any future representation, if required, before any regulatory authority, it shall be on chargeable basis.

In furnishing the report, Fasttrack reserves the right to amend or replace the report at any time. The information contained herein is based on certain assumptions and management's analysis of information available at the time thereon report was prepared. Fasttrack does not purport to give any representation, warranty or other assurance in relation to his document.

This report and the information contained herein are confidential. It is intended only for the sole use and information of Client and only for the purpose mentioned herein. We are not responsible to any other user of the report for any decision of such user based on this report. User intending to provide finance / invest in the shares/business of the company and/or the client, its subsidiaries, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

**ANNEXURE : FINANCIAL STATEMENTS****Audited Balance Sheet as on 31<sup>st</sup> March 2021**

Particulars	(All Amount in INR Lacs ) 31.03.2021
<b>Equity &amp; Liabilities</b>	
Share Capital	951.36
Reserve and surplus	-9.56
Non-Current Liabilities	312.310
Current liabilities	9206.900
Total Equity and Liabilities	10594.84
<b>ASSETS</b>	
Non-Current Assets	914.42
Current Assets	9680.42
Total Assets	10594.84

**Audited Profit & Loss Account for the period ended 31<sup>st</sup> March, 2021**

For the Period Ended	(All Amount in INR Lacs )
<b>Revenue from Operations</b>	<b>1869.36</b>
Other Income	10.77
Total Revenue	1880.14
Total Expenses	1950.04
<b>Profit Before Tax (PBT)</b>	<b>125.09</b>
Tax Expenses	46.63
<b>Profit After Tax (PAT)</b>	<b>78.46</b>

#### **ITEM NO. 5: ISSUE OF CONVERTIBLE WARRANTS INTO EQUITY SHARES THROUGH PREFERENTIAL ISSUE**

The Company proposes to raise additional capital up to an aggregate sum of Rs. 7,20,00,000/- (Rupees Seven Crore Twenty Lakhs only), of which such number of share warrants convertible into equity shares having face value of Rs. 10/- each of the Company ("Equity Shares") Share, for cash at an issue price of Rs. 18/- (Rupees Eighteen Only) per share warrant convertible into Equity Share, is proposed to be issued by way of Convertible warrants through Preferential Issue. The proposed issue of capital is subject to the applicable regulations issued by the Securities and Exchange Board of India and any other government / regulatory approvals as may be required in this regard. Pursuant to Section 62 of the Companies Act and the listing requirements of the Stock Exchanges, whenever it is proposed to increase the subscribed capital of a company by a further issue of shares, such shares need to be offered to the existing Members in the manner prescribed in the said section and the listing requirements unless the Members decide otherwise by way of a special resolution.

In order to enable the Company to access the capital market through a private placement basis, the approval of the Members is hereby sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the SEBI Listing Regulations, as amended. The Equity Shares created, offered, issued and allotted, if any, shall rank pari passu in all respects with the existing equity shares of the Company.

The Board has approved the fund-raising through preferential issue of convertible Warrants into equity shares. Issuance of 40,00,000 (Fourty Lakhs) convertible warrants ('Warrants'), each carrying a right exercisable by the Warrant holder to subscribe to one Equity Share per Warrant, at a price of Rs. 18/- (Rupees Eighteen only) per Warrant aggregating to Rs. 7,20,00,000/- (Rupees Seven Crore Twenty Lakhs only) under Non- Promoter Category .The details are as under:

S.NO.	NAME OF PROPOSED ALLOTTEES	NO. OF SHARES TO BE ISSUED
1	M/S RDS Corporate Service Pvt. Ltd.	5,00,000
2	Mr. Rishan Singh Keer	10,00,000
3	Mrs. Anupreet Kaur Keer	15,00,000
4	Ms. Anuva Kaur Keer	10,00,000
	<b>Total</b>	<b>40,00,000</b>

The details of the Preferential Issue required in terms of Regulation 163 of the SEBI Regulations and the applicable provisions of the Companies Act are as follows:

#### **(I).Object(s) of the proposed issue of convertible equity warrants:**

Subject to applicable laws, the purpose and objects for the issuance of Equity Shares are as follows:

1. to meet working capital requirements to fulfill current Government work orders.
2. to repay outstanding amounts of Creditors of the Company,
3. expansion of business
4. repayment of ICD

5. General corporate purposes,
6. To support the future business plans of the Company and such other purpose as the Board may decide.

**(II).Maximum number of specified securities to be issued:**

The Board intends to offer, issue and allot 40,00,000 (Fourty Lakh) Equity Shares of the Company as per the list in No. (f).

**(III) Issue Price and Relevant Date:**

The Equity Shares in the Preferential Issue shall be allotted at a price, determined in accordance with the relevant provisions of the SEBI (ICDR) Regulations considering the Relevant Date as Thursday, June 3<sup>rd</sup>, 2021 i.e., 30 days prior to the date on which the resolution is deemed to be passed i.e. the last date specified for receipt of duly completed Postal Ballot Forms or E-voting.

**(IV).The proposal of the promoter, directors or key management personnel to subscribe to the Preferential Allotment:**

Except M/s RDS Corporate Services Private Limited (Entity in which Director, Mr. Santosh Kumar Kushawaha, is interested), None of the Promoter, Directors or KMPs intends to subscribe to the Preferential Issue.

**(V). Shareholding pattern before and after the Preferential Issue:**

The shareholding pattern before and after the Preferential Issue would be as under:

Sr. No	Category & Name of the Members	Pre-preferential Issue		Post-preferential Issue *	
		Shareholding pattern		Shareholding pattern	
		No. of shares	% of holding	No. of shares	% of holding
A	Promoter and Promoter Group				
1.	Indian	807600	8.49	807600	5.72
2	Foreign	0			
	Sub-total	807600	8.49	807600	5.72
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	807600	8.49	807600	5.72
B	Public Shareholding				
1.	Institutions				
2.	Central Government / State Government(s) / President of India				
3.	Non-institutions				
4.	Individuals	5960923	62.66	9160923	64.91
5.	Directors or Relative of Directors	863636	9.07	1463636	10.37
6.	Body Corporate -Entity in which	0	0	800000	5.67

	Directors are interested -Others	1729488	18.18	1729488	12.25
7.	Non-Resident Indians (NRI)	4323	0.05	4323	0.04
8.	HUFs	127386	1.34	127386	0.90
9.	Others(Clearing Members)	20280	0.21	20280	0.14
	Total Shareholding of Public (B)=(B)(1)+(B)(2)+ (B)(3)	8685756	91.51	13285756	94.28
C	Non-Promoter Non- Public	0	0	0	0
	Grand Total (A) + (B)+ (C)	9513636	100	14113636	100

*\* For the limited purpose of disclosing the possible shareholding pattern post allotment of the Equity Shares under Preferential Issue, it is assumed that a maximum of 40,00,000 number of Convertible warrants may be issued under the Preferential Issue, considering the floor price of Rs. 18/-, which is determined in accordance with the SEBI Regulations. The shareholding pattern post Preferential Issue will be as per the above table assuming full subscription at floor price. However, if the subscription price is higher than the floor price or the shares subscribed at the floor price is lower than the full subscription, the number of Equity Shares that would be allotted under Preferential Issue and the aggregate shareholding would differ from the details provided above. Accordingly, the shareholding pattern disclosed in the table above is indicative shareholding pattern and is subject to change.*

**\*\*the calculation of post preferential issue also included the proposed Number of 6,00,000 sweat equity shares**

**(VI) Proposed time within which the Preferential Issue shall be completed:**

The Equity Shares shall be allotted within a period of 15 days from the date of passing of the special resolution by the Members by way of postal ballot. Provided that where the allotment is pending on account of any approval from any regulatory authority or the Central Government, the allotment shall be completed by the Company within a period of 15 days from the date of receipt of the last of such approvals or such other time as may be prescribed or permitted by the SEBI, Stock Exchanges or other relevant authorities.

**(VII) The identity of the natural persons who are the ultimate beneficial owners of the Equity Shares proposed to be allotted and / or who ultimately control the proposed allottees, the percentage of post-Preferential Allotment capital that may be held by them and change in control, if any, in the Company, consequent to the Preferential Issue.**

Name of the Proposed Allottee	Category	Number of Shares	Pre-Preferential Allotment Shareholding	Ultimate Beneficial Owners	PostPreferential Allotment Shareholding*		Change in control
					Post Issue Holding	% age of total capital	
M/S RDS Corporate Service Pvt. Ltd.	(Entity in which Mr. Santosh Kumar Kushawaha, Director of the Company is interested)	800000	0	Mr. Santosh Kumar Kushawaha	800000	5.66	
Mr. Rishan Singh Keer	Public	1000000	0		1000000	7.08	
Mrs. Anupreet Kaur Keer	Public	1200000	0		1200000	8.50	
Ms. Anuva Kaur Keer	Public	1000000	0		1000000	7.08	

There would be no change in control due to said preferential issue.

\* For the limited purpose of disclosing the possible percentage of capital held post allotment of the Equity Shares, it is assumed that a maximum of 40,00,000 number of Equity Shares may be issued under the Preferential Issue, considering the floor price of Rs. 18, which is determined in accordance with the SEBI Regulations. The percentage of capital held post Preferential Issue will be as per the above table assuming full subscription at floor price. However, if the subscription price is higher than the floor price or the shares subscribed at the floor price is lower than the full subscription, the number of Equity Shares that would be allotted under Preferential Issue and the aggregate shareholding and the percentage of capital held post-Preferential Issue would differ from the details provided above. Accordingly, the percentage of capital held post-Preferential Allotment disclosed in the table above is an indicative percentage and is subject to change.

**(VIII) Time frame within which the preferential issue shall be completed;**

In terms of Regulation 170 of the SEBI ICDR Regulations, preferential allotment of Equity Shares will be completed within a period of 15 (fifteen) days from the date of passing of special resolution at item no. 2. Provided that where the allotment is pending on account of pendency of any application for approval or permission by any regulatory authority, if applicable, the allotment would be completed within 15 (fifteen) days from the date of such approval or within

such further period as may be prescribed or allowed by SEBI, stock exchange(s) or other concerned authorities.

**(IX) Consequential Changes in the Voting Rights and Change in Management**

As a result of the proposed preferential issue of Equity Shares, there will be no change in the control or management of the Company. However, voting rights will change in tandem with the shareholding pattern.

**(X) Lock-in Period:**

The pre-preferential allotment shareholding of the proposed allottee and the equity shares to be allotted on preferential basis to the promoters and persons other than the promoters and promoter group shall be subject to lock-in', in accordance with Regulation 167 of the SEBI ICDR Regulations, 2018.

**(XI) Issue Price and Relevant Date:**

Equity shares are proposed to be issued at Rs. 18/- (Rupees Eighteen Only) per Equity Share as determined in accordance with the preferential issue guidelines given in SEBI (ICDR) Regulations and subsequent amendments thereto which is based on the relevant date i.e. 4<sup>th</sup> June, 2021, which is thirty days prior to the last date of postal ballots (by remote e-voting). A Certificate is obtained from the Independent Valuer confirming the minimum price for the preferential issue as per Preferential Issue Regulations in Chapter V of SEBI (ICDR) Regulations, 2018 and showing the calculation thereof and the same will be made available for inspection at the registered office of the Company.

**(XII) RE-COMPUTATION OF ISSUE PRICE:**

Since, the Company's Equity Shares are listed and traded for a period more than twenty six weeks, therefore, there is no need for the Company to re-compute the price of Equity Shares in terms of the provisions of the SEBI (ICDR) Regulations, 2018..

**(XIII) AUDITOR'S CERTIFICATE:**

The certificate from M/s. V.N PUROHIT & CO, Chartered Accountants, New Delhi being the Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the requirements of Chapter V of the SEBI ICDR Regulations shall be available for inspection at the registered office of the Company during 10:00 A. M. to 5:00 P.M. (office hours) up to the date of declaration of results.

**(XIV) DISCLOSURE WITH REGARD TO THE NAMES OF ISSUER, ITS PROMOTER OR ANY OF ITS DIRECTORS NOT APPEARING IN THE LIST OF WILLFUL DEFAULTER AS ISSUED BY RBI:**

The issuer, its promoter or any of its directors is not categorized as willful defaulter(s) by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by Reserve Bank of India.

**(XIII) REPORT OF REGISTERED VALUER:**

No report of registered valuer is required for the offer, issue and allotment of the Equity Shares under the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debenture) Rules, 2014, as amended.

**(XVI) COMPLIANCES:**

The company has complied with the requirement of rule 19A of the Securities Contracts (Regulation) Rules, 1957, maintaining a minimum of 25% of the paid up capital in the hands of the public.

**(XVII) APPROVAL UNDER THE COMPANIES ACT:**

Section 62(1) of the Companies Act, 2013 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by further issue and allotment of shares/warrants, such shares/warrants shall be first offered to the existing shareholders of the Company in the manner laid down in the said section, unless the shareholders decide otherwise in General Meeting by way of special resolution. Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 62(1) of the Companies Act, 2013 and all other applicable provisions, SEBI Guidelines or regulations and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for authorizing the Board to offer, issue and allot warrants/equity shares as stated in the resolution, which would result in a further issuance of securities of the Company to the promoters and the others on a preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

**(XVIII) HOLDING OF SHARES IN DEMAT FORM, NON DISPOSAL OF SHARES BY THE PROPOSED ALLOTTEES AND LOCK-IN PERIOD OF SHARES:**

The entire shareholding of the proposed allottees in the company, if any, is held by them in dematerialized form. The entire pre preferential allotment shareholding of such allottees shall be under lock-in from the relevant date up to a period of six months from the date of trading approval from all the stock exchanges where the securities of the Company are listed. The shareholder who has sold their shares during the six months period prior to the relevant date shall not be eligible for allotment of equity shares on preferential basis. The proposed shareholders have Permanent Account Number.

**(XIX) SEBI TAKEOVER CODE:**

In the present case none of the proposed allottees would attract SEBI Takeover Code and therefore is not under obligation to give open offer to the public except making certain disclosures to Stock Exchange.

**(XX) Approvals:**

The Company will take necessary steps to obtain the required approvals from the Stock Exchange, SEBI, or any other regulatory agency as may be applicable, for the proposed preferential issue of equity shares/convertible equity warrants.

The Board of Directors recommends the resolutions as set out in item no.2 of this notice for the issue of Convertible warrants, on a preferential basis, to the shareholders by way of Special Resolution.

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

<b>Name</b>	<b>Mr. Santosh Kumar Kushawaha</b>	<b>Ms. SHAGUN AJMANI</b>	<b>MR. SAHIL ARORA</b>
Designation	Managing Director	Non-Executive Director	Non-Executive Director
Date of first appointment	30 <sup>th</sup> May, 2019	03 <sup>rd</sup> September, 2020	03 <sup>rd</sup> September, 2020
Qualification	Post Graduate	Graduate	Graduate
Experience & Profile	More than 10 years in multi industry	experience in Business administration and finance	Having experience in Human resources and others.
Directorship held in other Companies	4	Nil	3
Directorship held in Listed entities	2	1	1
Membership of Committees of the Board the Board (only Listed Entities) in which Chairmanship membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	3	1	2
No. of Board Meeting attended during the year	3	3	3
Terms & Conditions of appointment/ re-appointment	As per proposed Resolution and Explanatory Statement and	As per proposed Resolution and Explanatory Statement and	As per proposed Resolution and Explanatory Statement and

	Nomination and Remuneration Policy of the Company as displayed on the Company's website	Nomination and Remuneration Policy of the Company as displayed on the Company's website	Nomination and Remuneration Policy of the Company as displayed on the Company's website
Numbers of shares held in the Company	Nil	3,63,636	500,000
Past Remuneration	Nil	Nil	Nil
Relationship with other Directors	Nil	Nil	Nil

**Date: June 3<sup>rd</sup> 2021**

**Place: Faridabad**

**By Order of the Board**

**For A F ENTERPRISES LIMITED**

**Sd/-**

**PAYAL SACHDEVA**

**COMPANY SECRETARY**



**Fastrack Finsec**  
Category-1 Merchant Banker

To,  
The Board of Directors  
AF ENTERPRISES LIMITED  
CIN: L18100DL1983PLC016354  
Registered office: DSM - 334, DLF Towers,  
IIIrd Floor, Shivaji Marg, Delhi, 110015

Date: 24.05.2021

**Subject: Valuation of other value addition as required under Regulation 8(1) of Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002**

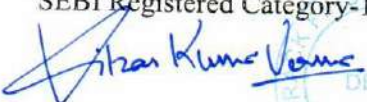
**Dear Sir/ Madam,**

We have been appointed by Company to evaluate value addition of Mr. Santosh Kumar Kushwaha, Mr. Sahil Arora & Ms. Shagun Ajmani (hereinafter referred as "allottees") under regulation 8(1) of Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002

We conducted our valuation exercise on the basis of information/documents and explanations given to us by the management. Based on the same, our report on valuation is being submitted herewith for your kind reference.

Yours Faithfully,

**For Fast Track Finsec Private Limited**  
SEBI Registered Category-1 Merchant Banker

  
**Vikas Kumar Verma**  
(Director)

**DIN: 05176480**

Place: New Delhi

**Fast Track Finsec Private Limited**

CIN : U65191DL2010PTC200381

Registration Code : INM000012500 | GST No. 07AABCF4818P1Z9

Regd. Off.: B-502 | Stateman House | 148 | Barakhamba Road | New Delhi-110001

Off.: +91-011-43029809, Web.: www.ftfinsec.com

**Valuation Report of  
AF ENTERPRISES LIMITED**

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**Prepared by-**

**Fast Track Finsec Private Limited  
(SEBI Registered Category-1 Merchant  
Banker)**

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## DISCLAIMER AND CONFIDENTIALITY

This valuation report ("Report") is being furnished on the request of the AF Enterprises Limited (hereafter referred to as 'Client') for determining the value addition of allottees under regulation 8(1) of Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002

The report has been prepared by Fast Track Finsec Private Limited ("Fasttrack") from information extracted from desk research, published reports and other data supplied by the Client and other sources believed to be reliable and true. Our scope of work includes limited verification of data submitted by Client and we have relied upon the data so submitted. The report cannot be distributed, published, reproduced or used, without the prior express written consent of "Fasttrack", for any purpose except as mentioned in the report.

The valuation has been derived using international valuation standard & used audited financial statement as on 31<sup>st</sup> March, 2021, and other information as have been detailed in later part of the report. Client has provided the factual data, business details and audited financial statements on which Fasttrack has relied.

While the information provided herein is believed to be true and reliable to the best of our knowledge, we do not make any representations or warranties express or implied, as to the accuracy or completeness of such information. In case of any future inquiry or proceedings before any regulatory authority in regard to accuracy of data, what so ever, Fasttrack shall not be answerable directly or indirectly. However for any future representation, if required, before any regulatory authority, it shall be on chargeable basis.

In furnishing the report, Fasttrack reserves the right to amend or replace the report at any time. The information contained herein is based on certain assumptions and management's analysis of information available at the time thereon report was prepared. Fast track does not purport to give any representation, warranty or other assurance in relation to his document.

This report and the information contained herein are confidential. It is intended only for the sole use and information of Client and only for the purpose mentioned herein. We are not responsible to any other user of the report for any decision of such user based on this report. User intending to provide finance / invest in the shares/business of the company and/or the client, its subsidiaries, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.



## EXECUTIVE SUMMARY

**Our current scope of work for this exercise includes:**

- To evaluate value addition of Mr. Santosh Kumar Kushwaha, Mr. Sahil Arora & Ms. Shagun Ajmani under regulation 8(1) of Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002 for the purpose of issuing sweat equity shares. The valuation has been arrived at by following the globally acceptable pricing methodology.

**As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to in this report. While utmost care has been taken, however, our report is subject to the limitations detailed hereinafter:**

- Valuation Date of the Report** – Valuation analysis and results are specific to the cut-off date i.e., 31<sup>st</sup> March, 2021 contemplated on the basis of audited financial statements as on 31<sup>st</sup> March, 2021.
- Reliance on the Information provided** – We have been provided with certain written and verbal information and assumptions from the Client and have not conducted any detailed enquiry. **Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.**
- Valuation Analysis** – Valuation of business is not a precise art and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment.
- Caution to users of the Report** – This report and the information contained herein are confidential. It is intended only for the sole use of the purpose mentioned in this report.



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## **DATA RELIED UPON**

For the purpose of the Report, documents and information, as provided by the Client have been relied upon. We have completely relied on the information provided by the Client and have not verified the same.

We have relied upon the following information to Fasttrack:

1. Standalone audited Financial Statements of AF Enterprises Limited for the period ended 31<sup>st</sup> March, 2021, 31<sup>st</sup> March 2020 and as on 31<sup>st</sup> March. 2019.
2. Management representation letter provided by management.
3. MOA & AOA of the Company.
4. Brief profile of proposed allottees.
5. Other information considered useful during the course of assignment.

**Wherever required, all the accounts and schedules listed above have been certified by the Client.**

We have also relied upon verbal explanation and information given to us by Client during the course of our exercise.



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## COMPANY OVERVIEW

A F ENTERPRISES LIMITED was incorporated on 18<sup>th</sup> day of August, 1983 (Company Identification Number (CIN) is (L18100DL1983PLC016354) having its registered office at DSM - 334, DLF Towers, IIIrd Floor, Shivaji Marg, Delhi, 110015. The shares of the Company are listed on BSE Limited.

The Company is engaged into the business activity of manufacturing injection moulding base components under its own brand "RIDH" to cater domestic as well as overseas requirement of industry.

Further, currently company is focusing to cater the industry like automobiles, warehousing, logistics, engineering & capital goods, healthcare, pharmaceuticals, electronics, FMCG etc.

**(Source: Management Information)**



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## VALUATION METHODOLOGY

### Globally Acceptable Pricing Methodology (i.e. Net Asset Value Method)

The net worth of the Company is determined based on the Net equity plus the reserve and surplus / retained earnings and Notes collectively.

### VALUATION OF "VALUE ADDITION"

The valuation of value addition is as follows:

Sr. No.	Name of proposed allottee	Amount
01.	Santosh Kumar Kushwaha	54,00,000
02.	Sahil Arora	27,00,000
03.	Shagun Ajmani	27,00,000

The working of the same is annexed as Annexure A.



<b>Networth of Company</b>	
<b>Particulars</b>	<b>Amount</b>
Paid-up Share Capital	951.36
Reserve & Surplus	124.27
<b>Networth</b>	<b>1075.63</b>

<b>COMPUTATION OF SWEAT EQUITY VALUE</b>	
<b>Particulars</b>	<b>Amount</b>
Company Net worth	1,111.27
Less-Other factor created value for company	1,055.71
Value addition by Santosh Kushwaha	55.56
Less-Net reimbursement paid to Santosh Kushwaha including perquisite	1.56
<b><i>Value of Sweat Equity shares belong to Santosh Kushwaha</i></b>	<b><i>54.00</i></b>
<b>Particulars</b>	<b>Amount</b>
Company Net worth	1,111.27
Less-Other factor created value for company	1,084.04
Value addition by Sahil Arora	27.23
Less-Net reimbursement paid to Sahil Arora including perquisite	0.23
<b><i>Value of Sweat Equity shares belong to Sahil Arora</i></b>	<b><i>27.00</i></b>
<b>Particulars</b>	<b>Amount</b>
Company Net worth	1,111.27
Less-Other factor created value for company	1,084.04
Value addition by Shagun Ajmani	27.23
Less-Net reimbursement paid to Shagun Ajmani including perquisite	0.23
<b><i>Value of Sweat Equity shares belong to Shagun Ajmani</i></b>	<b><i>27.00</i></b>

