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# A.V. Ratnam & Co., CHARTERED ACCOUNTANTS

180/2 RT, Upstairs, Opp. Vijayanagar Colony Park-2, Vijayanagar Colony, HYDERABAD-500057

## Independent Auditor's Report

To

The Members of M/s. ANDHRA BANK FINANCIAL SERVICES LIMITED

### Report on the standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone financial statements of M/s. ANDHRA BANK FINANCIAL SERVICES LIMITED ("the Company") which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit/loss, and its cash flows for the year ended on that date.

#### Basis for Opinion

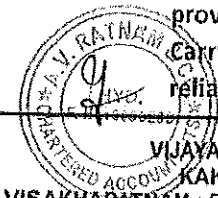
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter:

1. It was submitted by the management that an adhoc provision for contingent liability was created during the earlier years for Rs 36,07,36,930/- under the head Non Current Liabilities as the same was related to the then court cases and no additional provision is created for the current year.

The above provision was made during the year 1995-96 and 1999-20 and carrying these provisions since then.

Carrying these balances without any adjustment for more than 20 years does not reflect a reliable estimate of the company's obligation and further we submit that the estimate is not



VIJAYAWADA (VUYYURU) : 203, BLOCK-A, SUBBA LAKSHMI RESIDENCY, KATURU ROAD, NEAR IDBI BANK.

KAKINADA : H NO 5-2-43/1,,MAIN ROAD, BESIDE ST ANTHONY SCHOOL,EAST GODAVARI, DISTRICT.

VISAKHAPATNAM : FLAT NO TF - 8, 4TH FLOOR, VISWAKALA APARTMENTS, PRASANTHI NAGAR, DOCTORS COLONY, PEDAWALTAR.

CHENNAI BRANCH : D.NO.-10, 2ND FLOOR, DR. ALAGAPPA ROAD, PARASAWALKKAM. CHENNAI-600084

reflecting true and correct and the provisions are not made as per the criteria specified at para 14 of the Accounting Standard 29 Provisions, Contingent Liabilities, Contingent Assets.

2. It was observed that under the Long Term Loans and Advances – Others-Unsecured, considered good Rs 10,33,22,264/- showing as Advance Tax and TDS for the FY 1994-95, 1995-96, 1996-97, 1999-20, 2008-09, 2009-10, 2012-13, and 2013-14, these are shown as “considered good” though outstanding for more than 9 Years.
3. In addition to the above, we submit that the company not given effect to the emphasis points mentioned in our previous year audit ie FY 2020-21 report and those are as follows
  - a. In spite of the amount received from TNPL on Court decision and settlement of dispute was shown as prior period income instead of Extraordinary Income and which will not have any impact on profit. Our opinion is not modified in this regard
  - b. Under the head current liabilities trade payable Rs 8,80,412/- was shown till 31/03/2020 and the same was adjusted from amount received on Court decision and settlement of dispute and thereby trade payable was shown as NIL as on 31/03/2021. This non –cash transaction was not adjusted in the cash flow statement and cash flow statement is deficit in this regard. It was nullified by making journal entry as there was no cash flow for this particular liability and the amount received was consolidated for full and final settlement and no separate cash entry required in this regard. Our opinion is not modified in this regard.

The above a and b points are relevant to the Financial Year 2020-21 not given effect during the FY 2020-21, 2021-22 and 2022-23

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

#### Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation



of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

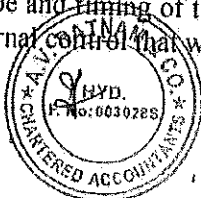
#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

#### **Other matters required to be reported for NBFC**

The Company was applied for registration as per the provisions of the Reserve Bank of India Act, 1934 and received a communication from Reserve Bank of India on 28.01.2005 rejecting the application for certificate of registration as an NBFC.

Further as per the directions of Reserve Bank of India vide letter dated 28.01.2005, the company has disposed off all its financial assets except certain shares which are in the physical form. However, the Company has approached Reserve Bank of India, vide their letter dated 09.01.2008 with a request to treat the company as Non Bank Non Financial Institution. In response to this Reserve Bank of India replied on 05.12.2008 stating that it has taken the contents mentioned on record.

The Board of Directors of the Company has passed a resolution for non acceptance of any public deposits. Accordingly the Company has not accepted any public deposits during the financial year.

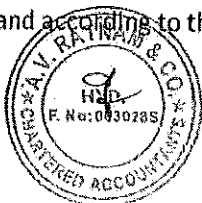
As the Company is not carrying out any non banking financial activities, the prudential norms relating to the income recognition, accounting standards, asset classification and provision of bad and doubtful debts are not applicable to it.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.


As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the Internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in The Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Annexure C to our Report.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
  - iii. The Company is not required to be transferred, to the Investor Education and Protection Fund.
- iv (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations as provided under (a) and (b) above, contain any material misstatement.
- V The company has not declared or paid any dividend during the year.  
We report on Directions u/sec 143(5) of the Companies Act,2013 as under:
1. The Company has system in place to process all the accounting transactions through IT system.
  2. The Company has not carried out any Non Banking Financial Services during the year under audit. Hence, there is no restructuring of an existing loan or cases of waiver / write off of debts/ loans / interest etc made by a lender to the Company due to the Company's inability to repay the loan.
  3. The Company has not received any funds or receivable for specific schemes from Central / State agencies during the year.

For A V Ratnam & Co.,  
Chartered Accountants  
Firm Regn. No 0030285

  
(CA G K BABU)

Partner

M. No. 213273

Place: HYDERABAD

Date : 27/05/2023

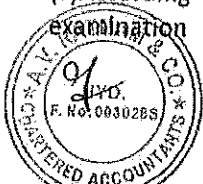
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**A.V. RATNAM & CO.**  
CHARTERED ACCOUNTANTS  
# 180/2 RT, R.R SADAN,  
VIJAYANAGAR COLONY,  
HYDERABAD-500 057.

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2023, we report that:

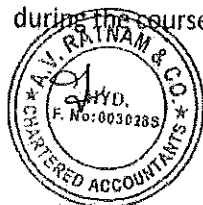
- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
  - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, fixed assets were verified during the year and no discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The Title deeds of all the immovable properties owned by the company are held in the name of the Company.
  - (d) The Company has not revalued any of its Property, Plant and Equipment and Intangible Assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- (ii)
  - (a) The Company has stock of Shares in Physical form. The physical verification of stock has been conducted at reasonable intervals by the Management and no discrepancies were noticed.
  - (b) The Company has not been sanctioned working capital limits in excess of five crore rupees in aggregate from banks or financial institutions during the year on the basis of security of current assets of the company, accordingly reporting under clause 3(ii)(b) of the Order does not arise
- (iii) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. In our opinion and according to the information and explanation given to us, there were no investments made during the year. Accordingly, reporting under clause 3(iii)(a) to 3(iii)(f) of the Order does not arise.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan, given any guarantee or provided any security to the parties covered under Section 185 of the Companies Act, 2013 and the Company has not given any loan or made any investment covered under section 186 of the Companies Act, 2013. Accordingly, reporting under clause 3(iv) of the Order does not arise.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the relevant rules made there under. Accordingly, reporting under clause 3(v) of the Order does not arise.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii)
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the



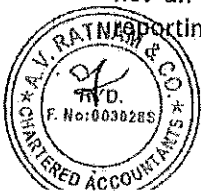
books of account in respect of undisputed statutory dues including GST, and income tax have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, GST, were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.

- (viii) According to the information and explanation given to us, the company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, reporting under clause 3(viii) of the order does not arise.
- (ix) a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company does not have any loans or borrowings during the year. Accordingly, reporting under clause 3(ix)(a) of the order does not arise.
- b) According to the information and explanations given to us, the company has not been declared willful defaulter by any bank or financial institution or government or any government authority. Accordingly, reporting under clause 3(ix)(b) of the order does not arise.
- c) In our opinion and according to the information and explanations given to us, the Company has not taken any term loans during the year. Accordingly, reporting under clause 3(ix)(c) of the order does not arise.
- d) According to the information and explanations given to us and on an examination of the financial statements of the company, the Company did not raise any funds during the year. Accordingly, reporting under clause 3(ix)(d) of the order does not arise.
- e) According to the information and explanations given to us and on an examination of the standalone financial statements of the company, the Company does not have subsidiaries or associate companies. Accordingly, reporting under clause 3(ix)(e) of the order does not arise.
- f) According to the information and explanations given to us, the company does not have subsidiaries or associate companies. Accordingly, reporting under clause 3(ix)(f) of the order does not arise.
- (x) a) In our opinion and according to the information and explanations given to us, the Company has neither raised during the year any money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause 3(x)(a) of the order does not arise.
- b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares/ fully or partly or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the order does not arise.
- (xi) a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the course of our audit.



- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) Based on the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as per pros of the Companies Act, 2013. Accordingly, reporting under clause 3(xii)(a),(b),(c) of the Order does not arise
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) In our opinion and based on our examination of records of the company, the Company does not have an internal audit system and is not required to have an internal audit system as per the pros of the Companies Act, 2013. Accordingly, reporting under clause 3(xiv)(a),(b) of the order does not arise.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company's application for registration was rejected by Reserve Bank of India vide their letter No. DNBS (H) CMS No.2238/HYQ 0472/2004-05, dated 28.01.2005 and required the company to pass a specific Board Resolution for not to carry on the business as Non Banking Financial Institution.
- (xvii) The Company has not incurred cash losses during the current year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the company during the year. Accordingly, reporting under clause 3(xviii) of the order does not arise.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any





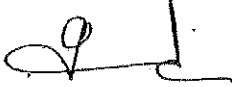
guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) a) The company has not transferred the CSR amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e., six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.

b) The company has not transferred the amount remaining unspent in respect of ongoing projects, to a Special Account till the date of our report.

(xxi) According to the information and explanations given to us, the company does not require to prepare the consolidated financials as per the companies Act, 2013. Accordingly, the requirement of clause 3(xxi) of the order is not applicable

For A V Ratnam & Co.,  
Chartered Accountants  
Firm Regn. No 0030285



(CA G K BABU)  
Partner

Place: HYDERABAD

Date : 27/05/2023

UDIN:23213273BGUJN6812

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## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Andhra Bank Financial Services Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

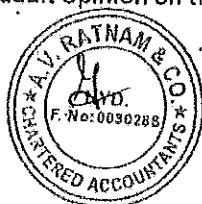
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

#### **Auditors' Responsibility**

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

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

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



## Meaning of Internal Financial Controls over Financial Reporting

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

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A V Ratnam & Co.,  
Chartered Accountants  
Firm Regn. No 0030285



(CA G K BABU)

Partner

M. No. 213273

Place: HYDERABAD

Date : 27/05/2023

UDIN:23213273BGUIN6812

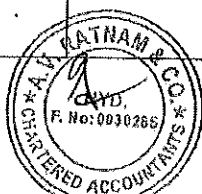
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**ANNEXURE C** referred to in our Report of even date to the members of Andhra Bank financial Services Limited on the legal matters.

According to the information and explanations given to us and on the basis of our examination of the available documents, the Company has the following legal / arbitration cases pending during the year.

**I. CIVIL SUITS**

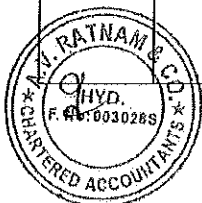
SL.NO.	PARTICULARS	STATUS
1.	Tamilnadu News Print & Papers Ltd (TNPL) Vs Andhra Bank Financial Services Ltd – Civil Appeal No.2291-2292 of 2011 before Supreme Court	<p>TNPL has filed a civil suit in the High Court, Madras claiming interest at 24% in the securities transactions of 1992. Division Bench of Madras High Court gave an order for interest at 12% p.a instead of 24%</p> <p>Aggrieved by the disallowance portion of interest TNPL had preferred other side appeal (309/01) before Division Bench of Madras High Court.</p> <p>Aggrieved by the decree of Suit, the company preferred other side appeal (328/01) which was admitted by Division Bench of Madras High Court.</p> <p>On 21.01.2010 the OSA No. 309/01 preferred by TNPL was dismissed and partly allow OSA 328/01 preferred by the Company. As per the judgment the Company is liable to pay Rs.8,80,412/- along with interest @12% p.a. from 02-04-2001 to till date of realization to TNPL.</p> <p>Aggrieved by the said Order TNPL filed SLP(C) No 11659-11660 of 2010 before Hon'ble Supreme Court of India and leave was granted on 01.03.2001. The suit was not come up for regular hearing.</p> <p>On 05.04.2010 the Company has filed a petition No.2718 of 2010 in Madras High Court for refund of money deposited earlier in the Madras High Court (Rs.1.42 Crore) along with applicable interest after adjusting the money payable to TNPL as per High Court Order. Accordingly the petition was considered by Madras High Court on 29.10.2010 and ordered the TNPL to pay the amount to the company before 08.10.2010. Aggrieved by the said order on 29.09.2010</p>



		<p>by Madras High Court, TNPL moved to the Hon'ble Supreme Court and the court granted interim stay to TNPL on 07.10.2010 subject to deposit of amount payable to the Company.</p> <p>The petition No.2718 of 2010 filed by the Company was closed on deposit of a sum of Rs.2.51 Crore by TNPL in Madras High Court as per the directions of the Hon'ble Supreme Court.</p> <p>During the hearing the company has deposited in Madras High Court an amount of Rs.1.42 Crores which has been treated as expenditure during the year of deposit instead of showing it as deposit in the asset side of the balance sheet.</p> <p>During the year 2020-21 the dispute has been resolved through court appointed mediator and TNPL has agreed to pay the amount with applicable interest amounting to Rs. 2,30,85,355 /- .</p> <p>The amount of Rs. 2,30,85,355/- from TNPL is shown as Prior Period Income for the year 2020-21 as the deposit was earlier accounted as expenditure and trade payables to TNPL has been reduced to affect the same as it has been cleared and the amount received is after adjusting the same.</p> <p>Note: the above is no effect on current financial year</p>
--	--	---

II. LABOUR SUITS

SL.NO.	PARTICULARS	STATUS
1.	Appeal before the Central Govt Industrial Tribunal (CGIT), Hyderabad	On 23.03.2011 one person who worked on a temporary basis in the Company has filed a complaint seeking employment in the erstwhile Andhra Bank with a copy to Andhra Bank Financial Services Ltd. His application for employment was rejected in



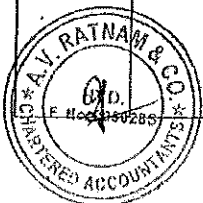
	the Andhra Bank since there is no privity of contract with erstwhile Andhra Bank. Now he has filed an appeal before CGIT
--	--

III. INCOME TAX APPEALS

Asst Year	High Court Appeal No.	Date	Remarks
1993-94	ITTA320/2006	25.07.2006	Out of the total seven appeals filed by the Company against the orders of the ITAT, Hyderabad, one appeal was already admitted on 29.12.2005 and other three appeals relating to the Asst Years 1994-95,1995-96 and 1996-97 were heard and admitted on 24.07.2013 and the remaining three have to be admitted relating to the Asst Years 1993-94,1997-98 and 1999-00. These cases have yet to come up for regular hearing.
1994-95	ITTA 425/2005	22.10.2005	
1995-96	ITTA 114/2012	11.09.2006	
1995-96	ITTA 445/2005	22.10.2005	
1996-97	ITTA 424/2005	22.10.2005	
1997-98	ITTA 229/2007	02.07.2007	
1999-00	ITTA 228/2007	02.07.2007	

IV LONG TERM PROVISIONS OF RS 36,07,36,930/-

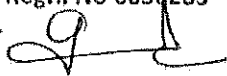
SL.NO.	PARTICULARS	STATUS
1.	Long term provisions of Rs 36,07,36,930/-	<p>It was submitted by the management that an adhoc provision for contingent liability was created during the earlier years for Rs 36,07,36,930/- under the head Non Current Liabilities as the same was related to the then investors and no additional provision is created for the current year.</p> <p>The above provision was made during the year 1995-96 and 1999-20 and carrying these provisions since then.</p> <p>Carrying these balances without any adjustment for more than 20 years does not reflect a reliable estimate of the company's obligation and further we submit that the estimate is not reflecting true and correct and the provisions are not made as per the criteria specified at para 14 of the Accounting Standard 29 Provisions, Contingent Liabilities, Contingent Assets.</p>



IV PROVISION FOR INCOME TAX AND ADAVCE TAX AND TDS Rs 10,33,22,264/-

SL.NO.	PARTICULARS	STATUS
1.	PROVISION FOR INCOME TAX AND ADAVCE TAX AND TDS UNDER THE HEAD LONGTERM LOANS AND ADVANCES	It was submitted by the management that an amount of Rs 10,33,22,264/- was shown under the Head Long Term Loans and Advances represents taxes paid on disputed income for the earlier years

For A V Ratnam & Co.,  
Chartered Accountants  
Firm Regn. No 0030285



(CA G K BABU)  
Partner  
M. No. 213273

Place: HYDERABAD

Date : 27/05/2023

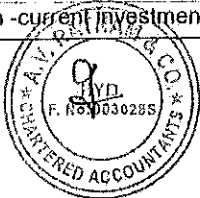
UDIN:23213273BGUJIN6812

**A.V. RATNAM & CO.**  
CHARTERED ACCOUNTANTS  
# 180/2 RT, R.R SADAN,  
VIJAYANAGAR COLONY,  
HYDERABAD-500 057.

**Andhra Bank Financial Services Ltd**  
Sultan Bazar, Koti Building, Hyderabad

Balance Sheet as on 31.03.2023

Particulars	Note No	As at 31 March, 2023		As at 31 March, 2022	
		Rs.	Rs.	Rs	Rs
<b>EQUITY AND LIABILITIES :</b>					
<b>Shareholders' Funds</b>					
(a) Share Capital	3	5,00,00,000		5,00,00,000	
(b) Surplus	4	45,04,103	5,45,04,103	(-40,47,825)	4,59,52,175
(c) Money Received against Share Warrants					
Share Application Money Pending allotment					
<b>Non Current Liabilities</b>					
(a) Long Term Borrowings					
(b) Deferred Tax Liabilities (Net)					
(c) Other Long Term Liabilities					
(d) Long Term Provisions	5		36,07,36,930		36,07,36,930
<b>Current Liabilities</b>					
(a) Short Term Borrowings					
(b) Trade Payables micro enterprises and small enterprises					
B. Total outstanding dues of creditors other than micro enterprises and small enterprises	6				
(c) Other Current Liabilities			60,178	59,895	59,895
(d) Short Term Provisions					
<b>TOTAL</b>			<b>41,53,01,211</b>		<b>40,67,49,000</b>
<b>ASSETS :</b>					
<b>Non-current assets</b>					
<b>Property, Plant &amp; Equipment</b>	7				
(i) Tangible assets					
Gross Block		32,23,853		32,23,853	
Less : Depreciation		32,23,360		32,23,360	
Net Block			493		493
(ii) Intangible assets					
(iii) Capital work-in-progress					
(iv) Intangible assets under development					
(b) Non-current Investments					

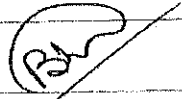
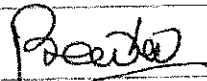




(c) Deferred tax assets (Net)					
(d) Long term loans and advances	11		10,44,01,309		10,42,57,692
(e) Other non current assets					
<b>Current assets</b>					
(a) Current Investments					
(b) Inventories	8	5,43,897		5,43,897	
(c) Trade receivables		0		0	
(d) Short term loans and advances	9	0		0	
(e) Cash and Cash Equivalents	10	31,03,55,512	31,08,99,409	30,19,46,918	30,24,90,815
(f) Other current assets					
<b>TOTAL</b>			<b>41,53,01,211</b>		<b>40,67,49,000</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2				
The Notes referred to above form an integral part of the Balance Sheet 1 to 21					

As per our report attached

For A V Ratnam & Co


Chartered Accountants

K Bhaskara Rao

KSD Siva Vara Prasad

Suresh Chandra Tell

FRN : 003028S

Director

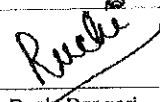
Director

Director



( G.K.Babu )

Partner

Membership No: 213273

B. Narasimha Rao

Ruchi Rangari

UDIN: 272172718901076812 Managing Director

Company Secretary

Place : Hyderabad

Date : 27/05/2023

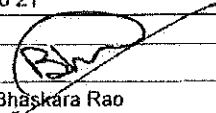
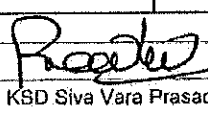
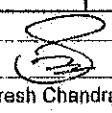
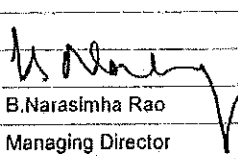



**A.V. RATNAM & CO.**  
 CHARTERED ACCOUNTANTS  
 # 180/2 RT, R.R SADAN,  
 VIJAYANAGAR COLONY,  
 HYDERABAD-500 057.

Andhra Bank Financial Services Ltd						
Statement of Profit and Loss for the year ended 31.03.2023						
	Particulars	Note No	31.03.2023		31.03.2022	
			Rs		Rs	
I	Revenue from operations					
	Interest income :	14	1,47,97,502		1,42,57,389	
II	Other income : (profit/Loss)	14	16,800		9,600	
	<b>Total Revenue ( I + II )</b>		<b>1,48,14,302</b>		<b>1,42,66,989</b>	
III	Expenses :					
	Cost of material consumed					
	Purchase of stock - in - trade					
	Changes in inventories of finished goods work-in-progress and stock-in- Trade					
	Employee Benefits expenses	15	19,53,302		17,76,551	
	Administrative and other Expenses	16	8,10,166		4,38,589	
	Depreciation and amortization expenses	7	0		0	
	Other Expenses	17	2,02,773		2,66,824	
	<b>Total expenses</b>		<b>29,66,241</b>		<b>24,81,974</b>	
IV	Profit before exceptional and extraordinary items and tax		1,18,48,061		1,17,85,015	
V	Exceptional Items					
VI	Profit before extraordinary items and tax (IV - V)					
VII	Prior period income	14			1,51,064	
VIII	Profit before Tax ( VI + VII )		1,18,48,061		1,19,36,079	
IX	Tax Expense	18				
	(1) Current tax -		32,96,133		33,20,619	
	(2) Deferred tax		0		0	
	(3) Income Tax for earlier Asst Years		0	32,96,133	0	33,20,619
X	Profit (Loss) for the period from continuing operations		85,51,928		86,15,460	
XI	Profit/ ( Loss ) from discontinuing Operations					
XII	Tax expense of discontinuing operations					
XIII	Profit/ (Loss) from discontinuing operations (after tax) ( XI - XII )					
XIV	Profit ( Loss ) for the period ( X + XIII )		85,51,928		86,15,460	
XV	Earnings per equity share :	19				
	(1) Basic		1.71		1.72	
	(2) Diluted		1.71		1.72	
	<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2				
	The Notes referred to above form an integral part					
	As per our report attached					
	For A V Ratnam & Co					
	Chartered Accountants	K Bhaskara Rao	KSD Siva Vara Prasad	Suresh Chandra Tell		
	FRN : 000028S	Director	Director	Director		
	(G.K.Babu)					
	Partner					
	Membership No: 213273	B.Narasimha Rao	Ruchi Rangari			
	UDIN: 2327273866126912	Managing Director	Company Secretary			
	Place : Hyderabad					
	Date : 27/05/22					

**A.V. RATNAM & CO.**  
**CHARTERED ACCOUNTANTS**  
 # 180/2 RT, R.R SADAN,  
 VIJAYANAGAR COLONY,  
 HYDERABAD-500 057.



Andhra Bank Financial Services Ltd				
Cash Flow Statement for the Year ended 31 March, 2023				
Particulars	31.03.2023		31.03.2022	
	Rs	Rs	Rs	Rs
<b>Net cash inflow from operating activities</b>				
Profit Before Tax	1,18,48,061		1,19,36,079	
<b>Adjustments :</b>				
Depreciation	0		0	
Cash flow from investment business - change in the value of stocks (increase/Decrease)	0		0	
Interest received(acc.int)			0	
Interest paid	0			
Dividend paid	0			
Net cash inflow/ (outflow) from returns on investments and servicing of finance				
decrease in Debtors				
Increase(Decrease) in Creditors				
<b>Cash Generated from operations</b>				
Direct Taxes paid net of refunds,if any				
<b>Net Cash from Operating Activities</b>				
<b>Cash flow from Investing activities :</b>				
Payments to acquire intangible fixed assets				
Payments to acquire tangible fixed assets				
Receipts from sales of tangible fixed assets				
<b>Net cash inflow/ (outflow) from investing activities</b>				
<b>Net cash inflow before financing</b>				
<b>Financing</b>				
Issue of ordinary capital				
Repurchase of debenture loan				
Expenses paid in connection with share issues				
<b>Net cash inflow/ (outflow) from financing</b>				
<b>Increase/ (Decrease) in cash and cash equivalents</b>				
Cash and Cash Equivalents as at beginning of the year	30,19,46,918		30,20,92,217	
Cash and Cash Equivalent as at the end of the year	31,03,55,512		30,19,46,918	
<b>NOTES :</b>				
1. Cash Flow statement has been prepared under the Indirect Method as set out in the Accounting Standard No 3 " Cash				
2. Cash and Cash equivalent represent cash and Bank Balances.				
3. Previous year's figures have been regrouped/reclassified wherever applicable.				
The Notes referred to above form an integral part of the financial statements 1 to 21				
As per our report attached				
For A V Ratnam & Co				
Chartered Accountants	K Bhaskara Rao	KSD Siva Vara Prasad	Suresh Chandra Teli	
FRN : 003028S	Director	Director	Director	
( G.K.Babu )				
Partner				
Membership No: 213273	B.Narasimha Rao	Ruchi Rangari		
UDIN: 282132738601506812	Managing Director	Company Secretary		
Place : Hyderabad				
Date : 27/05/2023				

**A.V. RATNAM & CO.**  
 CHARTERED ACCOUNTANTS  
 # 180/2 RT, R.R SADAN,  
 VIJAYANAGAR COLONY,  
 HYDERABAD-500 057.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

NOTE No. : 3 : SHARE CAPITAL

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Rs	Rs	Rs	Rs
<b>Authorized</b> (Previous year: 100,00,000 Equity Shares of Rs10 each)		<b>10,00,00,000</b>		<b>10,00,00,000</b>
<b>Issued, Subscribed &amp; Paid-up</b> 50,00,000 Equity Shares of Rs 10 each fully paid up. (All the shares are held by the Andhra Bank and its nominees) (Previous year: 50,00,000 Equity Shares of Rs 10 each)		<b>5,00,00,000</b>		<b>5,00,00,000</b>
		<b>5,00,00,000</b>		<b>5,00,00,000</b>

a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No of Shares	Rs	No of Shares	Rs
<b>Equity Shares:</b>				
At the beginning of the period	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued during the year as fully paid	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>50,00,000</b>	<b>5,00,00,000</b>	<b>50,00,000</b>	<b>5,00,00,000</b>

b. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. During the year ended 31st March 2023, no dividend is declared by the Company. (Previous year - Nil)

c. Shares held by Holding/Ultimate holding company and/or their subsidiaries/associates:

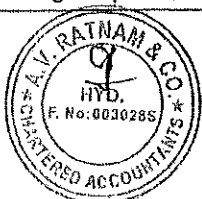
Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	No. of shares	No. of shares	No. of shares
Union Bank of India (E-Andhra Bank) Parent / holding Bank 50,00,000 equity shares of Rs.10 each fully paid up (Previous year : 50,00,000 Equity Shares of Rs 10 each)		<b>50,00,000</b>		<b>50,00,000</b>
		<b>50,00,000</b>		<b>50,00,000</b>

d. Details of Shareholders holding more than 5% shares in the company:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No of Shares	%	No of Shares	%
<b>Equity Shares of Rs.10/- each fully paid</b>				
Union Bank of India (E - Andhra Bank), holding Company	50,00,000	100.00%	50,00,000	100.00%

e. Shares reserved for issue under options		NIL		NIL
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f. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares brought back during the period of five years immediately		NIL		NIL
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g. Securities convertible into equity / preference shares issued along with the earliest date of conversion:		NIL		NIL
h. Calls unpaid:		NIL		NIL
i. Forfeited Shares		NIL		NIL



**NOTE NO 4 - RESERVES & SURPLUS**

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Rs	Rs	Rs	Rs
Surplus/(deficit) in the Statement of Profit and Loss Balance as per the last financial statement				
	(-40,47,825)		(-1,26,63,285)	
Add: Profit for the year	85,51,928		86,15,460	
Closing Balance		45,04,103		(-40,47,825)
Total of Reserves and Surplus		45,04,103		(-40,47,825)

**Note No 5 : NON CURRENT LIABILITIES : LONG TERM PROVISIONS :**

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Rs	Rs	Rs	Rs
Provision for Claims		36,07,36,930		36,07,36,930
		36,07,36,930		36,07,36,930

The provision was made towards claims against the Company not acknowledged as debts to meet contingencies that may arise when matters are finally disposed off. It was created not only for specific purpose like Court cases but also for uncertain future commitments which are yet to be settled. At present, Company has under conditional discharge from M/s Kudremukh Iron Ore Co, Ltd, M/s Mishra Dhatu Nigam Ltd and M/s Delhi Financial Corporation.

As the matters are not finally disposed off and disposed with conditional discharge, the Directors have decided to continue the existing provision of Rs. 36.07 Cr for the Financial Year ending 31st March, 2023. Further, the above provision was carrying since 2000-01 and the same was approved by the Auditors.

**Note No 6 : CURRENT LIABILITIES : TRADE PAYABLE :**

Particulars	As at 31st March, 2023		As at March, 2022	
	Rs	Rs	Rs	Rs
Others ( Provision made for Statutory Auditor fee, Tax Audit Fee and Telephone charges for the month of March '23 )	60,178	60,178	59,895	59,895
		60,178		59,895

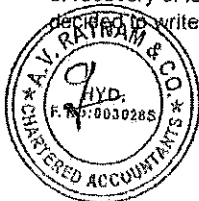


**NOTE No : 7 : NON CURRENT ASSETS : TANGIBLE**

	As at 31st March, 2023		As at 31st March, 2022	
	Rs	Rs	Rs	Rs
<b>(A) OWNED ASSETS :</b>				
Office Equipment	7,270		7,270	
Furniture & Fittings	35,791		35,791	
Computers	54,400		54,400	
<b>(B) ASSETS GIVEN ON LEASE :</b>				
Plant & Machinery	31,26,392		31,26,392	
<b>GROSS BLOCK</b>		32,23,853		32,23,853
Less : Depreciation accumulated		32,23,360		32,23,360
<b>Net Block</b>		493		493

DEPRECIATION STATEMENT FOR THE PERIOD 31st March, 2023 As per Schedule VI of the Companies Act 1956 ( SLM )									
NOTE : 7 : NON CURRENT ASSETS: FIXED ASSETS : TANGIBLE contd..									
Nature of Assets	Gross Block				Depreciation			Net Block	
	Balance as on 01.04.2022	Additions during the year	Deletions	Total as on 31.03.2023	Total up to 01.04.2022	For the year	Total up to 31.03.2023	As on 01.04.2022	As on 31.03.2023
<b>A: Owned Assets</b>									
1)Office Equipment	7,270	0	0	7,270	7,177	0	7,177	93	93
2)Furniture & Fittings	35,791	0	0	35,791	35,790	0	35,790	1	1
3)Computers	12,500	0	0	12,500	12,499	0	12,499	1	1
ComputerH CL	34,650	0	0	34,650	34,360	0	34,360	290	290
HpPrinter	7,250	0	0	7,250	7,143	0	7,143	107	107
Total of 3(Computers)	54,400	0	0	54,400	54,002	0	54,002	398	398
Total of (A)	97,461	0	0	97,461	96,989	0	96,989	492	492
<b>B: Assets given on Lease</b>									
Plant & Machinery	31,26,392	0	0	31,26,392	31,26,391	0	31,26,391	1	1
Total of A + B	32,23,853	0	0	32,23,853	32,23,360	0	32,23,360	493	493
Previous Year	32,23,853		0	32,23,853	32,23,360	0	32,23,360	493	493

(i) The suit filed against M/s. Incab Industries Ltd in Delhi High Court, for realization of lease rentals since October 1992 amounting to Rs.45.29 lacs, is pending for appointment of the third arbitrator. In the mean time M/s Incab Industries Ltd.,submitted a proposal before the Board for Industrial and Financial Reconstruction [BIFR]. The Company (ABFSL) filed a petition before the Board [BIFR] who has permitted the Company (ABFSL) to take possession of the leased machinery with Incab Industries Ltd. But the workers union has protested to take the machinery with a plea that some interested parties are negotiating for takeover of Incab Industries Ltd. The final Rehabilitation Scheme (DRS) submitted by M/s Tata Steel Ltd under consideration by the BIFR. The Board during the year 2013 reviewed the position of recovery of lease rentals dues from the Incab Industries Ltd and found that the recovery chances are remote and decided to write off as bad debt and accordingly written off.



(ii) As the carrying cost of the machinery is Rs.1/- on 31.03.2023 and is much below the valued cost, there is no impairment loss on the machinery.

On 6th September 2022, a Board Meeting was convened and in the Board Meeting the matter was discussed in length. The Board has opined not to proceed further in the matter based on the following :

- The Lease Finance was extended to M/s Incab Industries Ltd was in the year 1991.
- The Company M/s Incab Industries Ltd declared lock-out of its factory in the year 1992 itself. There was no commercial production.
- Our company has financed for purchase of machinery and we are unsecured creditors to the company. The value of the machinery also may be meagre.
- As the recovery chances are remote, our company has written off the liability of Rs. 45.29 lacs in our books in the year 2013.
- M/s Incab Industries Ltd is in the final stage of resolution. The Resolution Professional (RP) did not admit the claim submitted by us on the ground that the Resolution Plan has been approved by COC and the same is pending for approval before the Hon'ble NCLT, Kolkata. If we choose to file a petition / IA challenging the same, the chances of admission of our claim are remote.
- Though recovery chances are bleak, we would have to pay huge amounts to the Advocate as professional fee for filing of application before NCLT.
- SBI, SAM Branch - 1, Kolkata vide their Letter No. SAMB/BR/461 dated 23.08.2022 informed that the captioned account was closed in their books.
- We have searched for Leage Agreement made with M/s Incab industries Ltd and other relevant papers to be filed before NCLT, Kolkata if we file an IA to substantiate our claim. But no such important documents were traced out during the search.
- In the Board Meeting conducted on 27th December, 2022, Board has permitted to close the file.

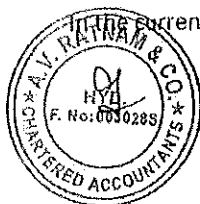




Note No : 8 : STOCK IN TRADE : STOCK OF SHARES & SECURITIES							
Particulars			As at 31st March, 2023		As at 31st March, 2022		
			Rs	Rs	Rs	Rs	
Aggregate amount of quoted share - Valued at			3,48,435		3,48,435		
Aggregate amount of unquoted shares - Valued at			1,95,462	5,43,897	1,95,462		5,43,897
Segregation between quoted and unquoted share is made on BSE / NSE Bulletin for the Business transacted on							
Quantity wise	Opening Stock	Opening Stock	Purchases/ Additions	Purchase/ Returns/ Deletions	Sales	Closing Stock	Closing Stock
	01.04.2022	01.04.2022				31.03.2023	31.03.2023
	Qty.	Rs.				Qty.	Rs.
Equity Shares fully paid up	216790	5,43,897	-	-	-	2,16,790	5,43,897
Previous Year's figures	216790	4,13,464	-	-	-	2,16,790	5,43,897

List of outstanding shares as on 31.03.2023						
A: Shares, which are in physical form:						
Name of the Scrip / Equity Shares	Quantity	Original Cost Rs	Original Cost Value Rs	Mkt. Rate 31.03.2023 Rs	Mkt. Value 31.03.2023 Rs	Cost or Mkt. Value whichever is less 31.03.2023 Rs
Adhunik Synthetics	3,000	50.00	1,50,000	1.00	3,000	3,000
Akhil Ceramics Ltd.	5,000	28.75	1,43,750	1.00	5,000	5,000
Arlabs Ltd.	5,000	150.00	7,50,000	1.00	5,000	5,000
Aryan Finefab Ltd.	11,400	56.25	6,41,250	1.00	11,400	11,400
Bhishma Realty Ltd.	3	1.00	3	1.00	3	3
Capricon Realty Ltd.	3	1.00	3	1.00	3	3
Cepham Organics Ltd.	6,600	40.00	2,64,000	1.00	6,600	6,600
Dhar Cement Ltd.	20,300	100.00	20,30,000	1.00	20,300	20,300
Electra (India) Ltd.	3,300	37.50	1,23,750	1.00	3,300	3,300
Gujarat Telephone	46,850	28.75	13,52,688	1.00	46,850	46,850
HMG Industries Ltd.	4,600	87.50	4,02,500	1.00	4,600	4,600
Indu Gulf Industries	4,850	130.00	6,30,500	1.00	4,850	4,850
Kunal Engineering Co.	450	170.00	76,500	1.00	450	450
Niranjan Piramal	8,333	1.00	8,333	1.00	8,333	8,333
Nova Electro	55,400	51.25	28,39,250	1.00	55,400	55,400
Prestige Foods Ltd.	2,700	145.00	3,91,500	1.00	2,700	2,700
Prestige HM-Poly	5,000	42.50	2,12,500	1.00	5,000	5,000
Pyarelal Textile Ltd.	8,333	1.00	8,333	1.00	8,333	8,333
Rampur Fertilizers	240	80.00	19,200	1.00	240	240
Shri Ishar Alloy Steels	2,000	67.50	1,35,000	1.00	2,000	2,000
Sipani Auto Mobiles	2,100	50.00	1,05,000	1.00	2,100	2,100
Total of A	1,95,462		1,02,84,060		1,95,462	1,95,462
B: Shares, which are in dematerialized form as on 31.03.2023						
Ashnoor Textile Mills	21,280	89.29	19,00,000	15.89	3,38,139	3,38,139
Balrampur Chini Mills	48	0.00	0	214.50	10,296	10,296
Total of B	21,328		19,00,000		3,48,435	3,48,435
Total of A and B	2,16,790		1,21,84,060		5,43,897	5,43,897

In the current Financial Year, there are no share transactions.



**NOTE No : 9 : SHORT TERM LOANS & ADVANCES :**

	As at 31st March, 2023		As at 31st March, 2022	
	Rs	Rs	Rs	Rs
Interest accrued on deposit but not received	0	0	0	0
Trade Receivable - unsecured, considered bad - a/c Incab Industries Ltd ( Ref Note No 7)	0		0	0
Less : Bad debts written off	0	0		
	0	0	0	0

**Note No 10 : CASH AND CASH EQUIVALENTS :**

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Rs	Rs	Rs	Rs
<b>(i) Balances with Banks ;</b>				
Petty cash	3,755	3,755	2,387	2,387
In Current Account	4,59,026	4,59,026	10,51,800	10,51,800
<b>(ii) Bank Deposits</b>				
(a) Up to 12 Months Maturity :	19,47,00,000		5,96,92,731	
(b) More than 12 Months maturity	11,51,92,731	30,98,92,731	24,12,00,000	30,08,92,731
<b>Total</b>		<b>31,03,55,512</b>		<b>30,19,46,918</b>

**Note No 11 : LONG TERM LOANS AND ADVANCES :**

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Rs	Rs	Rs	Rs
(a) Loans and advances to related parties				0
(b) Others - Unsecured, considered good:				
i) Provision for Income Tax - Financial Year 2007-08, 2011-12, 2019-20, 2020-21, 2021-22 and 2022-23	3,78,75,453		3,45,79,320	
Less : Advance Tax and TDS	3,89,23,498	10,48,045	3,54,83,748	9,04,428
ii) Advance Tax and TDS for the Financial Year 1994-95, 1995-96, 1996-97, 1999-00, 2008-09, 2009-10, 2012-13 and 2013-14		10,33,22,264		10,33,22,264
iii) Advance to Advocates				
iv) Deposit with Telephones Department	31,000	31,000	31,000	31,000
c) Doubtful Advances				
<b>Total</b>		<b>10,44,01,309</b>		<b>10,42,57,692</b>

**Details of advance Income Tax Payment - Year wise :**

Financial Year	Relevant Asst Year	31.03.2023	31.03.2022
		Rs	Rs
1994-95	1995-96	2,83,11,822	2,83,11,822
1995-96	1996-97	4,35,81,300	4,35,81,300
1996-97	1997-98	3,02,57,801	3,02,57,801
2007-08	2008-09	39,00,000	39,00,000
2007-08	2008-09	6,800	6,800



2009-10	2010-11	1,075	1,075
2010-11	2011-12	0	0
2011-12	2012-13	1,09,00,000	1,09,00,000
2011-12	2012-13	3,82,200	3,82,200
2012-13	2013-14	1,08,178	1,08,178
2013-14	2014-15	1,20,514	1,20,514
2014-15	2015-16	0	0
2015-16	2016-17	0	0
2016-17	2017-18	0	0
2017-18	2018-19	0	0
2018-19	2019-20	0	0
2019-20	2020-21	18,82,170	18,82,170
2020-21	2021-22	94,68,990	94,68,990
2021-22	2022-23	19,15,000	18,75,000
2022-23	2023-24	19,20,000	
		<b>13,27,55,850</b>	<b>13,07,95,850</b>

Contd-

Details of the TDS - Year wise

Financial Year	Relevant Asst Year	31.03.2023	31.03.2022
1996-97	1997-98	8,19,506	8,19,506
1999-00	2000-01	15,232	15,232
2007-08	2008-09	13,42,714	13,42,714
2008-09	2009-10	1,06,836	1,06,836
2011-12	2012-13	14,67,648	14,67,648
2012-13	2013-14	0	0
2013-14	2014-15	0	0
2014-15	2015-16	0	0
2015-16	2016-17	0	0
2016-17	2017-18	0	0
2017-18	2018-19	0	0
2018-19	2019-20	0	0
2019-20	2020-21	16,41,764	16,41,764
2020-21	2021-22	11,90,723	11,90,723
2021-22	2022-23	14,25,739	14,25,739
2022-23	2023-24	14,79,750	
Total		<b>94,89,912</b>	<b>80,10,162</b>



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## Note No 11 : LONG TERM LOANS AND ADVANCES :

contd...

## Details of MAT Credit Utilised

	Financial Year	Relevant Asst Year	31.03.2023	31.03.2022
			Rs	Rs
	2011-12	2012-13	56,77,308	56,77,308
	2012-13	2013-14	14,35,896	14,35,896
	2013-14	2014-15	15,99,186	15,99,186
	2014-15	2015-16	5,33,314	5,33,314
	2015-16	2016-17	0	0
	2016-17	2017-18	0	0
	2017-18	2018-19	0	0
	2018-19	2019-20	0	0
	2019-20	2020-21	0	0
	2020-21	2021-22	0	0
	2021-22	2022-23	0	0
	2022-23	2023-24	0	0
Total			92,45,704	92,45,704

Provision for Income Tax for the financial year 2022-23 is made Rs 32,96,133 - MAT credit entitlement is nil-

## Note No :12 :CONTINGENT LIABILITIES AND COMMITMENTS :

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Rs	Rs	Rs	Rs
<b>(i) Contingent Liabilities :</b>				
Claims against the company not acknowledged as debts :				
a) Tamilnadu Newsprint & Papers Ltd		0		0
b) Income Tax relating to the asst years in appeal		10,21,50,923		10,21,50,923
c) Interest Tax Appels filed by the I T Dept against the Tribunal Orders.		0		0
<b>Total</b>		<b>10,21,50,923</b>		<b>10,21,50,923</b>



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**NOTE No:12: CONTINGENT LIABILITIES AND COMMITMENTS :**

Contd..

**INCOME TAX :**

a) **Income Tax :** The Company (ABFSL) had gone on Income Tax appeals for the Asst.Years 1993-94 to 1997-98 & 1999-00 which are pending before the Hon'ble High Court of Telangana. Pending disposal of these appeals, the advance tax and self assessment taxes paid and taxes adjusted out of refunds by the department are outstanding. The arguments in the matters were concluded and judgment is yet to be pronounced.

b) **Interest Tax :** The Assessing officer completed the assessments under Interest Tax Act, 1974 making additions of lease rentals and hire purchase income for the Asst Years 1993-94 to 1997-98. As against the orders of the Assessing officer, the company filed appeals before the commissioner of Income Tax (Appeals). The CIT(A) allowed the company's Appeals. Aggrieved by the orders of the CIT(A), the Income Tax department filed appeals before Income Tax Appellate Tribunal, Hyderabad. The Tribunal Dismissed the department's appeals.

**Other Income Tax Issues**

a) **Assessment Year 2008-09:** The Company (ABFSL) received on 12.03.2010 an intimation U/s 143(1) of Income Tax Act, 1961 with a demand of Rs 528,790/-, wherein IT Department has not taken into consideration all TDS remittances / recovered by Bankers and the FBT & Income Tax remittances made by Company (ABFSL). The Company (ABFSL) submitted detailed proofs of original TDS certificates and copies of the counterfoils remitting the FBT to Income Tax Department with a request to issue modified orders U/s 154 of IT Act, 1961, there is no tax liability for the company to pay further. The Company (ABFSL) is pursuing for the modified orders.

b) **Assessment Year 2010-11:** The Company received the intimation u/s 143(1) from the CPC, Bangalore indicating that an amount of Rs 92,065 was refundable to the company after adjusting an amount of Rs 1075 towards arrears demand outstanding for the Asst Year 2008-09 which itself already adjusted out of the refund for Asst Year 2009-10 vide their intimation dated 25.02.2011. The refund amount of Rs 92065/- has been received on 18.04.2013.

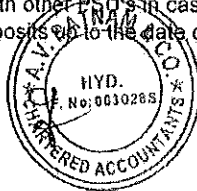
c) **Assessment Year 2012-13:** The return filed by the company was processed and an intimation under section 143(1) of the Income Tax Act was received with a demand of Rs 3,82,200/-. The department has given the MAT credit as difference of Income Tax (excluding surcharge & education cess) under normal provisions and MAT provisions instead of difference between the total tax paid under normal provisions including SC & EC and MAT Provisions of Income Tax Act, 1961, which had resulted in the demanding the Tax. The company had paid the same and filed an appeal before the CIT(A) and on 29.10.2014 the appeal is allowed. Consequential orders not yet received.

d) **Assessment year 2013-14:** The return filed by the company declaring its income under normal provisions of income tax act at Rs. 1,15,44,934/- and claimed refund of Rs.2,57,160/-. Against the said return the company received intimation under section 143(1) accepting the income declared in the return of income but received refund Rs.1,48,960/- On Verification of the said intimation it is observed that the demand arose due to not taking into account surcharge and education cess while giving credit for tax u/s 115J. The company filed appeal before CIT A(A) which is yet to come for hearing. Appeal allowed on 27-10-2016 vide order no. 0701/CIT(A)-1/Hyd/2014-15/2016-17 dated 27-10-2016. Consequential order not yet received.

e) **Assessment Year 2014-15:** The return filed by company declaring its income under normal provisions of income tax act at 1,51,94,322/- by claiming a refund of Rs.4,63,758, which however calculated as Rs.3,99,850/- after considering interest erroneously u/s 234c of Rs.63,908/-. Against the said return the company received intimation under section 143(1) accepting the income declared in the return of income but received refund of Rs.3,43,240/-. On verification of the said intimation it is observed that the demand arose due to not taking into account surcharge and education cess while giving credit for tax u/s 115J. The company file appeal before CIT (A) and appeal is allowed vide order no. 0711/CIT/(A)-1/Hyd/2014-15/2016-17 dated 27-10-2016.

**Other matters :**

1. Interest on Inter Corporate Deposits A/c M/s. Kudremukh Iron Ore Co Ltd. The dispute between the Company (ABFSL) and M/s. Kudremukh Iron Ore Co Ltd [KIOCL] was settled during the year 2003-04. However, KIOCL has reserved right to claim on pro-rata basis along with other PSUs in case of surplus arising after meeting all liabilities, for the interest from the date of maturity of Inter Corporate Deposits up to the date of payment.



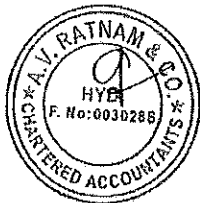
2) The Company (ABFSL) repaid in 1997 the total Inter Corporate Deposits of Rs.4.00 Crore placed in 1992 by M/s Mishra Dhatu Nigam Ltd (MIDHANI) with interest up to the contracted date. MIDHANI acknowledged the receipt as full and final settlement in 1997. However, MIDHANI, subsequently, has made a claim for interest after the contracted date. On refusal by the Company (ABFSL) to acknowledge or pay the interest, MIDHANI has approached the Committee on Disputes (COD) who directed the MIDHANI to Permanent Machinery of Arbitration (PMA) with whom the matter is pending. The Company (ABFSL) has legal opinion saying that the claim of MIDHANI is not sustainable and hence no provision has been made.

3) During the year 1994, the Company (ABFSL) has paid the amounts of ICD 153 & 155 to Delhi Financial Corporation to the extent of principal sum of Rs.100 lacs each, with an agreement dt.28/9/1994 that the contracted interest up to due date shall be paid after paying the Principal and Interest amount of ICD to all other PSU's. There was a claim for interest of Rs.7,08,000/- for the contracted period and the Company (ABFSL) has paid the same on 9/08/2004. However Delhi Financial Corporation has reserved the right to claim on prorata basis along with other PSUs in case of surplus arising after meeting all liabilities, for the interest from the date of maturity of ICD's to date of payment.

4) Dispute in the Industrial Tribunal, Hyderabad : An application under the I D Act 1947 was filed and the same was registered as LCID 17/2011. Further an industrial dispute between the workman and the management of Erstwhile Andhra Bank have been referred to the Industrial Tribunal Cum Labour Court, Hyderabad for adjudication u/s (1)(d) of the I D Act, 1947 and the same was taken on file of the Tribunal and registered as I D No 14/2012. This indicates that two I Ds were registered on the same matter of claiming the employment after leaving the company who worked on temporary basis in the company. CGIT cum Labour Court, Hyderabad. granted permission to the petitioner to withdraw the present LCNo.17/2011 with liberty to prosecute ID No. 14/2012 on 01-04-2015.LCNo17/2011 is dismissed. it was informed by the dealing Counsel that the petitioner Ramulu has filed a petition for changing the name of Respondent from Andhra Bank to Union Bank of India. The said petition is coming up for hearing on 24th April, 2023. The arguments in the main case will be taken up after change of name of the Bank is ordered.

Note No.13

- a) No dividend has been proposed to be distributed to the equity shareholders for the year (previous year Nil)
- b) The Company has not issued any securities during the year for any specific purpose (previous year Nil)



**NOTE No :14: REVENUE FROM OPERATIONS**

Particulars	For the period April 1, 2022 to March 31, 2023		For the period April 1, 2021 to March 31, 2022	
	Rs	Rs	Rs	Rs
<b>a) Interest Income</b>				
(i) On Bank Deposits		1,47,97,502	1,42,57,389	1,42,57,389
(iii) Interest on I.T Refunds				
<b>b) Other Income :</b>				
<b>i) Dividend Income</b>				
from domestic companies		16,800	9,600	9,600
<b>ii) Investment Business :</b>				
Opening Stock :Rs.543897				
Add : Purchases	0			
Sales of stock ( Cost)	0			
Closing Stock: Rs.543897				
Earnings / Net of Investments ( profit/loss )				
<b>iii) Prior Period Income</b>			1,51,064	1,51,064
<b>iv) other income</b>				
		<b>1,48,14,302</b>		<b>1,44,18,053</b>

**NOTE NO.15 :- EMPLOYEE BENEFITS EXPENSES**

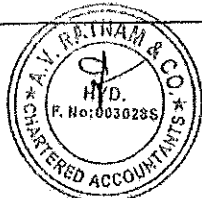
Particulars	For the period April 1, 2022 to March 31, 2023		For the period April 1, 2021 to March 31, 2022	
	Rs	Rs	Rs	Rs
Salaries & Allowances	19,53,302		17,76,551	
Contribution to Pension Fund	0		0	
Gratuity Expense	0		0	
Staff welfare expenses	0		0	
		<b>19,53,302</b>		<b>17,76,551</b>

**NOTE No : 16 : ADMINISTRATIVE AND OTHER EXPENSES**

Particulars	For the period April 1, 2022 to March 31, 2023		For the period April 1, 2021 to March 31, 2022	
	Rs	Rs	Rs	Rs
Sitting fee to Directors	6,50,000		2,80,000	
Rent for office Premises	1,44,000		1,44,000	
Printing & Stationery	4,490		3,831	
Postage & Telephones	11,676		10,768	
Printer expenses	0	8,10,166	0	4,38,599

**NOTE No:17: OTHER EXPENSES**

Particulars	For the period April 1, 2022 to March 31, 2023		For the period April 1, 2021 to March 31, 2022	
	Rs	Rs	Rs	Rs
Payment to Auditors	0		0	
-As Auditor	59,000		60,250	
-For Tax Audit	0		0	
Legal & Professional fees	5,000		1,42,200	
Filing Fees	1,28,823		63,010	
amc	7,114		0	
Miscellaneous expenses	2,836		1,364	2,66,824
		<b>2,02,773</b>		<b>2,66,824</b>



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**NOTE NO.17 :- OTHER EXPENSES** Contd..

The staff working in the company are on deputation from Union Bank of India (Erstwhile Andhra Bank) and they are eligible for Employee Benefits as per the Service Regulations of Union Bank of India from time to time and the same is being paid / reimbursed to Union Bank of India (Erstwhile Andhra Bank).

**NOTE No : 18 : TAX EXPENSE :**

Particulars	For the period April 1, 2022 to March 31, 2023		For the period April 1, 2021 to March 31, 2022	
	Rs	Rs	Rs	Rs
Tax Expense under normal provisions of I.T Act	32,96,133		33,20,619	
Less: MAT Credit Entitlement during the year	0		0	
Provision made for Tax expense for the year (Equal to the Tax Expense under MAT Provisions of I.T Act)	32,96,133	32,96,133	33,20,619	33,20,619
		32,96,133		33,20,619

The Company has paid the advance Income Tax of Rs 19,20,000/- in addition to the TDS of Rs 14,79,750- on interest income during the year 2022-23. The Company comes under the regular provisions of the Income Tax during the current year and no outstanding MAT credit available.. During the previous year 2021-22 the company has paid an advance Income tax of Rs 19,15,000- in addition to the TDS of Rs 14,25,739/- on interest income and the company comes under normal provisions of the Income Tax Act 1961. The I.T assessment for the FY-2019-20, 2020-21 and 2021-22 were not yet completed.

**NOTE No : 19 : EARNINGS PER EQUITY SHARE :**

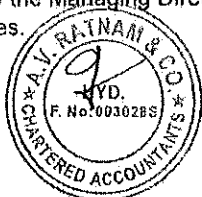
Particulars	For the period April 1, 2022 to March 31, 2023		For the period April 1, 2021 to March 31, 2022	
	Rs	Rs	Rs	Rs
(I) BASIC & DILUTED : Earnings per Equity Share		1.71		1.72
Calculation of EPS :				
A : Net Profit	85,51,928		86,15,460	
B : Weighted Average Number of Equity Shares	50,00,000		50,00,000	
BASIC & DILUTED Earnings per Equity Share ( A / B )		1.71		1.72

**Note No 20 : Status of Registratrion as NBFC :**

a) As per the directions issued by Reserve Bank of India for registration of Non Banking Financial Companies on 9<sup>th</sup> January 1997, the Company's (ABFSL) application for registration was rejected by RBI vide their letter No. DNBS (H) CMS No.2238/HYQ 0472/2004-05 dated 28<sup>th</sup> January 2005 requiring the Company (ABFSL) to pass a specific Board Resolution not to carry on the business of a Non-Banking Financial Institution.

RBI further informed the Company (ABFSL) to ensure that within a period of 3 years from the date of issue of their said letter, the financial assets of the Company (ABFSL) are disposed of and the Company (ABFSL) is converted into a Non-Banking Non-Financial Institution or is wound up.

Accordingly the Company (ABFSL) passed Board Resolution on 03.02.2005 to explore the course of suitable action by the Managing Director at the earliest. The Company (ABFSL) has disposed of the financial assets except the shares.





b) The Company (ABFSL) has informed Reserve Bank on 09.01.2008 about disposal of the Financial Assets and requested to treat the Company (ABFSL) as Non-Banking Non-Financial Institution. Reserve Bank of India replied on 05.12.2008 that it has taken the contents mentioned therein on record.

**NOTE No : 21 : Other Information :**

a) By virtue of the notification of Govt. of India announcing Amalgamation Scheme of Andhra Bank, Corporation Bank into Union Bank of India, the shareholding of erstwhile Andhra Bank in ABFSL as on 31.03.2020 will be deemed to be the shareholding of Union Bank of India w.e.f. 01.04.2020 without any further Act, deed, consent or instrument for transfer of the same.

b) Our Company is not having any deposits with the Hon'ble Courts.

c) Information with regard to the matters in the other clauses of Schedule III to the Companies Act, 2013 to the extent they are either NIL or not applicable to the Company.

d) The figures of the previous year have been regrouped/reclassified/rearranged wherever necessary to confirm the Current Year's presentation.



**NOTE No: 1: - BASIS OF PREPARATION**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP") and in compliance with provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standard) Rules prescribed by the Central Government.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements.

**NOTE No: 2: SIGNIFICANT ACCOUNTING POLICIES**

**A. LEASE FINANCE: NIL**

**B. HIRE PURCHASE: NIL**

**C. INVESTMENT BUSINESS: NIL**

**D. INTEREST:**

Interest on Investments

Interests on fixed deposits have been recognized on accrual basis.

Interest on securities and dividend on share are not recognised until the claims and counter claims if any, pending on such securities are cleared.

Dividend Income on Shares is recognised when the owner's right to receive payment is established.

**E. STOCK IN TRADE:**

In case of Stock of shares of unquoted shares are valued at Re.1/- with a view to have control and accountability and in case of quoted shares are valued with market price as at 31.03.2023 and the deference between the balance as at 31<sup>st</sup> March 2023 and balance as at the beginning of the year recognized as loss.



**F. FIXED ASSETS:**

All fixed assets are valued at cost except leased assets which were valued at Rs.1..

**G. DEPRECIATION:**

1. Assets for own use.

Depreciation has not been provided as value of the assets are residual value of the assets as at 31.03.2023.

2. Assets leased out.

The residual value of machinery under lease to M/s Incab Industries Ltd is valued at Rs.1/- no depreciation has been provided on the Assets Leased out.

**H. Miscellaneous Expenses to the extent not written off: NIL.**

**I. Foreign Currency Transactions**

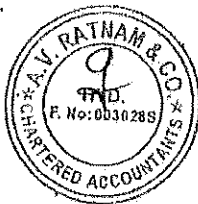
The company has not carried out any foreign currency transactions during the year 2022-23.

**J Provisions and Contingent liabilities**

Provisions are recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. All material known liabilities are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to accounts.

**L Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year after taking into consideration the benefits / disallowances admissible under the provisions of the Income Tax Act 1961. Minimum Alternate Tax paid in accordance with the tax laws which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly the Company has provided tax as per normal provisions



### M. Deferred Tax

Deferred Tax is accounted for by computing the tax effect of timing differences, subject to the consideration of prudence in respect of deferred tax assets, which arise during the year and reverse in subsequent periods. Deferred tax is measured at substantively enacted tax rates by the Balance Sheet date. As there are no timing differences, the Company has not been provided Deferred Tax during the financial year.

### N. Related Party Transactions

Nature of Transactions:	Interest income earned on fixed deposits with the Holding Company.
Holding Company:	Union Bank of India ( Erstwhile Andhra Bank) holding 100% of the equity of the company
Value of Transactions:	Rs.1,47,97,502/- interest income and prior period Interest income 16,800/- and the Deposits as at 31.03.2023 are Rs.30,98,92,731/-

### O. Auditor's Remuneration:

	Current Year Rs	Previous Year Rs
Statutory Audit	25000	25000
Tax Audit	25000	25000
GST	9000	9000
	=====	=====
TOTAL	59000	59000
	=====	=====

### O. Operating Cycle

Based on the nature of activities of the Company and normal time between acquisition of assets and their realization, of cash and cash equivalent, the company has determined operating cycle as 12 months for the purpose of classifications of its assets and liabilities as non- current and current.

