

# ABHA FERRO ALLOYS LIMITED

3 MAYFAIR ROAD, FLAT-2B, 2<sup>ND</sup> FLOOR, KOLKATA-700 019

## DIRECTOR'S REPORT

### TO THE SHAREHOLDERS,

Your Directors have pleasure in presenting the Annual Report together with the Audited Financial Statement of the Company for the year ended on **31st March 2023**

### FINANCIAL HIGHLIGHTS & STATE OF COMPANY'S AFFAIRS: (Amount in thousands)

<u>Particulars</u>	<u>2022-23 (Rs.)</u>	<u>2021-22 (Rs.)</u>
Total Income	11,307.07	9,403.63
Profit/(Loss) before Taxes	5,387.87	3,858.94
Taxes for the year	2,831.71	800.00
Profit/(Loss) after Taxes	2,556.16	3,058.94
Other Comprehensive Income	2,65,353.06	61,923.88
Total Comprehensive Income	2,67,909.22	64,982.82
Earnings Per Share (Face Value Rs. 10/-)	0.19	0.23

**RESERVES:** No amount was transferred to Reserves during the year.

**DIVIDEND:** Your Directors do not recommend any dividend on Equity Shares for the year. Dividend on Preference Shares is recommended @ 0.1% subject to approval of shareholders in the Annual General Meeting.

**DEPOSITS:** The Company has not accepted any deposits from the public during the year.

**DIRECTORS:** There was no change in the constitution of Board of Directors of the Company. **Mr. Suresh Kumar Sharma (DIN: 07760918)**, **Mr. Vikash Kharkia (DIN: 07760911)** & **Mr. Sajan Kumar Kharakia (DIN: 07988183)** continue to be on Board. **Mr. Vikash Kharakia (DIN: 07760911)** retires at the ensuing Annual General Meeting & being eligible, offers himself for re-appointment. **Mr. Suresh Kumar Sharma (DIN 07760918)**, is holding position of Managing director wef 1<sup>st</sup> June, 2019 for a period of Five years. The company is looking for a suitable & willing candidate for appointment as Company Secretary.

**NUMBER OF BOARD MEETINGS HELD DURING THE YEAR UNDER REVIEW:** The Board of Directors duly met **6 (Six)** times during the financial year on **12<sup>th</sup> April, 2022, 6<sup>th</sup> May, 2022, 30<sup>th</sup> May, 2022, 12<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022 & 10<sup>th</sup> February, 2023**

**RISK MANAGEMENT:** Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events. Business risk evaluation and management is an ongoing process within the Company. Hence, no separate risk management policy is formulated.

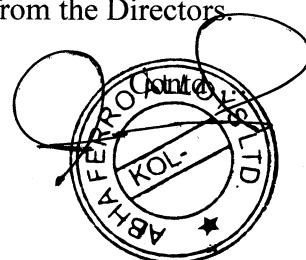
**STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:** The Company's internal control systems are commensurate with the size and nature of business of the Company. The Management ensures that the accounts of the Company are properly maintained in accordance with the prevailing laws and regulations. During the year under review, no reportable material weakness in the internal operation was observed.

**AUDITORS:** **M/s A. K. Gutgutia & Associates** Chartered Accountants, (FRN: 327314E), were re-appointed as Statutory Auditor of the Company in the Annual General Meeting held on 30<sup>th</sup> September, 2022 for a period of 5 years until the conclusion of Annual General Meeting to be held in the year **2027**

The Auditors Report does not contain any qualification requiring any further explanation from the Directors.

Phone: 033-6644 7200; Email: abhaferro2017@gmail.com

CIN: U36999WB2017PLC219860



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## DIRECTORS' REPORT TO THE MEMBERS – 31<sup>st</sup> March, 2023 Contd...

**PERSONNEL:** The Company does not have any employee who is in receipt of remuneration exceeding the limit prescribed requiring disclosure under the provisions of Companies Act, 2013 & Rules made there under.

**EXTRACT OF ANNUAL RETURN:** As required pursuant to section 92 (3) of the Companies Act, 2013 and Rules made there under, an extract of Annual Return of the Company as on **31<sup>st</sup> March 2023** in prescribed form MGT-9 is furnished as **Annexure A** attached to this Report.

**AUDIT COMMITTEE:** As per Section 177 of the Companies Act, 2013, Audit Committee as required to be constituted by the Company has been so constituted.

The present composition of the Audit Committee as on date is as follows:

- Mr. Suresh Kumar Sharma - Managing Director, Chairman
- Mr. Sajan Kumar Kharkia – Director & CFO
- Mr. Vikash Kharkia, - Non-Executive Independent Director

**4 (Four)** Audit committee meetings were held during the year on 30<sup>th</sup> May,2022,12<sup>th</sup> August,2022,14<sup>th</sup> November,2022 & 10<sup>th</sup> February,2023

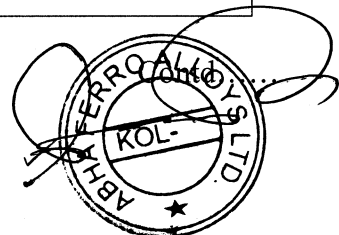
### AUDIT COMMITTEE MEETINGS

Date of Meeting	30.05.2022	12.08.2022	14.11.2022	10.02.2023
Attendance of Director				
Mr. Suresh Kumar Sharma	Yes	Yes	Yes	Yes
Mr. Sajan Kumar Kharkia	Yes	Yes	No	Yes
Mr. Vikash Kharkia	Yes	Yes	Yes	Yes

The details of Audit Committee are furnished in **Annexure - B** and forms part of this report.

**NOMINATION & REMUNERATION POLICY:** During the year, Nomination and Remuneration Committee Meeting was held on **30<sup>th</sup> May,2022** and the attendance of the Nomination and Remuneration Committee members was as under:-

Name of the Nomination and Remuneration Committee Members	Meetings Held	Meetings Attended
Mr. Vikash Kharkia	1	1
Mr. Suresh Kumar Sharma	1	1
Mr. Sajan Kharkia	1	1



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## DIRECTORS' REPORT TO THE MEMBERS – 31<sup>st</sup> March,2023 Contd...

**MATERIAL CHANGES AND COMMITMENT:** No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year to which these financial statements relate and the date of this report.

**POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:** The provision of Companies Act 2013 & Rules made there under in respect of Corporate Social Responsibility (CSR) activities are not applicable to the Company.

**DECLARATION OF INDEPENDENT DIRECTORS:** Declaration of meeting the criteria of independence as provided in Section 149(6) of the Companies Act 2013 has been received from each of the Independent Directors of the Company.

**SECRETARIAL AUDIT:** The Provisions of the Companies Act 2013 and Rules made there under in respect of Secretarial Audit are not applicable to the Company as its paid up capital does not exceed 50 Crore, Turnover does not exceeds 250 Crores & loans or borrowings from banks or public financial institutions does not exceed 100 Crores.


**CHANGES IN SHARE CAPITAL:** During the year under review, there was no change in the share Capital of the Company. The company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued any sweat equity shares or Employees Stock Option or any other Scheme.


**OTHER MATTERS:** Your Directors state that no complaint was received during the year nor was pending as at the beginning and end of the year pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

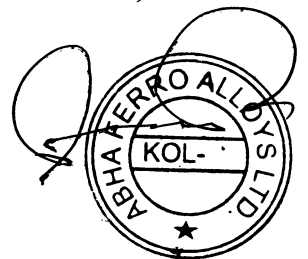
**ACKNOWLEDGEMENTS:** The Board wishes to place on record their appreciation to various statutory authorities, banks and business associates for their continued co-operation and assistance received during the year.

For & on behalf of the Board of Directors

Kolkata: 27 MAY 2023

✓  
  
(Suresh Kumar Sharma, Managing Director)  
(DIN-07760918)

✓  
  
(Sajan Kumar Kharkia, Director & CFO)  
(DIN-07988183)



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## DIRECTORS' REPORT TO THE MEMBERS – 31<sup>st</sup> March,2023 Contd...

The Board has, in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The details of Nomination & Remuneration Policy are furnished in **Annexure –C** and forms part of this report.

**DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:** The Company does not have any subsidiary or joint venture or associate companies.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:** The Company has not granted any loan or issued any guarantee covered under provision of Section 186 of the Companies Act, 2013. The company has made the compliances under provision of Section 186 in respect of Investments. Details of investments made by company are provided in **Note No. 2.0** to the Financial Statements.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:** Contracts/arrangements/transactions, if any, entered into by the company during the financial year with related parties were in ordinary course of business on arm's length basis & hence provision of section 188 of the Companies Act, 2013 are not applicable. All related party transactions have been disclosed in **Note No. 19.0** to the financial statements.

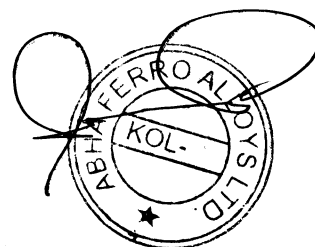
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:** Considering the nature of business of your company, no comment is required on conservation of energy, technology absorption as stipulated under the provisions of Section 134 (m) of the Companies Act, 2013 & Rules made there under. There was no foreign exchange inflow or outflow during the year under review.

**DIRECTOR RESPONSIBILITY STATEMENT:** In accordance with the provisions of Section 134 (5) of the Companies Act, 2013, your directors confirm that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure, if any.
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period.
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- iv) the directors have prepared the annual accounts on a going concern basis.
- v) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Contd.....

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ABHA FERRO ALLOYS LIMITED  
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**Annexure 'A' to the Directors' Report - 31.03.2023**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31st March, 2023**

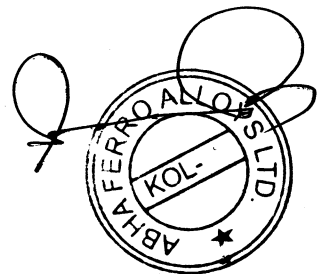
[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.]

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U36999WB2017PLC219860
2	Registration Date	9th March 2017
3	Name of the Company	Abha Ferro Alloys Ltd
4	Category/Sub-category of the Company	Company limited by shares/ Non - Government Company
5	Address of the Registered office & contact details	3 Mayfair Road, Flat-2B, 2nd Floor, Kolkata- 700019 Phone : +91 33 6644 7200; E-mail : abhaferro2017@gmail.com
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
	NIL		

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NIL					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of Companies Act, 2013
1	Abha Property Project Ltd., 29 GC Avenue, 4th Floor, Room No. 407, Kolkata -700 013	L51909WB2001PLC093941	Holding Company	100%	2(46)

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Bodies Corp.	-	1,35,50,000	1,35,50,000	100.00%	-	1,35,50,000	1,35,50,000	100.00%	-
<b>TOTAL (A)</b>	-	1,35,50,000	1,35,50,000	100.00%	-	1,35,50,000	1,35,50,000	100.00%	-
<b>B. Public</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-



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**Form MGT-9 : EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31.03.2023 Contd...**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public (B)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	1,35,50,000	1,35,50,000	100.00%	-	1,35,50,000	1,35,50,000	100.00%	-

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Abha Property Project Ltd.	1,35,50,000	100.00%	-	1,35,50,000	100.00%	-	-

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

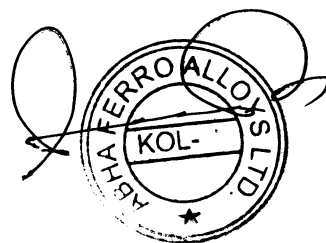
SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
				NIL			

**(iv) Shareholding Pattern of top ten Shareholders: -NIL (Refer Footnote)**

*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares

**Footnote:** Since this company is 100% subsidiary of Abha Property Project Ltd., details of other shareholders being nominee of Abha Property Project Ltd. has not been given hereinabove.



ABHA FERRO ALLOYS LIMITED  
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**Form MGT-9 : EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31.03.2023 Contd...**

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
				NIL			

**VI. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment: **NIL**

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **NIL**


B. Remuneration to other Directors: **NIL**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTM : **NIL**

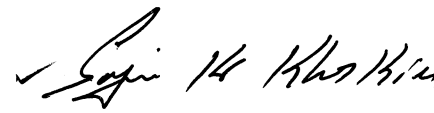
**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

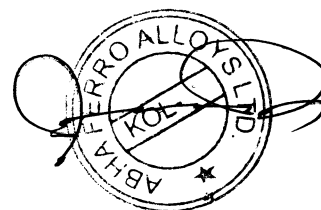
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>			<b>NONE</b>		
<b>B. DIRECTORS</b>			<b>NONE</b>		
<b>C. OTHER OFFICERS IN DEFAULT</b>			<b>NONE</b>		

Kolkata: **27 MAY 2023**

✓   
(Suresh Kumar Sharma, Managing Director)  
(DIN-07760918)

For & on behalf of the Board of Directors

✓   
(Sajan Kumar Kharkia, Director & CFO)  
(DIN-07988183)



# ABHA FERRO ALLOYS LIMITED

3 MAYFAIR ROAD, FLAT-2B, 2<sup>ND</sup> FLOOR, KOLKATA-700 019

## ANNEXURE- 'B' TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2023

### AUDIT COMMITTEE

The Audit Committee provides an overview on the reporting process of the Company's financial and accounting mechanism and ensures that disclosures in its financial statements are correct, sufficient and credible.

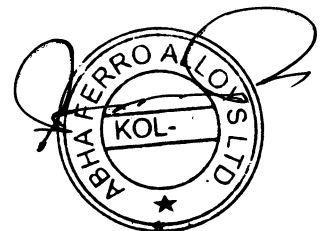
The Committee also reviews the efficacy of the internal control mechanism and monitors the risk management policies adopted by the company. The committee also reviews the report furnished by the statutory auditors and ensures that suitable follow up actions were taken. The Committee also examines accounting, taxation and disclosure aspects of all significant transactions.

The terms of reference of the Audit Committee are in consonance with the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013 and are as under:

- 1) To investigate any activity within its terms of reference.
- 2) To seek information from any employee.
- 3) To obtain outside legal or other professional advice.
- 4) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- 5) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 6) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 7) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 8) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to :
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
- 9) Reviewing, with the management, the quarterly financial statements before submission to the board for approval

Contd....

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# ABHA FERRO ALLOYS LIMITED

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## ANNEXURE- 'B' TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2023 Contd....

- 10) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- 11) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- 12) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 13) Discussion with internal auditors any significant findings and follow up there on.
- 14) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 15) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 16) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 17) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 18) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- 19) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- 20) Mandatorily reviews the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
- 21) Reviewing the Financial Statements of its subsidiary company, if any.
- 22) Reviewing the composition of the Board of Directors of its Subsidiary Company, if any.
- 23) Reviewing the Vigil mechanism (whistle blowing) policy.
- 24) Reviewing the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

X

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## ANNEXURE- 'C' TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2023

### NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee adopted a Nomination & Remuneration Policy, which inter alia includes policy for selection and appointment of Directors, Key Managerial Personnel, Senior management Personnel and their remuneration. The highlights of the policy are as follows.

#### **Procedure for selection and appointment of Board Members**

**Board Members criteria:** The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member, KMP and SMP for the better management of the company. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the company's global operation.

In evaluating the suitability of individual Board Members, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors are expected (not compulsorily in deserving cases) to possess experience at policy-making and operational levels in organization of similar nature/size that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

Directors are expected to possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decision, rather than advancing the interests of a particular constituency.

In addition, directors should be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They should have the aptitude to critically evaluate management's working as a part of a team in an environment of collegiality and trust.

The Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

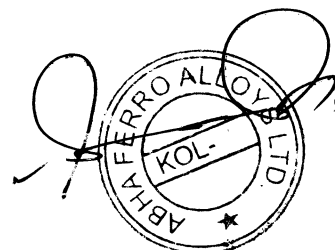
#### **Selection of Board Members/extending invitation to a potential director to join the Board:**

One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendation to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operation of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendation of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

The Board then shall make an invitation (verbal/written) to the new member(s) in the Board as a Director.

On acceptance of the same, the new Director may be appointed by the Board.

Phone: 033-6644 7200; Email: abhaferro2017@gmail.com  
CIN: U36999WB2017PLC219860



# ABHA FERRO ALLOYS LIMITED

3 MAYFAIR ROAD, FLAT-2B, 2<sup>ND</sup> FLOOR, KOLKATA-700 019

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## **ANNEXURE- 'C' TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2023**

### **Procedure for selection and nomination of KMPs and SMPs:**

The Committee shall actively liaise with the relevant departments of the company to study the requirement for management personnel, and produce a written document thereon. The Committee may conduct a wide-ranging search for candidates for the position of KMP and SMP within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market. The professional, academic qualifications, professional titles, detailed work experience and all concurrently held position of the initial candidates shall be complied. A meeting of the committee shall be convened, and the qualifications, experience, skills and other capability of the initial candidates shall be examined. After such examination recommendation for appointment of KMP and SMP together with the relevant information about the appropriate candidate(s) shall be submitted to the board of Directors. The Committee shall carry out other follow-up task based on decisions of any feedback from the Board of Directors.

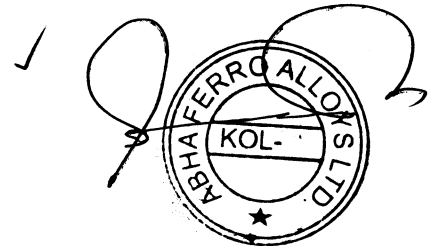
### **Remuneration to Non-Executives Directors:**

The Non-Executive Directors of the Company may be paid remuneration by way of sitting fees for attending the meeting of the Board of Directors and its committees as well as Commission. The sitting fees and commission payable to the Non-Executive Directors shall be such amount as may be deliberated upon by the Board along with Committee members may be modified from time to time only with the approval of the Board in due compliance of the provisions of the Companies Act, 2013 and amended from time to time.

### **Remuneration to Executives Directors, Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs):**

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Directors/Whole Time Directors (MD/WTDs) Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). The remuneration shall be governed by the external competitive environment, track records, potential, individual performance, and performance of the Company as well as industry standards. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

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**A.K.Gutgutia & Associates**  
**Chartered Accountants**

## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
**ABHA FERRO ALLOYS LIMITED**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of **Abha Ferro Alloys Limited** ("the company"), which comprise the Balance Sheet as at **31<sup>st</sup> March, 2023**, the Statement of Profit and Loss (including Other Comprehensive Income) the Statement of Cash Flows and the Statement of Changes in Equity 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 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 **31<sup>st</sup> March, 2023**, its **Profit** 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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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 such other information is materially inconsistent with the financial statement 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.

Contd...

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**27 MAY 2023**



**A.K.Gutgutia & Associates**  
**Chartered Accountants**

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**Abha Ferro Alloys Limited - Independent Auditors' Report-31.03.2023 Contd...**

**Responsibility of Management for Financial Statements**

The Company's Board of Directors is 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that 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.

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

**Auditors' Responsibilities 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 SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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.
- 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.



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27 MAY 2023



**A.K.Gutgutia & Associates**  
**Chartered Accountants**

**Abha Ferro Alloys Limited - Independent Auditors' Report-31.03.2023 Contd...**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of the identified misstatements in the financial statements

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.

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

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27 MAY 2023



**A.K.Gutgutia & Associates**  
**Chartered Accountants**

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**Abha Ferrp Alloys Limited - Independent Auditors' Report-31.03.2023 Contd...**

**Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable, as under:

(i) (a) There was no Property, Plant & Equipment in the company during the year. Hence, this clause relating to maintaining proper records showing full particulars including quantitative details & situation of Property, Plant & Equipment & intangible assets is not applicable.

(b) Since there was no Property, Plant & Equipment (PPE) in the company during the year, this clause relating to physical verification of PPE by the management is not applicable to the company.

(c) Since there was no immovable properties in the company during the year, this clause relating to maintaining title deeds of all immovable properties in the name of the company is not applicable to the Company.

(d) Since there was no Property, Plant & Equipment (PPE) in the company during the year, this clause relating to revaluation of its Property, Plant & Equipment is not applicable to the Company.

(e) Based on the audit procedure applied by us & as per information available and explanations given to us, we report that no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

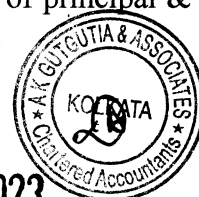
(ii) (a) There was no inventory in the company during the year. Hence this clause relating to physical verification of inventory is not applicable to the company.

(b) The Company has not been sanctioned/ availing working capital limits in excess of Rs. 5 crores during the year & hence requirement of filling the quarterly returns or statements by the company is not applicable to Company.

(iii) (a) (a) Based on the audit procedures applied by us & as per information available & explanations given by the management, we report that during the year, the Company has not provided any guarantee or security nor made any fresh investment nor granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, LLP or other parties

(b) Since the company has, during the year, not made any fresh investments nor provided any guarantees nor given any securities, this clause about the terms & conditions of grant of loans and advances in the nature of loans and guarantees provided being prejudicial to the interest of the company is not applicable.

(c) As per information available & explanations given by the management, the company has not granted loans & advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, this clause about schedule of repayment of principal & payment of interest & regularity of receipt thereof is not applicable.



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**27 MAY 2023**



**Abha Ferro Alloys Limited - Independent Auditors' Report-31.03.2023 Contd...**

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) No loans or advances in the nature of loans, which have fallen due during the year, have been renewed or extended and no fresh loans have been granted to settle the overdue of existing loans given to same parties.

(f) The Company has not granted any advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties.

(iv) According to information available & explanations given to us, since the company has not granted any loans, nor provided any guarantees or securities, therefore provisions of Section 185 & 186 of the Companies Act, 2013 are not applicable for the year covered by this report. The Investment made has been disclosed in **Note No 2** of Financial Statements

(v) According to information available and explanations given to us, the company has not accepted any deposit within the meaning of the section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) The Central Government has not prescribed for the maintenance of cost records by the company as required under section 148 (1) of the Act.

(vii)(a) According to the records of the company, the company is generally regular in depositing the undisputed statutory dues including Income Tax and other statutory dues, as applicable, to appropriate authorities. According to information & explanation given to us, there is no undisputed statutory dues outstanding as at the year-end for a period of more than six months from the date of the same becoming payable.

(b) We have been informed that there is no amount remaining outstanding as at the year end towards any disputed statutory dues except stated below:

Name of Statute	Nature of Dues	Amount(Rs. In Lakhs)	Period to which amount relate	Forum of Dispute
Income Tax Act	Income Tax	450.98	AY 2020-2021	CPC

(viii) Based on the audit procedures applied & as per information available and explanations given by the management, we report that the company has, during the year, not surrendered or disclosed any transaction in the tax assessment under Income Tax Act, 1961 which was previously not recorded in the books of account.

(ix) (a) Since the company has not taken any amount from any lender including any bank and financial institutions, this clause relating to default in repayment of dues is not applicable to the company during the year covered under this report.

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**A.K. Gutgutia & Associates**  
**Chartered Accountants**

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**Abha Ferro Alloys Limited - Independent Auditors' Report-31.03.2023 Contd...**

(b) As per information available and explanations given by the management, we report that the company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) Based on the audit procedures applied & as per information available and explanations given by the management, we report that terms no term loans were obtained by the company during the year.

(d) Based on the audit procedures applied & as per information available and explanations given by the management, we report that funds raised on short term basis have not been utilized for long term purposes.

(e) Based on the audit procedures applied & as per information available and explanations given by the management, we report that the company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates or joint ventures.

(f) Based on the audit procedures applied & as per information available and explanations given by the management, we report that the company has not raised any loan during the year on the pledge of securities held in subsidiaries, joint ventures or associate companies.

(x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) The company has not made any preferential allotment or private allotment of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi) (a) During the course of our examination of the books of account and records of the company carried out in accordance with the generally accepted auditing practices in India and according to information & explanation given to us, we have neither come across any incidence of fraud on or by the company nor we have been informed of any such case as by the management.

(b) No report u/s 143 (12) in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 has been filed by us with the Central Government during the year.

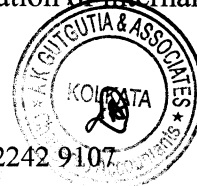
(c) We have not been informed of receipt of any whistle blower complaints by the company during the year.

(xii) The Company is not a Nidhi Company.

(xiii) According to the information available & explanations given to us, the company has complied with provisions of section 177 & 188 of the Act, where applicable, in respect of transactions with the related parties and details thereof have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) According to information available & explanations given to us, the Company has does not have any internal audit system during the year. So, this clause relating to consideration of internal audit report by the statutory auditor does not arise

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27 MAY 2023



**A.K.Gutgutia & Associates**  
**Chartered Accountants**

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**Abha Ferro Alloys Limited - Independent Auditors' Report-31.03.2023 Contd...**

(xv) Based on the audit procedure applied by us & as per information available & explanation given to us, we are of opinion that the company has not entered into any non cash transaction with any of the directors or persons connected with them.

(xvi) a) Based on the audit procedures applied by us & as per information available & explanations given by the management, we are of the opinion that the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from Reserve Bank of India as per Reserve Bank of India Act, 1934.

c) As per information available & explanation given to us, we are of opinion that the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d) The Group does not have any CIC.

(xvii) The company has not incurred cash losses in the current financial year and immediately preceding financial year.

(xviii) There was no resignation by the statutory auditors during the year and accordingly requirement of taking into consideration the issues, objections or concerns raised by the outgoing auditors do not arise.

(xix) Based on the financial ratios, ageing & expected dates of realisation of financial assets and payment of financial liabilities & other information accompanying the financial statements as well as our knowledge of the Board of Directors and management plan, we are of the opinion that, as on the date of the audit report, no material uncertainty exists about the company's capability of meeting its liabilities existing at the date of balance sheet as & when they fall due within a period of one year from the date of balance sheet.

(xx) (a) The second proviso to section 135 (5) of the said Act relating to unspent amounts that are required to be transferred to a fund specified in Schedule VII to the Companies Act is not applicable to company during the year.

(b) The provisions in respect of transferring unspent amount of ongoing project under section 135 (5) to special account in compliance with the provisions of Section 135 (6) of the said Act is not applicable to the company during the year.



**27 MAY 2023**



**A.K.Gutgutia & Associates**  
**Chartered Accountants**

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**Abha Ferro Alloys Limited - Independent Auditors' Report-31.03.2023 Contd...**

2. As required by section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, 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 Indian Accounting Standards (Ind As) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on **31<sup>st</sup> March, 2023**, taken on record by the Board of Directors, none of the directors is disqualified as on **31<sup>st</sup> 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 'A'.
- g. No managerial remuneration has been paid during the year & provisions of Section 197 read with schedule V to the Act are not applicable to the company.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company does not have any pending litigations which would impact its financial position other than those, is any, already disclosed in the financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) (a) The management has represented that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



Contd...

**27 MAY 2023**



**A.K.Gutgutia & Associates**  
**Chartered Accountants**

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**Abha Ferro Alloys Limited - Independent Auditors' Report-31.03.2023 Contd...**

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

(c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) No dividend was declared or paid during the year by the Company requiring compliance with section 123 of the Act

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

Kolkata; 27<sup>th</sup> May, 2023  
UDIN: 23304601BGZCXM7170



For **A. K. Gutgutia & Associates**  
Chartered Accountants  
Registration No. **327314E**

*Agarwal*

(CA Ditya Agarwal)  
Partner

Membership No. **304601**



**A.K.Gutgutia & Associates**  
**Chartered Accountants**

**Re: Abha Ferro Alloys Limited**  
**Annexure-A to the Auditors' Report on Financial Statements - 31.03.2023**

**Report on the Internal Financial Controls under Clause (i) sub –section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

**Opinion**

We have audited the internal financial controls with reference to financial statements of **Abha Ferro Alloys Limited** ('the Company') as of **31st March 2023** in conjunction with our audit of the financial statements of the Company for the year ended on the date.

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 **31st March 2023**, 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 with reference to financial statements issued by the Institute of Chartered Accountants of India.

**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 with reference to financial statements 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 the Company's Policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 were established and maintained and if such controls operated effectively in all material respects.

Contd.....

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**27 MAY 2023**



**A.K. Gutgutia & Associates**  
**Chartered Accountants**

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**Abha Ferro Alloys Limited –Annexure “A” to the Auditors Report –31.03.2023 Contd...**

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 controls based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and 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 with reference to financial statements**

A company's internal financial controls with reference to financial statements 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 company's assets; (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 the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements,

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **A.K. Gutgutia & Associates**  
Chartered Accountants  
Registration No. **327314E**



Kolkata; 27<sup>th</sup> May, 2023  
UDIN: **23304601BGZCXM7170**

**(CA Diba Agarwal)**  
Partner  
Membership No. **304601**

**ABHA FERRO ALLOYS LTD**  
**CIN: U36999WB2017PLC219860**  
**BALANCE SHEET AS AT 31ST MARCH 2023**

(Amount in Rupees Thousands)				
PARTICULARS	Note No.	As At		As At
		31.03.2023		31.03.2022
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Financial Assets:				
Investments	2	9,29,918.50		5,66,970.59
Non Current Tax Assets (Net)	3	513.65		257.82
<b>CURRENT ASSETS</b>				
Financial Assets:				
Cash And Cash Equivalents	4	15,218.64	79,049.20	
Other Financial Assets	5	81,935.09	97,153.73	16,224.38
				95,273.58
<b>TOTAL ASSETS</b>		<b>10,27,585.88</b>		<b>6,62,501.99</b>
<b>EQUITY AND LIABILITIES</b>				
Equity:				
Equity Share Capital	5	1,35,500.00	1,35,500.00	
Other Equity	6	6,47,698.05	7,83,198.05	4,53,884.14
				5,89,384.14
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities:				
Borrowings	7	78,908.68		73,080.26
Deferred Tax Liabilities (Net)	8	1,65,442.03		-
<b>CURRENT LIABILITIES</b>				
Financial Liabilities:				
Other Financial Liabilities	9	37.12		37.59
<b>TOTAL LIABILITIES</b>		<b>10,27,585.88</b>		<b>6,62,501.99</b>
Significant Accounting Policies	1			

The notes referred to above form an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For and on behalf of

**A.K.GUTGUTIA & ASSOCIATES**

Chartered Accountants

Registration No.327314E

*Agarwal*

**CA Dibya Agarwal**

Partner

Membership No. 304601

135A, B.R.B.Basu Road

Kolkata - 700 001

**Dated: 27th May,2023**



For & on behalf of Board of Directors

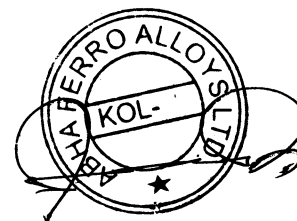
*Suresh Kumar Sharma*  
**(Suresh Kumar Sharma, Managing Director)**

**(DIN: 07760918)**

*Sajan Kumar Kharkia*

**(Sajan Kumar Kharkia, Director & CFO)**

**(DIN: 07988183)**



**ABHA FERRO ALLOYS LTD**  
**CIN: U36999WB2017PLC219860**  
**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount in Rupees Thousands)			
PARTICULARS	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>INCOME</b>			
Other Income	10	11,307.07	9,403.63
<b>TOTAL INCOME</b>		<b>11,307.07</b>	<b>9,403.63</b>
<b>EXPENSES</b>			
Employee Benefit Expense	11	25.50	72.00
Finance Cost	12	5,828.42	5,413.35
Other Expenses	13	65.28	59.34
<b>TOTAL EXPENSES</b>		<b>5,919.20</b>	<b>5,544.69</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>5,387.87</b>	<b>3,858.94</b>
<b>TAX EXPENSE</b>			
Current Tax		726.00	800.00
Earlier Years' Tax		4.30	-
Deferred Tax		2,101.41	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>2,556.16</b>	<b>3,058.94</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
a) Item that will not be reclassified to Profit & Loss		3,54,598.38	61,923.89
- Income Tax to (a) above		89,245.32	-
b) Item that will be reclassified to Profit & Loss		-	-
- Income Tax to (b) above		-	-
<b>Other Comprehensive Income (a+b)</b>		<b>2,65,353.06</b>	<b>61,923.89</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>2,67,909.22</b>	<b>64,982.83</b>
<b>EARNINGS PER EQUITY SHARE OF FACE VALUE OF Rs.10/- EACH</b>			
Basic & Diluted Earning	14	0.19	0.23

**Significant Accounting Policies** 1

The notes referred to above form an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For and on behalf of

**A.K.GUTGUTIA & ASSOCIATES**

Chartered Accountants

Registration No.327314E

*Agarwal*

**CA Dibya Agarwal**

Partner

Membership No. 304601

135A, B.R.B.Basu Road

Kolkata - 700 001

Dated: 27th May,2023



For & on behalf of Board of Directors

*[Signature]*

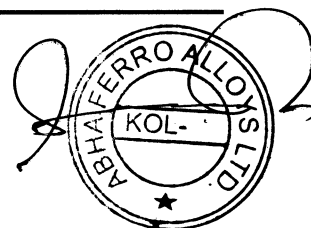
(Suresh Kumar Sharma, Managing Director)

(DIN: 07760918)

*[Signature]*

(Sajan Kumar Kharkia, Director & CFO)

(DIN: 07988183)





**ABHA FERRO ALLOYS LTD**  
CIN: U36999WB2017PLC219860

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount in Rupees Thousands)

PARTICULARS	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>(A) Cash Flow From Operating Activities :-</b>	<b>5,387.87</b>	<b>3,858.94</b>
Net Profit/(Loss) Before Tax		
Adjustments For :-		
Interest Paid on Debt Component of Preference Shares	5,828.42	5,413.35
Gain on Restatement of Non current Investment	(8,360.54)	(6,116.87)
Interest Received on Deposits	(2,946.53)	(3,286.76)
<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>(90.78)</b>	<b>(131.34)</b>
Adjustments For :-		
Trade and other Receivables	(0.47)	1.42
Trade and other Payables	(91.25)	(129.92)
<b>Cash Generated From Operations :-</b>	<b>986.13</b>	<b>1,434.77</b>
Direct Taxes Paid (Refund Received)( Net )		
<b>Net Cash Flow From Operating Activities</b>	<b>(1,077.38)</b>	<b>(1,564.69)</b>
<b>(B) Cash Flow From Investing Activities :-</b>		
(Purchase) / Sale of Fixed Assets (Net)		
Purchase of Investments	(65,710.71)	(2,124.38)
Movement in Other Financial Assets	11.00	11.00
Dividend Received	(65,699.71)	(2,113.38)
<b>Net Cash Flow From Investing Activities</b>		
<b>(C) Cash Flow From Financing Activities :-</b>		
Changes in Share Capital	-	-
Interest Paid on Preference shares	-	-
Interest Received	2,946.53	3,286.76
<b>Net Cash Flow From Financing Activities</b>	<b>2,946.53</b>	<b>3,286.76</b>
Net Increase/(Decrease) in Cash & Cash Equivalents :-	<b>(63,830.56)</b>	<b>(391.31)</b>
Opening Balance of Cash & Cash Equivalents	79,049.20	79,440.51
Closing Balance of Cash & Cash Equivalents(Note No. 4)	<b>15,218.64</b>	<b>79,049.20</b>

**Supplementary Information: Restricted Cash & Cash Equivalents**

This is the Cash Flow Statements referred to in our report of even date.

For and on behalf of

**A.K.GUTGUTIA & ASSOCIATES**

Chartered Accountants

Registration No.327314E

*Agarwal*  
**CA Ditya Agarwal**

Partner

Membership No. 304601

135A, B.R.B.Basu Road  
Kolkata - 700 001

Dated: 27th May,2023



For & on behalf of Board of Directors

*[Signature]*

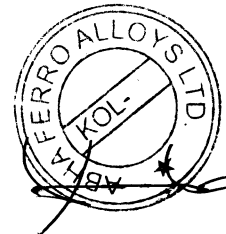
(Suresh Kumar Sharma, Managing Director)

(DIN: 07760918)

*[Signature]*

(Sajan Kumar Kharkia, Director & CFO)

(DIN: 07988183)



ABHA FERRO ALLOYS LTD  
CIN: U36999WB2017PLC219860

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

A. EQUITY SHARE CAPITAL  
PARTICULARS

(Amount in Rupees Thousands)

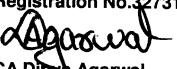
	No. of Shares	Amount in Rupees
Balance as at 31.03.2021		
Changes in Equity Share Capital during the year	1,35,50,000	1,35,500
Balance as at 31.03.2022	-	-
Changes in Equity Share Capital during the year	1,35,50,000	1,35,500
Balance as at 31.03.2023	-	-
	1,35,50,000	1,35,500

B. OTHER EQUITY

(Amount in Rupees Thousands)

PARTICULARS	Equity Component of Preference Shares	Retained Earning	Equity Instrument through Other Comprehensive Income	Total
Balance as at 31.03.2021	1,75,262.80	20,511.12	1,93,127.40	3,88,901.32
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the previous reporting period	1,75,262.80	20,511.12	1,93,127.40	3,88,901.32
Profit for the year	-	3,058.94	-	3,058.94
Other Comprehensive Income	-	-	61,923.88	61,923.88
Balance as at 31.03.2022	1,75,262.80	23,570.06	2,55,051.28	4,53,884.14
Changes in accounting policy or prior period errors	-	-	-	-
Deferred Tax for Earlier Years	-	(9,904.00)	(64,191.31)	(74,095.31)
Restated balance at the beginning of the previous reporting period	1,75,262.80	13,666.06	1,90,859.97	3,79,788.83
Profit for the year	-	2,556.16	-	2,556.16
Other Comprehensive Income	-	-	2,65,353.06	2,65,353.06
Balance as at 31.03.2023	1,75,262.80	16,222.22	4,56,213.03	6,47,698.05

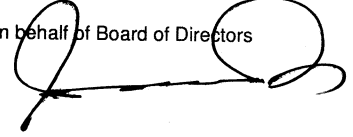
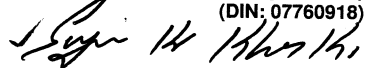
Footnote: For purpose & nature of Other Equity, refer Note No. 6.4

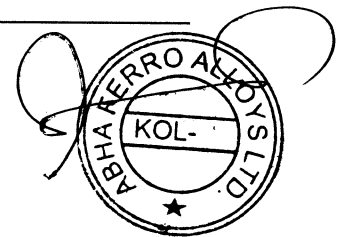
For and on behalf of  
**A.K.GUTGUTIA & ASSOCIATES**  
Chartered Accountants  
Registration No. 327314E  
  
CA Ditya Agarwal  
Partner  
Membership No. 304601



135A, B.R.B. Basu Road  
Kolkata - 700 001  
Dated: 27th May, 2023

For & on behalf of Board of Directors

  
(Suresh Kumar Sharma, Managing Director)  
(DIN: 07760918)  
  
(Sajan Kumar Kharkia, Director & CFO)  
(DIN: 07988183)



**ABHA FERRO ALLOYS LTD**  
**CIN: U36999WB2017PLC219860**

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

**NOTE PARTICULARS**

**NO.**

**1.0 SIGNIFICANT ACCOUNTING POLICIES**

**Corporate Information**

Abha Ferro Alloys Ltd. is an unlisted public Company domiciled in India & incorporated w.e.f 9th March, 2017 & is a wholly owned subsidiary of Abha Property Project Ltd.  
The Registered Office of the Company is situated at Flat-2B ,3 Mayfair Road, Kolkata -700019

**Statement of Compliance**

These Financial Statements comply in all material aspects with Indian Accounting Standard (IND-AS) notified under section 133 of the Companies Act, 2013 (The Act), Companies (Indian Accounting Standard) Rules, 2015 and other relevant provision of the Act.

**1.1 Basis of Preparation**

The Financial Statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

**1.2 Financial Assets and Liabilities**

Financial assets and financial liabilities (financial instruments) are recognized when this unit of the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the unit of the company which is generally taken as 12 month otherwise these are classified as non- current.

The classification of financial instruments whether to be measured at amortized cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate.

Classification of financial instruments are determined on initial recognition.

**(i) Financial assets and financial liabilities measured at Amortized Cost**

Financial assets held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows are measured at amortized cost.

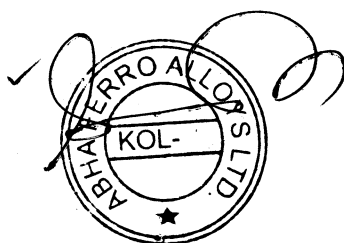
The financial assets and financial liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

**(ii) Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

**(iii) Financial Assets or Liabilities at Fair Value Through Profit or Loss (FVTPL)**

Financial instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are measured at Fair Value through Profit or Loss.



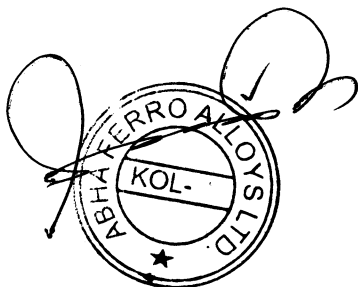
**27 MAY 2023**

**ABHA FERRO ALLOYS LTD**  
**CIN: U36999WB2017PLC219860**

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

NOTE NO.	PARTICULARS
-------------	-------------

- |     |  |
|-----|--|
| 1.3 | <b>Investments:</b> Investments are stated at cost. Provision for diminution in the value of each investment, arrived at on the basis of market value in case of quoted shares & break up value as per last available audited accounts in case of unquoted shares, considered separately is made in the accounts unless the same is considered to be temporary in nature.  |
| 1.4 | <b>Revenue Recognition:</b> Revenue is recognised on transfer of significant risk & reward of ownership to the buyer and so long as there is a reasonable assurance for its collection. If at the time of raising of claim, it is unreasonable to expect ultimate collection, revenue collections are postponed. Dividend income is recognized when right to receive the same is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.   |
| 1.5 | <b>Income &amp; Expenditure:</b> All items of income & expenses are accounted for on their accrual to the extent possible & unless otherwise stated. Periodical expenses viz insurance, taxes etc. are not apportioned over the period but are charged as & when incurred.   |
| 1.6 | <b>Provision for Current and Deferred Tax:</b> Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future. Deferred Tax Assets & Deferred Tax Liability have been offset as they relate to the same governing tax laws. |
| 1.7 | <b>Provisions, Contingent Liabilities and Contingent Assets:</b> Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.  |
| 1.8 | <b>Cash Flows:</b> Cash flows are reported using indirect method, whereby profit for the year is adjusted for the effects of transactions of non-cash nature and/or for items of income & expenses associated with investing and financing activities. The cash flows from operating, investing & financing activities of the company are segregated.  |



27 MAY 2023

**ABHA FERRO ALLOYS LTD**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount in Rupees Thousands)

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	As At 31.03.2023	As At 31.03.2022		
2.0	<b>INVESTMENTS</b>				
2.1	<b>INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>				
	<b>EQUITY SHARES</b>				
	<u>Unquoted Shares of Rs. 10/- each</u>	<u>No. of Shares</u>	<u>Amount</u>	<u>No. of Shares</u>	<u>Amount</u>
	Anindra Sales Pvt Ltd.	2,40,000	3,412.80	2,40,000	3,196.18
	Anjaney Ferro Alloys Ltd.	5,26,500	7,07,821.34	5,26,500	3,65,431.25
	Abbott Marketing Pvt Ltd	1,11,875	20,232.59	1,11,875	8,425.74
	Kharkia Properties Pvt Ltd.	1,24,950	10,750.70	1,24,950	10,565.88
		<u>7,42,217.43</u>		<u>3,87,619.05</u>	
2.2	<b>INVESTMENT AT FAIR VALUE THROUGH PROFIT &amp; LOSS</b>				
A)	<b>INVESTMENT IN PREFERENCE SHARES</b>				
	<u>Unquoted Non- Cumulative, Non- Convertible, Redeemable, 0.1% Preference Shares of Rs. 10/- each</u>				
	<u>Debt Component in Preference Shares</u>	<u>No. of Shares</u>	<u>Amount</u>	<u>No. of Shares</u>	<u>Amount</u>
	Anjaney Ferro Alloys Ltd	11,00,000	11,615.45	11,00,000	11,397.99
			<u>11,615.45</u>		<u>11,397.99</u>
B)	<b>INVESTMENT IN UNITS OF MUTUAL FUNDS (AT COST)</b>				
		<u>No. of Units</u>	<u>Amount</u>	<u>No. of Units</u>	<u>Amount</u>
	HDFC Low Duration Fund- Regular Plan - Growth	35,87,624.257	1,76,085.62	35,87,624.257	1,67,953.55
		<u>35,87,624.257</u>	<u>1,76,085.62</u>	<u>35,87,624.257</u>	<u>1,67,953.55</u>
2.3	<b>Total of Investment</b>	<u>9,29,918.50</u>		<u>5,66,970.59</u>	
2.4	<b>Aggregate Book value of Unquoted Investments</b>	<u>9,29,918.50</u>		<u>5,66,970.59</u>	
2.5	<b>Aggregate Fair value of Unquoted Investments</b>	<u>9,29,918.50</u>		<u>5,66,970.59</u>	

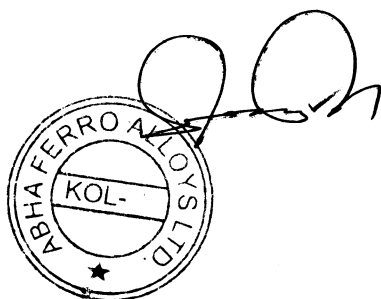
(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	As At 31.03.2023	As At 31.03.2022
3.0	<b>NON CURRENT TAX ASSETS (NET)</b>		
	Payment of Taxes (Net of Provisions)	513.65	257.82
		<u>513.65</u>	<u>257.82</u>

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	As At 31.03.2023	As At 31.03.2022
4.0	<b>CASH &amp; CASH EQUIVALENTS</b>		
	<b>BALANCES WITH BANKS</b>		
	In Fixed Deposits	14,000.00	71,803.37
	On Current Accounts	742.27	7,238.94
	<b>CASH ON HAND</b>	<u>476.37</u>	<u>6.89</u>
		<u>15,218.64</u>	<u>79,049.20</u>

Footnote: Fixed Deposits having maturity of less than 3 months from Balance sheet date have only been included hereinabove.



27 MAY 2023

**ABHA FERRO ALLOYS LTD**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	As At 31.03.2023	As At 31.03.2022
5.0	<b>OTHER FINANCIAL ASSETS</b>		
	Advances Recoverable in cash or in kind or for value to be received	-	14,100.00
	Fixed Deposit with Bank	81,000.00	-
	Accrued Interest on Fixed Deposits	935.09	2,124.38
		<b>81,935.09</b>	<b>16,224.38</b>

(Amount in Rupees Thousands)

NOTE NO.	PARTICULARS	As At 31.03.2023	As At 31.03.2022
5.0	<b>SHARE CAPITAL</b>		
5.1	<b>AUTHORISED</b>		
	Equity Shares of Rs. 10/- each	1,40,00,000	1,40,00,000
	Preference Shares of Rs. 10/- each	2,25,00,000	2,25,00,000
		<b>3,65,00,000</b>	<b>3,65,00,000</b>
5.2	<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
a)	<b>Equity Shares of Rs. 10/- each</b>		
	At the beginning of the year	1,35,50,000	1,35,50,000
	Changes during the year	-	-
	At the end of the year	<b>1,35,50,000</b>	<b>1,35,50,000</b>
b)	<b>Preference Shares of Rs. 10/- each</b>		
	At the beginning of the year	2,25,00,000	2,25,00,000
	Changes during the year	-	-
	At the end of the year	<b>2,25,00,000</b>	<b>2,25,00,000</b>
	<b>Total Issued, Subscribed &amp; Paid up Capital (a+b)</b>	<b>1,35,50,000</b>	<b>1,35,50,000</b>
5.3	<b>EQUITY SHARES HELD BY HOLDING COMPANY AND/OR THEIR SUBSIDIARIES/ASSOCIATES</b>		
	<b>Held by Holding Company:</b>	<b>No.</b>	<b>% held</b>
	Abha Property Project Ltd	1,35,50,000	100.00%
5.4	<b>EQUITY SHAREHOLDERS HOLDING MORE THAN 5% OF SHARE CAPITAL AS AT THE END OF YEAR</b>		
	<b>Held by Holding Company:</b>	<b>No.</b>	<b>% held</b>
	Abha Property Project Ltd.	1,35,50,000	100.00%

Footnote: In case, where any shareholder is holding more than 5% of share capital in one year but 5% or less of share capital in another year, the information about shareholding for the year in which the shareholding is 5% or less has not been furnished.

5.5	<b>EQUITY SHARES HELD BY THE PROMOTERS AT THE END OF THE YEAR</b>		
	<b>Name of Promoter</b>	<b>No. of shares</b>	<b>% held</b>
	Abha Property Project Limited	1,35,50,000	100.00%

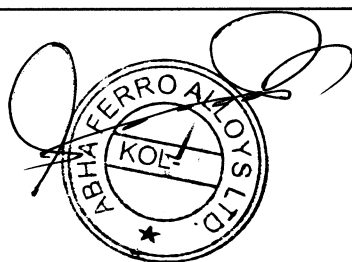
**5.6 %age Change, if any, in Promoters Holding during the year**

There is no change in promoters holding during the year

5.7 The equity shares are having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share & is entitled to pro-rata dividend, if any, declared on equity shares. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in the proportion to their shareholdings.

5.8 The preference shares are having a par value of Rs. 10/- per share. The preference shares are non-cumulative & non-convertible & are redeemable after 20 years from the date of allotment (2,20,00,000 shares allotted on 01.11.2017 & 5,00,000 shares allotted on 08.11.2017). The preference shares carry a dividend rate of 0.1%. Each preference shareholder is eligible for one vote per share on resolution placed in general meetings which directly affect their rights attached to the preference shares. The preference shares shall rank in priority to the equity shares in respect of payment of dividend & in the event of liquidation, shall carry a preferential right vis-a-vis the equity shares in respect of repayment of capital.

In accordance with requirement of IND-AS 32 Financial Instruments, the preference share capital has been re-classified to Other Equity (Note No. 6.1) & Borrowings (Note No. 7.0).



27 MAY 2023

**ABHA FERRO ALLOYS LTD**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount in Rupees Thousands)				
NOTE NO.	PARTICULARS	As At 31.03.2023	As At 31.03.2022	
6.0	<b>OTHER EQUITY</b>			
6.1	<b>EQUITY COMPONENT OF PREFERENCE SHARES</b>			
	At the beginning of the year	1,75,262.80	1,75,262.80	
	Changes during the year	-	-	
	At the end of the year	1,75,262.80	1,75,262.80	
6.2	<b>RETAINED EARNINGS</b>			
	At the beginning of the year	23,570.06	20,511.12	
	Deferred Tax for earlier years	9,904.00		
		13,666.06		
	Profit/ (Loss) for the year	2,556.16	3,058.94	
	At the end of the year	16,222.22	23,570.06	
6.3	<b>OTHER COMPREHENSIVE INCOME</b>			
	At the beginning of the year	2,55,051.28	1,93,127.40	
	Deferred Tax for earlier years	64,191.31		
		1,90,859.97		
	Other Comprehensive Income for the year	2,65,353.06	61,923.88	
	At the end of the year	4,56,213.03	2,55,051.28	
		6,47,698.05	4,53,884.14	

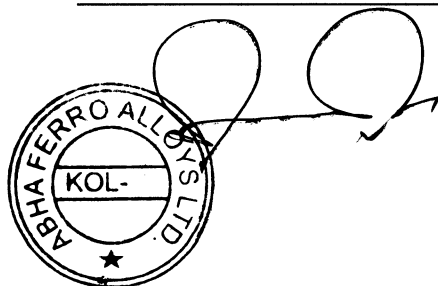
**6.4 Nature & Purpose of Other Equity**

- i) Equity Component of Preference Shares represents equity content in Preference shares reclassified in accordance with requirement of IND-AS 32 "Financial Instruments".
- ii) Retained Earnings generally represents the undistributed profits/amount of accumulated earnings of the Company.
- iii) Other Comprehensive Income represents the balance in equity relating to gain/losses on re-measurement of defined benefit obligations & remeasurement of Investments, net of taxes. This will not be reclassified to Statement of Profit and Loss. Any realised gain/loss on sale of investments is transferred to retained earning

(Amount in Rupees Thousands)				
NOTE NO.	PARTICULARS	As At 31.03.2023	As At 31.03.2022	
7.0	<b>BORROWINGS</b>			
	<b>UNSECURED</b>			
	Liability Component of Redeemable Preference shares	78,908.68	73,080.26	
		78,908.68	73,080.26	

**Footnote:** Redeemable Non Cumulative, Non -Convertible Preference shares of Rs 2,250 lakh were issued in 2017. Present value of the pPrincipal amount of such shares at the end of their respective due date of redemption is considered as liability component in accordance with IND AS 32 using discount rate of 8%. Interest component on such amount recognised during the year is **Rs 5,828.42** (PY Rs 5,413.35)

(Amount in Rupees Thousands)				
NOTE NO.	PARTICULARS	As At 31.03.2023	As At 31.03.2022	
8.0	<b>DEFERRED TAX LIABILITIES (NET)</b>			
	<b>Liabilities:</b>			
	In respect of Timing difference in Income			
	For Current Year	74,095.30	-	
	For Earlier Years'	91,346.73	1,65,442.03	
		1,65,442.03	-	



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**ABHA FERRO ALLOYS LTD**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

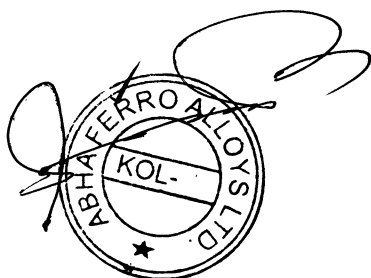
(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS	As At 31.03.2023	As At 31.03.2022
9.0	<b>OTHER FINANCIAL LIABILITIES</b>		
	Expenses Payable	37.12	37.59
		<u>37.12</u>	<u>37.59</u>

(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS	Year Ended 31.03.2023	Year Ended 31.03.2022
10.0	<b>OTHER INCOME</b>		
	Gain on Restatement of Non Current Investment	8,360.54	6,116.87
	Interest Income on Deposits	2,946.53	3,286.76
		<u>11,307.07</u>	<u>9,403.63</u>

(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS	Year Ended 31.03.2023	Year Ended 31.03.2022
11.0	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salary & Allowances	25.50	72.00
		<u>25.50</u>	<u>72.00</u>

(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS	Year Ended 31.03.2022	Year Ended 31.03.2021
12.0	<b>FINANCIAL COST</b>		
	Interest on Debt component of Preference shares	5,828.42	5,413.35
		<u>5,828.42</u>	<u>5,413.35</u>

(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS	Year Ended 31.03.2023	Year Ended 31.03.2022
13.0	<b>OTHER EXPENSES</b>		
	Bank Charges	-	0.02
	Payment To Auditors	25.00	25.00
	Professional Charges	26.44	27.09
	Filing Fee	8.70	1.80
	Demat Charges	0.12	1.24
	General Expenses	5.02	4.19
		<u>65.28</u>	<u>59.34</u>
13.1	<b>DETAILS OF PAYMENT TO AUDITORS</b>		
	For Statutory Audit Fee	25.00	25.00
	For Tax Matters	-	-
		<u>25.00</u>	<u>25.00</u>



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**ABHA FERRO ALLOYS LTD**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS	Year Ended 31.03.2023	Year Ended 31.03.2022
14.0	<b><u>EARNING PER EQUITY SHARE (EPS - FACE VALUE RS.10/-)</u></b>		
	-Net Profit/(Loss) attributable to Shareholders	2,556.16	3,058.94
	-Weighted Average number of Equity Shares outstanding as at the end of the year/ period	1,35,50,000	1,35,50,000
	-Basic & Diluted Earning per Share	0.19	0.23

(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS	Year Ended 31.03.2023	Year Ended 31.03.2022
15.0	<b><u>CONTINGENT LIABILITIES AND COMMITMENTS</u></b> (To The Extent Not Provided For)		
15.1	<b><u>CONTINGENT LIABILITIES</u></b>	NIL	NIL
15.2	<b><u>COMMITMENTS</u></b>	NIL	NIL

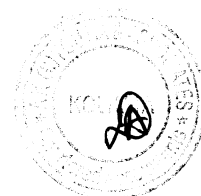
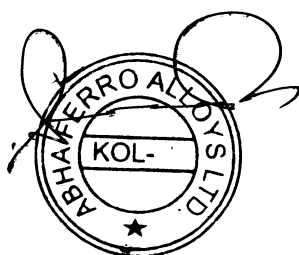
(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS	Year Ended 31.03.2023	Year Ended 31.03.2022
16.0	<b><u>PARTICULARS IN RESPECT OF FOREIGN CURRENCY TRANSACTIONS</u></b>		
16.1	<b><u>EXPENDITURE IN FOREIGN CURRENCY</u></b>	NIL	NIL
16.2	<b><u>EARNINGS IN FOREIGN EXCHANGE</u></b>	NIL	NIL

(Amount in Rupees Thousands)			
NOTE NO.	PARTICULARS	Year Ended 31.03.2023	Year Ended 31.03.2022
17.0	<b><u>THE AMOUNT OF DIVIDEND PROPOSED TO BE DISTRIBUTED TO PREFERENCE SHAREHOLDERS</u></b>		
	Total amount of Dividend proposed	2,25,000	-
	Dividend Per Preference Share of Rs. 10/- each	0.1%	-

		(Amount in Rupees Thousands)
NOTE NO.	PARTICULARS	
18.0	<b><u>RELATED PARTY DISCLOSURES</u></b>	
18.1	<b>List of related parties where control exists and with whom transactions have taken place during the year:</b>	
	A. Holding Companies	<b>Abha Property Project Limited</b>
	B. Subsidiary Companies	<b>NIL</b>
	C. Associate Companies	<b>NIL</b>
	D. Key Management Personnel	<b>Vikash Kharkia - Director</b> <b>Sajan Kumar Kharkia - Director &amp; CFO</b> <b>Suresh Kumar Sharma - Managing Director</b>
	E. Enterprises over which Key Management Personnel & their relatives have significant influence	<b>NIL</b>
18.2	<b>Details of transaction with related parties: NIL</b>	

**Footnotes:**

1) Transactions only during the period of existence of relationship have been disclosed hereinabove. Also in cases where relationship ceased to exist as at the end of the year, balances outstanding, if any, from such parties have not been disclosed.

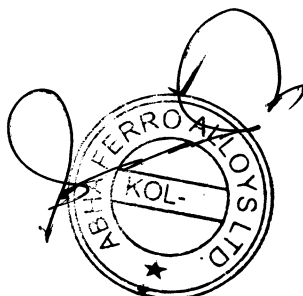


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**ABHA FERRO ALLOYS LTD**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

NOTE NO.	PARTICULARS
19.0	<b>Additional regulatory Information required by Schedule III of Companies Act,2013</b>
19.1	The Company does not have any relationship with struck off company u/s 248 of Companies Act,2013
19.2	The company has complied with the number of layers prescribed under clause 87 of section 2 of the Companies Act,2013 read with Companies (Restriction on Number of layers ) rules 2017.
19.3	Utilization of borrowed funds & Share Premium: The company has no borrowed funds & has not utilised its Share Premium
19.4	The company has not been declared as a Wilful Defaulter by any Bank or financial institution or other lender.
19.5	There are no charges required or satisfaction thereof which are yet to be registered with the Registrar of Companies beyond the statutory period.
19.6	The Company has not been sancationed not availed any working capital facilities by banks requiring it to file quarterly returns or statements with the banks.
19.7	No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988(45 of 1988) and rules made thereunder.

NOTE NO.	PARTICULARS
20.0	<b>Standard Issued/ amended but not yet effective</b> Ministry of Corporate Affairs ("MCA"), vide notification dated 31st March 2023, has made the following amendments to the existing standards which are effective from 1st April 2023: (a) Ind AS 1 Presentation of Financial Statements: The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. (b) Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. (c) Ind AS 12 Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. (d) Other Ind AS Amendments: There are also consequential or editorial amendments in Ind AS 101, 102, 103, 107, 109, 115. Based on preliminary assessment, the Company does not expect significant impact of these changes on its financial statements.



27 MAY 2023

**ABHA FERRO ALLOYS LTD**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

**NOTE**

**NO. PARTICULARS**

**21.0 FINANCIAL INSTRUMENTS & RELATED DISCLOSURES**

This section gives an overview of the significance of financial instruments for the Group and provides additional information on consolidated balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 1 to the financial statements.

**CATEGORIES OF FINANCIAL INSTRUMENTS**

**Financial Assets**

**Measured at Amortised Cost**

	<b>Note No</b>	<b>As At 31.03.2023</b>	<b>As At 31.03.2022</b>
Investments	2	7,42,217.43	3,87,619.05
Non Current Tax Assets	3	513.65	257.82
Cash and Cash Equivalents	4	15,218.64	79,049.20
Other Financial Assets	5	81,935.09	16,224.38
<b>Total Financial Assets Measured at Amortised Cost</b>		<b>8,39,884.81</b>	<b>4,83,150.45</b>

**Measured at Fair Value through Statement of Profit or Loss**

Investments	2	1,87,701.07	46,87,624.26
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**Financial Liabilities**

**Measured at Amortised Cost**

Borrowings- Non Current	7	78,908.68	73,080.26
Other Financial Liabilities	9	37.12	37.59
		<b>78,945.80</b>	<b>73,117.85</b>

**NOTE**

**NO. PARTICULARS**

**22.0 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES**

The Company's financial liabilities comprise capital and other payables, The main purpose of these financial liabilities is to finance the company's operations. The company's financial assets include other receivables, cash and cash equivalents, investments at cost/fair value and deposit.

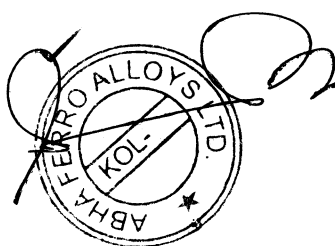
The Company is exposed to market risk. The company's senior management oversees the management of the risks. The Board of Directors reviews and agrees to policies for managing each of these risks, which are summarised below:

**Market Risk**

Market risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of risk, such as raw material price risk. Financial instruments affected by market risk include FVTPL investments, etc.

The table provides undiscounted cash flow towards non- derivative financial liability into relevant maturities based on the remaining period at balance sheet date to contractual maturity date.

<b>Particulars</b>	<b>Payable within 1 year</b>	<b>Payable in more than 1 year</b>	<b>Total</b>
<b>As at 31st March 2022</b>			
Borrowings		73,080.26	73,080.26
Other Financial Liabilities	37.59	-	37.59
<b>As at 31st March 2023</b>			
Borrowings		78,908.68	78,908.68
Other Financial Liabilities	37.12		37.12



27 MAY 2023

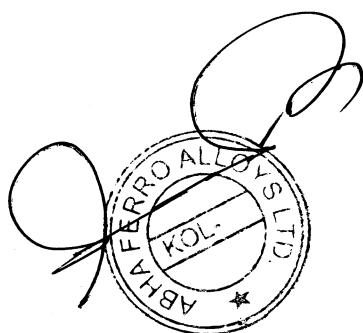
**ABHA FERRO ALLOYS LTD**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

**NOTE**

**NO. PARTICULARS**

**23.0 Ratio Analysys & its Elements**

	As At 31.03.2023	As At 31.03.2022	% age Variance
a) <b>Current Ratio</b>			
Numerator : Current Assets	2,617.10	2,534.49	3.26
Denominator : Current Liabilities			
Reason of Variance: Not Applicable being below 25%			
b) <b>Debt-Equity Ratio</b>	0.1	0.12	(16.67)
Numerator : Total Borrowings (Long Term & Short Term)			
Denominator : Shareholders Fund			
Reason of Variance: Not Applicable being below 25%			
c) <b>Debt Service Coverage Ratio</b>	45.53	11.87	283.57
Numerator : Total Comphrensive Income + Interest on Borrowings ± Depreciation & Amortisation ± Foreign Exchange Fluctuation ± Gain/Loss on sale of assets & Investments			
Denominator : Interest on Borrowings + Principal Repayment commitment of Borrowings			
Reason of Variance: Increase in Gain on Remeasurment of Non Current Investments			
d) <b>Return on Equity Ratio</b>	39.00	11.00	254.55
Numerator : Total Comphrensive Income - Preference Dividend			
Denominator : Average Shareholder's Equity			
Reason of Variance: Increase in Gain on Remeasurment of Non Current Investments			
e) <b>Inventory-Turnover Ratio</b>	Not Applicable as there is no Turnover in the Company		
f) <b>Trade Receivable - Turnover Ratio</b>	Not Applicable as there is no Turnover in the Company		
g) <b>Trade Payables - Turnover Ratio</b>	Not Applicable as there is no Turnover in the Company		
h) <b>Net Capital - Turnover Ratio</b>	Not Applicable as there is no Turnover in the Company		
i) <b>Net Profit Ratio</b>	Not Applicable as there is no Turnover in the Company		
j) <b>Return on Capital Employed</b>	42.00%	11.00%	281.82%
Numerator : Total Comprehensive Income before interest on borrowings & Tax			
Denominator : Tangible Net Worth + Total Borrowings (Long Term & Short Term) + Deferred Tax Liability			
Reason of Variance: Increase in Gain on Remeasurment of Non Current Investments			
k) <b>Return on Investment</b>	Nil	Nil	Nil
Numerator : Dividend + Net Gain/Loss from Investments (at Cost)			
Denominator : Average Investments - both Long Term & Short Term (At cost)			
Reason of Variance: No Gain/loss was realized in preceeding year			



**27 MAY 2023**

**ABHA FERRO ALLOYS LTD**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

**NOTE**

**NO. PARTICULARS**

**24.0 TAX EXPENSE**

	As At 31.03.2023	As At 31.03.2022
Current Tax	726.00	800.00
Deferred Tax	2,101.41	-
<b>Tax Expense Total</b>	<b>2,827.41</b>	<b>800.00</b>

Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Profit & Loss

	As At 31.03.2023	As At 31.03.2022
Profit from before income tax expense	5,387.87	3,858.94
Income Tax rate*	25.168	25.168
Estimated Income Tax Expense	1,356.02	971.22
Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense	1,466.90	1,362.43
Permanent Difference	-	1,539.49
Deferred Tax on Income not recognized	4.49	5.84
Others	2,827.41	800.00
<b>Income tax expense in Statement of Profit &amp; Loss</b>	<b>2,827.41</b>	<b>800.00</b>

**NOTE**

**NO. PARTICULARS**

**25.0 CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes Issued Equity Capital, Capital Reserve and all other Equity Reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximise the Share holder value. The Company manages its capital structure and makes adjustments in line with changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares or sale assets to reduce debt. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing long term loans and borrowings less cash and cash equivalents.

**NOTE**

**NO. PARTICULARS**

**26.0** Previous year's figures have been regrouped/rearranged where ever necessary.

For and on behalf of  
**A.K.GUTGUTIA & ASSOCIATES**  
Chartered Accountants  
Registration No.327314E

*Agarwal*  
**CA Dibya Agarwal**  
Partner  
Membership No. 304601

135A, B.R.B.Basu Road  
Kolkata - 700 001  
Dated: 27th May,2023



For & on behalf of Board of Directors

*Suresh Kumar Sharma*  
**(Suresh Kumar Sharma, Managing Director)**  
(DIN: 07760918)

*Sajan Kumar Kharkia*  
**(Sajan Kumar Kharkia, Director & CFO)**  
(DIN: 07988183)



**ABHA FERRO ALLOYS LTD**

**LIST OF EQUITY SHAREHOLDERS AS ON 31.03.2023**

SL. NO.	LF NO.	NAME	ADDRESS	FATHER'S/HUSBAND'S NAME	NO. OF SHARES	FV (RS.)	
1	001	ABHA PROPERTY PROJECT LTD	29 GC AVENUE 4TH FLOOR KOLKATA - 700013	-	N.A.	1,35,49,940	10
2	002	SITA AGARWALLA*	3 MAYFAIR ROAD, KOLKATA-700019	W/O BASANT KUMAR AGARWALLA		10	10
3	003	SANGITA AGARWALLA*	3 MAYFAIR ROAD, KOLKATA-700019	W/O AMIT AGARWALLA		10	10
4	004	NIDHI AGARWALLA*	3 MAYFAIR ROAD, KOLKATA-700019	W/O SUMIT AGARWALLA		10	10
5	008	VIDISHA AGARWALLA*	3 MAYFAIR ROAD, KOLKATA-700019	D/O AMIT AGARWALLA		10	10
6	006	AMIT AGARWALLA*	3 MAYFAIR ROAD, KOLKATA-700019	S/O BASANT KUMAR AGARWALLA		10	10
7	007	SUMIT AGARWALLA*	3 MAYFAIR ROAD, KOLKATA-700019	S/O BASANT KUMAR AGARWALLA		10	10

1,35,50,000

**Note:** \* represents shareholders being nominee of Abha Property Project Ltd. & do not hold any beneficial interest.

**LIST OF PREFERENCE SHAREHOLDERS AS ON 31.03.2023**

SL. NO.	LF NO.	NAME	ADDRESS	FATHER'S/HUSBAND'S NAME	NO. OF SHARES	FV (RS.)
1	001	ABHA PROPERTY PROJECT LTD	29 GC AVENUE 4TH FLOOR KOLKATA - 700013	-  N.A.	2,25,00,000	10

2,25,00,000

ABHA FERRO ALLOYS LIMITED

Director

**ABHA FERRO ALLOYS LTD**  
3, MAYFAIR ROAD, FLAT - 2B, KOLKATA - 700 019  
PA No. AAPCA2929N

**Details of Accounts - 31.03.2023**

**1. Expenses Payable**

A.K. Gutgutia & Associates - Auditors' Remuneration - 2023	25,000.00	
Kotak Securities Ltd. - DP Charges	122.72	
Raj Consultancy - Fee for Accounting Matters	12,000.00	<b>37,122.72</b>

**2. Bank Balances**

HDFC Bank		
C/A 50200038775070; IFSC: HDFC0009030	7,42,272.00	
Punjab National Bank, Chirkunda Branch		
C/A 3190002101022254; IFSC: PUNB0790800	Closed	<b>7,42,272.00</b>

**3. Interest Income**

Interest on FDR		<b>29,46,529.20</b>
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**4. Professional Fee**

Raj Consultancy - ROC & Tax Matters	14,435.00	
Raj Consultancy - Accounting Matters	12,000.00	<b>26,435.00</b>

**5. I Tax Payment/Provision**

	Paid	Provision	Net
A.Y. 2020-21	12,18,282.30	9,15,000.00	3,03,282.30
A.Y. 2021-22 R	1,620.00	-	1,620.00
A.Y. 2023-24	9,34,752.90	7,26,000.00	2,08,752.90
	<b>21,54,655.20</b>	<b>16,41,000.00</b>	<b>5,13,655.20</b>

**6. Deferred Tax calculation**

**Deferred Tax For Earlier Years**

On OCI	Opening OCI	25,50,51,286.52		
	tax rate	25.168%	<b>6,41,91,308</b>	DTL
On Retained Earning	Interest Income upto 31.03.22	3,97,985.00		
	Gain on Restatement of Mutual	3,89,53,553.00		5904512
		<b>3,93,51,538.00</b>		
	tax rate	25.168%	99,03,995.00	DTL

**Deferred Tax for Current Year**

On Income from Mutual Fund	83,60,534.00	
Dividend income	(11,000.00)	
	<b>83,49,534.00</b>	
tax rate	25.168%	21,01,411.00 DTL
On Restatement of Investment	35,45,98,372.00	
tax rate	25.168%	<b>8,92,45,318.00</b> DTL
		<b>16,54,42,032</b>

**9. Tax Reconciliation Calculation**

**Permanent Difference**

Interest on Debt Component of Preference shares	58,28,421.31	
	<b>58,28,421.31</b>	
Tax Effect	25.168%	14,66,897.08
Provision Extra Created		4,496.00
Earlier Year W/off		-
Deferred Tax not recognized on gain on Restatement of Mutual Fund		
Net Difference		<b>14,71,393.08</b>

ABHA FERRO ALLOYS LIMITED

Director