

# ANNUAL REPORT 2014-15

CHERAMAN FUNDS MANAGEMENT LIMITED

---



CIN: U67190KL2012PLC032330

33/2337-E, 2nd Floor, "Chakiapadath Building", By pass Road,  
Ponnuruni, Vyttila, Ernakulam - 682019; website: [www.cheraman.com](http://www.cheraman.com)

---

### **NOTICE TO THE MEMBERS**

Notice is hereby given that the third Annual General Meeting of the Members of the Company will be held on Wednesday , the 30<sup>th</sup> **day of September, 2015** at 12 Noon at the **Registered office** of the Company at 33/2337-E, 2nd Floor, "Chakiapadath Building", By pass Road, Ponnuruni, Vyttila, Ernakulam – 682019 to transact the following business:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2015 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr P K Ahammed (DIN 01678711) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

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

"RESOLVED that in accordance with applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), the retiring auditors, M/s Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Cochin, (FRN: 001488S), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors."

#### **SPECIAL BUSINESS**

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

"RESOLVED THAT Mr Remesh Shenoi S, (DIN: 07077337) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30.03.2015, in terms of Section 161(1) of the Companies Act 2013 and whose term

of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation”

by order of the Board  
For **Cheraman Funds Management Limited**

**Sd/-**

Date :22.08.2015

Place: Calicut

**Mr Remesh Shenoi S**

**(DIN: 07077337)**

**Director**

**Notes:**

- a) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business is annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. Proxy/ proxies need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. A member holding more than ten percent of total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The instrument of proxy in order to be effective should be deposited at the registered office of the company, duly completed and signed, not less than FORTY- EIGHT HOURS before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- c) Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board Resolution, Power of Attorney or such other valid authorisations, authorising them to attend and vote on their behalf at the Meeting.
- d) Members are advised to bring their copy of the annual report for reference and discussion.
- e) Members may also note that the Notice of the 3<sup>rd</sup> Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company’s website [www.cheraman.com](http://www.cheraman.com) for their download.

- f) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 am to 5.30 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

by order of the Board  
For **Cheraman Funds Management Limited**

Sd/-

**Mr Remesh Shenoi S**

**(DIN: 07077337)**

**Director**

Date : 22.08.2015

Place: Calicut

**EXPLANATORY STATEMENT PURSUANT TO SECTION 103 OF THE COMPANIES ACT, 2013**

**Item No 4**

Mr Remesh Shenoi S, (DIN: 07077337) Director was appointed as the Additional Director of the Company w.e.f 30.03.2015. Pursuant to Section 161 of the Companies Act, 2013 read with Article 109 of the Articles of Association of the Company, Mr Remesh Shenoi Director holds office only up to the date of this Annual General Meeting of the Company and is eligible for appointment. A notice in writing has been received from a Member of the Company along with the requisite deposit under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr Remesh Shenoi S as a candidate for the office of a Director.

Mr. Remesh Shenoi S, Chief Financial Officer of Cheraman Financial Services Ltd, is a Chartered Accountant with over a decade of experience spanning the entire gamut of finance including business finance, direct & indirect taxation, due diligence, audit and compliances. He is also a Certified Information Systems Auditor (CISA) and a member of Information Systems Audit and Control Association (ISACA) USA.

He joined Cheraman Financial Services Ltd in August 2012 and during his tenure he is handling the entire Finance & Accounts function apart from handling various other responsibilities including regulatory compliances, due diligence and credit appraisal of investments, investor relations, commercial documentation & fund raising.

The Board recommends the resolution for approval of the members.

Except Mr. Remesh Shenoi S, none of the Directors, key managerial persons or their relatives is interested in the resolution

by order of the Board  
For **Cheraman Funds Management Limited**

Sd/-

**Mr Remesh Shenoi S**

**(DIN: 07077337)**

**Director**

Date : 22.08.2015

Place: Calicut

**Form No. MGT-11  
Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the  
Companies (Management and Administration) Rules, 2014]

Name of Company	Cheraman Funds Management Limited
CIN	U67190KL2012PLC032330
Registered Office	3/2337-E, 2nd Floor, "Chakiapadath Building", By pass Road, Ponnurunni, Vyttila, Ernakulam - 682019;

Name of the Member(s):	
Registered address:	
E-mail Id:	
Folio No.	

I/We, being the Member(s) of .....shares of the above named Company, hereby appoint

Name of the Member(s):	
Registered address:	
E-mail Id:	
Signature	

Or failing him

Name of the Member(s):	
Registered address:	
E-mail Id:	
Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 3<sup>rd</sup> Annual general meeting of the company, to be held on Wednesday , the 30<sup>th</sup> **day of September, 2015** at 12 Noon at the **Registered office** of the Company at 33/2337-E, 2nd Floor, "Chakiapadath Building", By pass Road, Ponnurunni, Vyttila, Ernakulam - 682019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
1	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2015 together with the Reports of the Board of Directors and Auditors thereon.
2	To appoint a Director in place of Mr P K Ahammed (DIN 01678711) who retires by rotation and being eligible, offers himself for re-appointment.
3	To appoint Auditors and fix their remuneration.
4	Appointment of Mr Remesh Sheno S as Director

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



CIN: U67190KL2012PLC032330

33/2337-E, 2nd Floor, "Chakiapadath Building", By pass Road,  
Ponnuruni, Vyttila, Ernakulam - 682019; website: [www.cheraman.com](http://www.cheraman.com)

---

**ATTENDANCE SLIP**

**Folio No:**

I ..... residing at  
..... hereby record my presence at  
the 3<sup>rd</sup> Annual General Meeting of the Company held on Wednesday , the 30<sup>th</sup> **day of**  
**September, 2015** at 12 Noon at the **Registered office** of the Company at 33/2337-E,  
2nd Floor, "Chakiapadath Building", By pass Road, Ponnuruni, Vyttila, Ernakulam -  
682019.

-----  
Member's signature

NOTE : Please fill in this attendance slip and hand it over at the entrance of the meeting place:



CIN: U67190KL2012PLC032330

33/2337-E, 2nd Floor, "Chakiapadath Building", By pass Road,  
Ponnurunni, Vyttila, Ernakulam - 682019; website: [www.cheraman.com](http://www.cheraman.com)

## DIRECTOR'S REPORT

Your Directors have pleasure in submitting their Third Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015

### 1. FINANCIAL RESULTS

Particulars	Amount in Rs	
	As on 31.03.2015	As on 31.03.2014
Total Revenue	Nil	Nil
Total Expenses & Exceptional items	4,509,149	7,927,259
Profit/(Loss) After Tax & Exceptional items	(4,388,110)	(7,927,259)

### 2. REVIEW OF PERFORMANCE

Your Company has not recorded any income during the year 2014-15. The total expenditure incurred by the Company during the year under review is Rs 45,09,149. Resulting in a loss of Rs 4,388,110 after tax & exceptional items

### 3. DIVIDEND

No Dividend was declared for the current financial year.

### 4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

### 5. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary under the provisions of the Companies Act, 2013.

## 6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### *i. Appointment*

Mr. Mohammed Fayaz Salam (DIN: 05279309) was inducted to the Board as additional Director with effect from 15.07.2014. He was appointed as a director liable to retire by rotation at the Annual General Meeting of the Company held on 30.09.2014.

Mr Remesh shenoi S (DIN: 07077337 ) was inducted to the Board as additional Director with effect from 30.03.2015, who will hold the office till the date of ensuing AGM. The Company had received notice under section 160 of the Companies Act 2013, proposing the candidature of Mr Remesh shenoi S for the office of directorship. Your Board recommends his appointment in the AGM.

### *ii. Retirement by Rotation*

Mr P K Ahammed (DIN 01678711) Director would be liable to retire by rotation and being eligible offer himself for re-appointment. The Board of Directors of your Company recommends his re-appointment.

### *iii. Cessation*

During the year, Mr. T Balakrishnan, Mr E M Najeeb and Mr Ibrahim haji resigned from the Board with effect from 09.06.2014, 05.12.2014 and 26.03.2015 respectively.

The office of Directorship of Mr C K Menon(DIN: 01955233) and Mr P N C Menon (DIN: 02070007) was vacated with effect from the close of business hours of 31.03.2015, as they had absented themselves from all the meetings of Board of Directors held during the period of 12 months commencing from 01.04.2014.

### *iv. Appointment/ Change in Chief Financial Officer and Company Secretary*

CS Meera C resigned from the post of Company Secretary of the Company with effect from 31.10.2014. As per the provisions of Companies Act, 2013, the Company is not required to appoint Key Managerial Personnel.

## 7. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company has conducted 4 Board meetings during the financial year 2014 - 2015 on the following dates: 15.07.2014, 05.09.2014, 19.12.2014 and 30.03.2015.

Sl. No	Date	Board Strength	No. of Directors present
1	15 <sup>th</sup> July 2014	5	2



2	5 <sup>th</sup> September 2014	6	3
3	19 <sup>th</sup> December 2014	5	2
4	30 <sup>th</sup> March 2015*	4	2

\*Board meeting scheduled on 13.03.2015 was adjourned to 30.03.2015 for want of quorum.

#### **8. DECLARATION OF INDEPENDENT DIRECTORS**

Provisions regarding the appointment of Independent Directors are not applicable to the Company.

#### **9. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE**

Presently, The Company is not required to constitute Audit Committee under the provisions of Companies act 2013.

#### **10. SHARE CAPITAL**

There is no change in share capital of the Company during the year under review.

#### **11. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report

#### **12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

#### **13. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

#### **14. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

#### **15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

#### **16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

There were no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

#### **17. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS**

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

#### **18. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Company has not developed and implemented Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013, as the said provisions are not applicable.

#### **19. ANNUAL RETURN**

The extracts of Annual Return in Form MGT- 9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure I and is attached to this Report.

#### **20. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to requirement of Section 134(3)(c) and Section 134 (5) of the Companies Act, 2013 and based on the representations received from the Management, your Directors state that :

- i. in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed and there are no material departures from the same;
- 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 31st March, 2015 and of the profit of the company for the year ended on that date;

- 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 fraud 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; and
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **21. PUBLIC DEPOSITS**

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of Balance Sheet. Chapter V of the Companies Act, 2013 relating to acceptance of deposits by Companies, is not applicable to the Company since it is an NBFC registered with RBI.

## **22. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

## **23. STATUTORY AUDITORS**

M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Cochin were appointed as the Statutory Auditors of your Company for Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of 4th Annual General Meeting until the conclusion of the 5<sup>th</sup> Annual General Meeting The Board of Directors recommends the re-appointment of M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Cochin as the Statutory Auditors of the Company for the year 2015-16

## **24. PARTICULARS OF EMPLOYEES**

During the financial year 2014-15, no employee of the Company was in receipt of remuneration exceeding the limits prescribed under the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **25. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL ) ACT, 2013.**

The Company has zero tolerance for sexual harassment at work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013

## **26. GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

- a) Details relating to deposits covered under Chapter V of the Companies Act 2013.
- b) Issue of equity shares with differential right as to dividend, voting or otherwise
- c) Issue of shares (including sweat equity shares) to employees of the company under any scheme save and except ESOP referred to in this report.
- d) No significant or material orders were passed by the regulators or Courts or tribunals which impact the going concern status and Company's operation in future.

## **27. ACKNOWLEDGEMENTS**

The Directors place on record their appreciation for the support and services rendered by the shareholders, Government of Kerala and its agencies and officials, bankers, business associates and the employees of the company. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

Date: Calicut  
Place:22.08.2015

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Mr Remesh Shenoi S**  
**DIN: 07077337**  
**Director**

**Mohammed Fayaz Salam**  
**DIN: 05279309**  
**Director**

# Form No. MGT-9

EXTRACT OF ANNUAL RETURNS ON THE FINANCIAL YEAR ENDED ON 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U67190KL2012PLC032330
ii.	Registration Date	04/10/2012
iii.	Name of the Company	CHERAMAN FUNDS MANAGEMENT LIMITED
iv.	Category / Sub-Category of the Company	Limited by shares & Company having share capital
v.	Address of the Registered office and contact details	33/2337- E, NH By pass Road, Ponnurunni, Vyttila, Kochi PIN 682019
vi.	Whether listed company	Yes / No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

## 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:-

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% Of Shares Held	Applicable Section
1	Cheraman Financial Services Limited 33/2337- E, NH By pass Road, Ponnurunni, Vyttila, Kochi PIN 682019	U65923KL2009PLC025082	Holding	100	2(87)(ii)

**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[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% 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) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	1750000	1750000	100	-	1750000	1750000	1750000	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	1750000	1750000	100	-	1750000	1750000	1750000	Nil
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1750000	1750000	100	-	1750000	1750000	100	nil

**ii. Shareholding of Promoter-**

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	M/s Cheraman Financial Services Limited	1750000	100	Nil	1750000	100	Nil	Nil

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

Sl No	Name	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters Shareholding during the year			Cumulative Shareholding during the year March 31, 2015	
		No of Shares	% of the total share of the company	Date	Increase / Decrease in Promoters Share holding during the year	Reason	No of Shares	% of shares



1	M/s Cheraman Financial Services Limited	1750000	100	No Change	1750000	100
---	---	---------	-----	-----------	---------	-----

iv. **Shareholding Pattern of top ten Shareholders:**  
(other than Directors, Promoters and holders of GDRs and ADRs):

SN	Name of share holder	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Nil	Nil	Nil	Nil	Nil	Nil

v. **Shareholding of Directors and Key Managerial Personnel:**

Sl No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters Shareholding during the year			Cumulative Shareholding during the year March 31, 2015	
		No of Shares	% of the total share of the company	Date	Increase / Decrease in Promoters Share holding during the year	Reason	No of Shares	% of shares
NIL								

**V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding /accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>				
* Addition	Nil	Nil	Nil	Nil
* Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	Nil	Nil	Nil

<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil

## **VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify					
6.	Total (A)					
	Ceiling as per the Act					

### **B. Remuneration to other directors:NA**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify					Nil
	Total (1)					Nil
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify					Nil

	Total (2)					Nil
	Total (B)=(1+2)					Nil
	Total Managerial Remuneration					Nil
	Overall Ceiling as per the Act					Nil

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary*	CFO	Total
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Rs. 6,85,008.00	NA	Rs. 6,85,008.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Rs. 15,000.00		Rs. 15,000.00
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil		Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
6.	Total	Nil	Rs.7,00,008/-	Nil	Rs.7,00,008/-

\*Vacated office on 31.10.2014

**VII. 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>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					

Compounding					
-------------	--	--	--	--	--

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHERAMAN FUNDS MANAGEMENT LIMITED**

### **Report on Financial Statements**

We have audited the accompanying financial statements of Cheraman Funds Management Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

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:

- i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2015
- ii) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date;
- iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### **Emphasis of Matters**

We draw attention to the following matter in the Notes to the financial statements:

a. Note 20 in the financial statements which indicate that the Company has accumulated losses and its net worth has fully eroded, the Company has incurred a net cash loss during the current and previous years, and the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions along with other matters set forth in Note 20, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not qualified in respect of these matters.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. 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) As mentioned in Note No. 18 to the financial statements, the Company does not have any pending litigations which would impact its financial position.
    - ii) As mentioned in Note No. 19 to the financial statements, 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.

For Krishnamoorthy and Krishnamoorthy  
Chartered Accountants

FRN: 001488S

Sd/-

K T Mohanan

Partner (M No.201484)

Place: Cochin – 16

Date: 24/08/2015

**ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CHERAMAN FUNDS MANAGEMENT LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) We are informed that these fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (ii) a) The nature of the Company’s activities during the year has been such that clauses (ii) of the paragraph 3 of the companies (Auditor’s Report) Order, 2015 are not applicable to the company.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, paragraphs (iii) (a) and (b) of CARO 2015 are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in such internal control systems.
- (v) The Company has not accepted deposits from the public during the year and hence, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.
- (vi) As per the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, in respect of goods and services provided by the company.
- (vii) (a) According to the information and explanations furnished to us and according to our examination of the records, the company has been generally regular in depositing undisputed statutory dues including income-tax, service tax, value added tax, cess and any other statutory dues with the appropriate authorities during the year. There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess, which have not been deposited on account of any dispute as on 31<sup>st</sup> March, 2015.
- (c) On the basis of examination of books of accounts and other records of the company and based on the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- (viii) The Company is one that has not completed five years since its registration and hence there is no requirement to report on points noted in Para 3(viii) of the Companies Auditors Report Order 2015.
- (ix) According to the information and explanations given to us and based on the records of the Company examined by us, the company has not defaulted in repayment of dues to financial institution or bank or to debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) According to the information and explanations given to us and based on the records of the Company examined by us, we report no term loan has been raised from bank or financial institutions during the year.
- (xii) According to the information and explanations given to us and based on the records of the company examined by us, no fraud either on or by the Company, has been noticed or reported during the year.

For Krishnamoorthy and Krishnamoorthy  
Chartered Accountants  
FRN: 001488S

Place: Cochin – 16  
Date: 24/08/2015

Sd/-  
K T Mohanan  
Partner (M No.201484)

**CHERAMAN FUNDS MANAGEMENT LIMITED**

**BALANCE SHEET AS AT 31st MARCH, 2015**

Particulars	Note No.	AS AT 31st March 2015 Amount (INR)	AS AT 31st March 2014 Amount (INR)
<b>I. <u>EQUITY AND LIABILITIES</u></b>			
<b>1 Shareholder's Funds</b>			
a. Share Capital	2	17,500,000	17,500,000
b. Reserves and Surplus	3	(20,073,587)	(15,685,477)
<b>2 Current Liabilities</b>			
a. Short Term Borrowings	4	4,500,000	-
b. Other Current Liabilities	5	350,694	15,114
c. Short Term Provisions	6	-	220,648
<b>Total</b>		<b>2,277,107</b>	<b>2,050,285</b>
<b>II. <u>ASSETS</u></b>			
<b>1 Non-Current Assets</b>			
a. Fixed Assets	7		
i. Tangible Assets		800,154	823,083
ii. Intangible Assets		2	2
b. Long Term Loans and Advances	8	500	1,000
<b>2 Current Assets</b>			
a. Cash and Bank Balances	9	392,867	415,623
b. Short Term Loans and Advances	10	1,083,584	810,577
<b>Total</b>		<b>2,277,107</b>	<b>2,050,285</b>

**Significant Accounting Policies**

1

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

As per our Report of even date

**For Krishnamoorthy & Krishnamoorthy**

**For and on behalf of the Board of Directors**

Chartered Accountants

(Firm Regn.No.001488S)

Sd/-

**K T Mohanan**

Partner

(M No.201484)

Sd/-

**Remesh Shenoi S**

Director

DIN:07077337

Sd/-

**Mohamed Fayaz Salam**

Director

DIN:05279309

Place: Kochi

Date: 24<sup>th</sup> August 2015

Place: Calicut

Date: 22<sup>nd</sup> August 2015

**CHERAMAN FUNDS MANAGEMENT LIMITED**

**Statement of Profit and Loss for the Year Ended 31st March, 2015**

Particulars	Note No.	For the Year Ended 31.03.2015 Amount (INR)	For the Year Ended 31.03.2014 Amount (INR)
<b>I Income</b>			
a) Revenue from Operations		-	-
b) Other Income		-	-
<b>Total Revenue (a+b)</b>		<b>-</b>	<b>-</b>
<b>II Expenses:</b>			
a) Employee Benefit Expenses	11	3,454,874	6,017,355
b) Depreciation and Amortisation Expenses	7	143,968	137,681
c) Other Expenses	12	910,307	1,772,223
<b>Total Expenses (a+b+c)</b>		<b>4,509,149</b>	<b>7,927,259</b>
<b>III. Profit/(Loss) Before Exceptional and Extraordinary Items and Tax (I -II)</b>		<b>(4,509,149)</b>	<b>(7,927,259)</b>
<b>IV. Exceptional Items</b>	13	<b>(121,039)</b>	<b>-</b>
<b>V. Profit/(Loss) Before Tax (III-IV)</b>		<b>(4,388,110)</b>	<b>(7,927,259)</b>
<b>VI. Tax Expense:</b>			
a) Current Tax		-	-
b) Deferred Tax		-	-
<b>VII. Profit/(Loss) After Tax (V-VI)</b>		<b>(4,388,110)</b>	<b>(7,927,259)</b>
<b>VIII. Earning per Equity Share of Rs.10 each</b>	14		
(1) Basic & Diluted		<b>(2.51)</b>	<b>(8.15)</b>

**Significant Accounting Policies**

1

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

As per our Report of even date

**For Krishnamoorthy & Krishnamoorthy**  
Chartered Accountants  
(Firm Regn.No.001488S)

**For and on behalf of the Board of Directors**

Sd/-  
**K T Mohanan**  
Partner  
(M No.201484)

Sd/-  
**Remesh Shenoi S**  
Director  
DIN:07077337

Sd/-  
**Mohamed Fayaz Salam**  
Director  
DIN:05279309

Place: Kochi  
Date: 24<sup>th</sup> August 2015

Place: Calicut  
Date: 22<sup>nd</sup> August 2015

**CHERAMAN FUNDS MANAGEMENT LIMITED**  
**Cash Flow Statement For The Year Ended 31st March 2015**

Particulars	2014-15	2013-14
	Amount (INR)	Amount (INR)
<b>A. Cash Flow From Operating Activities</b>		
Profit/(Loss) Before Tax & Exceptional Items	(4,509,149)	(7,927,259)
Adjustments for:		
Depreciation and Amortisation	143,968	137,681
<b>Operating Profit Before Working Capital Changes</b>	<b>(4,365,181)</b>	<b>(7,789,578)</b>
Movements in working capital :		
Increase/ (decrease) in short term borrowings		
Increase/ (decrease) in other current liabilities	335,580	(334,624)
Increase/ (decrease) in short term provisions	(220,648)	(227,576)
Decrease / (increase) in long-term loans and advances	500	(1,000)
Decrease / (increase) in short-term loans and advances	(273,007)	(228,822)
<b>Net Change in Working Capital</b>	<b>(157,575)</b>	<b>(792,022)</b>
<b>Cash Generated from/(used in) Operations</b>	<b>(4,522,756)</b>	<b>(8,581,600)</b>
Direct Taxes Paid (net of Refund)	-	-
<b>Cash Generated from /(used in) from Operating Activities (A)</b>	<b>(4,522,756)</b>	<b>(8,581,600)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed assets	-	(85,183)
<b>Net Cash Flow from/(used in) Investing Activities (B)</b>	<b>-</b>	<b>(85,183)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of Share capital	-	9,000,000
Proceeds from Short term borrowing	4,500,000	-
<b>Net Cash Flow from/(used in) Financing Activities ( C)</b>	<b>4,500,000</b>	<b>9,000,000</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(22,756)</b>	<b>333,217</b>
Cash & Cash Equivalents at the beginning of the year	415,623	82,406
<b>Cash &amp; Cash Equivalents at the end of the year (Note 9)</b>	<b>392,867</b>	<b>415,623</b>

As per our Report of even date

**For Krishnamoorthy & Krishnamoorthy**  
Chartered Accountants  
(Firm Regn.No.001488S)

**For and on behalf of the Board of Directors**

Sd/-  
**K T Mohanan**  
Partner  
(M No.201484)

Sd/-  
**Remesh Shenoi S**  
Director  
DIN:07077337

Sd/-  
**Mohamed Fayaz Salam**  
Director  
DIN:05279309

Place: Kochi  
Date: 24<sup>th</sup> August 2015

Place: Calicut  
Date: 22<sup>nd</sup> August 2015

## NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

### 1 Significant Accounting Policies

#### 1.1 Basis of Accounting

The financial statements of the Company are prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP), on accrual basis under historical cost convention as a going concern. The Company has prepared these financial statements to comply with the requirements of mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013(Act) read with rule 7 of the Companies (Accounts) Rules, 2014. The accounting policies adopted for the preparation of financial statements are consistent with those of the previous year except when a newly issued accounting standards is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use and when the statute mandate the change.

#### 1.2 Use of Estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period.

#### 1.3 Tangible & Intangible Assets

Tangible and Intangible assets are stated at original cost of acquisition / installation net off accumulated depreciation, amortization and impairment losses. The cost of fixed assets includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition/installation.

#### 1.4 Impairment of Tangible & Intangible Assets

At each Balance Sheet date, the company reviews the carrying amount of fixed assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

#### 1.5 Depreciation of Tangible & Intangible Assets

Depreciable amount for Tangible & Intangible Assets is the cost of the asset, or other amount substituted for the cost, less its estimated residual value.

Depreciation on tangible assets has been provided on the Straight-Line Method (SLM) by adopting the useful life prescribed as per Part C of Schedule II to the Companies Act, 2013 and retaining 5% of the original cost as residual value, except for assets having value less than Rs.10,000/- which are depreciated at 100% in the year of purchase.

Cost of Software is treated as Intangible Assets and is amortised over a period of three years in accordance with Accounting Standard (AS) 26.

#### 1.6 Investments

Investments intended to be held for not more than one year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

## 1.7 Preliminary Expenses

Preliminary/Preincorporation expenses incurred are written off to Statement of Profit & Loss in the year in which it is incurred in accordance with Accounting Standard 26 issued by ICAI.

## 1.8 Employee Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the employee has rendered service.

The Company provides Gratuity/Leave Encashment benefit to all employees which is a defined benefit plan. This liability is unfunded and the company pays these benefits as and when the employee leaves the organization. Provision for the year is made on the assumption that this benefit is to be paid to all employees at the end of the accounting year.

## 1.9 Taxes on Income

Current Tax is provided and determined as the amount of tax payable in respect of taxable income for the period. Deferred Tax is provided and recognized on timing differences between taxable income and accounting income subject to consideration of prudence. Deferred tax is not recognized as assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

## 1.10 Provisions and Contingencies

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

## 1.11 Cash Flow Statement

Cash Flows are reported using the Indirect Method, whereby net profit before tax is adjusted for the effect of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

### Notes to the Financial Statement For The Year Ended 31st March 2015

#### 2 Share Capital

Particulars	31st March 2015 Amount (INR)	31st March 2014 Amount (INR)
<b>Authorised Capital</b>		
17,50,000 (10,00,000) Equity Shares of Rs. 10/- each	17,500,000	17,500,000
<b>Issued and Subscribed and Paid Up:</b>		
17,50,000 (17,50,000) Equity Shares of Rs. 10/- each	17,500,000	17,500,000
	<b>17,500,000</b>	<b>17,500,000</b>

#### 2.1 Terms/ Rights Attached to Equity Shares:

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

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

## 2.2 Reconciliation of Outstanding Shares

Particulars	31st March 2015		31st March 2014	
	No of shares	Amount (INR)	No of shares	Amount (INR)
Opening as on 1st April	1,750,000	17,500,000	850,000	8,500,000
Add: Issued during the year		-	900,000	9,000,000
Closing as on 31st March	<b>1,750,000</b>	<b>17,500,000</b>	<b>1,750,000</b>	<b>17,500,000</b>

## 2.3 Details of Shareholders Holding more than 5% Shares of the Company

Name of the Shareholder	No. of shares as on 31st March 2015	% of holding	No. of shares as on 31st March 2014	% of holding
Cheraman Financial Services Ltd	1,750,000	100%	1,750,000	100%

## 3 Reserves & Surplus

Particulars	31st March 2015 Amount (INR)	31st March 2014 Amount (INR)
<b>a) Surplus (Deficit) in Statement of Profit &amp; Loss</b>		
Opening Balance	(15,685,477)	(7,758,218)
Add : Profit/(Loss) for the year	<b>(4,388,110)</b>	<b>(7,927,259)</b>
<b>TOTAL</b>	<b>(20,073,587)</b>	<b>(15,685,477)</b>

## 4 Short term Borrowings

Particulars	31st March 2015 Amount (INR)	31st March 2014 Amount (INR)
<b>Unsecured Loan</b>		
- From Related Party	4,500,000	-
<b>TOTAL</b>	<b>4,500,000</b>	<b>-</b>
The loan represents interest free unsecured loan taken from Holding company in the ordinary course of business and are repayable on demand.		

## 5 Other Current Liabilities

Particulars	31st March 2015 Amount (INR)	31st March 2014 Amount (INR)
a) Statutory Payables	12,039	255
b) Other Payables	338,655	14,859
<b>TOTAL</b>	<b>350,694</b>	<b>15,114</b>

6 Short Term Provisions

Particulars	31st March 2015 Amount (INR)	31st March 2014 Amount (INR)
<b>a) For Employee Benefit:</b>		
Provision for Leave Encashment	-	220,648
<b>TOTAL</b>	-	<b>220,648</b>

7 Fixed Assets

Refer Separate Sheet Attached

8 Long Term Loans and Advances

Particulars	31st March 2015 Amount (INR)	31st March 2014 Amount (INR)
<b>Unsecured, Considered Good</b>		
(a) Security and Other Deposits	500	1,000
<b>TOTAL</b>	<b>500</b>	<b>1,000</b>

9 Cash and Bank Balances

Particulars	31st March 2015 Amount (INR)	31st March 2014 Amount (INR)
<b>Cash &amp; Cash Equivalents</b>		
i) Balance with Banks		
- On Current Account	387,418	388,998
ii) Cash on Hand	5,449	26,625
<b>TOTAL</b>	<b>392,867</b>	<b>415,623</b>

10 Short Term Loans & Advances

Particulars	31st March 2015 Amount (INR)	31st March 2014 Amount (INR)
<b>Unsecured and Considered Good</b>		
a) Cheraman Fund	1,083,344	791,208
( Refer Note No.16)		
b) Other Advances	240	19,369
<b>TOTAL</b>	<b>1,083,584</b>	<b>810,577</b>

11 Employee Benefit Expenses

Particulars	For the Year Ended 31.03.2015 Amount (INR)	For the Year Ended 31.03.2014 Amount (INR)
Salaries, Wages and Bonus	3,245,506	5,635,065
Contribution to Provident and Other Funds	188,718	345,068
Staff Welfare Expenses	20,650	37,222
<b>TOTAL</b>	<b>3,454,874</b>	<b>6,017,355</b>



12 Other Expenses

Particulars	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
	Amount (INR)	Amount (INR)
Rent	548,844	950,000
Professional Charges	98,089	85,262
Travelling & Conveyance	40,653	215,917
Postage, Internet & Telephone Expenses	38,857	46,120
Electricity Charges	7,733	15,086
Annual Maintenance Contract	28,622	22,140
Repairs and Maintenance Computer	3,415	2,775
Generator Running Expense	5,042	58,311
Office General Expenses	68,754	129,435
Recruitment Expenses	-	141,148
Printing & Stationery	2,950	11,278
Rates & Taxes	10,224	63,020
Seminar & Conference Fee	42,124	21,731
<b>Payment to Auditor</b>		
a) As Auditor	15,000	10,000
<b>TOTAL</b>	<b>910,307</b>	<b>1,772,223</b>

13 Exceptional Items

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company changed its method of depreciation for fixed assets from written down value (WDV) method to straight line method (SLM). The Company also revised the estimated useful life of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation method	Previous depreciation rate / useful life	Revised useful life based on SLM
Computers	WDV	40% / ~6 years	3 years
Office Equipments	WDV	13.91% / ~20	5 years
Electrical Equipments	WDV	13.91% / ~20	10 years
Intangible Assets - Computer Software	WDV	40% / ~6 years	3 years

Consequent to this change, all assets are now being depreciated under SLM and an amount of Rs.1,21,039/- being the excess depreciation charged in prior years has been credited to the Statement of Profit & Loss. Had the company followed the earlier method, the charge to the Statement of Profit and Loss would have been Rs.2,58,547/-

14 Earnings Per Share

Particulars	For the Year Ended 31.03.2015 Amount (INR)	For the Year Ended 31.03.2014 Amount (INR)
Profit / (Loss) Attributable to Equity Share Holders	(4,388,110)	(7,927,259)
Weighted Average number of Equity Share Outstanding (Nos)	1,750,000	972,466
<b>Earnings Per Share</b>	<b>(2.51)</b>	<b>(8.15)</b>

15 **Disclosure of transactions with related parties as required by Accounting Standard - 18 on Related Party Disclosures as prescribed by Companies (Accounting Standard) Rules, 2006**

15.1 **Details of Related Parties**

Description of Relationship	Name of Related Parties
Holding Company	Cheraman Financial Services Ltd.
Fellow Subsidiary	Cheraman Infrastructure Private Ltd. Suits India Private Ltd.
Persons having significant influence over the company	-
Enterprises under control of persons having significant influence over the company and with whom transactions were carried out during the year	-

15.2 **Details of Related Party Transactions during the year ended 31st March, 2015**

Name of Related Party	Nature of Transaction	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
		Amount (INR)	Amount (INR)
Cheraman Financial Services Ltd	Subscription to Equity Share Capital	-	9,000,000
	Unsecured Loan Taken	4,500,000	-
	Outstanding Loan Balance at the end of the year	4,500,000	-
	Expense Reimbursement Paid	30,292	42,159

16 Loans & Advances to Cheraman Fund represents various expenses incurred in setting up the Alternate Investment Fund and to be recovered from the contributors of the scheme.

17 **Contingent Liabilities, Commitments (to the extent not provided for)**

(Disclosed in terms of Accounting Standard -29 on Provisions, Contingent Liabilities & Contingent Assets notified by the Companies (Accounting Standards) Rules, 2006.

**a) Contingent Liabilities:**

- i) Claims against the company not acknowledged as debt - Nil
- ii) Others - Nil

**b) Commitments - Nil**

18 **Litigations:** The Company is not subject to any legal proceedings and claims, which have arisen in the ordinary course of business.

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

- 20 The Company has accumulated loss and its net worth is fully eroded as on the balance sheet date. However, the business plan of the company is having future prospects and it is expected that the performance of the Company in the coming years will improve so as to wipe off the accumulated loss in near future. Further the Holding Company is having the ability to infuse sufficient funds. Therefore, the company is having the ability to continue as going concern as on the date of Balance Sheet.
- 21 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

Signatures to Note 1 to 21 forming integral part of accounts.

As per our Report of even date

**For Krishnamoorthy & Krishnamoorthy**

**For and on behalf of the Board of Directors**

Chartered Accountants

(Firm Regn.No.001488S)

Sd/-

**K T Mohanan**

Partner

(M No.201484)

Place: Kochi

Date: 24<sup>th</sup> August 2015

Sd/-

**Remesh Sheno S**

Director

Din:07077337

Place: Calicut

Date: 22<sup>nd</sup> August 2015

Sd/-

**Mohamed Fayaz Salam**

Director

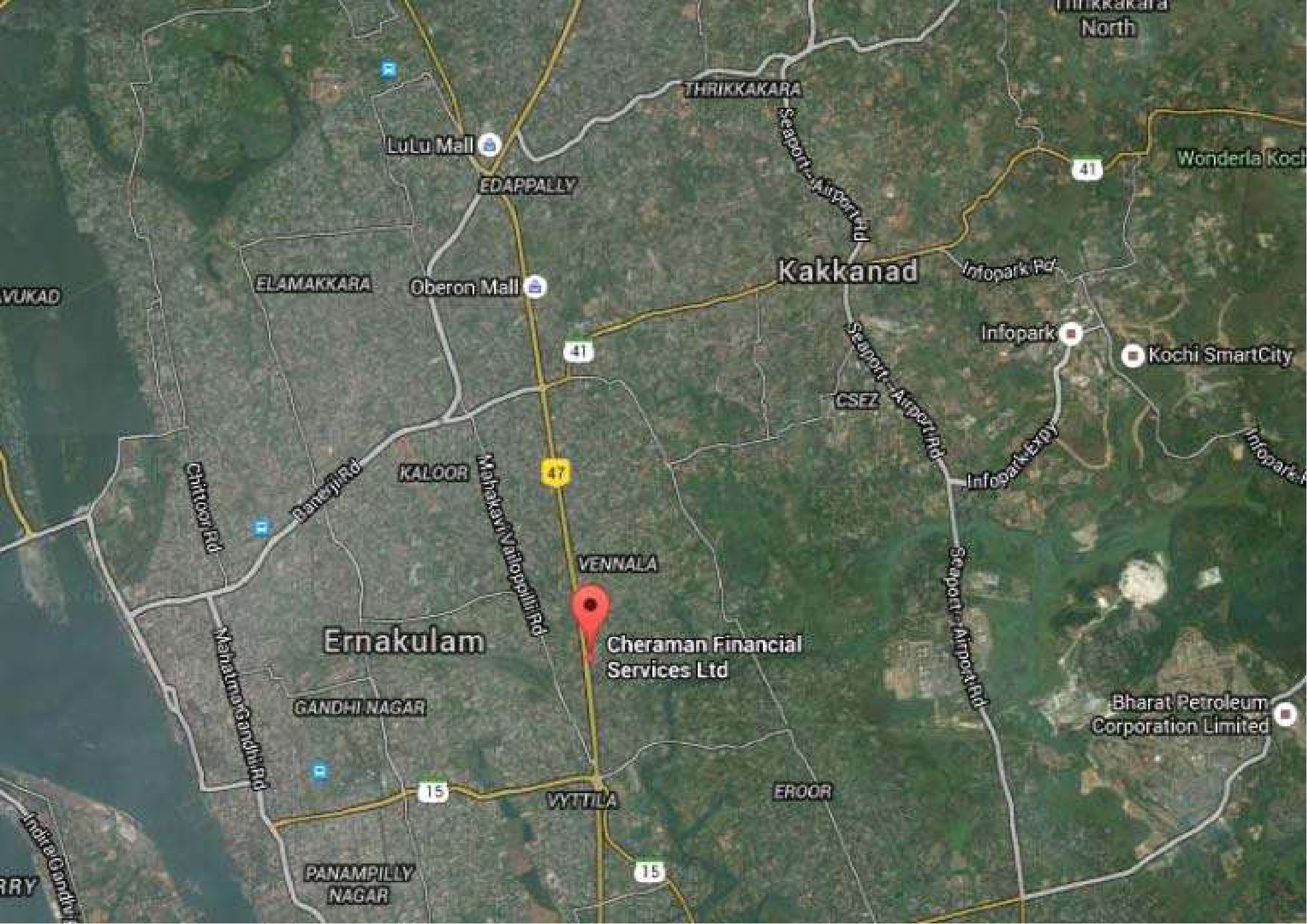
Din:05279309

7 Fixed Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Additions	As at 31.03.2015	As at 01.04.2014	Depreciation Reversal*	For the Year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>A. Tangible Assets</b>									
Computer	29,700	-	29,700	11,978	(7,097)	11,748	16,629	13,071	17,722
Generator	742,683		742,683	139,857	(90,082)	76,350	126,125	616,558	602,826
Office Equipments	245,752		245,752	43,217	(23,860)	55,870	75,227	170,525	202,535
<b>Total Tangible Assets (A)</b>	<b>1,018,135</b>	<b>-</b>	<b>1,018,135</b>	<b>195,052</b>	<b>(121,039)</b>	<b>143,968</b>	<b>217,981</b>	<b>800,154</b>	<b>823,083</b>
<b>B. Intangible Assets</b>									
Computer Software	17,600		17,600	17,598	-	-	17,598	2	2
<b>Total Intangible Assets (B)</b>	<b>17,600</b>	<b>-</b>	<b>17,600</b>	<b>17,598</b>	<b>-</b>	<b>-</b>	<b>17,598</b>	<b>2</b>	<b>2</b>
<b>Total (A+B)</b>	<b>1,035,735</b>	<b>-</b>	<b>1,035,735</b>	<b>212,650</b>	<b>(121,039)</b>	<b>143,968</b>	<b>235,579</b>	<b>800,156</b>	<b>823,085</b>
<b>Previous Year</b>	<b>950,552</b>	<b>85,183</b>	<b>1,035,735</b>	<b>74,969</b>	<b>-</b>	<b>137,681</b>	<b>212,650</b>	<b>823,085</b>	<b>875,583</b>

\* Depreciation Reversal represents the write back of excess depreciation charged in earlier years consequent to the change in the method of charging depreciation from Written Down Value Method to Straight Line Method

Due to the change in depreciation policy from WDV to SLM, the depreciation for the year is lower by Rs.1,14,579/- and the WDV of asset is higher by Rs.1,14,579/-



Thrikkakara North

THRIKKAKARA

Lulu Mall

EDAPPALLY

41

Wonderla Kochi

Kakkannad

Infopark Rd

ELAMAKKARA

Oberon Mall

Infopark

Kochi SmartCity

VUKAD

CSEZ

Seaport - Airport Rd

Infopark Rd

Chittur Rd

Baner Rd

KALOOR

M. Thakara Vaidappilly Rd

47

VENNALA

Cheraman Financial Services Ltd

Ernakulam

Seaport - Airport Rd

Bharat Petroleum Corporation Limited

GANDHI NAGAR

15

WITTALA

ERGOR

PANAMPILLY NAGAR

15

Indira Gandhi

RRY