

ANNUAL REPORT 2018-19



CHERAMAN FUNDS MANAGEMENT LIMITED



CIN: U67190KL2012PLC032330

Board of Directors (as on 23.08.2019)

- *Mr. P K Ahammed* - Director
- *Mr. Sherif Ahamed Cadiri* - Director
- *Mr. Remesh Shenoi S* - Director

Auditors

- *M/s Krishnamoorthy & Krishna Moorthy, Chartered Accountants, Cochin*

Registered Office

*33/2337-E, 2nd Floor, "Chakiapadath Building",
By pass Road, Ponnurunni, Vyttila, Ernakulam – 682019
Ph: 0484 4021403; Email: info@cheraman.com*



Cheraman

Funds Management Ltd

CIN: U67190KL2012PLC032330

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

NOTICE TO THE MEMBERS

Notice is hereby given that the 7th Annual General Meeting of the Members of the Company will be held on **Wednesday, the 25th day of September, 2019 at 10 A M** at the **Registered office** of the Company at 33/2337-E, 2nd Floor, "Chakiapadath Building", By pass Road, Ponnurunni, 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, 2019 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. Ratification of Statutory Auditors' Appointment

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and pursuant to the resolution passed by the Members in respect of the appointment of Statutory Auditors at the Annual General Meeting (AGM) held on 30th September, 2016, and in accordance with the recommendations of the Board of Directors, the Company hereby ratifies and confirms the appointment of M/s Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Cochin, (Firm Regn. No: 001488S) as the Statutory Auditors of the Company from the conclusion of this AGM till the conclusion of the AGM to be held in the calendar year

2020 on a remuneration as may be determined by the Board of Directors of the Company.”

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

Date :23.08.2019
Place: Cochin

Sd/-
Remesh Sheno 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. 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. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. Form of Proxy is attached at the end of the Annual Report.

- 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) The Annual Report 2018-19 and, the Notice of the 7th AGM, , along with the attendance slip and proxy form, are being sent by electronic mode to members whose email addresses are registered with the Company, unless a member has requested for a physical copy of the documents.
- e) Members may also note that the Notice of the 7th Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.cheraman.com for their download.
- f) If a Member does not provide an updated e-mail address, the company shall not be in default for non-receipt of such Notice by the Member.
- g) 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.
- h) Route map to the Venue of Annual General Meeting is attached herewith

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

Date : 23.08.2019
Place: Cochin

Sd/-
Remesh Sheno S
(DIN: 07077337)
Director

INFORMATION REQUIRED TO BE FURNISHED UNDER SECRETARIAL STANDARDS - 2 ON GENERAL MEETINGS

As required under Secretarial Standards - 2, the particulars of Directors who are proposed to be appointed/re-appointed at this Meeting are given below:-

| | |
|--|---|
| Name of Director | Mr P K Ahammed (DIN:01678711), |
| Age | 77 years(01/07/1942) |
| Qualification | SSLC |
| Experience in specific functional area | Nil |
| Directorship in other Companies | 1. JANATHA STEEL MILLS PVT LTD 2. AHAMMED ROLLER FLOUR MILLS PRIVATE LIMITED |

| | | |
|--|---|---|
| | 3. MALABAR STEEL CASTINGS PRIVATE LIMITED 4. PEEKAY STEEL CASTINGS PRIVATE LIMITED 5. PEEKAY ROLLING MILLS PRIVATE LIMITED 6. PEEKAY AGRO FOOD PRODUCTS PRIVATE LIMITED 7. CHERUKAVU LAND DEVELOPMENT PRIVATE LIMITED 8. CHERAMAN FINANCIAL SERVICES LIMITED 9. CHERAMAN INFRASTRUCTURE PRIVATE LIMITED 10. REALIX PROPERTY DEVELOPERS PRIVATE LIMITED 11. PONDY ROLLER FLOUR MILLS PRIVATE LIMITED | |
| Terms & Conditions of appointment | NA | |
| Date of First appointment | 04/10/2012 | |
| Shareholding | Nil | |
| Relationship with other directors | Nil | |
| No of Board meeting attended | Held | 4 |
| | Attended | 4 |
| Membership/ Chairmanship of Committees | Nil | |

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

Date : 23.08.2019
Place: Cochin

Sd/-
Remesh Sheno S
(DIN: 07077337)
Director



CIN: U67190KL2012PLC032330

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

DIRECTOR'S REPORT

Your Directors have pleasure in submitting their 7th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019

1. FINANCIAL RESULTS

| Particulars | Amount in Rs | |
|---|---------------------|---------------------|
| | As on 31.03.2019 | As on 31.03.2018 |
| Total Revenue | Nil | Nil |
| Total Expenses & Exceptional items | 1,445,970 | 4,24,575 |
| Profit/(Loss) After Tax & Exceptional items | (1,445,970) | (4,24,575) |

2. REVIEW OF PERFORMANCE & STATE OF AFFAIRS

Your Company has not recorded any income during the year 2018-19. The total expenditure incurred by the Company during the year under review is Rs 14,45,970 resulting in loss of Rs 14,45,970 after tax & exceptional items.

Further, members may note that in the Board meeting of the Company held on 28.06.2019 it was decided to surrender the certificate of Registration as Alternative Investment Fund issued to Cheraman Fund, bearing No IN/AIF 2/2012-13/0032 by SEBI, for which Cheraman Funds Management Limited is the Fund Manager.

3. DIVIDEND

No Dividend was declared for the current financial year.

4. RESERVES

During the year under review no amount from profit was transferred to any reserves during the financial year under review.

5. 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.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. Composition of Board

The Board of your Company consisted of Three Directors during the year 2018-19 namely Mr P K Ahammed, Mr Remesh Shenoi S and Mr Sheriff Ahmed Cadiri. There is no change in Board of Directors during the year under review.

The Company has received declarations from all the Directors to the effect that they are not disqualified from being directors under Section 164 of the Companies Act, 2013.

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. Appointment/ Change in Chief Financial Officer and Company Secretary

As per the provisions of Companies Act, 2013, the Company is not required to appoint Key Managerial Personnel.

8. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company has conducted Four Board meetings during the financial year 2018-19, the details are given as follows:

| Sl. No | Date | Board Strength | No. of Directors present |
|--------|--------------------------------|----------------|--------------------------|
| 1 | 25 th June 2018 | 3 | 2 |
| 2 | 10 th August 2018 | 3 | 2 |
| 3 | 07 th December 2018 | 3 | 3 |
| 4 | 22 nd March 2019 | 3 | 2 |

The maximum interval between the two meetings did not exceed 120 days.

Attendances of Directors at the Board Meetings are given below:

| Name of the Director | No of Board Meetings which Director was entitled to attend | Attendance at the Board Meetings |
|-----------------------------|---|---|
| Mr P K Ahammed | 4 | 4 |
| Mr Remesh Shenoi S | 4 | 4 |
| Mr Sheriff Ahmed Cadiri | 4 | 1 |

9. DECLARATION OF INDEPENDENT DIRECTORS

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

10. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

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

11. CAPITAL STRUCTURE

The Authorized Capital of the Company is Rs Two crores and the issued, subscribed and paid-up share capital of the Company is Rs 1.75 crores. There was no change in the Capital Structure of the Company during the financial year under review.

12. 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

13. 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.

14. 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.

15. 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.

16. 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.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There are no material related party transactions which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

18. 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.

19. 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.

20. 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.

21. 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, 2019, 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, 2019 and of the Loss 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; and
- v. 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.

22. 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.

23. 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.

24. STATUTORY AUDITORS

M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Cochin were appointed as the Statutory Auditors of your Company to hold office from the conclusion of 4th Annual General Meeting till the conclusion of fifth consecutive Annual General Meeting, subject to the ratification of the appointment by the members at every Annual General Meeting. Ratification of appointment of Statutory Auditors is being sought from the Members of the Company at the ensuing Annual General Meeting.

The Company has received letters from M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) of the Act and that they are not disqualified from appointment as Statutory Auditors of the Company.

25. PARTICULARS OF EMPLOYEES

During the financial year 2018-19, 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.

26. 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

27. DETAIL OF FRAUD AS PER AUDITORS REPORT

There is no fraud in the Company during the F.Y. ended 31st March, 2019. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the F.Y. ended 31st March, 2019.

28. MAINTENANCE OF COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

29. 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.

30. 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: 23.08.2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Cochin

Sd/-

Sd/-

P K Ahammed

Remesh Shenoi S

DIN:01678711

DIN:07077337

Director

Director

Form No. MGT-9

EXTRACT OF ANNUAL RETURNS ON THE FINANCIAL YEAR ENDED ON 31.03.2019

[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 |
|----|--|---------------------------------|------------------------------------|
| 1 | Investment Management activities | 66309 | NA |

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) |

| | | | | | | | | | |
|--|-----|---------|---------|-----|-----|---------|---------|-----|-----|
| 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 | 1,74,9994 | 100 | Nil | 1,74,9994 | 100 | Nil | Nil |
| 2 | Mr APM Mohammed Hanish IAS * | 1 | Nil | Nil | 1 | Nil | Nil | Nil |
| 3 | Mr T Balakrishnan* | 1 | Nil | Nil | 1 | Nil | Nil | Nil |
| 4 | Mr Remesh Shenoi Surendra* | 1 | Nil | Nil | 1 | Nil | Nil | Nil |
| 5 | Mr Shahul Hameed B * | 1 | Nil | Nil | 1 | Nil | Nil | Nil |
| 6 | Ms Meera C* | 1 | Nil | Nil | 1 | Nil | Nil | Nil |
| 7 | Mr Anoop Sreedhar K S * | 1 | Nil | Nil | 1 | Nil | Nil | Nil |
| | | | | | | | | |

* Beneficial interest of these shares is with Cheraman Financial Services Limited

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, 2019 | |
|-------|---|---|-------------------------------------|---|---|----------|--|-------------|
| | | 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 | 1,74,9994 | 100 | No Change | | | 1,74,9994 | 100 |
| 2 | Mr APM Mohammed Hanish IAS * | 1 | Nil | No Change | | | 1 | Nil |
| 3 | Mr T Balakrishnan* | 1 | Nil | No Change | | | 1 | Nil |
| 4 | Mr Remesh Shenoi Surendra* | 1 | Nil | No Change | | | 1 | Nil |
| 5 | Ms Cinci Abraham* | 1 | Nil | Date | Increase /Decrease in shareholding | Reason | 0 | Nil |
| | | | | 22.03.2019 | Decrease | Transfer | | |
| 6 | Ms Meera C* | 1 | Nil | No Change | | | 1 | Nil |
| 7 | Mr Anoop Sreedhar K S * | 1 | Nil | No Change | | | 1 | Nil |
| 8 | Mr Shahul Hameed B* | 0 | 0 | Date | Increase /Decrease in shareholding | Reason | 1 | |
| | | | | 22.03.2019 | Increase | Transfer | | |

*** Beneficial interest of these shares is with Cheraman Financial Services Limited**

**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, 2018 | |
|-------|--|---|-------------------------------------|---|--|--------|--|-------------|
| | | 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 | Remesh Shenoi S* | 1 | Nil | NA | NA | NA | 1 | Nil |

* Beneficial interest of the shares is with Cheraman Financial Services Limited

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| 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 |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |
| Change in Indebtedness during the financial year | | | | |
| * Addition | Nil | Nil | Nil | Nil |
| * Reduction | Nil | Nil | Nil | Nil |
| Net Change | Nil | Nil | Nil | Nil |
| Indebtedness at the end of the financial year | | | | |
| 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 |
| Total (i+ii+iii) | 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 - NA

| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|---|--------------------------|--------------------|-----|-------|
| | | CEO | Company Secretary* | CFO | Total |
| 1. | Gross salary a) Salary as per provisions contained | Nil | NA | NA | NA |

| | | | | | |
|----|---|------------|-----|-----|-----|
| | in section 17(1) of the Income-tax Act, 1961 | | | | |
| | b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | <u>Nil</u> | NA | | NA |
| | c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | <u>Nil</u> | 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 | <u>Nil</u> | Nil | Nil | Nil |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

| 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) |
|-------------------------------------|------------------------------|-------------------|--|---------------------------|-----------------------------------|
| A. Company | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. Directors | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. Other Officers In Default | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

Date: 23.08.2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place:Cochin

Sd/-

P K Ahammed

DIN: 01678711

Director

Sd/-

Remesh Sheno S

DIN:07077337

Director

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

Opinion

We have audited the accompanying Financial Statements of **Cheraman Funds Management Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, 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.

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 31st March, 2019, and its loss and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the standards on auditing 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 Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

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. 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.

Emphasis of Matter Paragraph

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

- a. Note no.19 to 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 19, 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, 2016 ("the order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in 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 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- g. 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) Referring to Note No.17 of the financial statements, the Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii) As mentioned in Note No.18 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

Place: Cochin - 16

Date: 02nd Sep 2019

Sd/-

K T Mohanan

Partner (M No.201484)

**“ANNEXURE A” 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 31ST MARCH, 2019**

- (i) a) The company has maintained records showing full particulars, including quantitative details and situation of fixed assets;
- b) As explained to us, the fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed have been noticed.
- c) The Company does not have any immovable properties having title deeds and hence this clause is not applicable to the Company during the period under report and hence not commented upon.
- (ii) 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, 2016 are not applicable to the company.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, paragraphs (iii) (a), (b) and (c) of CARO 2016 are not applicable.
- (iv) The Company has not granted loans, made investments, given guarantees or security attracting the provisions of section 185 and section 186 of the Companies Act, 2013 during the period under report.

- (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 Act and the Companies (Acceptance of deposit) Rules, 2015 with regard to the deposits accepted from the public 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 the examination of the records, the company is regular in depositing undisputed statutory dues including income-tax, duty of customs, goods and services 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 explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of exercise, value added tax, good and services tax outstanding on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, the Company has not taken any loan either from banks, or any financial institution or from the Government and has not issued any debentures during the year under report and hence the provisions of paragraph 3(vii) of the Order are not applicable to the Company and hence not commented upon.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of paragraph 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

- (x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud either by the Company or on the company by its officers/ employees, has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, the Company has not paid/provided managerial remuneration and hence the provisions of paragraph 3 (x) of the Order are not applicable to the Company during the year under report and hence not commented upon
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, transactions with related parties are in compliance with sections 177 and 188 of the Companies Act 2013 and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly the paragraph 3(xiv) of the order is not applicable to the Company and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence not commented upon.

(xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and accordingly the provisions of paragraph 3(xvi) of the Order is not applicable to the Company and hence not commented upon.

For Krishnamoorthy and Krishnamoorthy

Chartered Accountants

FRN: 001488S

Place: Cochin - 16

Date: 02nd Sep 2019

Sd/-

K T Mohanan

Partner (M No.201484)

**“ANNEXURE B” REFERRED TO IN PARAGRAPH 2 (f) 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 31ST MARCH 2019**

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

We have audited the internal financial controls over financial reporting of Cheraman Funds Management Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section

143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting:

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

prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Krishnamoorthy and Krishnamoorthy

Chartered Accountants

FRN: 001488S

Place: Cochin - 16

Date: 02nd Sep 2019

Sd/-

K T Mohanan

Partner (M No.201484)

CHERAMAN FUNDS MANAGEMENT LIMITED

BALANCE SHEET AS AT 31st MARCH, 2019

| Particulars | Note No. | AS AT 31st March 2019 Amount (INR) | AS AT 31st March 2018 Amount (INR) |
|---|----------|--|--|
| I. <u>EQUITY AND LIABILITIES</u> | | | |
| 1 Shareholder's Funds | | | |
| a. Share Capital | 2 | 17,500,000 | 17,500,000 |
| b. Reserves and Surplus | 3 | (22,859,956) | (21,413,985) |
| 2 Current Liabilities | | | |
| a. Short term Borrowings | 4 | 5,702,000 | 5,297,000 |
| b. Other Current Liabilities | 5 | 127,893 | 127,893 |
| Total | | 469,937 | 1,510,908 |
| II. <u>ASSETS</u> | | | |
| 1 Non-Current Assets | | | |
| a. Property, Plant and Equipment | 6 | | |
| i. Tangible Assets | | 324,513 | 406,512 |
| ii. Intangible Assets | | - | - |
| b. Long Term Loans and Advances | 7 | 500 | 500 |
| 2 Current Assets | | | |
| a. Cash and Cash Equivalents | 8 | 144,924 | 12,038 |
| b. Short-Term Loans and Advances | 9 | - | 1,091,858 |
| Total | | 469,937 | 1,510,908 |

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/-

PK Ahammed

Director

Din:01678711

Place: Kochi

Date: 02nd Sep 2019

Place : Kochi

Date: 23rd Aug 2019

CHERAMAN FUNDS MANAGEMENT LIMITED

Statement of Profit and Loss for the Year Ended 31st March, 2019

| Particulars | Note No. | For the Year Ended 31.03.2019 Amount (INR) | For the Year Ended 31.03.2018 Amount (INR) |
|--|----------|--|--|
| I Income | | | |
| a) Revenue from Operations | | - | - |
| b) Other Income | | - | - |
| Total Revenue (a+b) | | - | - |
| II Expenses: | | | |
| a) Employee Benefit Expenses | 10 | 1,200 | 1,200 |
| b) Depreciation and Amortisation Expenses | 6 | 81,999 | 117,499 |
| c) Other Expenses | 11 | 1,362,772 | 305,876 |
| Total Expenses (a+b+c) | | 1,445,971 | 424,575 |
| III. Profit/(Loss) before exceptional and items and tax (I -II) | | (1,445,971) | (424,575) |
| IV. Exceptional Items | | - | - |
| V. Profit/(Loss) Before Tax (III-IV) | | (1,445,971) | (424,575) |
| VI. Tax Expense: | | | |
| a) Current Tax | | - | - |
| b) Deferred Tax | | - | - |
| VII. Profit/(Loss) After Tax (V-VI) | | (1,445,971) | (424,575) |
| VIII. Earning per Equity Share of Rs.10 each | 12 | | |
| (1) Basic & Diluted | | (0.83) | (0.24) |

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 Sheno S

Director

Din:07077337

Sd/-

PK Ahammed

Director

Din:01678711

Place: Kochi

Date:02nd Sep 2019

Place : Kochi

Date: 23rd Aug 2019

CHERAMAN FUNDS MANAGEMENT LIMITED
Cash Flow Statement For The Year Ended 31st March 2019

| Particulars | 2018-19 | 2017-18 |
|--|--------------------|------------------|
| | Amount (INR) | Amount (INR) |
| A. Cash Flow From Operating Activities | | |
| Profit/(Loss) Before Tax & Exceptional Items | (1,445,971) | (424,575) |
| Adjustments for: | | |
| Depreciation and Amortisation | 81,999 | 117,499 |
| Operating Profit before working capital changes | (1,363,972) | (307,076) |
| Movements in working capital : | | |
| Increase/ (decrease) in other current liabilities | - | (31,570) |
| Decrease / (increase) in short-term loans and advances | 1,091,858 | (8,514) |
| Net change in working capital | 1,091,858 | (40,084) |
| Cash generated from/(used in) operations | (272,114) | (347,160) |
| Direct Taxes Paid (net of Refund) | - | - |
| Cash generated from / (used in) from operating activities (A) | (272,114) | (347,160) |
| B. Cash Flow from Investing Activities | | |
| Purchase of Fixed assets | - | - |
| Net cash flow from/(used in) investing activities (B) | - | - |
| C. Cash Flow from Financing Activities | | |
| Proceeds from Short term borrowings | 405,000 | 257,000 |
| Net cash flow from/(used in) financing activities (C) | 405,000 | 257,000 |
| Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C) | 132,886 | (90,160) |
| Cash & Cash Equivalents at the beginning of the year | 12,038 | 102,198 |
| Cash & Cash Equivalents at the end of the year (Note 8) | 144,924 | 12,038 |

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/-
PK Ahammed
Director
Din:01678711

Place: Kochi
Date: 02nd Sep 2019

Place : Kochi
Date: 23rd Aug 2019

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 as amended from time to time. 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 2019

2 Share Capital

| Particulars | 31st March 2019 Amount (INR) | 31st March 2018 Amount (INR) |
|--|---------------------------------|---------------------------------|
| Authorised Capital | | |
| 17,50,000 (17,50,000) Equity Shares of Rs. 10/- each | 17,500,000 | 17,500,000 |
| Issued and Subscribed and Paid Up: | | |
| 17,50,000 (17,50,000) Equity Shares of Rs. 10/- each | 17,500,000 | 17,500,000 |
| | 17,500,000 | 17,500,000 |
| | | |

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 2019 | | 31st March 2018 | |
|--------------------------|------------------|-------------------|------------------|-------------------|
| | No of shares | Amount (INR) | No of shares | Amount (INR) |
| Opening as on 1st April | 1,750,000 | 17,500,000 | 1,750,000 | 17,500,000 |
| Closing as on 31st March | 1,750,000 | 17,500,000 | 1,750,000 | 17,500,000 |
| | | | | |

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

| Name of the Shareholder | No. of shares as on 31st March 2019 | % of holding | No. of shares as on 31st March 2018 | % of holding |
|---------------------------------|-------------------------------------|--------------|-------------------------------------|--------------|
| Cheraman Financial Services Ltd | 1,750,000 | 100% | 1,750,000 | 100% |

3 Reserves & Surplus

| Particulars | 31st March 2019 Amount (INR) | 31st March 2018 Amount (INR) |
|---|---------------------------------|---------------------------------|
| a) Surplus (Deficit) in Statement of Profit & Loss | | |
| Opening Balance | (21,413,985) | (20,989,410) |
| Add : Profit/(Loss) for the year | (1,445,971) | (424,575) |
| TOTAL | (22,859,956) | (21,413,985) |
| | | |

4 Short term Borrowings

| Particulars | 31st March 2019 Amount (INR) | 31st March 2018 Amount (INR) |
|--|---------------------------------|---------------------------------|
| Unsecured Loan | | |
| - From Related Party | 5,702,000 | 5,297,000 |
| TOTAL | 5,702,000 | 5,297,000 |
| The loan represents interest free unsecured loan received from Holding company in the ordinary course of business and are repayable on demand. | | |

5 Other Current Liabilities

| Particulars | 31st March 2019 Amount (INR) | 31st March 2018 Amount (INR) |
|-------------------|---------------------------------|---------------------------------|
| a) Statutory Dues | 1,676 | 1,676 |
| b) Other Payables | 126,217 | 126,217 |
| TOTAL | 127,893 | 127,893 |
| | | |

7 Long Term Loans and Advances

| Particulars | 31st March 2019 Amount (INR) | 31st March 2018 Amount (INR) |
|-----------------------------------|---------------------------------|---------------------------------|
| Unsecured, Considered Good | | |
| (a) Security and Other Deposits | 500 | 500 |
| TOTAL | 500 | 500 |

8 Cash and Bank Balances

| Particulars | 31st March 2019 Amount (INR) | 31st March 2018 Amount (INR) |
|------------------------------------|---------------------------------|---------------------------------|
| Cash & Cash Equivalents | | |
| i) Balance with Banks | | |
| - On Current Account | 139,608 | 6,472 |
| ii) Cash on Hand | 5,316 | 5,566 |
| TOTAL | 144,924 | 12,038 |

9 Short- Term Loans & Advances

| Particulars | 31st March 2019 Amount (INR) | 31st March 2018 Amount (INR) |
|---|---------------------------------|---------------------------------|
| Unsecured and Considered Good | | |
| a) Cheraman Fund (Refer Note No.14) | - | 1,083,344 |
| b) Balance with Government Authorities | - | 8,514 |
| TOTAL | - | 1,091,858 |

10 Employee Benefit Expenses

| Particulars | For the Year Ended 31.03.2019 Amount (INR) | For the Year Ended 31.03.2018 Amount (INR) |
|---|--|--|
| Contribution to Provident and Other Funds | 1,200 | 1,200 |
| TOTAL | 1,200 | 1,200 |

11 Other Expenses

| Particulars | For the Year Ended 31.03.2019 Amount (INR) | For the Year Ended 31.03.2018 Amount (INR) |
|--|--|--|
| Advances written off | 1,091,858 | - |
| Rent | 223,200 | 204,676 |
| Professional Charges | 13,020 | 14,891 |
| Postage, Internet & Telephone Expenses | - | 130 |
| Annual Maintenance Contract | - | 11,795 |
| Generator Running Expense | - | 222 |
| Office General Expenses | 200 | - |
| Rates & Taxes | 12,714 | 50,777 |
| Bank Charges | 1,780 | 3,385 |
| Payment to Auditor | | |
| a) As Auditor | 20,000 | 20,000 |
| TOTAL | 1,362,772 | 305,876 |

12 **Earnings Per Share**

| Particulars | For the Year Ended 31.03.2019 Amount (INR) | For the Year Ended 31.03.2018 Amount (INR) |
|--|---|---|
| Profit / (Loss) Attributable to Equity Share Holders | (1,445,971) | (424,575) |
| Weighted Average number of Equity Share Outstanding (Nos) | 1,750,000 | 1,750,000 |
| Earnings Per Share | (0.83) | (0.24) |
| | | |

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

13.1 **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 | - |

13.2 **Details of Related Party Transactions during the year ended 31st March, 2019**

| Name of Related Party | Nature of Transaction | For the Year Ended 31.03.2019 Amount (INR) | For the Year Ended 31.03.2018 Amount (INR) |
|---------------------------------|---|---|---|
| Cheraman Financial Services Ltd | Unsecured Loan Taken | 405,000 | 257,000 |
| | Outstanding Loan Balance at the end of the year | 5,702,000 | 5,297,000 |

14 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. Since the fund has not been launched till date, the management has decided to write off the amount.

15 The Management had made an effort to identify components having significant cost to the total cost of the asset and is having different useful life than that of the whole of the asset. Based on a technical evaluation no components having these characteristics had been identified, which is having a material impact on the measurement of depreciation.

16 **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

- 17 **Litigations:** The Company is not subject to any legal proceedings and claims, which have arisen in the ordinary course of business.
- 18 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 19 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 the near future. Further the Holding Company is having the ability to infuse sufficient funds. Therefore, the Management of the opinion that the company is having the ability to continue as going concern as on the date of Balance Sheet.
- 20 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

Signatures to Note 1 to 20 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: 02nd Sep 2019

Sd/-

Remesh Shenois

Director

Din:07077337

Place : Kochi

Date: 23rd Aug 2019

Sd/-

PK Ahammed

Director

Din:01678711

6 Property, Plant and Equipment

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|------------------------------------|---------------------|-----------|---------------------|---------------------|-----------------|---------------------|---------------------|---------------------|
| | As at 01.04.2018 | Additions | As at 31.03.2019 | As at 01.04.2018 | For the Year | As at 31.03.2019 | As at 31.03.2019 | As at 31.03.2018 |
| A. Tangible Assets | | | | | | | | |
| Computer | 29,700 | - | 29,700 | 28,217 | - | 28,217 | 1,483 | 1,483 |
| Generator | 742,683 | - | 742,683 | 355,239 | 76,382 | 431,621 | 311,062 | 387,444 |
| Office Equipments | 245,752 | - | 245,752 | 228,167 | 5,617 | 233,784 | 11,968 | 17,585 |
| Total Tangible Assets (A) | 1,018,135 | - | 1,018,135 | 611,623 | 81,999 | 693,622 | 324,513 | 406,512 |
| B. Intangible Assets | | | | | | | | |
| Computer Software | 17,600 | - | 17,600 | 17,600 | - | 17,600 | - | - |
| Total Intangible Assets (B) | 17,600 | - | 17,600 | 17,600 | - | 17,600 | - | - |
| Total (A+B) | 1,035,735 | - | 1,035,735 | 629,223 | 81,999 | 711,222 | 324,513 | 406,512 |
| | | | | | | | | |
| Previous Year | 1,035,735 | - | 1,035,735 | 511,724 | 117,499 | 629,223 | 406,512 | 524,011 |



CIN: U67190KL2012PLC032330

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

Proxy Form

| | |
|-------------------|--|
| 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) ofshares 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 7th Annual general meeting of the company, to be held on **Wednesday**, the **25th day of September, 2019** at **10 A M** 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, 2019 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 Ratify Statutory Auditors' Appointment |

Signed this..... day of..... 2019

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.



Cheraman
Funds Management Ltd

CIN: U67190KL2012PLC032330

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

ATTENDANCE SLIP

Folio No:

I residing at
..... hereby record my presence at
the 7th Annual General Meeting of the Company held on Wednesday , the **25th day of
September, 2019** at **10 A M** 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: