



CHERAMAN FUNDS MANAGEMENT LTD

ANNUAL REPORT 2013-14

CHERAMAN FUNDS MANAGEMENT LTD

CIN: U67190KL2012PLC032330

Board of Directors (as on 05.09.2014)

Padma Shri C.K.Menon	-	Vice Chairman
Mr. P A Ibrahim Haji	-	Vice Chairman
Mr. P N C Menon	-	Director
Mr.P K Ahammed	-	Director
Mr.E M Najeeb	-	Director
Mr. Mohammed Fayaz Salam	-	Director

Company Secretary

CS Meera C

Auditors

M/s Krishnamoorthy & Krishnamoorthy

Chartered Accountants, Cochin

Registered Office

l33/2337-E, 2nd Floor, "Chakiapadath Building",

By pass Road, Ponnurunni, Vyttila, Ernakulam - 682019

Ph: 0484 4021401



CIN: U67190KL2012PLC032330

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

NOTICE TO THE MEMBERS

Notice is hereby given that the Second Annual General Meeting of the Members of the Company will be held on Tuesday, the **30th day of September, 2014** at **11.30 A M** 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 Balance Sheet as at 31st March 2014 and the Profit and Loss Account for the year ended on that date together with the report of the Directors' and the 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 a Director in place of Mr. C K Menon (DIN: 01955233) who retires by rotation and being eligible, offers himself for re-appointment.
4. 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, (Firm Regn. No 201484), 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

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

"RESOLVED THAT Mr Mohammed Fayaz Salam (DIN: 05279309) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 15.07.2014, 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 her 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/-

Meera C
Company Secretary

Date : 05.09.2014

Place: Cochin

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 EXTRA ORDINARY 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.
- c) Corporate members are requested to send a duly certified copy of the Board resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
- d) Members are advised to bring their copy of the annual report for reference and discussion.
- e) 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/-

Meera C
Company Secretary

Date : 05.09.2014

Place: Cochin

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

Item No 5

Mr Mohammed Fayaz Salam was appointed as the Additional Director of the Company w.e.f 15.07.2014. Pursuant to Section 161 of the Companies Act, 2013

read with Article 109 of the Articles of Association of the Company, Mr Mohammed Fayaz Salam 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 Mohammed Fayaz Salam as a candidate for the office of a Director.

Mr. Mohammed Fayaz Salam is engineering Graduate. He did Master's in Business Administration from Oxford Said Business School. Presently Mr Fayaz is holds Directorships in Rainbow Goat Shed Farms Private Limited (Managing Director) and Moopens Energy Solutions Private Limited.

The Board recommends the resolution for approval of the members.

Except from Mr Mohammed Fayaz Salam, 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/-

Meera C
Company Secretary

Date : 05.09.2014
Place: Cochin

DIRECTORS' REPORT

Your Directors have great pleasure in presenting the Second Annual Report together with the audited statement of accounts of your Company for the year ended 31st March, 2014.

General Economic Review

The advanced economies showing further recovery from the Great Recession was a welcome development during the year under review. But growth is not evenly robust across the globe, and more policy efforts are needed to fully restore confidence and ensure robust growth. According to IMF, in emerging market and developing economies, growth is projected to pick up gradually from 4.7 percent in 2013 to about 5 percent in 2014 and 5¼ percent in 2015. The global recovery is still fragile despite improved prospects, and significant downside risks—both old and new and Emerging market economies will have to weather these turbulence and maintain high medium-term growth.

India's Economic Review

The Indian economy underwent yet another challenging environment in 2013-14 driven by subdued domestic growth, extreme volatility in the exchange rate and a much higher than expected inflation rates . While domestic GDP growth did show a marginal improvement from 4.5% in FY13 to 4.7% in FY14 , most of the increase can be attributed to an increase in agricultural growth from 1.4% to 4.2%. Growth in both the industrial sector and service sector remained lackluster on the back of weakness in both consumption and investment demand. However financing, insurance, real estate, & business services sector witnessed a healthy growth of 12.9% in 2013-14 against previous year growth of 10.9%.

India's Private Equity Industry Overview

According to the report “EY PE Trends” by consultant EY, Private equity (PE) and venture capital (VC) investments in India have increased about 35% in the six months ended 30th June 2014 from a year earlier, as investor sentiment on fresh deals in the country has improved significantly. The first half of 2014 clocked INR 300 billion of private equity and venture capital investments across 229 deals. This shows an 18% improvement in deal volumes from 194 deals in the second half of 2013 and a 16% rise from 198 deals in the first half of 2013. The fund raising seems

to have improved as well with number of India-focused private equity funds were looking to raise their follow-on vehicles. With the government's thrust on infrastructure and manufacturing, these sectors are expected to see greater private equity deals, along with conventional investment sectors such as financial services, healthcare and technology.

Review of Operations

The company could not start operations as Investment Manager of Cheraman Premium Fund 1 since the Fund is yet to make first closure.

Financial Results

Particulars	Amount in Rs	
	As on 31.03.2014	As on 31.03.2013
Total Revenue	Nil	Nil
Total Expenses	7,927,259	7,758,218

Directors

Mr. Mohammed Fayaz Salam was inducted to the Board on 15.07.2014 as Additional Directors to hold the office till the date of ensuing AGM. The Company had received notices under section 160 of the Companies Act 2013, proposing the candidature of Mr. Mohammed Fayaz Salam for the office of directorship. Your Board recommends his appointment in the AGM.

Mr PK Ahammed and Mr. CK Menon, Directors would be liable to retire by rotation and being eligible offer themselves for re-appointment. The Board of Directors of your Company recommends their re-appointment.

Directors' Responsibility Statement

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956 the Board of Directors affirm

- i. That in the preparation of the Accounts for the year ending 31st March 2014, the applicable Accounting Standards were followed and there are no material departures therefrom;
- ii. That the accounting policies have been selected and applied consistently and have made judgments and estimates that were reasonable and prudent

so as to give a true and fair view of the state of affairs of the Company as on 31st March 2014 and of the loss of the Company for the year ended on that date;

- iii. That proper and sufficient care was taken for the 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 fraud and other irregularities;
- iv. That the accounts for the year ended 31st March 2014 were prepared on a going concern basis.

Auditors

M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Cochin were appointed as the Statutory Auditors of your Company for the year 2013-14. 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 2014-15.

Information under Section 217(1)(e) of the Companies Act, 1956

a. Conservation of energy

The operations of your Company are not energy sensitive in nature. However, measures are introduced to reduce the energy consumption at all levels in the organisation by optimal use of technology

b. Technology absorption

Nil

c. Foreign exchange earning and outgo

There was no foreign exchange earning and outgo during the year 2013-14

Particulars of employees

During the financial year 2013-14, no employee of the Company was in receipt of remuneration exceeding the amount prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

Acknowledgement

The Directors place on record their appreciation for the support and services rendered by the shareholders, Reserve Bank of India, Government of Kerala and its agencies and officials, bankers, business associates and the employees of the company.

For and on behalf of the Board

Place : Cochin

Date : 05/09/2014

P K Ahammed

Director

Mohammed Fayaz Salam

Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
M/S CHERAMAN FUND MANAGEMENT LIMITED

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying Financial Statements of **Cheraman Fund Management Limited**, which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and summary of significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for 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 Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Company Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITORS RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and other notes thereon, give the information required by the Companies Act 1956, in the manner so required and present a true and fair view in conformity with accounting principles generally accepted in India:

- a) In the case of the Balance Sheet of the state of affairs of the company as at 31st March 2014
- b) In the case of the Statement of Profit and Loss of the loss for the year ended on that date.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of Companies Act, 1956, we enclose in the annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by Section 227(3) of the Act, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the company as far as appears from our examination of those books.
 - (iii) The Balance sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet and Statement of Profit and Loss of the company, dealt with by this report, comply with the mandatory Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Company Affairs in respect of Section 133 of the Companies Act, 2013.
 - (v) On the basis of written representations received from the Directors as on 31st March, 2014 by the Company, we report that none of the Directors is disqualified as on 31st March 2014 from being appointed as Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

Kochi - 16
05.09.2014



For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
Firm Regn. No.001488S


K.T. Mohanan
Partner
Membership No.201484

Annexure to Independent Auditor's Report

(Referred to in paragraph numbered as 1 of our report of even date on the accounts for the year ended 31st March 2014 of **Cheraman Fund Management Limited**)

- (i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us all the fixed assets have been physically verified by the management during the year in a phased periodical manner, which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion and according to the information and explanations given to us, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- (ii) a) The nature of the Company's activities during the year has been such that clauses (ii) of the paragraph 4 of the companies (Auditor's Report) Order 2003 are not applicable to the company.
- (iii) a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) According to the information and explanations given to us, Company has not taken any loans, secured or unsecured, from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets. Further, on the basis of our examination and according to the information and explanations given to us, no major weaknesses have been noticed in the internal control.
- (v) a) In our opinion and according to the information and explanations given to us, transactions made in pursuance on contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.



- (vi) The Company has not accepted any deposits from the public during the year and the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act 1956 and the rules framed there under are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the service rendered by the company.
- (ix) (a) As per the information and explanations furnished to us and in accordance with the examination of the records of the company, the Company has been regular in depositing undisputed statutory dues with the appropriate authorities including Investor Education and Protection Fund, Income Tax, Value Added Tax, Cess and other statutory dues and there are no arrears of undisputed statutory dues outstanding as at the last day of the financial year for a period of more than six months from the date on which they became payable.
- b) According to the information and explanation given to us and as per the records of the company examined by us, there are no disputed amounts of sales tax/ income tax/ customs duty/ wealth tax/ service tax/ excise duty/ Cess, which have not been deposited with the appropriate authorities as at 31st March 2014.
- (x) 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 4(x) of the Companies Auditors Report Order 2003.
- (xi) Based on our audit procedures and 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 the repayment of dues to banks and financial institutions.
- (xii) The Company has not given any loans or advances in the nature of loans on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The nature of the Company's business/activities during the year has been such that clause (xiii) of the paragraph 4 of the companies (Auditor's Report) Order 2003 are not applicable to the company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures or other investments.
- (xv) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.



- (xvi) According to the information and explanation given to us and as per books and accounts of the Company, no term loan has been raised from bank or financial institutions during the year.
- (xvii) According to the information and explanations given to us and based on an overall examination of the Balance Sheet of the Company, we report that, the funds raised on short-term basis have not been used for long term investment.
- (xviii) According to the information and explanations given to us, the company has made preferential allotment of shares at face value, against cash received, to a party covered in the register maintained under section 301 of the Companies Act, 1956 during the year, the terms and conditions of which are not prima facie prejudicial to the interest of the company
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised money by public issues during the year.
- (xxi) 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 that causes the financial statements to be materially misstated.

Kochi - 16
05.09.2014



For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
Firm Regn. No.001488S

K.T. Mohanan
Partner
Membership No.201484

CHERAMAN FUNDS MANAGEMENT LIMITED

BALANCE SHEET AS AT 31st MARCH, 2014

Particulars	Note No.	AS AT 31st March 2014 Amount (INR)	AS AT 31st March 2013 Amount (INR)
I. EQUITY AND LIABILITIES			
1 Shareholder's Funds			
a. Share Capital	2	17,500,000	8,500,000
b. Reserves and Surplus	3	(15,685,477)	(7,758,218)
2 Current Liabilities			
a. Other Current Liabilities	4	15,114	349,738
b. Short Term Provisions	5	220,648	448,224
Total		2,050,285	1,539,744
II. ASSETS			
1 Non-Current Assets			
a. Fixed Assets			
a. Tangible Assets	6A	823,083	875,581
b. Intangible Assets	6B	2	2
b. Long Term Loans and Advances	7	1,000	-
2 Current Assets			
a. Cash and Bank Balances	8	415,623	82,406
b. Short-Term Loans and Advances	9	810,577	581,755
Total		2,050,285	1,539,744

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)



K T Mohanan

Partner

(M. No.201484)



For and on behalf of the Board of Directors



PK Ahammed

Director



Mohamed Fayaz Salam

Director



Meera C

Company Secretary

Place: Kochi

Date: 05th Sep 2014



CHERAMAN FUNDS MANAGEMENT LIMITED

Statement of Profit and Loss for the Year Ended 31st March, 2014

Particulars	Note No.	31st Mar 2014 Amount (INR)	31st Mar 2013 Amount (INR)
I Income			
a) Revenue from Operations		-	-
b) Other Income		-	-
Total Revenue (a+b)		-	-
II Expenses:			
a) Employee Benefit Expenses	10	6,017,355	5,366,065
b) Depreciation and Amortisation Expenses	6	137,681	74,969
c) Other Expenses	11	1,772,223	2,317,184
Total Expenses (a+b+c)		7,927,259	7,758,218
III Profit/(Loss) Before Tax (I-II)		(7,927,259)	(7,758,218)
IV Tax Expense:			
a) Current Tax		-	-
b) Deferred Tax		-	-
V Profit/(Loss) For The Year (III-IV)		(7,927,259)	(7,758,218)
VI Earning Per Equity Share of Rs.10/- each	12		
(1) Basic & Diluted		(8.15)	(29.93)

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)



K T Mohanan

Partner

(M. No.201484)

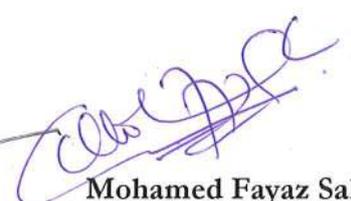


For and on behalf of the Board of Directors



PK Ahammed

Director



Mohamed Fayaz Salam

Director



Meera C

Company Secretary



Place: Kochi

Date: 05th Sep 2014

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 have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act 2013, in terms of general circular 15/2013 dated 13th September, 2013 of Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Act, as applicable.

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

Depreciation is charged at the rates specified in Schedule XIV of the Companies Act, 1956 on Written Down Value method except for the assets having value less than Rs.10,000/- which are depreciated at 100%.

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.

2 Share Capital

Particulars	31st March 2014 Amount(INR)	31st March 2013 Amount(INR)
Authorised Capital 17,50,000 (10,00,000) Equity Shares of Rs. 10/- each	17,50,000	10,00,000
Issued and Subscribed and Paid Up: 17,50,000 (8,50,000) Equity Shares of Rs. 10/- each	17,50,000	8,50,000
	17,50,000	8,50,000

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 2014		31st March 2013	
	No of shares	Amount(INR)	No of shares	Amount(INR)
Opening as on 1st April	850,000	8,50,000	-	-
Add: Issued during the year	900,000	9,00,000	850,000	8,50,000
Closing as on 31st March	1,750,000	17,50,000	850,000	8,50,000

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

Name of the Shareholder	No. of shares as on 31st March 2014	% of holding	No. of shares as on 31st March 2013	% of holding
Cheraman Financial Services Ltd	1,750,000	100%	850,000	100%



3 Reserves & Surplus

Particulars	31st March 2014 Amount(INR)	31st March 2013 Amount(INR)
a) Surplus (Deficit) in Statement of Profit & Loss		
Opening Balance	(7,758,218)	-
Add : Profit/(Loss) for the year	(7,927,259)	(7,758,218)
TOTAL	(15,685,477)	(7,758,218)

4 Other Current Liabilities

Particulars	31st March 2014 Amount(INR)	31st March 2013 Amount(INR)
a) Statutory Payables	255	151,490
b) Other Payables	14,859	198,248
TOTAL	15,114	349,738

5 Short Term Provisions

Particulars	31st March 2014 Amount(INR)	31st March 2013 Amount(INR)
a) For Employee Benefit:		
Provision for Leave Encashment	220,648	448,224
TOTAL	220,648	448,224

6 Fixed Assets

Refer Separate Sheet Attached

7 Long Term Loans and Advances

Particulars	31st March 2014 Amount(INR)	31st March 2013 Amount(INR)
Unsecured, Considered Good		
(a) Security and Other Deposits	1,000	-
TOTAL	1,000	-

8 Cash and Bank Balances

Particulars	31st March 2014 Amount(INR)	31st March 2013 Amount(INR)
Cash & Cash Equivalents		
i) Balance with Banks		
- On Current Account	388,998	67,118
ii) Cash on Hand	26,625	15,288
TOTAL	415,623	82,406



9 Short-Long Term Loans & Advances

Particulars	31st March 2014 Amount(INR)	31st March 2013 Amount(INR)
Unsecured and Considered Good		
a) Chermanan Fund (Refer Note No.14)	791,208	499,072
b) Other Advances	19,369	82,683
TOTAL	810,577	581,755

10 Employee Benefit Expenses

Particulars	For the Year Ended 31.03.2014 Amount(INR)	For the Period Ended 31.03.2013 Amount(INR)
Salaries, Wages and Bonus	5,635,065	5,364,333
Contribution to Provident and Other Funds	345,068	-
Staff Welfare Expenses	37,222	1,732
TOTAL	6,017,355	5,366,065

11 Other Expenses

Particulars	For the Year Ended 31.03.2014 Amount(INR)	For the Period Ended 31.03.2013 Amount(INR)
Rent	950,000	380,000
Electricity Charges	15,086	52,991
Postage, Internet & Telephone Expenses	46,120	42,339
Professional Charges	85,262	92,085
Travelling & Conveyance	215,917	444,381
Annual Maintenance Contract	22,140	2,750
Repairs and Maintenance Computer	2,775	-
Generator Running Expense	58,311	34,933
Preliminary & Preoperative Expenses	-	1,056,723
Meeting Expense	3,939	41,725
Office General Expenses	125,496	46,997
Recruitment Expenses	141,148	71,085
Printing & Stationery	11,278	24,392
Rates & Taxes	61,784	10,676
Seminar & Conference Fee	21,731	4,871
Payment to Auditor		
a) As Auditor	11,236	11,236
TOTAL	1,772,223	2,317,184



12 Earnings Per Share

Particulars	For the Year Ended 31.03.2014	For the Period Ended 31.03.2013
	Amount(INR)	Amount(INR)
Profit / (Loss) Attributable to Equity Share holders	(7,927,259)	(7,758,218)
Weighted Average number of Equity Share Outstanding (Nos)	972,466	259,178
Earnings Per Share	(8.15)	(29.93)

13 Related Party Disclosures

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
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, 2014

Nature of Transaction	Holding Company	Fellow Subsidiary	Persons having significant influence over the company	Enterprises under control of persons having significant influence over the company
Subscription to Equity Capital	9,000,000 (8,500,000)	-	-	-
Telephone Expense Reimbursement Paid	42,159	-	-	-

Note : Figures in brackets represent previous year's amount

- 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.



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

a) Contingent Liabilities:

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

16 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

As per our Report of even date

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

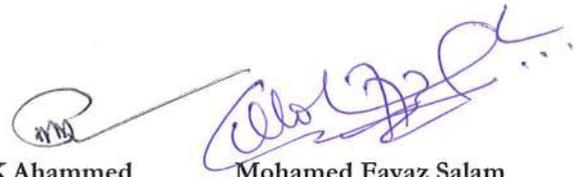


K T Mohanan
Partner
(M. No.201484)



For and on behalf of the Board of Directors

PK Ahammed
Director



Mohamed Fayaz Salam
Director



Meera C
Company Secretary

Place: Kochi

Date: 05th Sep 2014



6 Fixed Assets

6A Tangible Assets

PARTICULARS	GROSS BLOCK			Rate	DEPRECIATION			NET BLOCK	
	As at 01.04.2013	Additions	As at 31.03.2014		As at 01.04.2013	For the Year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
	Computer	29,700			29,700	163	11,815	11,978	17,722
Generator	742,683		742,683	42,455	97,402	139,857	602,826	700,228	
Office Equipments	160,569	85,183	245,752	14,753	28,464	43,217	202,535	145,816	
Total	932,952	85,183	1,018,135	57,371	137,681	195,052	823,083	875,581	
Previous Year	-	932,952	932,952	-	57,371	57,371	875,581		

6B Intangible Assets

PARTICULARS	GROSS BLOCK			Rate	DEPRECIATION			NET BLOCK	
	As at 01.04.2013	Additions	As at 31.03.2014		As at 01.04.2013	For the Year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
	Computer Software	17,600			17,600	17,598	-	17,598	2
Total	17,600	-	17,600	17,598	-	17,598	2	2	
Previous Year	-	17,600	17,600	-	17,598	17,598	2	-	

