

# **ANNUAL REPORT 2016-17**



**CHERAMAN FINANCIAL SERVICES LIMITED**

---

## **CHERAMAN FINANCIAL SERVICES LIMITED**

**CIN: U65923KL2009PLC025082**

---

### **Board of Directors (as on 28.08.2017)**

- |                                   |                                      |
|-----------------------------------|--------------------------------------|
| 1. Mr. P A Ibrahim Haji           | - Chairman                           |
| 2. Mr. M M Abdul Basheer          | - Director                           |
| 3. Mr. Abdulla Poyil              | - Director                           |
| 4. Mr. P V Abdul Wahab            | - Director                           |
| 5. Mr. P K Ahammed                | - Director                           |
| 6. Mr. Ameer Ahamed               | - Nominee Director of KSIDC          |
| 7. Mr. Ashraf Ali MA              | - Director                           |
| 8. Dr. Azad Moopen                | - Nominee Director of KSIDC          |
| 9. Mr. T Balakrishnan             | - Director                           |
| 10. Mr. Cheril Krishna Menon      | - Director                           |
| 11. Mr. E M Najeeb                | - Director                           |
| 12. Mr. A.P.M Mohamed Hanish, IAS | - Managing Director                  |
| 13. Dr. Shamsheer V P             | - Director                           |
| 14. Mr. P. Siddeek Ahmed Haji     | - Addition Director(From 28.08.2017) |

### **Company Secretary**

CS Meera C

### **Chief Financial Officer**

CA Remesh Shenoi S

### **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 4021401



**CIN: U65923KL2009PLC025082**

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

---

### **NOTICE TO THE MEMBERS**

Notice is hereby given that the Seventh Annual General Meeting of the Members of the Company will be held on **Saturday**, the **30<sup>th</sup> day of September, 2017** at **12 Noon** at the **Registered office** of the Company at 33/2337-E, 2nd Floor, "Chakiapadath Building", By pass Road, Ponnurunni, Vyttila, Ernakulam – 682019 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, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2017 together with the Report of the Auditors thereon.
3. To appoint a Director in place of Mr E M Najeeb (DIN 00100234) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P A Ibrahim Haji (DIN: 00017148) who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr P K Ahammed (DIN 01678711) and who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr M A Asharf Ali (DIN 01210946) and who retires by rotation and being eligible, offers himself for re-appointment.
7. 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 30<sup>th</sup> September, 2016, and in accordance with the recommendations of the Audit Committee and 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 2018 on a remuneration as may be determined by the Audit Committee of the Company."

#### **SPECIAL BUSINESS**

8. Appointment of Mr Mucheth Muhamed Abdul Basheer (DIN: 00120916) as Independent Director

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr Mucheth Muhamed Abdul Basheer (DIN: 00120916), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on June 28, 2017 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years from June 28, 2017 to June 27, 2022."

9. Appointment of Mr P Siddeek Ahmed Haji (DIN: 02067488) as Non-Executive Director liable to retire by rotation

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

"RESOLVED THAT Mr P Siddeek Ahmed Haji (DIN: 02067488) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 28.08.2017, in terms of Section 161(1) of the Companies Act 2013 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

by order of the Board  
For **Cheraman Financial Services Limited**  
**Sd/-**  
**Meera C**  
**Company Secretary**

Date : 28.08.2017  
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 ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. Proxy/ proxies need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. A member holding more than ten percent of total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The instrument of proxy in order to be effective should be deposited at the registered office of the company, duly completed and signed, not less than FORTY- EIGHT HOURS before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- c) Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board Resolution, Power of Attorney or such other valid authorisations, authorising them to attend and vote on their behalf at the Meeting.
- d) Members are advised to bring their copy of the annual report for reference and discussion.
- e) Members may also note that the Notice of the 7<sup>th</sup> Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website [www.cheraman.com](http://www.cheraman.com) for their download.
- f) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 am to 5.30 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
- g) 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.

by order of the Board  
For **Cheraman Financial Services Limited**  
**Sd/-**  
**Meera C**  
**Company Secretary**

Date : 28.08.2017  
Place: Cochin

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

### **Item No 8**

Mr Mucheth Muhamed Abdul Basheer (DIN: 00120916) was appointed as the Additional Director of the Company w.e.f 28.06.2017. The Board had also appointed him as the Independent Director of the Company, subject to the approval of shareholders in the general meeting. Mr M M Abdul Basheer had confirmed that he meets the criteria of independence provided under section 149 (6) of the Companies Act 2013.

Pursuant to Section 161 of the Companies Act, 2013 read with Article 109 of the Articles of Association of the Company, Mr Mucheth Muhamed Abdul Basheer (DIN: 00120916) 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 Mucheth Muhamed Abdul Basheer (DIN: 00120916) as a candidate for the office of a Director.

Mr. M M Abdul Basheer has over 30 years' experience in various industrial and infrastructure projects .He was Instrumental in setting up the first Activated Carbon manufacturing unit in INDIA which has turned into one among the largest exporter / manufacturer of Coconut Activated Carbon in the world. He has received National Award twice (During 2008 & 2010) from COCONUT DEVELOPMENT BOARD (Under Ministry of Agriculture, Govt. of India) as BEST EXPORTER. He is the President of Indian Activated Carbon Manufacturing Association (CACMA) and Indian Activated Carbon Industry contribute Rs.1000 crore per annum foreign currency to the Indian exchequer. During the past 15 years, he was associated with Hotel & Tourism industry and was Director in KELTRON & TELK for a period of five years each

The Board recommends the resolution for approval of the members.

Except Mr Mucheth Muhamed Abdul Basheer, none of the Directors, key managerial persons or their relatives is interested in the resolution

### **Item No 9**

Mr Siddeek Ahmed Haji (DIN: 02067488) was appointed as the Additional Director of the Company w.e.f 28.08.2017. Pursuant to Section 161 of the

Companies Act, 2013 read with Article 109 of the Articles of Association of the Company, Mr Siddeek Ahmed Haji holds office only up to the date of this Annual General Meeting of the Company and is eligible for appointment. The Company have received a notice in writing has been received from a Member along with the requisite deposit under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr Siddeek Ahmed Haji as a candidate for the office of a Director.

Mr. Siddeek has over twenty five years of experience in business and contractual activities, and has always encouraged excellence in varied enterprises like services, research & development, manufacturing, trading and industrial contracting. His local and global experience gives him a multi-fold perspective that lends integrity and pragmatism to everything he undertakes. His expertise lies in directing, managing and dealing with complex business models and initiatives, which stand sturdy on his foundation of years of proven merit in the capacity of Chairman, Executive Director and Managing Director at Eram and ITL Group.

The Board recommends the resolution for approval of the members.

Except Mr Siddeek Ahmed Haji none of the Directors, key managerial persons or their relatives is interested in the resolution

## **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:-

| <b>Name of Director</b>         | <b>MR E M Najeeb(DIN 00100234)</b>   |
|---------------------------------|--|
| Age                             | 62 yaers(10/12/1954)   |
| Qualification                   | 1. Graduate in English Literature<br>2. Post Graduate Diploma In journalism<br>3. MBA from New port University , USA   |
| Experience in functional area   | NA   |
| Directorship in other Companies | 1 Air Travel Enterprises India Limited<br>2 Great India Estates Private Limited<br>3 The Great India Holidays Private Limited<br>4 KIMS Health Care Management Limited<br>5 Great India Business Private Limited<br>6 Kameda Infologics Private Limited<br>7 Condis India Healthcare Limited |

|  |   |   |
|--|---|---|
|  | 8 KIMS Cancer Care And Research Center Private Limited<br>9 Green Gateway Leisure Limited<br>10 Cheraman Financial Services Limited<br>11 Cheraman Infrastructure Private Limited<br>12 KIMS Kollam Multi Speciality Hospital India Private Limited<br>13 KIMS Bellerose Institute of Medical Sciences Private Limited<br>14 KIMS Al Shifa Healthcare Private Limited |   |
| Terms & Conditions of appointment      | NA  |   |
| Date of First appointment              | 12/12/2009  |   |
| Shareholding                           | 1.26%(As on 31.03.2017)   |   |
| Relationship with other directors      | NIL   |   |
| No of Board meeting attended           | Held  | 4 |
|  | Attended  | 2 |
| Membership/ Chairmanship of Committees | 1. Allotment Committee<br>2. Audit Committee<br>3. Nomination & Remuneration Committee  |   |

|                                 |  |
|---------------------------------|--|
| <b>Name of Director</b>         | <b>MR Ibrahim Haji P A(00017148)</b>   |
| Age                             | 73 years(06/09/1943)   |
| Qualification                   | 1. Diploma in Automobile Engineering & Business Management<br>2. Honorary Doctorate in Philosophy from American Global International University  |
| Experience                      | NIL  |
| Directorship in other Companies | 1. P-PLUS DEVELOPERS PRIVATE LIMITED<br>2. MALABAR BUSINESS CENTRE PRIVATE LIMITED<br>3. MALABAR ROYAL DESIGNS (HYDERABAD) PRIVATE LIMITED<br>4. MALABAR BUILDERS INDIA PRIVATE LIMITED<br>5. MUSLIM PRINTING AND PUBLISHING CO LTD<br>6. CREST KNOWLEDGE CENTRE PRIVATE LIMITED<br>7. INDUS MOTOR COMPANY PRIVATE LIMITED<br>8. MALABAR TOWNSHIPS PRIVATE LIMITED<br>9. KING CITY INTERNATIONAL VENTURES PRIVATE LIMITED<br>10. PA WEXCO PROJECTS AND PROPERTY DEVELOPERS PRIVATE LIMITED<br>11. CHERAMAN FINANCIAL SERVICES LIMITED<br>12. BELL INFRASTRUCTURE PRIVATE LIMITED<br>13. HYDRA BUILDERS & DEVELOPERS PRIVATE LIMITED<br>14. MBMG DIAMONDS PRIVATE LIMITED |



|  |  |   |
|--|--|---|
|  | 15. MALABAR INTERNATIONAL GOLD DESIGNS PRIVATE LIMITED<br>16. MALABAR CREATIONS PRIVATE LIMITED<br>17. MALABAR COLLECTIONS PRIVATE LIMITED<br>18. MALABAR JEWELS AND GEMS PRIVATE LIMITED<br>19. MALABAR GOLD PRIVATE LIMITED<br>20. MALABAR ORNAMENTS PRIVATE LIMITED |   |
| Terms & Conditions of appointment      | NIL  |   |
| Date of First appointment              | 30/11/2009   |   |
| Shareholding                           | 9.43%(As on 31.03.2017)  |   |
| Relationship with other directors      | NIL  |   |
| No of Board meeting attended           | Held   | 4 |
|  | Attended   | 3 |
| Membership/ Chairmanship of Committees | NIL  |   |

|                                   |   |  |
|-----------------------------------|---|--|
| <b>Name of Director</b>           | <b>MR P K Ahammed(DIN:01678711)</b>   |  |
| Age                               | 75 years(01/07/1942)  |  |
| Qualification                     | SSLC  |  |
| Experience                        | NIL   |  |
| Directorship in other Companies   | 1. JANATHA STEEL MILLS PVT LTD<br>2. AHAMMED ROLLER FLOUR MILLS PRIVATE LIMITED<br>3. MALABAR STEEL CASTINGS PRIVATE LIMITED<br>4. PEEKAY STEEL CASTINGS PRIVATE LIMITED<br>5. PEEKAY ROLLING MILLS PRIVATE LIMITED<br>6. PEEKAY AGRO FOOD PRODUCTS PRIVATE LIMITED<br>7. CHERUKAVU LAND DEVELOPMENT PRIVATE LIMITED<br>8. CHERAMAN FINANCIAL SERVICES LIMITED<br>9. CHERAMAN INFRASTRUCTURE PRIVATE LIMITED<br>10. REALIX PROPERTY DEVELOPERS PRIVATE LIMITED<br>11. CHERAMAN FUNDS MANAGEMENT LIMITED<br>12. PONDY ROLLER FLOUR MILLS PRIVATE LIMITED |  |
| Terms & Conditions of appointment | NIL   |  |
| Date of First appointment         | 30/11/2009  |  |
| Shareholding                      | 3.14%(As on 31.03.2017)   |  |
| Relationship with other directors | Nil   |  |

|  |                                  |   |
|--|----------------------------------|---|
| No of Board meeting attended           | Held                             | 4 |
|  | Attended                         | 2 |
| Membership/ Chairmanship of Committees | 1. Member of Allotment Committee |   |

|  |  |   |
|--|--|---|
| <b>Name of Director</b>                | <b>Mr Asharf Ali M A(DIN 01210946)</b>   |   |
| Age                                    | 58 years (12/03/1959)  |   |
| Qualification                          | MA   |   |
| Experience                             | NIL  |   |
| Directorship in other Companies        | 1. LULU INTERNATIONAL SHOPPING MALL PRIVATE LIMITED<br>2. LULU INTERNATIONAL CONVENTION CENTER PRIVATE LIMITED<br>3. EMAY PETROLEUM DISTRIBUTORS PRIVATE LIMITED<br>4. LULU CENTER INTERNATIONAL PRIVATE LIMITED<br>5. LULU GROUP INTERNATIONAL PRIVATE LIMITED<br>6. LULU FLIGHT KITCHEN PRIVATE LIMITED<br>7. CHERAMAN FINANCIAL SERVICES LIMITED<br>8. SGF STORE CONCEPT PRIVATE LIMITED<br>9. LULU CONVENTION AND EXHIBITION CENTER PRIVATE LIMITED<br>10. MANTLE SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED<br>11. L H ENTERTAINMENT COMPANY PRIVATE LIMITED<br>12. LULU CONVENTION CENTER CALICUT PRIVATE LIMITED<br>13. LULU TRIVANDRUM MALL PRIVATE LIMITED<br>14. LINE PROPERTIES PRIVATE LIMITED<br>15. LULU HYPERMARKET PRIVATE LIMITED<br>16. LULU CYBER WORLD PRIVATE LIMITED<br>17. LULU LUCKNOW SHOPPING MALL PRIVATE LIMITED |   |
| Terms & Conditions of appointment      | NIL  |   |
| Date of First appointment              | 26.07.2013   |   |
| Shareholding                           | 6.29%(As on 31.03.2017)  |   |
| Relationship with other directors      | NIL  |   |
| No of Board meeting attended           | Held   | 4 |
|  | Attended   | 2 |
| Membership/ Chairmanship of Committees | NIL  |   |

|  |  |    |
|--|--|----|
| Name of Director                       | <b>Mr M.M. ABDUL BASHEER</b>   |    |
| Age                                    | 55 years, 28.11.1961   |    |
| Qualification                          | B.Sc (Engg) – Mechanical   |    |
| Experience                             | 30 years experience in various industrial and infrastructure projects  |    |
| Directorship in other Companies        | 1. Indo German Carbons Limited<br>2. M FAR Hotels & Resorts Private Limited<br>3. M FAR Beach Resorts Private Limited<br>4. Active Char Products Private Limited<br>5. MFAR Elite Resorts Private Limited<br>6. Kumali Valley Eco Resorts Private Limited<br>7. Kumali Mist Resorts Private Limited<br>8. MFAR Eco Resorts (India) Private Limited<br>9. M FAR Township Complex Private Limited<br>10. M FAR Realtors Private Limited<br>11. M FAR Infrastructure Projects Private Limited<br>12. Kalpa Char Products Private Limited<br>13. MIV Logistics Private Limited<br>14. Inkel Limited<br>15. Inkes Trade Centre Limited<br>16. Inkel - KSIDC Projects Limited<br>17. Inkel - KINFRA Infrastructure Projects Limited<br>18. Inkel – EKK Roads Pvt. Ltd. |    |
| Terms & Conditions of appointment      | Independent Director appointed for a period of 5 years   |    |
| Date of First appointment              | 28.06.2017   |    |
| Shareholding                           | One share(As on 31.03.2017)  |    |
| Relationship with other directors      | Nil  |    |
| No of Board meeting attended           | Held   | NA |
|  | Attended   | NA |
| Membership/ Chairmanship of Committees | Member of Audit Committee<br>Member of Nomination & Remuneration Committee   |    |

|                                 |  |  |
|---------------------------------|--|--|
| Name of Director                | <b>Mr P Siddeek Ahmed Haji (DIN 02067488)</b>  |  |
| Age                             | 49 years (01/05/1968)  |  |
| Qualification                   | Honorary Doctorate in Philosophy from a Tamil Nadu University  |  |
| Experience                      | Twenty five years of experience in business and contractual activities   |  |
| Directorship in other Companies | 1. ERAM Infotech Private Limited<br>2. ERAM Property Network Private Limited<br>3. ERAM Motors Private Limited |  |

|  |  |   |
|--|--|---|
|  | 4. ERAM Scientific Solutions Private Limited |   |
| Terms & Conditions of appointment      | NA   |   |
| Date of First appointment              | NA   |   |
| Shareholding                           | 18.87%(As on 31.03.2017)                     |   |
| Relationship with other directors      | Nil  |   |
| No of Board meeting attended           | Held   | 4 |
|  | Attended                                     | 1 |
| Membership/ Chairmanship of Committees | Nil  |   |

by order of the Board  
For **Cheraman Financial Services Limited**

**Sd/-**  
**Meera C**  
**Company Secretary**

Date : 28.08.2017  
Place: Cochin



CIN : U65923KL2009PLC025082

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

## DIRECTOR'S REPORT

Your Directors have pleasure in submitting their Seventh Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017

### 1. FINANCIAL RESULTS OF THE COMPANY

Amount in Rs

| Particulars                | As on<br>31.03.2017 | As on<br>31.03.2016 |
|----------------------------|---------------------|---------------------|
| Total Revenue              | 13,348,304          | 6,480,985           |
| Total Expenses             | 9,822,777           | 12,125,429          |
| Tax Expenses               | Nil                 | Nil                 |
| Profit/(loss) for the year | 3,525,527           | (5,644,444)         |

### 2. REVIEW OF PERFORMANCE

On a standalone basis, your Company has recorded a total income of Rs 13,348,304 for the financial year ended 31st March 2017 as against Rs 6,480,985 during the previous year. The total expenses incurred during the year under review is 9,822,777, resulting in a profit of Rs 3,525,527 after tax and exceptional items.

During the year under review, Cheraman Infrastructure Private Limited, the wholly owned subsidiary Company, recorded a loss after tax and exceptional item of Rs 3,807,483 as against Rs 1,136,608 during the previous year.

Cheraman Funds Management Limited, the wholly owned subsidiary Company recorded net loss after tax of Rs 3,95,922 during the year as against the loss of Rs 519,901 in the previous year.

Suits India Private Limited, the investee Company recorded net loss after tax of Rs 6,317,825 against the loss of Rs 6,572,765 in the previous year.

On a consolidated basis, the Company recorded a total income of Rs 18,817,443 during the financial year as against Rs 7,615,699 in the previous year. The total expenditure incurred during the financial year amounts to Rs 25,912,196 as against Rs 21,390,366 in the previous year. The Company recorded a loss after tax and before minority interest of Rs 6,127,002 for the financial year, as against Rs 12,912,704 in the previous year .

### **3. DIVIDEND**

No Dividend was declared for the current financial year.

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

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

### **5. ACCOUNTS OF SUBSIDIARIES**

The Board of Directors (including Audit Committee) has reviewed the affairs of the Subsidiaries and the salient features of the financials of Subsidiary Companies are provided in the prescribed format AOC -1.

The Annual Audited Accounts of the Subsidiary Companies and the related detailed information will be made available to the shareholders of the Company at the Registered Office of the Company and on the Company's website [www.cheraman.com](http://www.cheraman.com). The Company shall furnish a hard copy of the detailed accounts of the subsidiaries to any shareholder on demand.

### **6. CONSOLIDATED FINANCIAL STATEMENT**

The Consolidated Financial Statements of the Company are prepared in accordance with Section 129 of the Companies Act read with relevant Accounting Standards issued by the Institute of Chartered Accountants of India and forms a part of this Annual Report.

### **7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

As on 31st March 2017, following are the subsidiaries of the Company:

- i. M/s Cheraman Infrastructure Private Limited
- ii. M/s Cheraman Funds Management Limited
- iii. M/s Suits India Private Limited

In accordance with Section 129(3) of the Companies Act, 2013, the salient features of the financial statement of the subsidiaries is set out in the prescribed form AOC-1, which forms part of this Annual Report.

## 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of your Company consists of 14 Directors as on the date of this report, as follows:

| Category  | Name of Directors  |
|---|--|
| Executive Director  | <ul style="list-style-type: none"><li>Mr A P M Mohamed Hanish I A S</li></ul>  |
| Non - Executive Independent Directors   | <ul style="list-style-type: none"><li>Mr T Balakrishnan</li><li>Mr M M Abdul Basheer</li></ul>   |
| Non - Executive Non - Independent Directors                                       | <ul style="list-style-type: none"><li>Mr Ibrahimhaji P A</li><li>Mr Najeeb E M</li><li>Mr P V Abdul Wahab</li><li>Mr M A Asharf Ali</li><li>Mr P K Ahammed</li><li>Dr Shamsheer V P</li><li>Mr Cheril Krishna Menon</li><li>Mr Abdulla Poyil</li><li>Mr P Siddeek Ahmed Haji</li></ul> |
| Nominee Directors of M/s Kerala State Industrial Development Corporation Limited. | <ul style="list-style-type: none"><li>Dr M Azad Moopen</li><li>Mr Ameer Ahmed</li></ul>  |

### *i. Changes in Directors and Key Managerial Personnel (KMP) during the year 2016-17*

Mr. M M Abdul Basheer, (DIN0120916) was appointed as Independent Director by the Board of Directors with effect from 28.06.2017, subject to the approval of shareholders in the AGM. Mr. C K Menon (DIN: 01955233) and Mr Abdulla Poyil (DIN: 02111206) were appointed as directors liable to retirement by rotation in the AGM held on 30.09.2016.

Mr Mohammed Fayaz Salam (DIN: 05279309), Independent Director and Mr. Siddeek Ahmed Haji (DIN: 02067488), Non-Executive director, resigned from the directorship of the Company with effect from 10.03.2017 and 28.03.2017, respectively

Mr A P M Mohamed Hanish I A S (DIN: 02504842) was re-appointed as the Managing Director of the Company for a further term of 5 years from with effect from 17th December 2016.

Mr. Siddeek Ahmed Haji (DIN: 02067488) was inducted to the Board as Additional Directors , with effect from 28.08.2017. He will hold the office till the date of ensuing

AGM. The Company had received notice under section 160 of the Companies Act 2013, proposing the candidature of Mr. Siddeek Ahmed Haji for the office of directorship.

There is no change in the KMPs of your Company during the year under report. The following are the Key Managerial Personnel of the Company:

- Mr. A P M Mohamed Hanish I A S - Managing Director
- CA Remesh Sheno S - Chief Financial Officer
- CS Meera C - Company Secretary

**ii. Retirement by Rotation**

Mr E M Najeeb (DIN 00100234), Mr. P A Ibrahim Haji (DIN: 00017148), Mr P K Ahammed (DIN:01678711) and Mr M A Asharf Ali (DIN: 01210946), 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.

**9. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company has conducted Four Board meetings during the financial year 2016-17 on the following dates: 25.07.2015, 22.08.2015, 11.12.2015 and 11.03.2016.

| Sl. No | Date                          | Board Strength | No. of Directors present |
|--------|-------------------------------|----------------|--------------------------|
| 1      | 24 <sup>th</sup> June 2016    | 12             | 5                        |
| 2      | 13 <sup>th</sup> August 2016  | 12             | 6                        |
| 3      | 4 <sup>th</sup> December 2016 | 14             | 6                        |
| 4      | 05 <sup>th</sup> March 2017   | 14             | 8                        |

**10. DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

**11. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE**

Presently, Audit Committee of the Board comprises three Directors viz Mr. T Balakrishnan, Mr. M M Abdul Basheer (independent Directors) and Mr. EM Najeeb as its members.

**12. SHARE CAPITAL**

During the year under review, the Company had allotted 30,00,000 equity shares of Rs 10 each, making the paid up capital of the Company at Rs. 31,80,00,000 as on 31.03.2017.



**13. 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

**14. 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 during the year under review. The expenditure in foreign currency during the year under review amounts to Rs. 2,496,472.

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

The Company has a Risk Management Policy. The Risk Management policy is reviewed by the Board at regular intervals.

**16. 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.

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

The details of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note no 21.2 of NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS of Financial Statements

**18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2017, which were not at arm's length basis. The transaction entered into by the Company during the year with related parties on an arm's length basis was not material in nature.

#### **19. 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.

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

The Nomination and Remuneration Committee of the Company have formulated Nomination & Remuneration policy in compliance with Section 178 of the Companies Act, 2013 for identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and evaluation of every director's performance. The Company's policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178 (3) of the Companies Act, 2013, enclosed herewith as **Annexure I**.

#### **21. EVALUATION BY BOARD OF ITS PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

In line with the requirement of section 134 and Section 178 of the Companies Act, 2013, the Board of Directors of the Company adopted a Performance Evaluation Policy. In line with the policy, annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Committees of the Board, was carried out.

#### **22. 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 II** and is attached to this Report.

#### **23. 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, 2017, 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, 2017 and of the profit of the company for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **24. PUBLIC DEPOSITS**

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

#### **25. RBI GUIDELINES**

Your Company has complied with all the applicable regulations prescribed by the Reserve Bank of India from time to time.

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

The Company has appointed M/s Varma & Varma , Chartered Accountants Cochin, as the internal Auditors of the Company for the Financial year 2015-16. 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 was observed.

#### **27. 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 6th

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.

## **28. PARTICULARS OF EMPLOYEES**

During the financial year 2016-17, 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.

## **29. 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

## **30. 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.

### **31. ACKNOWLEDGEMENTS**

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. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

Date: 28/08/2017

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

Place: Cochin

**Sd/-**

**Sd/-**

**P K Ahammed**

**A P M Mohammed Hanish I A S**

**DIN: 01678711**

**DIN:02504842**

**Director**

**Managing Director**

**CHERAMAN FINANCIAL SERVICES LTD**  
**Nomination and Remuneration Policy**

**Introduction**

In compliance with Section 178 of the Companies Act, 2013, the Board of Directors, in their meeting held on July 15, 2014 constituted the Nomination and Remuneration Committee with the following directors:

1. Mr. T Balakrishnan
2. Mr. M M Abdul Basheer
3. Mr. EM Najeeb

**Objective**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The Key Objectives of the Committee are:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and evaluation of every director's performance.
- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

**Criteria for Appointment of Directors.**

Board members are expected to possess the expertise, skills and experience required to manage and guide a budding financial service company. Expertise in areas like running business enterprises, strategy, finance, retail management, healthcare, private equity activities and infrastructure development is desirable. Generally, the members are between 30 and 70 years of age, and are not related to any executive directors or independent directors. They are not expected to serve in any executive or independent position in any company that is in direct competition with us.

### **Criteria for Appointment of KMP and Senior Management Personnel**

- The Committee will identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as KMP or at Senior Management level on case to case basis and recommend to the Board his/her appointment.
- A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment.

### **Policy on Remuneration of Directors,**

At present the company does not pay remuneration to Directors. This policy will be reviewed in due course of time.

### **Policy on Remuneration of KMP and Senior Management Personnel**

- Company's remuneration policy is to ensure that the KMP and Senior Management Personnel are sufficiently incentivized for enhanced performance. The remuneration of KMP and Senior Management Personnel will be decided on a case to case basis to ensure that the levels of remuneration are sufficient to attract and retain personnel of the quality required to run the company successfully. The key components driving the decision will be:
  - ✓ compensation will be a major driver of performance.
  - ✓ compensation will be competitive and benchmarked with industry standards
  - ✓ compensation will be transparent, fair and simple to administer
  - ✓ compensation will be fully legal and tax compliant.

# FormNo.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

[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   | U65923KL2009PLC025082   |
| ii.  | Registration Date   | 30/11/2009  |
| iii. | Name of the Company   | Cheraman Financial Services Limited   |
| iv.  | Category/Sub-Category of the Company                                      | NBFC, Limited by shares & Company having share capital  |
| v.   | Address of the Registered office and contact details                      | 33/2337 - E, 2nd Floor, Chakiapadath Building, By pass Road, Ponnuranni, Vyttila Cochin, Kerala, India, 682 019 |
| 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  | Financial Leasing                                | 6491                            | 100                                |
| 2  | Equity Financing                                 | 6420                            | Nil                                |
| 3  | Financial consultancy/ Advisory services         | 7020                            | Nil                                |



### 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 Infrastructure Private Limited<br><br>33/2337 - E,2nd Floor,<br>Chakiapadath Building, By<br>pass Road, Ponnurunni,<br>Vyttila Cochin, Kerala, India,<br>682 019 | U45203KL2011PTC029094 | Subsidiary                      | 100              | 2(87)(ii)          |
| 2     | Cheraman Funds Management Limited<br><br>33/2337 - E,2nd Floor,<br>Chakiapadath Building, By<br>pass Road, Ponnurunni,<br>Vyttila Cochin, Kerala, India,<br>682 019       | U67190KL2012PLC032330 | Subsidiary                      | 100              | 2(87)(ii)          |
| 3     | Suits India Private Limited<br><br>15/773,Karanjikudy House<br>,Perumbavoor P.O,<br>Thottungal Lane, Ernakulam -<br>683542  | U17200KL2013PTC035538 | Subsidiary                      | 86.25            | 2(87)(ii)          |

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

**i. Category-wise Share Holding**

[illegible]

|  |   |           |           |       |     |          |          |       |       |
|--|---|-----------|-----------|-------|-----|----------|----------|-------|-------|
| e) Banks / FI  | - | 31,00,000 | 31,00,000 | 10.76 | -   | 3100000  | 3100000  | 9.75  | -1.01 |
| f) Any other   | - | -         | -         | -     | -   | -        | -        | -     | -     |
| Total shareholding of Promoter (A)   | - | 23299999  | 23299999  | 80.90 | Nil | -        | 25299999 | 79.56 | -1.34 |
| <b>B. Public Shareholding</b>  |   |           |           |       |     |          |          |       |       |
| 1. Institutions  |   |           |           |       |     |          |          |       |       |
| a) Mutual Funds  | - | -         | -         | -     | -   | -        | -        | -     | -     |
| b) Banks / FI  | - | -         | -         | -     | -   | -        | -        | -     | -     |
| c) Central Govt  | - | -         | -         | -     | -   | -        | -        | -     | -     |
| d) State Govt(s)   | - | -         | -         | -     | -   | -        | -        | -     | -     |
| e) Venture Capital Funds   | - | -         | -         | -     | -   | -        | -        | -     | -     |
| f) Insurance Companies   | - | -         | -         | -     | -   | -        | -        | -     | -     |
| g) FIs   | - | -         | -         | -     | -   | -        | -        | -     | -     |
| h) Foreign Venture Capital Funds   | - | -         | -         | -     | -   | -        | -        | -     | -     |
| i) Others (specify)  | - | -         | -         | -     | -   | -        | -        | -     | -     |
| Sub-total (B)(1):-   | - | -         | -         | -     | -   | -        | -        | -     | -     |
| <b>2. Non-Institutions</b>   |   |           |           |       |     |          |          |       |       |
| a) Bodies Corp.  |   |           |           |       |     |          |          |       |       |
| i) Indian  | - | -         | -         | -     | -   | -        | -        | -     | -     |
| ii) Overseas   | - | -         | -         | -     | -   | -        | -        | -     | -     |
| b) Individuals   | - | -         | -         | -     | -   | -        | -        | -     | -     |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | - | 1         | 1         | -     | -   | 1        | 1        | -     | -     |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | - | 5500000   | 5500000   | 19.10 | -   | 6500000  | 6500000  | 20.44 | -1.34 |
| c) Others (specify)  | - | -         | -         | -     | -   | -        | -        | -     | -     |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)                                     | - | 5500001   | 1500001   | 19.10 | -   | 6500001  | 6500001  | 20.44 | -1.34 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           |   |           |           |       |     |          |          |       |       |
|  | - | -         | -         | -     | -   | -        | -        | -     | -     |
| Grand Total (A+B+C)  | - | 28800000  | 28800000  | 100   | -   | 31800000 | 31800000 | 100   | -     |

**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 shareholding during the year |
|-------|--|---|----------------------------------|---|--------------------------------------|----------------------------------|---|--|
|       |  | No. of Shares                             | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares                        | % of total Shares of the company | %of Shares Pledged / encumbered to total shares |  |
| 1     | Mr C K Menon                                 | 3000000                                   | 10.42                            | Nil   | 3000000                              | 9.43                             | Nil   | -0.98                                    |
| 2     | Mr Yusuffali MA                              | 3000000                                   | 10.42                            | Nil   | 3000000                              | 9.43                             | Nil   | -0.98                                    |
| 3     | Mr P Mohamad Al                              | 2200000                                   | 7.64                             | Nil   | 2200000                              | 6.92                             | Nil   | -0.72                                    |
| 4     | Mr Siddeek Ahmed Haji P                      | 5000000                                   | 17.36                            | Nil   | 6000000                              | 18.87                            | Nil   | 1.51                                     |
| 5     | Mr PNC Menon                                 | 100000                                    | 0.35                             | Nil   | 100000                               | 0.31                             | Nil   | -0.03                                    |
| 6     | Mr PK Ahammed                                | 999999                                    | 3.47                             | Nil   | 999999                               | 3.14                             | Nil   | -0.33                                    |
| 7     | Dr Ibrahim Haji P.A                          | 2000000                                   | 6.94                             | Nil   | 3000000                              | 9.43                             | Nil   | 2.49                                     |
| 8     | Mr Abdul Wahab                               | 200000                                    | 0.69                             | Nil   | 200000                               | 0.63                             | Nil   | -0.07                                    |
| 9     | Mr V K C Mohamad Ali                         | 100000                                    | 0.35                             | Nil   | 100000                               | 0.31                             | Nil   | -0.03                                    |
| 10    | Mr E.M. Najeeb                               | 400000                                    | 1.39                             | Nil   | 400000                               | 1.26                             | Nil   | -0.13                                    |
| 11    | DR Azad Moopen,                              | 1000000                                   | 3.47                             | Nil   | 1000000                              | 3.14                             | Nil   | -0.33                                    |
| 12    | Mr N. K.Mohamed Ali                          | 100000                                    | 0.35                             | Nil   | 100000                               | 0.31                             | Nil   | -0.03                                    |
| 13    | Mr Ashraf Ali M.A                            | 2000000                                   | 6.94                             | Nil   | 2000000                              | 6.29                             | Nil   | -0.66                                    |
| 14    | Mr M P Ahamed                                | 100000                                    | 0.35                             | Nil   | 100000                               | 0.31                             | Nil   | -0.03                                    |
| 15    | M/s Kerala State Development Corporation Ltd | 3100000                                   | 10.76                            | Nil   | 3100000                              | 9.75                             | Nil   | -1.01                                    |

**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, 2017 |             |
|-------|--|---|-------------------------------------|---|--|--------|--|-------------|
|       |  | 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     | Mr C K Menon                                 | 3000000                                   | 10.42                               | No Change   |  |        | 3000000  | 9.43        |
| 2     | Mr Yusuffali MA                              | 3000000                                   | 10.42                               | No Change   |  |        | 3000000  | 9.43        |
| 3     | Mr P Mohamad Ali                             | 2200000                                   | 7.64                                | No Change   |  |        | 2200000  | 6.92        |
| 4     | Mr Siddeek Ahmed Haji P                      | 5000000                                   | 17.36                               | 25.04.2016  | 1000000  | 18.87  | 6000000  | 18.87       |
| 5     | Mr PNC Menon                                 | 100000                                    | 0.35                                | No Change   |  |        | 100000   | 0.31        |
| 6     | Mr PK Ahammed                                | 999999                                    | 3.47                                | No Change   |  |        | 999999   | 3.14        |
| 7     | Dr Ibrahim Haji P.A                          | 2000000                                   | 6.94                                | 25.04.2016  | 1000000  |        | 3000000  | 9.43        |
| 8     | Mr Abdul Wahab                               | 200000                                    | 0.69                                | No Change   |  |        | 200000   | 0.63        |
| 9     | Mr V K C Mohamad Ali                         | 100000                                    | 0.35                                | No Change   |  |        | 100000   | 0.31        |
| 10    | Mr E.M. Najeeb                               | 400000                                    | 1.39                                | No Change   |  |        | 400000   | 1.26        |
| 11    | DR Azad Moopen,                              | 1000000                                   | 3.47                                | No Change   |  |        | 1000000  | 3.14        |
| 12    | Mr N. K.Mohamed Ali                          | 100000                                    | 0.35                                | No Change   |  |        | 100000   | 0.31        |
| 13    | Mr Ashraf Ali M.A                            | 2000000                                   | 6.94                                | No Change   |  |        | 2000000  | 6.29        |
| 14    | Mr M P Ahamed                                | 100000                                    | 0.35                                | No Change   |  |        | 100000   | 0.31        |
| 15    | M/s Kerala State Development Corporation Ltd | 3100000                                   | 10.76                               | No Change   |  |        | 3100000  | 9.75        |

**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 |
| 1  | M/s Eram Property network Private limited | At the beginning of the year        | 1000000                                   | 3.47                             | 1000000                                 | 3.14                             |
| 3  | Mr Abdul Basheer                          | At the beginning of the year        | 1   | 0%                               | 1                                       | 0                                |
| 4  | Mr K K Ashraf                             | At the beginning of the year        | 500000                                    | 1.57                             | 500000                                  | 1.57                             |

**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, 2017 |             |
|-------|--|---|-------------------------------------|---|--|-----------|--|-------------|
|       |  | 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     | Dr Ibrahim Haji P.A  | 2000000                                   | 6.94                                | 25.04.2016  | 1000000  | Allotment | 3000000  | 9.43        |
| 2     | Mr Abdul Wahab   | 200000                                    | 0.69                                | No Change   |  |           | 200000   | 0.63        |
| 3     | Mr E.M. Najeeb   | 400000                                    | 1.39                                | No Change   |  |           | 400000   | 1.26        |
| 4     | DR Azad Moopen   | 1000000                                   | 3.47                                | No Change   |  |           | 1000000  | 3.14        |
| 5     | Mr Ashraf Ali M.A  | 2000000                                   | 6.94                                | No Change   |  |           | 2000000  | 6.29        |
| 6     | Dr V P Shamsheer   | 1000000                                   | 3.47                                | No Change   |  |           | 1000000  | 3.14        |
| 7     | Mr PK Ahammed  | 999999                                    | 3.47                                | No Change   |  |           | 999999   | 3.14        |
| 8     | Mr C K Menon   | 3000000                                   | 10.42                               |   |  |           | 3000000  | 9.43        |
| 9     | Mr Abdulla Poyil   | 3000000                                   | 10.42                               | 24.10.2015  | 500000   | Allotment | 4000000  | 12.58       |
|       |  |   |                                     | 27.02.2017  | 500000   | Allotment |  |             |

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

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

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

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

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

|    |                        |  |  |  |  |     |
|----|------------------------|--|--|--|--|-----|
|    | - others, specify...   |  |  |  |  |     |
| 5. | Others, please specify |  |  |  |  |     |
| 6. | Total(A)               |  |  |  |  | Nil |
|    | Ceiling as per the Act |  |  |  |  |     |

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

| Sl. No. | Particulars of Remuneration  | Name of MD/WTD/<br>Manager |  |  |  | Total<br>Amount |
|---------|--|----------------------------|--|--|--|-----------------|
|         | <u>Independent Directors</u><br>• Fee for attending board committee meetings<br>• Commission<br>• Others, please specify         |                            |  |  |  | Nil             |
|         | Total(1)   |                            |  |  |  | Nil             |
|         | <u>Other Non-Executive Directors</u><br>• Fee for attending board committee meetings<br>• Commission<br>• Others, please specify |                            |  |  |  | Nil             |
|         | Total(2)   |                            |  |  |  | Nil             |
|         | Total(B)=(1+2)   |                            |  |  |  | Nil             |
|         | Total Managerial Remuneration  |                            |  |  |  | Nil             |
|         | Overall Ceiling as per the Act   |                            |  |  |  | Nil             |

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

| Sl. no. | Particulars of Remuneration(Per annum)   | Key Managerial Personnel |   |  |                                   |
|---------|--|--------------------------|---|--|-----------------------------------|
|         |  | CEO                      | Company Secretary*                            | CFO  | Total                             |
| 1.      | Gross salary<br>(a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961<br><br>(b)Value of perquisites u/s 17(2)Income-tax Act,1961<br><br>(c)Profits in lieu of |                          | Rs. 721006 <sup>1</sup><br><br>NIL<br><br>Nil | Rs. 1385356 <sup>2</sup><br><br>Rs.<br><br>Nil | Rs. 2106362<br><br>Rs.<br><br>Nil |

|    |   |  |           |              |               |
|----|---|--|-----------|--------------|---------------|
|    | salary under section 17(3)Income-tax Act,1961         |  |           |              |               |
| 2. | Stock Option  |  | Nil       | Nil          | Nil           |
| 3. | Sweat Equity  |  | Nil       | Nil          | Nil           |
| 4. | Commission<br>- as % of profit<br>-others, specify... |  | Nil       | Nil          | Nil           |
| 5. | Others,<br>please specify                             |  | Nil       | Nil          | Nil           |
| 6. | Total   |  | Rs.721006 | Rs.1385356/- | Rs. 2106362/- |

1. from May 2, 2016. Before May 2016, Gross salary was Rs 673185 p a
2. from August 17, 2015. Before August 17,2016 Gross salary was Rs 1249461p.a.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING 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) |
|-------------------------------------|------------------------------|-------------------|---|----------------------------|-----------------------------------|
| <b>A. Company</b>                   |                              |                   |   |                            |                                   |
| Penalty                             |                              |                   |   |                            |                                   |
| Punishment                          |                              |                   |   |                            |                                   |
| Compounding                         |                              |                   |   |                            |                                   |
| <b>B. Directors</b>                 |                              |                   |   |                            |                                   |
| Penalty                             |                              |                   |   |                            |                                   |
| Punishment                          |                              |                   |   |                            |                                   |
| Compounding                         |                              |                   |   |                            |                                   |
| <b>C. Other Officers In Default</b> |                              |                   |   |                            |                                   |
| Penalty                             |                              |                   |   |                            |                                   |
| Punishment                          |                              |                   |   |                            |                                   |
| Compounding                         |                              |                   |   |                            |                                   |

Date: 28/08/2017

Place: Cochin

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

P K Ahammed  
DIN: 01678711  
Director

Sd/-

A P M Mohammed Hanish I A S  
DIN:02504842  
Managing Director



**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF CHERAMAN FINANCIAL SERVICES LIMITED**

**Report on the Standalone Financial Statements:**

We have audited the accompanying standalone Financial Statements of **Cheraman Financial Services Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 standalone 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 standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of balance sheet, of the state of affairs of the Company as at 31st March, 2017.
- ii) in the case of the Statement of profit and Loss, of the profit of the Company for the year ended on that date;
- iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter Paragraph**

We draw attention to Note No.10 forming part of the financial statements, which states that in the opinion of the management, no permanent diminution in value of investments in the subsidiary company is anticipated at this stage, in view of the business plans of the subsidiary companies, which is expected to bring in positive cash flows in the near future and hence no provision for diminution in value of investments is made during the year.

Our opinion is not qualified in respect of this matter.

**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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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.30 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.31 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.
- iv) The Company has provided requisite disclosures in Note No.13.1 to the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For Krishnamoorthy and Krishnamoorthy  
Chartered Accountants  
FRN: 001488S

Place: Cochin - 16  
Date: 28/08/2017

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 STANDALONE FINANCIAL STATEMENTS OF CHERAMAN FINANCIAL SERVICES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

- (i)a) The company has maintained records showing full particulars, including quantitative details and situation of fixed assets;
  - b) 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 do 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) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 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, wealth tax, service tax, duty of customs, value added tax, cess and any other statutory dues with the appropriate authorities during the year. There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of exercise, value added 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 required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and the registration has been obtained by the Company.

For Krishnamoorthy and Krishnamoorthy  
Chartered Accountants  
FRN: 001488S

Place: Cochin - 16  
Date: 28/08/2017

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 STANDALONE FINANCIAL STATEMENTS OF CHERAMAN FINANCIAL SERVICES LIMITED FOR THE YEAR ENDED 31ST MARCH 2017**

**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 Financial Services Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 2017, 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: 28/08/2017

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

| <b>CHERAMAN FINANCIAL SERVICES LIMITED</b><br><b>(Formerly known as Al-Barakah Financial Services Ltd)</b><br><b>BALANCE SHEET AS AT 31st MARCH 2017</b>  |  |  |                                    |
|---|--|--|------------------------------------|
| Particulars   | Note No  | As at 31st March 2017 Amount (INR)                           | As at 31st March 2016 Amount (INR) |
| <b><u>EQUITY AND LIABILITIES:</u></b>   |  |  |                                    |
| <b>(1) Shareholder's Funds</b>  |  |  |                                    |
| (a) Share Capital   | 2  | 318,000,000  | 288,000,000                        |
| (b) Reserves and Surplus  | 3  | (69,051,371)   | (72,576,898)                       |
| <b>(2) Non-Current Liabilities</b>  |  |  |                                    |
| (a) Other Long Term Liabilities   | 4  | 13,321,100   | 9,661,556                          |
| (b) Long-Term Provisions  | 5  | 588,256  | 329,736                            |
| <b>(3) Current Liabilities</b>  |  |  |                                    |
| (a) Trade Payables  | 6  | 100,000  | -                                  |
| (b) Other Current Liabilities   | 7  | 3,350,107  | 2,320,179                          |
| (c) Short-Term Provisions   | 8  | 816,213  | 584,806                            |
| <b>Total</b>  |  | <b>267,124,305</b>   | <b>228,319,379</b>                 |
| <b><u>ASSETS:</u></b>   |  |  |                                    |
| <b>(1) Non-Current Assets</b>   |  |  |                                    |
| (a) Fixed Assets  | 9  |  |                                    |
| i) Tangible Assets  |  | 4,801,563  | 5,683,174                          |
| ii) Intangible Assets   |  | 14,725   | 14,725                             |
| (b) Non-Current Investments   | 10   | 59,800,200   | 59,800,200                         |
| (c) Long Term Loans and Advances  | 11   | 99,065,877   | 53,913,461                         |
| <b>(2) Current Assets</b>   |  |  |                                    |
| (a) Trade Receivables   | 12   | 1,712,522  | 713,807                            |
| (b) Cash and Bank Balances  | 13   | 10,813,971   | 38,251,901                         |
| (c) Short-Term Loans and Advances   | 14   | 90,092,716   | 69,480,600                         |
| (d) Other Current Assets  | 15   | 822,731  | 461,511                            |
| <b>Total</b>  |  | <b>267,124,305</b>   | <b>228,319,379</b>                 |
| <b>Significant Accounting Policies</b> 1<br>The accompanying notes form an integral part of the financial statements.<br><br>As per our Report of even date<br><b>For Krishnamoorthy &amp; Krishnamoorthy</b> <b>For and on behalf of the Board of Directors</b><br>Chartered Accountants<br>(Firm Regn.No.001488S) |  |  |                                    |
| Sd/-<br><b>K T Mohanan</b><br>Partner<br>(M No.201484)  | Sd/-<br><b>APM Mohammed Hanish IAS</b><br>Managing Director<br>Din: 02504842 | Sd/-<br><b>M M Abdul Basheer</b><br>Director<br>Din:00120916 |                                    |
|   | Sd/-<br><b>Meera C</b><br>Company Secretary                                  | Sd/-<br><b>Remesh Shenoi S</b><br>Chief Financial Officer    |                                    |
| Place: Kochi<br>Date: 28th August 2017  | Place: Kochi<br>Date: 28th August 2017                                       |  |                                    |

| <b>CHERAMAN FINANCIAL SERVICES LIMITED</b><br>(Formerly known as Al-Barakah Financial Services Ltd)<br>Statement of Profit And Loss for the Year Ended 31st March 2017  |  |   |  |
|---|--|---|--|
| Particulars   | Note No  | For the Year Ended<br>31.03.2017<br>Amount (INR)              | For the Year Ended<br>31.03.2016<br>Amount (INR) |
| <b>I INCOME</b>   |  |   |  |
| a) Revenue from Operations  | 16   | 13,328,474  | 6,457,735  |
| b) Other Income   | 17   | 19,830  | 23,250   |
| <b>Total Revenue (a+b)</b>  |  | <b>13,348,304</b>   | <b>6,480,985</b>                                 |
| <b>II EXPENSES</b>  |  |   |  |
| a) Employee Benefit Expenses  | 18   | 5,478,466   | 6,302,416  |
| b) Depreciation and Amortization Expenses   | 9  | 917,257   | 1,065,811  |
| c) Other Expenses   | 19   | 3,427,054   | 4,757,202  |
| <b>Total Expenses (a+b+c)</b>   |  | <b>9,822,777</b>  | <b>12,125,429</b>                                |
| <b>III. Profit/(Loss) before exceptional and extraordinary items and tax (I -II)</b>  |  | <b>3,525,527</b>  | <b>(5,644,444)</b>                               |
| <b>IV. Exceptional Items</b>  |  | -   | -  |
| <b>V. Profit/(Loss) Before Tax (III-IV)</b>   |  | <b>3,525,527</b>  | <b>(5,644,444)</b>                               |
| <b>VI. Tax Expense:</b>   |  |   |  |
| a) Current Tax  |  | -   | -  |
| b) Deferred Tax   |  | -   | -  |
| <b>VII. Profit/(Loss) After Tax (V-VI)</b>  |  | <b>3,525,527</b>  | <b>(5,644,444)</b>                               |
| <b>VIII. Earning per Equity Share of Rs.10 each</b>   | 20   |   |  |
| Basic & Diluted   |  | 0.11  | (0.21)   |
| <b>Significant Accounting Policies</b> 1<br>The accompanying notes form an integral part of the financial statements.<br><br>As per our Report of even date<br><b>For Krishnamoorthy &amp; Krishnamoorthy</b> <b>For and on behalf of the Board of Directors</b><br>Chartered Accountants<br>(Firm Regn.No.001488S) |  |   |  |
| Sd/-<br><b>K T Mohanan</b><br>Partner<br>(M No.201484)  | Sd/-<br><b>APM Mohammed Hanish IAS</b><br>Managing Director<br>Din: 02504842 | Sd/-<br><b>M M Abdul Basheer</b><br>Director<br>Din: 00120916 |  |
|   | Sd/-<br><b>Meera C</b><br>Company Secretary                                  | Sd/-<br><b>Remesh Shenoi S</b><br>Chief Financial Officer     |  |
| Place: Kochi<br>Date: 28th August 2017  | Place: Kochi<br>Date: 28th August 2017                                       |   |  |

| <b>CHERAMAN FINANCIAL SERVICES LIMITED</b><br><b>(Formerly known as Al-Barakah Financial Services Ltd)</b><br><b>Cash Flow Statement For The Year Ended 31st March 2017</b> |  |                          |
|---|--|--------------------------|
| Particulars   | 2016-17  | 2015-16                  |
|   | Amount (INR)                                       | Amount (INR)             |
| <b>A. Cash Flow From Operating Activities</b>   |  |                          |
| Profit/(Loss) Before Tax & Exceptional Items  | 3,525,527  | (5,644,444)              |
| Adjustments for:  |  |                          |
| Depreciation and Amortisation   | 917,257  | 1,065,811                |
| Excess Depreciation written back  | -  | (7,915)                  |
| <b>Operating Profit before working capital changes</b>  | <b>4,442,784</b>                                   | <b>(4,586,548)</b>       |
| Movements in working capital :  |  |                          |
| Increase/ (decrease) in other long term liabilities   | 3,659,544  | 8,772,113                |
| Increase/ (decrease) in long term provisions  | 258,520  | 287,127                  |
| Increase/ (decrease) in trade payables  | 100,000  | -                        |
| Increase/ (decrease) in other current liabilities   | 1,029,928  | 1,800,192                |
| Increase/ (decrease) in short term provisions   | 231,407  | 123,265                  |
| Decrease / (increase) in long-term loans and advances   | (45,152,415)                                       | (35,964,872)             |
| Decrease / (increase) in Trade Receivables  | (998,715)  | (314,864)                |
| Decrease / (increase) in short-term loans and advances  | (20,612,117)                                       | (39,815,007)             |
| Decrease / (increase) in other current assets   | (361,221)  | (285,045)                |
| <b>Net change in working capital</b>  | <b>(61,845,069)</b>                                | <b>(65,397,090)</b>      |
| <b>Cash generated from/(used in) operations</b>   | <b>(57,402,285)</b>                                | <b>(69,983,638)</b>      |
| Direct Taxes Paid (net of Refund)   | -  | -                        |
| <b>Cash generated from /(used in) from operating activities (A)</b>   | <b>(57,402,285)</b>                                | <b>(69,983,638)</b>      |
| <b>B. Cash Flow from Investing Activities</b>   |  |                          |
| Purchase of Fixed assets  | (35,645)   | (19,184)                 |
| Purchase of non current investments   | -  | (3,999,970)              |
| <b>Net cash flow from/(used in) investing activities (B)</b>  | <b>(35,645)</b>                                    | <b>(4,019,154)</b>       |
| <b>C. Cash Flow from Financing Activities</b>   |  |                          |
| Proceeds from issue of Share capital  | 30,000,000   | 54,500,000               |
| <b>Net cash flow from/(used in) financing activities ( C)</b>   | <b>30,000,000</b>                                  | <b>54,500,000</b>        |
| <b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>  | <b>(27,437,930)</b>                                | <b>(19,502,792)</b>      |
| Cash & Cash Equivalents at the beginning of the year  | 38,251,901   | 57,754,693               |
| <b>Cash &amp; Cash Equivalents at the end of the year (Note 13)</b>   | <b>10,813,971</b>                                  | <b>38,251,901</b>        |
| As per our Report of even date  |  |                          |
| <b>For Krishnamoorthy &amp; Krishnamoorthy</b>  | <b>For and on behalf of the Board of Directors</b> |                          |
| Chartered Accountants   |  |                          |
| (Firm Regn.No.001488S)  |  |                          |
| Sd/-  | Sd/-   | Sd/-                     |
| <b>K T Mohanan</b>  | <b>APM Mohammed Hanish IAS</b>                     | <b>M M Abdul Basheer</b> |
| Partner   | Managing Director                                  | Director                 |
| (M No.201484)   | Din: 02504842                                      | Din:00120916             |
|   | Sd/-   | Sd/-                     |
|   | <b>Meera C</b>                                     | <b>Remesh Shenoi S</b>   |
|   | Company Secretary                                  | Chief Financial Officer  |
| Place: Kochi  |  | Place: Kochi             |
| Date: 28th August 2017  |  | Date: 28th August 2017   |

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

### 1 Significant Accounting Policies

#### 1.1 Basis of Accounting

- a) 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 along with Master Directions issued by Reserve Bank of India vide Notification No. DNBR.PD.007/03.10.119/2016-17 for Non-Banking Financial Company -Non-Systematically Important Non-Deposit taking Companies. 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.
- b) As per the Master Directions issued by Reserve Bank of India vide Notification No. DNBR.PD.007/03.10.119/2016-17 for Non-Banking Financial Company -Non-Systematically Important Non-Deposit taking Companies not accepting public funds, the Company is exempt from the compliance of requirements of Chapter IV of the applicable Master Directions which contains the principles of Income Recognition, Asset Classification & Provisioning Requirements.
- c) As required by Schedule III of Companies Act, 2013, the Company has classified assets and liabilities into current and non-current based on the operating cycle. An operating cycle is the time between the acquisition of assets and their realization in cash or cash equivalents. Since in the case of non-banking financial company, normal operating cycle is not applicable hence the operating cycle has been considered as 12 months.

#### 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 Revenue Recognition

The Annualised Cost to Customer under income from Operations represents the income arrived on assets under finance, based on Internal Rate of Return method. Such income is recognised as it accrues on a time proportion basis taking into account the amount outstanding and the rate applicable.

Upfront / processing fees collected from the customer for processing lease/hire purchase facility are primarily towards documentation charges. This is accounted as income when the amount becomes due provided recovery thereof is certain.

#### 1.4 Tangible & Intangible Assets

Tangible & 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.

#### 1.5 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 assets to their present value.

## **1.6 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.

## **1.7 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.

## **1.8 Finance Lease**

As per para 26 of Accounting Standard (AS) -19 on Leases, the assets given under financial leases are recognised in the Balance Sheet as receivables at an amount equal to net investments in the leases. The finance charges earned are recognised periodically in the books of accounts and the principal component in the lease rentals is reduced from the receivables periodically. Even though, the lease transactions is deemed as sales under the KVAT Act and CST Act, the same is not disclosed as sales/purchase in the financial statements, following the principles as laid down in accounting Standard 19.

## **1.9 Provision for Standard Assets & Doubtful Lease/Hire Rent Receivables**

The Company being a Non-systematically important non deposit taking company and not accepting public funds is exempt from the applicability of Chapter IV of the applicable Master Direction which deals with Income recognition, Asset Classification and Provisioning Norms. Provision for bad and doubtful lease/hire rent receivables are based on management best estimate and Principles of Prudence. The Company provides an allowance for Standard Assets @ 0.25% of the outstanding amount as on the Balance sheet date as a matter of prudence.

## **1.10 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.

## **1.11 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.

## **1.12 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.

### **1.13 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.

### **1.14 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 2017

### 2 Share Capital

| Particulars  | As at 31st March<br>2017<br>Amount (INR) | As at 31st March<br>2016<br>Amount (INR) |
|--|--|--|
| <b>Authorised Capital</b><br>1,000,000,000 Equity Shares of Rs. 10/- each  | 10,000,000,000                           | 10,000,000,000                           |
| <b>Issued and Subscribed and Fully Paid Up</b><br>3,18,00,000 (2,88,00,000) Equity Shares of Rs. 10/- each fully paid up | 318,000,000                              | 288,000,000                              |
|  | <b>318,000,000</b>                       | <b>288,000,000</b>                       |
|  |  |  |

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

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

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

#### 2.2 Reconciliation of Outstanding Shares:

| Particulars                 | 31st March 2017   |                    | 31st March 2016   |                    |
|-----------------------------|-------------------|--------------------|-------------------|--------------------|
|                             | No of Shares      | Amount (INR)       | No of Shares      | Amount(INR)        |
| Opening as on 1st April     | 28,800,000        | 288,000,000        | 23,350,000        | 233,500,000        |
| Add: Issued during the year | 3,000,000         | 30,000,000         | 5,450,000         | 54,500,000         |
| Closing as on 31st March    | <b>31,800,000</b> | <b>318,000,000</b> | <b>28,800,000</b> | <b>288,000,000</b> |
|                             |                   |                    |                   |                    |

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

| Name of the Shareholder | No. of shares as on<br>31st March 2017 | % of holding | No. of shares as on<br>31st March 2016 | % of holding |
|-------------------------|--|--------------|--|--------------|
| Mr. Siddeek Ahmed Haji  | 6000000                                | 18.87%       | 5000000                                | 17.36%       |
| Mr. Abdulla poyil       | 4000000                                | 12.58%       | 3000000                                | 10.42%       |
| M/s KSIDC               | 3100000                                | 9.75%        | 3100000                                | 10.76%       |
| Mr. C K Menon           | 3000000                                | 9.43%        | 3000000                                | 10.42%       |
| Mr.Yusuffali M A        | 3000000                                | 9.43%        | 3000000                                | 10.42%       |
| Mr. Ibrahim Haji P.A    | 3000000                                | 9.43%        | 2000000                                | 6.94%        |
| Mr.P Mohamad Ali        | 2200000                                | 6.92%        | 2200000                                | 7.64%        |
| Mr.Ashraf Ali M.A       | 2000000                                | 6.29%        | 2000000                                | 6.94%        |

### 3 Reserves & Surplus

| Particulars                         | As at 31st March<br>2017<br>Amount (INR) | As at 31st March<br>2016<br>Amount (INR) |
|-------------------------------------|--|--|
| <b>a) Profit &amp; Loss Account</b> |  |  |
| Opening Balance                     | (72,576,898)                             | (66,932,454)                             |
| Add : Profit/(Loss) for the year    | 3,525,527                                | (5,644,444)                              |
| <b>TOTAL</b>                        | <b>(69,051,371)</b>                      | <b>(72,576,898)</b>                      |
|                                     |  |  |

### 4 Other Long Term Liabilities

| Particulars                | As at 31st March<br>2017<br>Amount (INR) | As at 31st March<br>2016<br>Amount (INR) |
|----------------------------|--|--|
| <b>a) Others</b>           |  |  |
| Security Deposit - Leasing | 13,321,100                               | 9,661,556                                |
| <b>TOTAL</b>               | <b>13,321,100</b>                        | <b>9,661,556</b>                         |
|                            |  |  |

### 5 Long Term Provisions

| Particulars  | As at 31st March<br>2017<br>Amount (INR) | As at 31st March<br>2016<br>Amount (INR) |
|--|--|--|
| <b>i) For Employee Benefit:</b>                          |  |  |
| Provision for Gratuity                                   | 345,003                                  | 197,885                                  |
| <b>ii) Contingent Provisions against Standard Assets</b> | <b>243,253</b>                           | <b>131,851</b>                           |
| <b>TOTAL</b>   | <b>588,256</b>                           | <b>329,736</b>                           |
|  |  |  |

### 6 Trade Payables

| Particulars  | As at 31st March<br>2017<br>Amount (INR) | As at 31st March<br>2016<br>Amount (INR) |
|--------------|--|--|
| Due to MSME  | -  | -  |
| Others       | 100,000                                  | -  |
| <b>TOTAL</b> | <b>100,000</b>                           | <b>-</b>                                 |
|              |  |  |

### 7 Other Current Liabilities

| Particulars   | As at 31st March<br>2017<br>Amount (INR) | As at 31st March<br>2016<br>Amount (INR) |
|---|--|--|
| <b>a) Advance Received for Services to be rendered in relation to leasing</b> | <b>760,608</b>                           | <b>1,912,247</b>                         |
| <b>b) Other Payables:</b>   |  |  |
| i) Statutory Remittances  | 497,588                                  | 232,480                                  |
| ii) Expenses Payable  | 295,601                                  | 175,452                                  |
| iii) Security Deposit - Leasing   | 1,796,310                                | -  |
| <b>TOTAL</b>  | <b>3,350,107</b>                         | <b>2,320,179</b>                         |
|   |  |  |

8 Short Term Provisions

| Particulars  | As at 31st March<br>2017<br>Amount (INR) | As at 31st March<br>2016<br>Amount (INR) |
|--|--|--|
| <b>i) For Employee Benefit:</b>                          |  |  |
| Provision for Gratuity                                   | -  | 40,385                                   |
| Provision for Leave Encashment                           | 719,412                                  | 490,431                                  |
| <b>ii) Contingent Provisions against Standard Assets</b> | 96,801                                   | 53,990                                   |
| <b>TOTAL</b>   | <b>816,213</b>                           | <b>584,806</b>                           |
|  |  |  |

10 Non Current Investments

| Particulars  | As at 31st March<br>2017<br>Amount (INR) | As at 31st March<br>2016<br>Amount (INR) |
|--|--|--|
| <b>Other Investments at Cost</b>   |  |  |
| <b>i) Investment in Equity Instruments (Unquoted)</b>  |  |  |
| (a) 17,50,000 (Previous year - 17,50,000) equity shares of Rs.10/-each fully paid up in wholly owned subsidiary, Cheraman Funds Management Limited   | 17,500,000                               | 17,500,000                               |
| (b) 21,60,000 (Previous year - 21,60,000) equity shares of Rs.10/- each fully paid up in wholly owned subsidiary, Cheraman Infrastructure Private Limited  | 21,600,000                               | 21,600,000                               |
| (c) 71,380 (Previous year - 57,587) equity shares of Rs.10/- each bought at a premium of Rs.280/- each, fully paid up in subsidiary, Suits India Pvt. Ltd.   | 20,700,200                               | 20,700,200                               |
| <b>TOTAL</b>   | <b>59,800,200</b>                        | <b>59,800,200</b>                        |
| <p>ii) Considering the Business Plan of Cheraman Funds Management Ltd which is expected to bring in positive cash flows in the near future, the management is of the opinion that no diminution in value of investment in the subsidiary company is anticipated at this stage and hence no provision is made for diminution in value.</p> <p>iii) Considering the Business Plan of Suits India Private Ltd which is expected to bring in positive cash flows in the near future, the management is of the opinion that no diminution in value of investment in the subsidiary company is anticipated at this stage and hence no provision is made for diminution in value.</p> |  |  |

11 Long Term Loans & Advances

| Particulars                   | As at 31st March<br>2017<br>Amount (INR) | As at 31st March<br>2016<br>Amount (INR) |
|-------------------------------|--|--|
| <b>(a) Security Deposits</b>  |  |  |
| Unsecured, Considered Good    | 858,146                                  | 858,645                                  |
| <b>TOTAL (a)</b>              | <b>858,146</b>                           | <b>858,645</b>                           |
| <b>(b) Income Tax Advance</b> |  |  |
|                               | 907,218                                  | 314,159                                  |
| <b>TOTAL (b)</b>              | <b>907,218</b>                           | <b>314,159</b>                           |
| <b>(c) Others</b>             |  |  |
| Secured, Considered Good      |  |  |
| i) Assets on Finance          |  |  |
| - To Related Party            | -  | -  |
| - To Others                   | 97,300,513                               | 52,740,657                               |
| <b>TOTAL (c)</b>              | <b>97,300,513</b>                        | <b>52,740,657</b>                        |
| <b>TOTAL (a +b+c)</b>         | <b>99,065,877</b>                        | <b>53,913,461</b>                        |

12 Trade Receivables

| Particulars  | As at 31st March<br>2017<br>Amount (INR) | As at 31st March<br>2016<br>Amount (INR) |
|--|--|--|
| (a) Outstanding for a period exceeding six months from the date they are due for payment | 718,412                                  | -  |
| (b) Others   |  |  |
| Secured, Considered good   | 994,110                                  | 713,807                                  |
| <b>TOTAL</b>   | <b>1,712,522</b>                         | <b>713,807</b>                           |

13 Cash & Bank Balances

| Particulars                        | As at 31st March<br>2017<br>Amount (INR) | As at 31st March<br>2016<br>Amount (INR) |
|------------------------------------|--|--|
| <b>Cash &amp; Cash Equivalents</b> |  |  |
| i) Balance with Banks              |  |  |
| - In Current Account               | 10,803,843                               | 38,242,567                               |
| ii) Cash on Hand                   | 10,128                                   | 9,334                                    |
| <b>TOTAL</b>                       | <b>10,813,971</b>                        | <b>38,251,901</b>                        |

**13.1 Disclosure on Specified Bank Notes (SBNs)**

During the year the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R.308(E) dated March 31,2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016, the denomination wise SBNs and other notes as per the notification given below:

| Particulars  | SBNs     | Other denomination notes | Total           |
|--|----------|--------------------------|-----------------|
| Closing cash in hand as on 8 <sup>th</sup> November 2016         | 5,500.00 | 905.00                   | 6,405.00        |
| (+) Permitted receipts   | -        | 33,270.00                | 33,270.00       |
| (-) Permitted payments   | -        | 29,119.00                | 29,119.00       |
| (-) Amount deposited in banks                                    | 5,500.00 | -                        | 5,500.00        |
| <b>Closing cash in hand as on 30<sup>th</sup> Decemeber 2016</b> | <b>-</b> | <b>5,056.00</b>          | <b>5,056.00</b> |

**14 Short Term Loans & Advances**

| Particulars  | As at 31st March 2017<br>Amount (INR) | As at 31st March 2016<br>Amount (INR) |
|--|---------------------------------------|---------------------------------------|
| <b>(a) Loans and Advances to Related parties</b>             |                                       |                                       |
| Unsecured, Considered Good                                   |                                       |                                       |
| Wholly owned Subsidiaries:                                   |                                       |                                       |
| i) Cheraman Funds Management Ltd                             | 5,040,000                             | 4,900,000                             |
| ii) Cheraman Infrastructure Pvt Ltd                          | 33,900,000                            | 36,400,000                            |
| <b>(b) Others</b>  |                                       |                                       |
| Secured, Considered Good                                     |                                       |                                       |
| i) Assets on Finance   |                                       |                                       |
| - To Related Party   | -                                     | 958,578                               |
| - To Others  | 38,721,062                            | 20,637,345                            |
| Unsecured, Considered Good                                   |                                       |                                       |
| i) Advances recoverable in kind or for value to be received. | 11,041,428                            | 5,193,767                             |
| ii) Cheraman Trust -Fund (Refer Note No.23)                  | 1,387,910                             | 1,387,910                             |
| iii) Other advances  | 2,316                                 | 3,000                                 |
| <b>TOTAL</b>   | <b>90,092,716</b>                     | <b>69,480,600</b>                     |
|  |                                       |                                       |

**15 Other Current Assets**

| Particulars                              | As at 31st March 2017<br>Amount (INR) | As at 31st March 2016<br>Amount (INR) |
|--|---------------------------------------|---------------------------------------|
| <b>(a) Accruals</b>                      |                                       |                                       |
| (i) Interest Accrued on Fixed Deposits   | 15,907                                | 10,737                                |
| (ii) Accrued Annualised Cost to Customer | 806,824                               | 450,774                               |
| <b>TOTAL</b>                             | <b>822,731</b>                        | <b>461,511</b>                        |
|  |                                       |                                       |

16 Revenue From Operations

| Particulars                                | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|--|--|--|
| Annualised Cost to Customer Processing Fee | 13,012,109                                       | 6,261,873  |
|  | 316,365  | 195,862  |
| <b>TOTAL</b>                               | <b>13,328,474</b>                                | <b>6,457,735</b>                                 |
|  |  |  |

17 Other Income

| Particulars                      | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|----------------------------------|--|--|
| Interest Received on IT Refund   | 12,570   | 1,621  |
| Interest on Fixed Deposit        | 5,170  | 5,037  |
| Miscellaneous Income             | 2,090  | 8,500  |
| Excess Depreciation written back | -  | 7,915  |
| Round Off                        | -  | 177  |
| <b>TOTAL</b>                     | <b>19,830</b>                                    | <b>23,250</b>                                    |
|                                  |  |  |

18 Employee Benefit Expenses

| Particulars                               | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|---|--|--|
| Salaries, Wages and Bonus                 | 5,013,527  | 5,674,207  |
| Contribution to Provident and other Funds | 237,795  | 298,641  |
| Staff Welfare Expenses                    | 80,026   | 91,298   |
| Gratuity                                  | 147,118  | 238,270  |
| <b>TOTAL</b>                              | <b>5,478,466</b>                                 | <b>6,302,416</b>                                 |
|   |  |  |

**19 Other Expenses**

| Particulars                       | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|-----------------------------------|--|--|
| Legal and Professional Fees       | 668,166  | 1,869,091  |
| Travelling Expenses               | 270,133  | 319,628  |
| Rent                              | 1,250,940  | 1,039,102  |
| Office General Expenses           | 356,025  | 203,260  |
| Electricity & Water Charges       | 349,456  | 414,621  |
| Repairs and Maintenance           |  |  |
| (a) Building                      | 2,150  | 556  |
| (b) Others                        | 84,573   | 143,432  |
| Rates, Taxes and Filing Fees      | 35,281   | 92,724   |
| Printing and Stationery           | 30,752   | 34,242   |
| Recruitment Expense               | 11,608   | 54,102   |
| Insurance Charges                 | 12,301   | 123,216  |
| Meeting Expense                   | 27,061   | 164,083  |
| Telephone Charges                 | 104,395  | 121,807  |
| Provision Against Standard Assets | 154,213  | 127,338  |
| Payment to Auditor                |  |  |
| a) Statutory Audit Fee            | 55,000   | 50,000   |
| b) For Tax Audit                  | 15,000   |  |
| <b>TOTAL</b>                      | <b>3,427,054</b>                                 | <b>4,757,202</b>                                 |
|                                   |  |  |

**20 Earnings Per Share**

| Particulars   | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|---|--|--|
| Profit/(Loss) Attributable to Equity Share Holders        | 3,525,527  | (5,644,444)                                      |
| Weighted Average Number of Equity Share Outstanding (Nos) | 30,920,548                                       | 26,286,164                                       |
| <b>Earnings Per Share</b>                                 | <b>0.11</b>                                      | <b>(0.21)</b>                                    |
|   |  |  |

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

**21.1 Details of Related Parties**

| Description of Relationship  | Names of Related Parties  |
|--|---|
| Fully Owned Subsidiaries   | Cheraman Infrastructure Private Ltd<br>Cheraman Funds Management Ltd                                      |
| Subsidiaries   | Suits India Pvt Ltd   |
| Key Management Personnel   | Mr. APM Mohamed Hanish IAS - Managing Director  |
| Persons having significant influence over the company  | Mr.Siddeek Ahmed Haji P - Director<br>Mr.Yusuffali M.A<br>Mr.Ashrafali M.A - Director<br>Mr.V.P.Shamsheer |
| Enterprises under control of persons having significant influence over the company and with whom transactions were carried out during the year | Eram Property Network Private Ltd   |

**21.2 Details of related party transactions during the year ended 31st March, 2017**

| Name of Related Party               | Nature of Transaction                                    | For the Year Ended 31.03.2017 Amount (INR) | For the Year Ended 31.03.2016 Amount (INR) |
|-------------------------------------|--|--|--|
| Mr.Siddeek Ahmed Haji P - Director  | Subscription to Equity Share Capital                     | 10,000,000                                 | -  |
| Eram Property Network Private Ltd   | Subscription to Equity Share Capital                     | -  | 10,000,000                                 |
| Cheraman Infrastructure Private Ltd | Unsecured Loan Given                                     | -  | 19,000,000                                 |
|                                     | Recovery of Expenses                                     | 10,368                                     | 10,460                                     |
|                                     | Repayment of Loan  | 2,500,000                                  |  |
|                                     | Outstanding Loan Balance at the end of the year          | 33,900,000                                 | 36,400,000                                 |
| Cheraman Funds Management Ltd       | Unsecured Loan Given                                     | 140,000                                    | 400,000                                    |
|                                     | Recovery of Expenses                                     | -  | 88,775                                     |
|                                     | Outstanding Loan Balance at the end of the year          | 5,040,000                                  | 4,900,000                                  |
| Suits India Private Ltd             | Investment in to Equity Share Capital                    | -  | 3,999,970                                  |
|                                     | Equipment Lease facility given during the year           | -  | -  |
|                                     | Income from Equipment Leasing recognized during the year | 79,252                                     | 228,196                                    |
|                                     | Outstanding balance of lease facility                    | 1,166,500                                  | 958,578                                    |
|                                     |  |  |  |

**22 Pursuant to the Accounting Standard (AS-19) – Leases, the following information is given:**

- 22.1** The Company has given certain assets on lease which effectively transferred substantially all of the risks and benefit incidental to the ownership.
- 22.2** The total gross investment in these leases and the present value of minimum lease payment receivable as on 31st March, 2017 is as under:

|   | As At 31.03.2017          |                         |                              |
|---|---------------------------|-------------------------|------------------------------|
|   | Gross investment in Lease | Unearned Finance Income | Present Value of Receivables |
| i) Not later than one year                            | 52,856,748                | 14,135,685              | 38,721,062                   |
| ii) Later than one year and not later than five years | 114,361,938               | 17,061,424              | 97,300,513                   |
| iii) Later than five years                            | -                         | -                       | -                            |
| <b>Total</b>  | <b>167,218,685</b>        | <b>31,197,110</b>       | <b>136,021,576</b>           |
|   |                           |                         |                              |
|   | As At 31.03.2016          |                         |                              |
|   | Gross investment in Lease | Unearned Finance Income | Present Value of Receivables |
| i) Not later than one year                            | 29,734,648                | 8,138,725               | 21,595,924                   |
| ii) Later than one year and not later than five years | 60,268,682                | 7,528,025               | 52,740,657                   |
| iii) Later than five years                            | -                         | -                       | -                            |
| <b>Total</b>  | <b>90,003,330</b>         | <b>15,666,749</b>       | <b>74,336,581</b>            |



- 23 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.
- 24 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.
- 25 The Company is having only few employees and the provision for long term employee benefits such as Gratuity and Earned leave are made based on the assumption that such benefits are payable to all employees at the end of the year. The Management is of the opinion that since there are only few employees, there will not be any material impact for the provision made without assessing the liability on actuarial basis.

**26 Earnings and Expenditure in Foreign Currency**

| Particulars                                  | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|--|--|--|
| (a) Earnings in Foreign Currency             | -  | -  |
| (b) Expenditure in Foreign Currency          |  |  |
| Purchase of Equipment for Leasing            | 2,355,045  | 31,679,041                                       |
| Travel Expenses                              | 141,427  | 124,127  |
| <b>Total Expenditure in Foreign Currency</b> | <b>2,496,472</b>                                 | <b>31,803,168</b>                                |
|  |  |  |

**27 CIF Value of Imports**

| Particulars            | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|------------------------|--|--|
| Equipments for Leasing | 2,355,045  | 31,679,041                                       |

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

| Particulars  | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|--|--|--|
| a) Contingent Liabilities:   |  |  |
| i) Claims against the company not acknowledged as debt   |  |  |
| - Bond given to Commercial Taxes Department, Kerala on imported equipment meant for Hire purchase. | 2,303,800  | 2,303,800  |
| - Bond given to Customs for warehousing of imported equipment meant for leasing                    | 5,000,000  | 5,000,000  |
| ii) Others   | Nil  | Nil  |
| b) Commitments -   | Nil  | Nil  |

- 29 Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006”. Accordingly, no disclosures relating to amounts unpaid as at the year ended 31st March, 2017 together with interest paid /payable are required to be furnished
- 30 **Litigation:** The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations.
- 31 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 32 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

Signatures to Note 1 to 32 forming integral part of accounts.

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/-  
**APM Mohammed Hanish IAS**  
Managing Director  
Din: 02504842

Sd/-  
**M M Abdul Basheer**  
Director  
Din: 00120916

Place: Kochi  
Date: 28th August 2017

Sd/-  
**Meera C**  
Company Secretary

Sd/-  
**Remesh Shenoi S**  
Chief Financial Officer

Place: Kochi  
Date: 28th August 2017

## Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

(as required in terms of paragraph 18 of Non-Banking Financial Company - Non Systematically Important Non-Deposit taking Reserve Bank Directions, 2016)

### LIABILITIES SIDE

Amount in Rs.

| Sl.No.   | Particulars   | Amount out-standing as on 31st March 2017 | Amount overdue as on 31st March 2017 |
|----------|---|---|--------------------------------------|
| <b>1</b> | <b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not <u>paid</u>:</b> |   |                                      |
|          | (a) Debentures - Secured  | -   | -                                    |
|          | - Unsecured   | -   | -                                    |
|          | (b) Deferred Credits  | -   | -                                    |
|          | (c) Term Loans  | -   | -                                    |
|          | (d) Inter-corporate loans and borrowing   | -   | -                                    |
|          | (e) Commercial Paper  | -   | -                                    |
|          | (f) Public Deposits*  | -   | -                                    |
|          | (f) Other Loans (specify nature)  | -   | -                                    |
| <b>2</b> | <b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>                |   |                                      |
|          | (a) In the Form of Unsecured Debentures   | -   | -                                    |
|          | (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security                  | -   | -                                    |
|          | (c) Other Public Deposits   | -   | -                                    |

### ASSETS SIDE

Amount in Rs.

| Sl.No.   | Particulars  | Amount out-standing as on 31st March 2017 |
|----------|--|---|
| <b>3</b> | <b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b> |   |
|          | (a) Secured  | -   |
|          | (b) Unsecured  | 38,940,000                                |

Amount in Rs.

| Sl.No.   | Particulars   | Amount out-standing as on 31st March 2017 |
|----------|---|---|
| <b>4</b> | <b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b> |   |
|          | (i) Lease assets including lease rentals under sundry debtors :                                     |   |
|          | (a) Financial lease   | 136,021,576                               |
|          | (b) Operating lease   | -   |
|          | (ii) Stock on hire including hire charges under sundry debtors:                                     | -   |
|          | (a) Assets on hire  | -   |
|          | (b) Repossessed Assets  | -   |
|          | (iii) Other loans counting towards AFC activities   | -   |
|          | (a) Loans where assets have been repossessed  | -   |
|          | (b) Loans other than (a) above  | -   |

Amount in Rs.

| Sl.No. | Particulars   | Amount out-standing as on 31st March 2017 |
|--------|---|---|
| 5      | <b>Break-up of Investments :</b><br><u>Current Investments :</u><br><u>1 Quoted :</u><br>(i) Shares : (a) Equity -<br>(b) Preference -<br>(ii) Debentures and Bonds -<br>(iii) Units of mutual funds -<br>(iv) Government Securities -<br>(v) Others (please specify) -<br><u>2 Unquoted :</u><br>(i) Shares : (a) Equity -<br>(b) Preference -<br>(ii) Debentures and Bonds -<br>(iii) Units of mutual funds -<br>(iv) Government Securities -<br>(v) Others (please specify) -<br><u>Long Term investments :</u><br><u>1. Quoted :</u><br>(i) Shares : (a) Equity -<br>(b) Preference -<br>(ii) Debentures and Bonds -<br>(iii) Units of mutual funds -<br>(iv) Government Securities -<br>(v) Others (please specify) -<br><u>2. Unquoted :</u><br>(i) Shares : (a) Equity 59,800,200<br>(b) Preference -<br>(ii) Debentures and Bonds -<br>(iii) Units of mutual funds -<br>(iv) Government Securities -<br>(v) Others (please specify) - |   |

Amount in Rs.

| 6 | Borrower group-wise classification of assets financed as in (3) and (4) above : | Amount net of provisions as on 31st March 2017 |                   |                    |
|---|---|--|-------------------|--------------------|
|   | Category  | Secured  | Unsecured         | Total              |
|   | <b>1. Related Parties **</b>  |  |                   |                    |
|   | (a) Subsidiaries  | -  | 38,940,000        | 38,940,000         |
|   | (b) Companies in the same group   | -  | -                 | -                  |
|   | (c) Other related parties   | -  | -                 | -                  |
|   | 2. Other than related parties   | 136,021,576                                    | -                 | 136,021,576        |
|   | <b>Total</b>  | <b>136,021,576</b>                             | <b>38,940,000</b> | <b>174,961,576</b> |

Amount in Rs.

| 7 | Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): |  |                                |
|---|--|--|--------------------------------|
|   | Category   | Market Value/Break up or fair value or NAV | Book Value (Net of Provisions) |
|   | <b>1. Related Parties **</b>   |  |                                |
|   | (a) Subsidiaries   | 6,348,901                                  | 59,800,200                     |
|   | (b) Companies in the same group  | -  | -                              |
|   | (c) Other related parties  | -  | -                              |
|   | 2. Other than related parties  | -  | -                              |
|   | <b>Total</b>   | <b>6,348,901</b>                           | <b>59,800,200</b>              |

Amount in Rs.

|   |   | Amount in Rs.               |
|---|---|-----------------------------|
| 8 | Other Information                             | Total As On 31st March 2017 |
|   | Particulars                                   |                             |
|   | (i) Gross Non-Performing Assets               | -                           |
|   | (a) Related parties                           | -                           |
|   | (b) Other than related parties                | -                           |
|   | (ii) Net Non-Performing Assets                | -                           |
|   | (a) Related parties                           | -                           |
|   | (b) Other than related parties                | -                           |
|   | (iii) Assets acquired in satisfaction of debt | -                           |

For Krishnamoorthy &amp; 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/-  
**APM Mohammed Hanish IAS**  
Managing Director  
Din: 02504842

Sd/-  
**M M Abdul Basheer**  
Director  
Din: 00120916

Sd/-  
**Meera C**  
Company Secretary

Sd/-  
**Remesh Sheno S**  
Chief Financial Officer

Place: Kochi  
Date: 28th August 2017

Place: Kochi  
Date: 28th August 2017

## 9 Fixed Assets

| PARTICULARS                        | GROSS BLOCK         |               |           |                     | DEPRECIATION        |                           |                  |           |                     | NET BLOCK           |                     |
|------------------------------------|---------------------|---------------|-----------|---------------------|---------------------|---------------------------|------------------|-----------|---------------------|---------------------|---------------------|
|                                    | As at<br>01.04.2016 | Addition      | Deduction | As at<br>31.03.2017 | As at<br>01.04.2016 | Depreciation<br>Reversal* | For the<br>Year  | Deduction | As at<br>31.03.2017 | As at<br>31.03.2017 | As at<br>31.03.2016 |
| <b>A. Tangible Assets</b>          |                     |               |           |                     |                     |                           |                  |           |                     |                     |                     |
| Building                           | 542,462             | -             | -         | 542,462             | 50,039              | -                         | 17,669           | -         | 67,708              | 474,754             | 492,423             |
| Furniture & Fixture                | 4,631,390           | 6,499         | -         | 4,637,889           | 1,415,230           | -                         | 470,597          | -         | 1,885,827           | 2,752,062           | 3,216,160           |
| Computers                          | 670,040             | 5,072         | -         | 675,112             | 610,485             | -                         | 32,271           | -         | 642,756             | 32,356              | 59,555              |
| Office Equipment                   | 301,920             | 24,074        | -         | 325,994             | 192,546             | -                         | 66,756           | -         | 259,302             | 66,692              | 109,374             |
| Electrical Equipments              | 1,796,619           | -             | -         | 1,796,619           | 480,233             | -                         | 183,397          | -         | 663,631             | 1,132,988           | 1,316,386           |
| Vehicle                            | 871,549             | -             | -         | 871,549             | 382,273             | -                         | 146,567          | -         | 528,839             | 342,710             | 489,276             |
| <b>Total Tangible Assets (A)</b>   | <b>8,813,980</b>    | <b>35,645</b> |           | <b>8,849,625</b>    | <b>3,130,807</b>    | <b>-</b>                  | <b>917,257</b>   |           | <b>4,048,063</b>    | <b>4,801,563</b>    | <b>5,683,174</b>    |
| <b>B. Intangible Assets</b>        |                     |               |           |                     |                     |                           |                  |           |                     |                     |                     |
| Computer Software                  | 311,670             | -             | -         | 311,670             | 296,945             | -                         | -                | -         | 296,945             | 14,725              | 14,725              |
| <b>Total Intangible Assets (B)</b> | <b>311,670</b>      | <b>-</b>      | <b>-</b>  | <b>311,670</b>      | <b>296,945</b>      | <b>-</b>                  | <b>-</b>         | <b>-</b>  | <b>296,945</b>      | <b>14,725</b>       | <b>14,725</b>       |
| <b>Total (A+B)</b>                 | <b>9,125,650</b>    | <b>35,645</b> | <b>-</b>  | <b>9,161,295</b>    | <b>3,427,751</b>    | <b>-</b>                  | <b>917,257</b>   | <b>-</b>  | <b>4,345,009</b>    | <b>4,816,287</b>    | <b>5,697,899</b>    |
| <b>Previous Year</b>               | <b>9,106,466</b>    | <b>19,184</b> | <b>-</b>  | <b>9,125,650</b>    | <b>2,369,855</b>    | <b>(7,915)</b>            | <b>1,065,811</b> | <b>-</b>  | <b>3,427,751</b>    | <b>5,697,899</b>    | <b>6,736,611</b>    |

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF CHERAMAN FINANCIAL SERVICES LIMITED**

**Report on the Standalone Financial Statements:**

We have audited the accompanying standalone Financial Statements of **Cheraman Financial Services Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 standalone 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 standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of balance sheet, of the state of affairs of the Company as at 31st March, 2017.
- ii) in the case of the Statement of profit and Loss, of the profit of the Company for the year ended on that date;
- iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter Paragraph**

We draw attention to Note No.10 forming part of the financial statements, which states that in the opinion of the management, no permanent diminution in value of investments in the subsidiary company is anticipated at this stage, in view of the business plans of the subsidiary companies, which is expected to bring in positive cash flows in the near future and hence no provision for diminution in value of investments is made during the year.

Our opinion is not qualified in respect of this matter.



**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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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.30 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.31 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.
- iv) The Company has provided requisite disclosures in Note No.13.1 to the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For Krishnamoorthy and Krishnamoorthy  
Chartered Accountants  
FRN: 001488S

Place: Cochin - 16  
Date: 28/08/2017

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 STANDALONE FINANCIAL STATEMENTS OF CHERAMAN FINANCIAL SERVICES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

- (i)a) The company has maintained records showing full particulars, including quantitative details and situation of fixed assets;
  - b) 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 do 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) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 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, wealth tax, service tax, duty of customs, value added tax, cess and any other statutory dues with the appropriate authorities during the year. There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of exercise, value added 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 required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and the registration has been obtained by the Company.

For Krishnamoorthy and Krishnamoorthy  
Chartered Accountants  
FRN: 001488S

Place: Cochin - 16  
Date: 28/08/2017

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 STANDALONE FINANCIAL STATEMENTS OF CHERAMAN FINANCIAL SERVICES LIMITED FOR THE YEAR ENDED 31ST MARCH 2017**

**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 Financial Services Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 2017, 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: 28/08/2017

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



| <b>CHERAMAN FINANCIAL SERVICES LIMITED</b><br><b>(Formerly known as Al-Barakah Financial Services Ltd)</b><br><b>CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017</b> |  |  |  |
|---|--|--|--|
| Particulars   | Note No  | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
| <b><u>EQUITY AND LIABILITIES:</u></b>   |  |  |  |
| <b>(1) Shareholder's Funds</b>  |  |  |  |
| (a) Share Capital   | 2  | 318,000,000                              | 288,000,000                              |
| (b) Reserves and Surplus  | 3  | (114,352,819)                            | (108,225,816)                            |
| Minority Interest   |  | 777,986                                  | 1,646,686                                |
| <b>(2) Non-Current Liabilities</b>  |  |  |  |
| (a) Other Long Term Liabilities   | 4  | 17,830,150                               | 10,519,706                               |
| (b) Deferred Tax Liabilities  | 5  | -  | 99,050                                   |
| (c) Long-Term Provisions  | 6  | 786,314                                  | 638,947                                  |
| <b>(3) Current Liabilities</b>  |  |  |  |
| (a) Trade Payables  | 7  | 1,151,527                                | 824,851                                  |
| (b) Other Current Liabilities   | 8  | 10,611,349                               | 5,477,102                                |
| (c) Short-Term Provisions   | 9  | 910,764                                  | 649,178                                  |
| <b>Total</b>  |  | <b>235,715,271</b>                       | <b>199,629,704</b>                       |
| <b><u>ASSETS:</u></b>   |  |  |  |
| <b>(1) Non-Current Assets</b>   |  |  |  |
| (a) Fixed Assets  | 10   |  |  |
| i) Tangible Assets  |  | 15,734,494                               | 16,785,056                               |
| ii) Intangible Assets   |  | 46,822,405                               | 54,934                                   |
| iii) Capital Work in Progress   |  | -  | -  |
| iv) Intangible Assets Under Development   |  | 2,111,490                                | 49,359,892                               |
| Goodwill on Consolidation   |  | 2,578,931                                | 2,578,931                                |
| (b) Long Term Loans and Advances  | 11   | 99,569,785                               | 54,905,039                               |
| (c) Other Non Current Assets  | 12   | 412,000                                  | 452,000                                  |
| <b>(2) Current Assets</b>   |  |  |  |
| (a) Inventories   | 13   | 2,815,091                                | 2,078,798                                |
| (b) Trade Receivables   | 14   | 707,509                                  | 606,131                                  |
| (c) Cash and Bank Balances  | 15   | 11,107,571                               | 43,796,510                               |
| (d) Short-Term Loans and Advances   | 16   | 53,007,033                               | 28,520,460                               |
| (e) Other Current Assets  | 17   | 848,962                                  | 491,953                                  |
| <b>Total</b>  |  | <b>235,715,271</b>                       | <b>199,629,704</b>                       |
| <b>Significant Accounting Policies</b>  | 1  |  |  |
| The accompanying notes form an integral part of the financial statements.   |  |  |  |
| As per our Report of even date  |  |  |  |
| <b>For Krishnamoorthy &amp; Krishnamoorthy</b>  | <b>For and on behalf of the Board of Directors</b> |  |  |
| Chartered Accountants   |  |  |  |
| (Firm Regn.No.001488S)  |  |  |  |
| Sd/-  | Sd/-   | Sd/-                                     |  |
| <b>K T Mohanan</b>  | <b>APM Mohammed Hanish IAS</b>                     | <b>M M Abdul Basheer</b>                 |  |
| Partner   | Managing Director                                  | Director                                 |  |
| (M No.201484)   | DIN: 02504842                                      | DIN:00120916                             |  |
|   | Sd/-   | Sd/-                                     |  |
|   | <b>Meera C</b>                                     | <b>Remesh Shenoi S</b>                   |  |
|   | Company Secretary                                  | Chief Financial Officer                  |  |
| Place: Kochi  | Place: Kochi                                       |  |  |
| Date: 28th August 2017  | Date: 28th August 2017                             |  |  |

| <b>CHERAMAN FINANCIAL SERVICES LIMITED</b><br><b>(Formerly known as Al-Barakah Financial Services Ltd)</b><br><b>Consolidated Statement of Profit And Loss for the Year Ended 31st March 2017</b>   |         |  |  |
|---|---------|--|--|
| Particulars   | Note No | For the Year Ended<br>31.03.2017<br>Amount (INR) | For the Year Ended<br>31.03.2016<br>Amount (INR) |
| <b>I INCOME</b>   |         |  |  |
| a) Revenue from Operations  | 18      | 18,659,646                                       | 7,486,279  |
| b) Other Income   | 19      | 157,797  | 129,420  |
| <b>Total Revenue (a+b)</b>  |         | <b>18,817,443</b>                                | <b>7,615,699</b>                                 |
| <b>II EXPENSES</b>  |         |  |  |
| a) Cost of Material Consumed  | 20      | 944,259  | 681,189  |
| b) Changes in Inventories   | 21      | 174,645  | (336,168)  |
| c) Employee Benefit Expenses  | 22      | 10,828,473                                       | 10,172,135                                       |
| d) Depreciation and Amortization Expenses   | 10      | 4,250,913  | 1,759,910  |
| e) Other Expenses   | 23      | 9,713,907  | 9,113,301  |
| <b>Total Expenses (a+b+c)</b>   |         | <b>25,912,197</b>                                | <b>21,390,366</b>                                |
| <b>III. Profit/(Loss) before exceptional and extraordinary items and tax (I -II)</b>  |         | <b>(7,094,754)</b>                               | <b>(13,774,667)</b>                              |
| <b>IV. Exceptional Items</b>  |         | -  | -  |
| <b>V. Profit/(Loss) Before Tax (III-IV)</b>   |         | <b>(7,094,754)</b>                               | <b>(13,774,667)</b>                              |
| <b>VI. Tax Expense:</b>   |         |  |  |
| a) Current Tax  |         | -  | -  |
| b) Deferred Tax   | 5       | (99,050)   | 99,050   |
| <b>VII. Profit/(Loss) After Tax (V-VI)</b>  |         | <b>(6,995,704)</b>                               | <b>(13,873,717)</b>                              |
| <b>VIII. Minority Interest</b>  |         | <b>(868,701)</b>                                 | <b>(961,013)</b>                                 |
| <b>IX. Profit/(Loss) attributable to Shareholders</b>   |         | <b>(6,127,003)</b>                               | <b>(12,912,704)</b>                              |
| <b>X. Earning per Equity Share of Rs.10 each</b>  | 24      |  |  |
| Basic & Diluted   |         | (0.20)   | (0.49)   |
| <b>Significant Accounting Policies</b> 1<br>The accompanying notes form an integral part of the financial statements.<br><br>As per our Report of even date<br><b>For Krishnamoorthy &amp; Krishnamoorthy</b> <b>For and on behalf of the Board of Directors</b><br>Chartered Accountants<br>(Firm Regn.No.001488S)<br><br>Sd/- Sd/- Sd/-<br><b>K T Mohanan</b> <b>APM Mohammed Hanish IAS</b> <b>M M Abdul Basheer</b><br>Partner Managing Director Director<br>(M No.201484) DIN: 02504842 DIN: 00120916<br><br>Sd/- Sd/-<br><b>Meera C</b> <b>Remesh Shenoi S</b><br>Company Secretary Chief Financial Officer<br>Place: Kochi Place: Kochi<br>Date: 28th August 2017 Date: 28th August 2017 |         |  |  |

**CHERAMAN FINANCIAL SERVICES LIMITED**  
**(Formerly known as Al-Barakah Financial Services Ltd)**  
**Consolidated Cash Flow Statement For The Year Ended 31st March 2017**

| Particulars  | 2016-17  | 2015-16                  |
|--|--|--------------------------|
|  | Amount (INR)                                       | Amount (INR)             |
| <b>A. Cash Flow From Operating Activities</b>                        |  |                          |
| Profit/(Loss) Before Tax & Exceptional Items                         | (7,094,754)  | (13,774,667)             |
| Adjustments for:   |  |                          |
| Depreciation and Amortisation  | 4,250,913  | 1,759,910                |
| Depreciation Reversal  | -  | (7,915)                  |
| Interest Income  | (9,755)  | (38,863)                 |
| Loss Attributable to Minority Interest                               | 868,701  | 961,013                  |
| <b>Operating Profit before working capital changes</b>               | <b>(1,984,895)</b>                                 | <b>(11,100,523)</b>      |
| Movements in working capital :                                       |  |                          |
| Increase/ (decrease) in Minority Interest                            | (868,701)  | (447,162)                |
| Increase/ (decrease) in other long term liabilities                  | 7,310,444  | 9,593,618                |
| Increase/ (decrease) in long term provisions                         | 147,367  | 596,338                  |
| Increase/ (decrease) in Trade Payables                               | 326,676  | 815,116                  |
| Increase/ (decrease) in other current liabilities                    | 5,134,247  | 1,697,628                |
| Increase/ (decrease) in short term provisions                        | 261,586  | 108,882                  |
| Decrease / (increase) in Goodwill on Consolidation                   | -  | (112,779)                |
| Decrease / (increase) in long-term loans and advances                | (44,664,746)                                       | (33,110,519)             |
| Decrease / (increase) in Non current Assets                          | 40,000   | (452,000)                |
| Decrease / (increase) in Inventories                                 | (736,293)  | (1,862,096)              |
| Decrease / (increase) in Trade Receivables                           | (101,378)  | (207,188)                |
| Decrease / (increase) in short-term loans and advances               | (24,486,572)                                       | (17,924,715)             |
| Decrease / (increase) in other current assets                        | (357,009)  | 112,413                  |
| <b>Net change in working capital</b>                                 | <b>(57,994,379)</b>                                | <b>(41,192,462)</b>      |
| <b>Cash generated from/(used in) operations</b>                      | <b>(59,979,274)</b>                                | <b>(52,292,985)</b>      |
| Direct Taxes Paid (net of Refund)                                    | -  | -                        |
| <b>Cash generated from / (used in) from operating activities (A)</b> | <b>(59,979,274)</b>                                | <b>(52,292,985)</b>      |
| <b>B. Cash Flow from Investing Activities</b>                        |  |                          |
| Purchase of Fixed assets   | (2,719,421)  | (24,635,330)             |
| Purchase of non current investments                                  | -  | -                        |
| Interest Received  | 9,755  | 38,863                   |
| <b>Net cash flow from/(used in) investing activities (B)</b>         | <b>(2,709,666)</b>                                 | <b>(24,596,467)</b>      |
| <b>C. Cash Flow from Financing Activities</b>                        |  |                          |
| Proceeds from issue of Share capital                                 | 30,000,000   | 54,500,000               |
| <b>Net cash flow from/(used in) financing activities ( C)</b>        | <b>30,000,000</b>                                  | <b>54,500,000</b>        |
| <b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b> | <b>(32,688,940)</b>                                | <b>(22,389,453)</b>      |
| Cash & Cash Equivalents at the beginning of the year                 | 43,796,510   | 66,185,963               |
| <b>Cash &amp; Cash Equivalents at the end of the year (Note 15)</b>  | <b>11,107,571</b>                                  | <b>43,796,510</b>        |
| As per our Report of even date                                       |  |                          |
| <b>For Krishnamoorthy &amp; Krishnamoorthy</b>                       | <b>For and on behalf of the Board of Directors</b> |                          |
| Chartered Accountants  |  |                          |
| (Firm Regn.No.001488S)   |  |                          |
| Sd/-   | Sd/-   | Sd/-                     |
| <b>K T Mohanan</b>   | <b>APM Mohammed Hanish IAS</b>                     | <b>M M Abdul Basheer</b> |
| Partner  | Managing Director                                  | Director                 |
| (M No.201484)  | DIN: 02504842                                      | DIN: 00120916            |
| Sd/-   | Sd/-   |                          |
| <b>Meera C</b>   | <b>Remesh Shenoi S</b>                             |                          |
| Company Secretary  | Chief Financial Officer                            |                          |
| Place: Kochi   | Place: Kochi                                       |                          |
| Date: 28th August 2017   | Date: 28th August 2017                             |                          |

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

### 1 Significant Accounting Policies

#### 1.1 Basis of Accounting

- a) The financial statements of the Parent Company & Subsidiaries 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 Parent Company & Subsidiaries have 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 along with Master Directions issued by Reserve Bank of India vide Notification No. DNBR.PD.007/03.10.119/2016-17 for Non-Banking Financial Company -Non-Systematically Important Non-Deposit taking Companies. 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.
- b) As per the Master Directions issued by Reserve Bank of India vide Notification No. DNBR.PD.007/03.10.119/2016-17 for Non-Banking Financial Company -Non-Systematically Important Non-Deposit taking Companies not accepting public funds, the Company is exempt from the compliance of requirements of Chapter IV of the applicable Master Directions which contains the principles of Income Recognition, Asset Classification & Provisioning Requirements.
- c) As required by Schedule III of Companies Act, 2013, the Parent Company & subsidiaries have classified assets and liabilities into current and non-current based on the operating cycle. An operating cycle is the time between the acquisition of assets and their realization in cash or cash equivalents. Since in case of non-banking financial company normal operating cycle is not applicable, the operating cycle for parent company has been considered as 12 months.

#### 1.2 Principles of Consolidation

The Consolidated Financial Statement (CFS) of the Group has been prepared based on a line by-line consolidation of the Balance Sheet, as at March 31, 2017 and Statement of profit and loss and cash flows of the Parent Company and its Subsidiaries for the year ended March 31, 2017.

The financial statements of the Subsidiaries used for consolidation are drawn for the same reporting period as that of the Parent Company i.e. year ended March 31, 2017.

All material inter-company transactions and balances between the entities have been eliminated in the CFS.

The CFS has been prepared using uniform accounting policies, except as stated otherwise, for similar transactions and are presented to the extent possible, in the same manner as the Parent Company's standalone financial statements.

The excess of cost to the parent Company of its investment in the subsidiary companies over its equity of the subsidiary companies, at the date on which the investment in the subsidiary companies are made, is recognized as Goodwill being an asset in the CFS.

Minority interest, if any, in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investment are made by the parent Company in the subsidiary companies and further movement in their share in the equity, subsequent to the date of investment as stated above.

#### 1.3 Use of Estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires management of Parent Company & Subsidiaries 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.

#### **1.4 Revenue Recognition**

Income from assets on finance included in revenue from operations as Annualised Cost to Customer represents income arrived at based on Internal Rate of Return method. Such income is recognised as it accrues on a time proportion basis taking into account the amount outstanding and the rate applicable.

Upfront / processing fees collected from the customer for processing lease are primarily towards documentation charges. This is accounted as income when the amount becomes due provided recovery thereof is certain.

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer.

#### **1.5 Tangible & Intangible Assets**

Tangible & 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.

#### **1.6 Expenditure in Respect of Build Operate & Transfer Projects**

Expenditure incurred in respect of Build, Operate & Transfer projects which does not represent company's own assets are classified as "BOT Project Expenditure" and shown under the head Intangible Assets.

#### **1.7 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 assets to their present value.

#### **1.8 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.

#### **1.9 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.

#### **1.10 Finance Lease**

As per para 26 of Accounting Standard (AS) -19 on Leases, the assets given under financial leases are recognised in the Balance Sheet as receivables at an amount equal to net investments in the leases. The finance charges earned are recognised periodically in the books of accounts and the principal component in the lease rentals is reduced from the receivables periodically. Even though, the lease transactions is deemed as sales under the KVAT Act and CST Act, the same is not disclosed as sales/purchase in the financial statements, following the principles as laid down in accounting Standard 19.

### **1.11 Provision for Standard/Non Performing Assets and Doubtful Debts**

The Parent Company being a Non-systematically important non deposit taking company and not accepting public funds is exempt from the applicability of Chapter IV of the applicable Master Direction which deals with Income recognition, Asset Classification and Provisioning Norms. Provision for bad and doubtful lease/hire rent receivables are based on management best estimate and Principles of Prudence. The Company provides an allowance for Standard Assets @ 0.25% of the outstanding amount as on the Balance sheet date as a matter of prudence.

### **1.12 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.

### **1.13 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 Parent Company & subsidiaries 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.

### **1.14 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.

### **1.15 Provisions and Contingencies**

A provision is recognised when the parent Company & subsidiaries have 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.

### **1.16 Cash Flow Statement**

Consolidated 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 Consolidated Financial Statement For The Year Ended 31st March 2017

### 2 Share Capital

| Particulars  | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|--|--|--|
| <b>Authorised Capital</b><br>1,000,000,000 Equity Shares of Rs. 10/- each  | <b>10,000,000,000</b>                    | <b>10,000,000,000</b>                    |
| <b>Issued and Subscribed and Fully Paid Up</b><br>3,18,00,000 (2,88,00,000) Equity Shares of Rs. 10/- each fully paid up | 318,000,000                              | 288,000,000                              |
|  | <b>318,000,000</b>                       | <b>288,000,000</b>                       |
|  |  |  |

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

The parent 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 2017   |                    | 31st March 2016   |                    |
|-----------------------------|-------------------|--------------------|-------------------|--------------------|
|                             | No of Shares      | Amount (INR)       | No of Shares      | Amount (INR)       |
| Opening as on 1st April     | 28,800,000        | 288,000,000        | 23,350,000        | 233,500,000        |
| Add: Issued during the year | 3,000,000         | 30,000,000         | 5,450,000         | 54,500,000         |
| Closing as on 31st March    | <b>31,800,000</b> | <b>318,000,000</b> | <b>28,800,000</b> | <b>288,000,000</b> |
|                             |                   |                    |                   |                    |

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

| Name of the Shareholder | No. of shares as on<br>31st March 2017 | % of holding | No. of shares as on<br>31st March 2016 | % of holding |
|-------------------------|--|--------------|--|--------------|
| Mr. Siddeek Ahmed Haji  | 6000000                                | 18.87%       | 5000000                                | 17.36%       |
| Mr. Abdulla poyil       | 4000000                                | 12.58%       | 3000000                                | 10.42%       |
| M/s KSIDC               | 3100000                                | 9.75%        | 3100000                                | 10.76%       |
| Mr. C K Menon           | 3000000                                | 9.43%        | 3000000                                | 10.42%       |
| Mr.Yusuffali M A        | 3000000                                | 9.43%        | 3000000                                | 10.42%       |
| Mr. Ibrahim Haji P.A    | 3000000                                | 9.43%        | 2000000                                | 6.94%        |
| Mr.P Mohamad Ali        | 2200000                                | 6.92%        | 2200000                                | 7.64%        |
| Mr.Ashraf Ali M.A       | 2000000                                | 6.29%        | 2000000                                | 6.94%        |

### 3 Reserves & Surplus

| Particulars                         | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|-------------------------------------|--|--|
| <b>a) Profit &amp; Loss Account</b> |  |  |
| Opening Balance                     | (108,225,816)                            | (95,313,112)                             |
| Add : Profit/(Loss) for the year    | (6,127,003)                              | (12,912,704)                             |
| <b>TOTAL</b>                        | <b>(114,352,819)</b>                     | <b>(108,225,816)</b>                     |
|                                     |  |  |

### 4 Other Long Term Liabilities

| Particulars  | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|--|--|--|
| <b>a) Others</b>   |  |  |
| Security Deposit - Leasing   | 13,321,100                               | 9,661,556                                |
| Rent Deposit   | 766,150                                  | 766,150                                  |
| Loans & Advances from Related Parties:-  |  |  |
| Unsecured loan from Director   | 3,742,900                                | 92,000                                   |
| <b>TOTAL</b>   | <b>17,830,150</b>                        | <b>10,519,706</b>                        |
| One of the Subsidiary Company has taken interest free unsecured loan from a Director to fund the operations of the Company. The loan is not intended to be repaid within period of 12 months from the reporting date as per the Management policy. |  |  |

### 5 Deferred Tax Liability

| Particulars  | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|--|--|--|
| <b>a) Deffered Tax Liability</b>                               |  |  |
| On excess of net book value over Income tax WDV of Fixed Asset | -  | 216,309                                  |
| <b>b) Deffered tax Asset</b>                                   |  |  |
| On Provisions  | -  | 95,546                                   |
| On other disallowances   | -  | 21,713                                   |
| <b>TOTAL</b>   | <b>-</b>                                 | <b>99,050</b>                            |
|  |  |  |

### 6 Long Term Provisions

| Particulars  | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|--|--|--|
| <b>i) For Employee Benefit:</b>                          |  |  |
| Provision for Gratuity                                   | 543,061                                  | 507,096                                  |
| <b>ii) Contingent Provisions against Standard Assets</b> | <b>243,253</b>                           | <b>131,851</b>                           |
| <b>TOTAL</b>   | <b>786,314</b>                           | <b>638,947</b>                           |
|  |  |  |



7 Trade Payables

| Particulars  | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|--------------|--|--|
| Dues to MSME | -  |  |
| Others       | 1,151,527                                | 824,851                                  |
| <b>TOTAL</b> | <b>1,151,527</b>                         | <b>824,851</b>                           |
|              |  |  |

8 Other Current Liabilities

| Particulars  | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|--|--|--|
| a) Advance Received for Services to be rendered in relation to leasing | 760,608                                  | 1,912,247                                |
| b) Payable for Capital Goods   | 10,250                                   | -  |
| c) Current Matutities of Long Term Debt                                | -  | 138,000                                  |
| <b>d) Other Payables:</b>  | -  | -  |
| i) Statutory Remittances   | 1,863,684                                | 578,277                                  |
| ii) Expenses Payable   | 3,927,136                                | 1,734,318                                |
| iii) Retention Money   | 503,673                                  | 1,031,584                                |
| iv) Retention for Performance  | -  | -  |
| v) Earnest Money Deposit   | 15,000                                   | 35,000                                   |
| vi) Security Deposit - Leasing   | 1,796,310                                | -  |
| vii) Advance Received from Customers                                   | 1,734,688                                | 47,676                                   |
| <b>TOTAL</b>   | <b>10,611,349</b>                        | <b>5,477,102</b>                         |
|  |  |  |

9 Short Term Provisions

| Particulars                                       | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|---|--|--|
| <b>i) For Employee Benefit:</b>                   |  |  |
| Provision for Gratuity                            | -  | 40,385                                   |
| Provision for Leave Encashment                    | 813,963                                  | 554,803                                  |
| ii) Contingent Provisions against Standard Assets | 96,801                                   | 53,990                                   |
| <b>TOTAL</b>                                      | <b>910,764</b>                           | <b>649,178</b>                           |
|   |  |  |

11 Long Term Loans & Advances

| Particulars                   | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|-------------------------------|--|--|
| <b>(a) Capital Advances</b>   |  |  |
| Unsecured, Considered Good    | -  | 612,995                                  |
| <b>TOTAL (a)</b>              | <b>-</b>                                 | <b>612,995</b>                           |
| <b>(b) Security Deposits</b>  |  |  |
| Unsecured, Considered Good    | 1,357,682                                | 1,229,981                                |
| <b>TOTAL (b)</b>              | <b>1,357,682</b>                         | <b>1,229,981</b>                         |
| <b>(c) Income Tax Advance</b> |  |  |
|                               | 911,590                                  | 321,406                                  |
| <b>TOTAL (c)</b>              | <b>911,590</b>                           | <b>321,406</b>                           |
| <b>(d) Others</b>             |  |  |
| Secured, Considered Good      |  |  |
| i) Assets on Finance          |  |  |
| - To Related Party            | -  | -  |
| - To Others                   | 97,300,513                               | 52,740,657                               |
| <b>TOTAL (d)</b>              | <b>97,300,513</b>                        | <b>52,740,657</b>                        |
| <b>TOTAL (a +b+c+d)</b>       | <b>99,569,785</b>                        | <b>54,905,039</b>                        |

12 Other Non Current Assets

| Particulars             | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|-------------------------|--|--|
| Fixed Deposit With Bank | 412,000                                  | 452,000                                  |
| <b>TOTAL</b>            | <b>412,000</b>                           | <b>452,000</b>                           |

13 Inventories

| Particulars  | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|--|--|--|
| Materials acquired for manufacturing:  |  |  |
| Finished Goods   | 161,523                                  | 153,074                                  |
| Work In Progress   | -  | 183,094                                  |
| Packing Materials  | 202,938                                  | 193,844                                  |
| Raw-materials  | 2,450,629                                | 1,548,786                                |
| Inventories are as taken valued and certified by the Management, which has been relied upon by the Auditors. | <b>2,815,091</b>                         | <b>2,078,798</b>                         |
| <b>TOTAL</b>   |  |  |

14 Trade Receivables

| Particulars  | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|--|--|--|
| (a) Outstanding for a period exceeding six months from the date they are due for payment | -  | -  |
| (b) Others   |  |  |
| Secured, Considered good   | 707,509                                  | 606,131                                  |
| <b>TOTAL</b>   | <b>707,509</b>                           | <b>606,131</b>                           |
|  |  |  |

15 Cash & Bank Balances

| Particulars                        | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|------------------------------------|--|--|
| <b>Cash &amp; Cash Equivalents</b> |  |  |
| i) Balance with Banks              |  | -  |
| - In Current Account               | 11,077,571                               | 43,743,125                               |
| ii) Cash on Hand                   | 30,000                                   | 53,385                                   |
| <b>TOTAL</b>                       | <b>11,107,571</b>                        | <b>43,796,510</b>                        |
|                                    |  |  |

15.1 Disclosure on Specified Bank Notes (SBNs)

During the year the parent Company & subsidiaries had specified bank notes or other denomination note as defined in the MCA notification G.S.R.308(E) dated March 31,2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016, the denomination wise SBNs and other notes as per the notification given below:

| Particulars  | SBNs     | Other<br>denomination notes | Total         |
|--|----------|-----------------------------|---------------|
| Closing cash in hand as on 8th November 2016         | 15,500   | 64,699                      | 80,199        |
| (+) Permitted receipts                               | -        | 326,270                     | 326,270       |
| (-) Permitted payments                               |          | 313,455                     | 313,455       |
| (-) Amount deposited in banks                        | 15,500   |                             | 15,500        |
| <b>Closing cash in hand as on 30th December 2016</b> | <b>-</b> | <b>77,515</b>               | <b>77,515</b> |

16 Short Term Loans & Advances

| Particulars  | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|--|--|--|
| <b>(a) Loans and Advances to Related parties -</b>   |  |  |
| Unsecured, Considered Good   |  |  |
| i) Cheraman Fund   | 1,083,344                                | 1,083,344                                |
| <b>(b) Loans &amp; Advances</b>  | -  | -  |
| Secured, Considered Good   | -  | -  |
| i) Assets on Finance   | -  | -  |
| - To Related Party   | -  | -  |
| - To Others  | 38,721,062                               | 20,637,345                               |
| Unsecured, Considered Good   | -  | -  |
| i) Advances recoverable in kind or for value to be received.   | 11,643,848                               | 5,408,862                                |
| ii) Advance to Suppliers   | -  | -  |
| iii) Other advances  | 170,869                                  | 3,000                                    |
| iv) Cheraman Trust -Fund   | 1,387,910                                | 1,387,910                                |
| <b>TOTAL</b>   | <b>53,007,033</b>                        | <b>28,520,460</b>                        |
| Advance recoverable in cash or in kind include Rs.4,30,666/- being the part payment made for the supply of materials including customised suite bags, spare parts etc., the delivery of the same could not be honoured. The management is of the opinion that the advance can be regularised in future and no provision for write off is required at this stage. |  |  |

17 Other Current Assets

| Particulars                              | As at<br>31st March 2017<br>Amount (INR) | As at<br>31st March 2016<br>Amount (INR) |
|--|--|--|
| <b>(a) Accruals</b>                      |  |  |
| (i) Interest Accrued on Deposits         | 42,138                                   | 41,179                                   |
| (ii) Accrued Annualised Cost to Customer | 806,824                                  | 450,774                                  |
| <b>TOTAL</b>                             | <b>848,962</b>                           | <b>491,953</b>                           |
|  |  |  |

18 Revenue From Operations

| Particulars                            | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|--|--|--|
| <b>Revenue from Sale of Products:</b>  |  |  |
| Interstate sales                       | 2,837,743  | 1,735  |
| Export sales                           | 853,408  | 112,834  |
| Domestic sales                         | 33,743   | 1,138,841  |
|  | <b>3,724,894</b>                                 | <b>1,253,410.36</b>                              |
| <b>Revenue From sale of Services:-</b> |  |  |
| Rental Income                          | 1,685,530  | -  |
| Annualised Cost to Customer            | 12,932,857                                       | 6,037,007  |
| Processing Fee                         | 316,365  | 195,862  |
| <b>TOTAL</b>                           | <b>18,659,646</b>                                | <b>7,486,279</b>                                 |
|  |  |  |

19 Other Income

| Particulars                            | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|--|--|--|
| Interest Received on IT Refund         | 12,570   | 1,621  |
| Interest on Fixed Deposit              | 9,755  | 38,863   |
| Foreign Exchange Gain                  | 22,229   | 65,590   |
| Miscellaneous Income                   | 2,090  | 15,255   |
| Excess Depreciation written back       | -  | 7,915  |
| Excess Gratuity Provision Written Back | 111,153  |  |
| Round Off                              | -  | 177  |
| <b>TOTAL</b>                           | <b>157,797</b>                                   | <b>129,420</b>                                   |
|  |  |  |

20 Cost of Material Consumed

| Particulars         | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|---------------------|--|--|
| Opening Stock       | 1,742,629  | 216,702  |
| Add: Purchases      | 1,855,197  | 2,207,116  |
| less: Closing Stock | 2,653,567  | 1,742,629  |
| <b>TOTAL</b>        | <b>944,259</b>                                   | <b>681,189</b>                                   |
|                     |  |  |

21 Changes in Inventories

| Particulars          | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|----------------------|--|--|
| <b>Closing Stock</b> |  |  |
| Finished Goods       | 161,523  | 153,074  |
| Work in Progress     | -  | 183,094  |
| Less:- Opening Stock | 336,168  | -  |
|                      | <b>174,645</b>                                   | <b>(336,168)</b>                                 |
|                      |  |  |

22 Employee Benefit Expenses

| Particulars                               | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|---|--|--|
| Salaries, Wages and Bonus                 | 10,154,824                                       | 9,045,965  |
| Contribution to Provident and other Funds | 283,092  | 370,565  |
| Staff Welfare Expenses                    | 243,438  | 208,125  |
| Gratuity                                  | 147,118  | 547,481  |
| <b>TOTAL</b>                              | <b>10,828,473</b>                                | <b>10,172,135</b>                                |
|   |  |  |

**23 Other Expenses**

| Particulars  | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|--|--|--|
| Legal and Professional Fees                          | 826,511  | 2,359,004  |
| Travelling Expenses                                  | 278,463  | 319,709  |
| Rent   | 3,205,012  | 2,936,741  |
| Office General Expenses                              | 872,105  | 517,922  |
| Electricity & Water Charges                          | 1,263,846  | 890,476  |
| Repairs and Maintenance                              | -  | -  |
| (a) Building   | 21,455   | 30,321   |
| (b) Plant & Machinery                                | 85,983   | 178,485  |
| (c) Others   | 152,215  | 154,722  |
| Annual Maintenance Contract                          | 11,770   | 11,685   |
| Generator Running Expense                            | 2,816  | 6,608  |
| Consumption of Stores & Consumables                  | 205,463  | 173,091  |
| Loading,Transportation and Other charges on products | 460,921  | 116,311  |
| Discount on Sales                                    | 5,000  | 10,577   |
| Donation & Subscription                              | 6,700  | 8,800  |
| Rates, Taxes and Filing Fees                         | 462,180  | 213,012  |
| Security Charges                                     | -  | 118,283  |
| Printing and Stationery                              | 68,358   | 92,155   |
| Advertisement  | 144,220  | 135,429  |
| Recruitment Expense                                  | 11,608   | 54,102   |
| Insurance Charges                                    | 14,170   | 125,040  |
| Fines & Penalties                                    | -  | 962  |
| Meeting Expense                                      | 27,061   | 164,083  |
| House Keeping Expense                                | 18,760   |  |
| Security Charges                                     | 459,320  |  |
| Telephone Charges                                    | 201,774  | 216,956  |
| Annuity to Muttawalli                                | 600,000  |  |
| Bank Charges   | 8,983  | 26,488   |
| Project Advance Written Off                          | -  | -  |
| Provision Against Standard Assets                    | 154,213  | 127,338  |
| <b>Payment to Auditor</b>                            |  |  |
| a) Statutory Audit Fee                               | 130,000  | 125,000  |
| b) Taxation Matters                                  | 15,000   | -  |
| <b>TOTAL</b>   | <b>9,713,907</b>                                 | <b>9,113,301</b>                                 |
|  |  |  |

**24 Earnings Per Share**

| Particulars  | For the Year<br>Ended 31.03.2017<br>Amount (INR) | For the Year<br>Ended 31.03.2016<br>Amount (INR) |
|--|--|--|
| Profit/(Loss) Attributable to Equity Share Holders         | (6,127,003)                                      | (12,912,704)                                     |
| Weighted Average Number of Equity Share Outstanding ( Nos) | 30,920,548                                       | 26,286,164                                       |
| <b>Earnings Per Share</b>                                  | <b>(0.20)</b>                                    | <b>(0.49)</b>                                    |
|  |  |  |

- 25 The financial Statements of the following Subsidiaries have been consolidated as per Accounting Standard 21 on Consolidated Financial Statements:

| Name of the Subsidiary              | Country of incorporation | % of holding as on 31st March 2017 | % of holding as on 31st March 2016 |
|-------------------------------------|--------------------------|------------------------------------|------------------------------------|
| Cheraman Funds Management Ltd       | India                    | 100%                               | 100%                               |
| Cheraman Infrastructure Private Ltd | India                    | 100%                               | 100%                               |
| Suits India Private Ltd             | India                    | 86.25%                             | 86.25%                             |

- 26 Information on Related Party Transactions as Required by Accounting Standard (AS) - 18 For The Year Ended 31st March 2017

26.1 Details of Related Parties

| Description of Relationship  | Names of Related Parties  |
|--|---|
| Key Management Personnel - Holding Company   | Mr. APM Mohamed Hanish IAS - Managing Director  |
| Key Management Personnel - Subsidiaries  | Mr.Aju George Kurian - Managing Director Suits India Pvt Ltd  |
| Relatives of Key Management Personnel - Subsidiary Company   | Mrs. Geetha George - Suits India Pvt Ltd  |
| Persons having significant influence over the company  | Mr.Siddeek Ahmed Haji P - Director<br>Mr.Yusuffali M.A<br>Mr.Ashrafali M.A - Director<br>Mr.V.P.Shamsheer |
| Enterprises under control of persons having significant influence over the company and with whom transactions were carried out during the year | Eram Property Network Pvt Ltd   |

26.2 Details of related party transactions during the year ended 31st March, 2017

| Name of Related Party              | Nature of Transaction                      | For the Year Ended 31.03.2017<br>Amount (INR) | For the Year Ended 31.03.2016<br>Amount (INR) |
|------------------------------------|--|---|---|
| Mr.Siddeek Ahmed Haji P - Director | Subscription to Equity Share Capital       | 10,000,000                                    |   |
| Eram Property Network Pvt Ltd      | Subscription to Equity Share Capital       | -   | 10,000,000                                    |
| Mr.Aju George Kurian               | Remuneration Paid                          | 660,000                                       | 1,800,000                                     |
|                                    | Subscription to Equity Share Capital       | -   | 327,120                                       |
| Mrs.Geetha George                  | Unsecured Long term loan taken             | 3,512,900                                     | 230,000                                       |
|                                    | Outstanding balance at the end of the year | 3,742,900                                     | 230,000                                       |

27 Breakup of materials consumption:

| Particulars                    | 2016-17        | % of Consumption | 2015-16           | % of Consumption |
|--------------------------------|----------------|------------------|-------------------|------------------|
| <b>Rawmaterials (Fabrics)</b>  |                |                  |                   |                  |
| Imported                       | 160,867        | 26%              | 18,449.00         | 3%               |
| Indigenous                     | 457,426        | 74%              | 579,481.00        | 97%              |
| <b>Total</b>                   | <b>618,293</b> | <b>100%</b>      | <b>597,930.00</b> | <b>100%</b>      |
| <b>Packing Materials</b>       |                |                  |                   |                  |
| Indigenous                     | 50,975.00      | 100%             | 11,375.00         | 100%             |
| <b>Stores and Consumables</b>  |                |                  |                   |                  |
| Indigenous                     | 35,540.00      | 100%             | 71,884.00         | 100%             |
| <b>Trims &amp; Accessories</b> |                |                  |                   |                  |
| Imported                       | 6,415.00       | 4%               | -                 |                  |
| Indigenous                     | 157,549.00     | 96%              | -                 |                  |
|                                | <b>163,964</b> | <b>100%</b>      |                   |                  |

28 Particulars of Stock of Finished Goods:

| Product            | Closing Stock  |         | Closing Stock        |
|--------------------|----------------|---------|----------------------|
|                    | 2016-17        |         | 2015-16              |
|                    | Finished Goods | WIP     | Finished Goods & WIP |
| Jackets            | 1,203          | -       |                      |
| Readymade size set | 113,745        | -       | 113,745.26           |
| Sample Blazers     | 7,923          | -       | 7,922.89             |
| Sample Pant        | 20,450         | -       | 1,319.77             |
| Suits              | 12,126         | -       | 20,449.92            |
| Three piece suits  | 5,221          | -       | 8,433.47             |
| Jacket             | 856            | -       | 1,203.03             |
| Swatch Samples     | -              | 117,457 | 183,093.97           |

29 Pursuant to the Accounting Standard (AS-19) – Leases, the following information is given:

The Company has given certain assets on lease which effectively transferred substantially all of the risks and benefit incidental to the ownership.

The total gross investment in these leases and the present value of minimum lease payment receivable as on 31st March, 2017 is as under:

|   | As At 31.03.2017          |                         |                              |
|---|---------------------------|-------------------------|------------------------------|
|   | Gross investment in Lease | Unearned Finance Income | Present Value of Receivables |
| i) Not later than one year                            | 52,856,748                | 14,135,685              | 38,721,062                   |
| ii) Later than one year and not later than five years | 114,361,938               | 17,061,424              | 97,300,513                   |
| iii) Later than five years                            | -                         | -                       | -                            |
| <b>Total</b>  | <b>167,218,685</b>        | <b>31,197,110</b>       | <b>136,021,576</b>           |

|   | As At 31.03.2016          |                         |                              |
|---|---------------------------|-------------------------|------------------------------|
|   | Gross investment in Lease | Unearned Finance Income | Present Value of Receivables |
| i) Not later than one year                            | 29,734,648                | 8,138,725               | 21,595,924                   |
| ii) Later than one year and not later than five years | 60,268,682                | 7,528,025               | 52,740,657                   |
| iii) Later than five years                            | -                         | -                       | -                            |
| <b>Total</b>  | <b>90,003,330</b>         | <b>15,666,749</b>       | <b>74,336,581</b>            |



**30 Earnings and Expenditure in Foreign Currency**

| Particulars                                      | For the Year<br>Ended 31.03.2017 | For the Year<br>Ended 31.03.2016 |
|--|----------------------------------|----------------------------------|
|  | Amount (INR)                     | Amount (INR)                     |
| (a) Earnings in Foreign Currency                 | 1,502,851                        | 119,589                          |
| (b) Expenditure in Foreign Currency              |                                  |                                  |
| Purchase of Equipment for Leasing                | 2,355,045                        | 31,679,041                       |
| Purchase of Equipment(Including advance payment) | -                                | 1,276,709                        |
| Purchase of Components & Spares                  | 23,288                           | 852,937                          |
| Purchase of Raw-material                         | 1,482,239                        | 417,805                          |
| Travel Expenses                                  | 141,427                          | 124,127                          |
| <b>Total Expenditure in Foreign Currency</b>     | <b>4,001,999</b>                 | <b>34,350,618</b>                |
|  |                                  |                                  |

**31 CIF Value of Imports**

| Particulars             | For the Year<br>Ended 31.03.2017 | For the Year<br>Ended 31.03.2016 |
|-------------------------|----------------------------------|----------------------------------|
|                         | Amount (INR)                     | Amount (INR)                     |
| Equipments for Leasing  | 2,355,045                        | 31,679,041                       |
| Capital Goods           | -                                | 1,276,709                        |
| Components & Spareparts | 23,288                           | 852,937                          |
| Rawmaterial             | 1,482,239                        | 417,805                          |

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

| Particulars  | For the Year<br>Ended 31.03.2017 | For the Year<br>Ended 31.03.2016 |
|--|----------------------------------|----------------------------------|
|  | Amount (INR)                     | Amount (INR)                     |
| a) Contingent Liabilities:   |                                  |                                  |
| i) Claims against the company not acknowledged as debt   |                                  | -                                |
| - Bond given to Commercial Taxes Department, Kerala on imported equipment meant for Hire purchase.   | 2,303,800                        | 2,303,800                        |
| - Claim by Commercial Tax authority against transportation of Diesel Generator without proper documents. The goods is released against Bank guarantee          | -                                | 40,000                           |
| - Bond given to Customs for warehousing of imported equipment meant for leasing  | 5,000,000                        | 5,000,000                        |
| - Bond Executed for Advance DTA Sale with the President of India acting through Assistant Commissioner , Central Excise Ernakulam, Division I, Cochin, Kerala. | 3,500,000                        | 3,500,000                        |
| b) Commitments   |                                  |                                  |
| Estimated Amount of Contracts remaining to be executed on Capital Account and not provided for   | 202,000                          | 1,706,000                        |

**33 Additional Information as required by Paragraph 2 of General Instruction for preparation of Consolidated Financial Statements to Schedule III to Companies Act, 2013**

| Name of the Entity                                | Net Assets ie total assets minus total liabilities |             | Share of Profit or Loss           |             |
|---|--|-------------|-----------------------------------|-------------|
|   | As a % of Consolidated Net Assets                  | Amount      | As a % of Consolidated Net Assets | Amount      |
| <b>Parent:</b><br>Cheraman Financial Services Ltd | 95.15%   | 248,948,628 | -50.40%                           | 3,525,527   |
| <b>Subsidiaries</b>                               |  |             |                                   |             |
| <b>Indian</b><br>Cheraman Funds Management Ltd    | -1.33%   | (3,489,410) | 5.66%                             | (395,922)   |
| Cheraman Infrastructure Private Ltd               | 4.02%  | 10,525,068  | 54.43%                            | (3,807,483) |
| Suits India Private Ltd                           | 2.16%  | 5,662,145   | 90.31%                            | (6,317,825) |

- 34** Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006”. Accordingly, no disclosures relating to amounts unpaid as at the year ended 31st March, 2017 together with interest paid /payable are required to be furnished
- 35** Litigation: The Parent Company & its Subsidiaries are subject to legal proceedings and claims, which have arisen in the ordinary course of business. The management of respective companies does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the respective company's results of operations.
- 36** The Parent Company & Subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 37** Cheraman Funds Management Ltd a wholly owned subsidiary of Parent Company has accumulated loss and its net worth is fully eroded as on the balance sheet date. However, the business plan of the company is having future prospects and it is expected that the performance of the Company in the coming years will improve so as to wipe off the accumulated loss in near future. Further the Holding Company is having the ability to infuse sufficient funds. Therefore, the company is having the ability to continue as going concern as on the date of Balance Sheet.
- 38** The Parent Company & its subsidiaries are having only few employees and the provision for long term employee benefits such as Gratuity and Earned leave are made based on the assumption that such benefits are payable to all employees at the end of the year. The Management is of the opinion that since there are only few employees, there will not be any material impact for the provision made without assessing the liability on actuarial basis.

- 39 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.
- 40 One of the Subsidiary Company has purchased a software which is being modified to meet the requirement of the company to manufacture suits, blazers, pants, shirts etc for the Mapping of 3 D Measurements, Drapping of Virtual Fabrics, designing and Manufacturing being the core technical competency of the company. The expenses incurred for the software alone with additional man hours spend for its ongoing modification is being carried forward as design under development to be amortised over a period of 3 years after completion of development.
- 41 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

Signatures to Note 1 to 41 forming integral part of accounts.

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/-

**APM Mohammed Hanish IAS**

Managing Director

Din: 02504842

Sd/-

**M M Abdul Basheer**

Director

Din: 00120916

Sd/-

**Meera C**

Company Secretary

Place: Kochi

Date: 28th August 2017

Sd/-

**Remesh Shenoi S**

Chief Financial Officer

Place: Kochi

Date: 28th August 2017

**10 Fixed Assets**

| PARTICULARS  | GROSS BLOCK         |                   |                   |                     | DEPRECIATION        |                          |                  |                     | NET BLOCK           |                     |
|--|---------------------|-------------------|-------------------|---------------------|---------------------|--------------------------|------------------|---------------------|---------------------|---------------------|
|  | As at<br>01.04.2016 | Additions         | Deductions        | As at<br>31.03.2017 | As at<br>01.04.2016 | Depreciation<br>Reversal | For the<br>Year  | As at<br>31.03.2017 | As at<br>31.03.2017 | As at<br>31.03.2016 |
| <b>A. Tangible Assets</b>                            |                     |                   |                   |                     |                     |                          |                  |                     |                     |                     |
| Building   | 3,174,620           | -                 |                   | 3,174,620           | 116,235             |                          | 83,866           | 200,101             | 2,974,519           | 3,058,385           |
| Furniture & Fixture                                  | 5,045,458           | 96,857            |                   | 5,142,315           | 1,474,636           |                          | 506,562          | 1,981,198           | 3,161,117           | 3,570,822           |
| Computers  | 1,195,995           | 37,672            |                   | 1,233,667           | 797,343             |                          | 191,462          | 988,805             | 244,862             | 398,652             |
| Office Equipment                                     | 638,407             | 24,074            |                   | 662,481             | 356,391             |                          | 140,980          | 497,371             | 165,110             | 282,016             |
| Plant & Machinery                                    | 6,605,359           | 347,968           |                   | 6,953,327           | 192,013             |                          | 203,170          | 395,183             | 6,558,144           | 6,413,346           |
| Electrical Equipments                                | 3,305,789           | 27,370            |                   | 3,333,159           | 733,233             |                          | 311,896          | 1,045,128           | 2,288,031           | 2,572,556           |
| Vehicle  | 871,549             |                   |                   | 871,549             | 382,271             |                          | 146,567          | 528,838             | 342,711             | 489,278             |
| <b>Total Tangible Assets (A)</b>                     | <b>20,837,177</b>   | <b>533,941</b>    |                   | <b>21,371,118</b>   | <b>4,052,122</b>    | <b>-</b>                 | <b>1,584,502</b> | <b>5,636,624</b>    | <b>15,734,494</b>   | <b>16,785,056</b>   |
| <b>B. Intangible Assets</b>                          |                     |                   |                   |                     |                     |                          |                  |                     |                     |                     |
| Computer Software                                    | 449,395             | -                 | -                 | 449,395             | 394,461             |                          | 17,100           | 411,561             | 37,834              | 54,934              |
| BOT Project  |                     | 49,433,882        |                   | 49,433,882          | -                   |                          | 2,649,311        | 2,649,311           | 46,784,571          | -                   |
| <b>Total Intangible Assets (B)</b>                   | <b>449,395</b>      | <b>49,433,882</b> | <b>-</b>          | <b>49,883,277</b>   | <b>394,461</b>      | <b>-</b>                 | <b>2,666,411</b> | <b>3,060,872</b>    | <b>46,822,405</b>   | <b>54,934</b>       |
| <b>C. Capital Work in Progress</b>                   |                     |                   |                   |                     |                     |                          |                  |                     |                     |                     |
| Capital Work in Progress                             |                     |                   |                   | -                   | -                   |                          | -                | -                   | -                   | -                   |
| <b>Total Capital Work in Progress (C)</b>            | <b>-</b>            | <b>-</b>          | <b>-</b>          | <b>-</b>            | <b>-</b>            | <b>-</b>                 | <b>-</b>         | <b>-</b>            | <b>-</b>            | <b>-</b>            |
| <b>D. Intangible Assets Under Development</b>        |                     |                   |                   |                     |                     |                          |                  |                     |                     |                     |
| Intangible Assets Under Development                  | 49,359,892          | 2,185,480         | 49,433,882        | 2,111,490           | -                   |                          | -                | -                   | 2,111,490           | 49,359,892          |
| <b>Total Intangible Assets Under Development (D)</b> | <b>49,359,892</b>   | <b>2,185,480</b>  | <b>49,433,882</b> | <b>2,111,490</b>    | <b>-</b>            | <b>-</b>                 | <b>-</b>         | <b>-</b>            | <b>2,111,490</b>    | <b>49,359,892</b>   |
| <b>Total (A+B+C+D)</b>                               | <b>70,646,463</b>   | <b>52,153,303</b> | <b>49,433,882</b> | <b>73,365,884</b>   | <b>4,446,583</b>    | <b>-</b>                 | <b>4,250,913</b> | <b>8,697,496</b>    | <b>64,668,389</b>   | <b>66,199,882</b>   |
| Previous Year  | 46,011,133          | 28,252,918        | (3,617,588)       | 70,646,463          | 2,694,587           | (7,915)                  | 1,759,910        | 4,446,585           | 66,199,882          | 43,316,544          |

**FORM AOC-I : STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS STATEMENTS OF SUBSIDIARIES AND JOINT VENTURES. (PURSUANT TO FIRST PROVISIO TO SUB SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)**

**PART "A": SUBSIDIARIES**

| 1  | Name of the Subsidiary   | Cheraman Funds Management Ltd | Cheraman Infrastructure Private Ltd | Suits India Private Ltd |
|----|--|-------------------------------|-------------------------------------|-------------------------|
| 2  | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                      | N.A                           | N.A                                 | N.A                     |
| 3  | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | N.A                           | N.A                                 | N.A                     |
| 4  | Share capital  | 17,500,000                    | 21,600,000                          | 827,630                 |
| 5  | Reserves & surplus   | (20,989,410)                  | (11,074,932)                        | 4,834,515               |
| 6  | Total assets   | 1,710,053                     | 47,258,235                          | 16,950,616              |
| 7  | Total Liabilities  | 5,199,463                     | 36,733,167                          | 11,288,471              |
| 8  | Investments  | -                             | -                                   | -                       |
| 9  | Turnover   | -                             | 1,685,530                           | 3,862,861               |
| 10 | Profit before taxation   | (395,922)                     | (3,807,483)                         | (6,416,875)             |
| 11 | Provision for taxation   | -                             | -                                   | (99,050)                |
| 12 | Profit after taxation  | (395,922)                     | (3,807,483)                         | (6,317,825)             |
| 13 | Proposed Dividend  | -                             | -                                   | -                       |
| 14 | % of shareholding  | 100%                          | 100%                                | 86.25%                  |

**Note**

Names of subsidiaries which are yet to commence operations - Nil

Names of subsidiaries which have been liquidated or sold during the year - Nil

**PART "B": Associates and Joint Ventures - Nil**

|   |  |     |
|---|--|-----|
| 1 | Latest audited Balance Sheet Date  | N.A |
| 2 | Shares of Associate/Joint Ventures held by the Company as at the year end: | N.A |
|   | Number of shares   | N.A |
|   | Amount of Investment in Associate/Joint Venture                            | N.A |
|   | Extend of Holding %  | N.A |
| 3 | Description of how there is significant influence                          | N.A |
| 4 | Reason why the Associate/joint venture is not consolidated                 | N.A |
| 5 | Networth attributable to Shareholding as per latest audited Balance Sheet  | N.A |
| 6 | Profit/(Loss) for the year   | N.A |
|   | i) Considered in Consolidation   | N.A |
|   | ii) Not Considered in Consolidation  | N.A |

Names of Associate/joint ventures which are yet to commence operations - NIL

Names of Associate/joint ventures which have been liquidated or sold during the year - NIL

**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/-  
**APM Mohammed Hanish IAS**  
Managing Director  
DIN: 02504842

Sd/-  
**M M Abdul Basheer**  
Director  
DIN:00120916

Place: Kochi  
Date: 28th August 2017

Sd/-  
**Meera C**  
Company Secretary  
Place: Kochi  
Date: 28th August 2017

Sd/-  
**Remesh Shenoi S**  
Chief Financial Officer



**CIN: U65923KL2009PLC025082**

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

---

**ATTENDANCE SLIP**

|                  |
|------------------|
| <b>Folio No:</b> |
|------------------|

I ..... residing at  
....., hereby record my presence at the 7<sup>th</sup> Annual  
General Meeting of the Company held on Saturday, the 30<sup>th</sup> day of September , 2017 at  
12 Noon At the Registered Office of the Company at 33/2337-E, 2nd Floor, "Chakiapadath  
Building", By pass Road, Ponnurunni, Vyttila, Ernakulam – 682019 .

-----  
Member's signature

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

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

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

|                   |  |
|-------------------|--|
| Name of Company   | Cheraman Financial Services Limited  |
| CIN               | U65923KL2009PLC025082  |
| Registered Office | 3/2337-E, 2nd Floor, "Chakiapadath Building", By pass Road, Ponnurunni, Vyttila, Ernakulam – 682019; |

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

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

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

Or failing him

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7<sup>th</sup> Annual general meeting of the company, to be held on Saturday, the 30th day of September, 2017 at 12 Noon at the registered office of the Company at 3/2337-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:

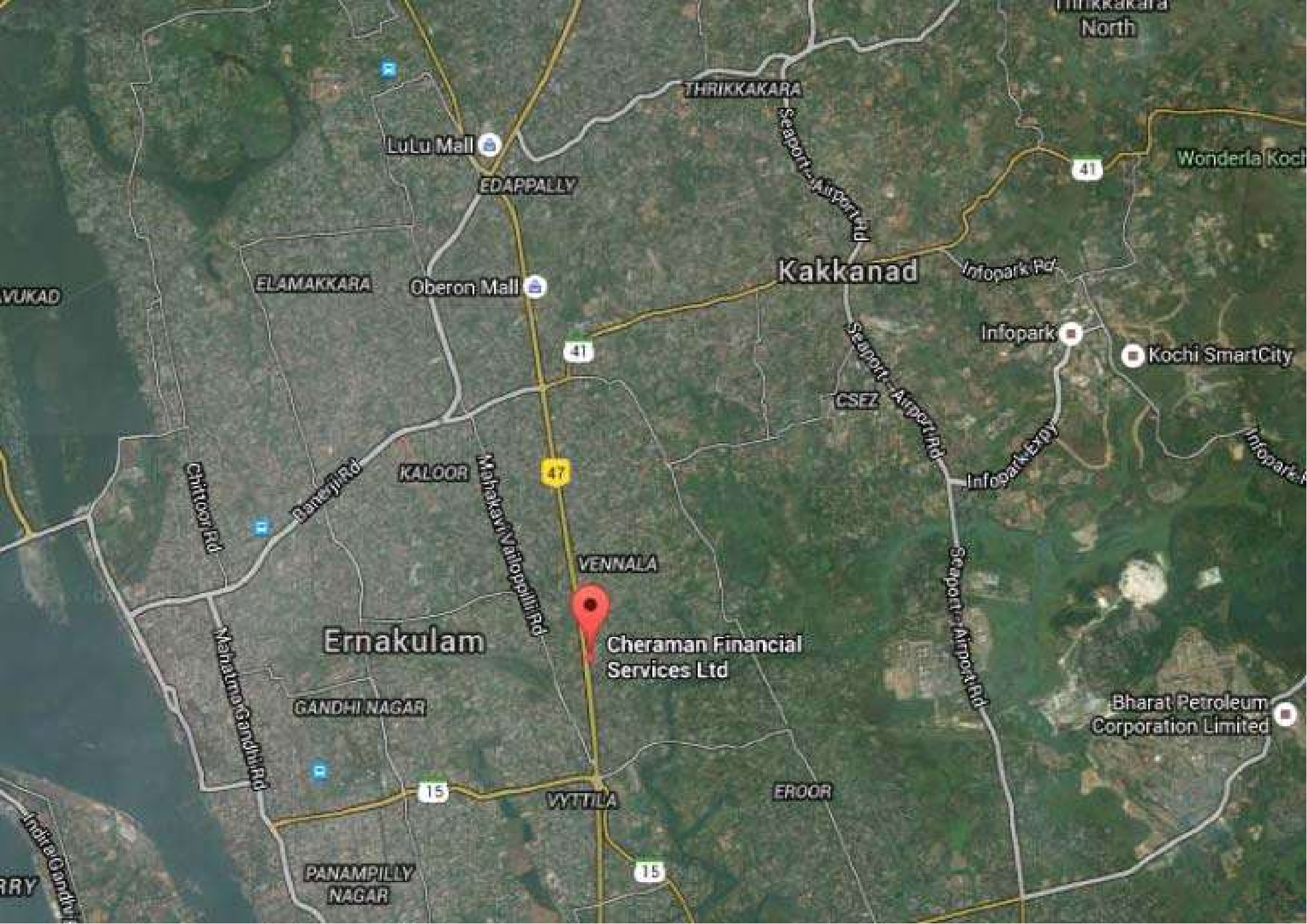
| Resolution No. | Particulars  |
|----------------|--|
| 1              | To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017 together with the Reports of the Board of Directors and Auditors thereon. |
| 2              | To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016 together with the Report of the Auditors thereon.            |
| 3              | To appoint a Director in place of Mr E M Najeeb (DIN 00100234) who retires by rotation and being eligible, offers himself for re-appointment.  |
| 4              | To appoint a Director in place of Mr. P A Ibrahim Haji (DIN: 00017148) who retires by rotation and being eligible, offers himself for re-appointment.  |
| 5              | To appoint a Director in place of Mr P K Ahammed (DIN 01678711) and who retires by rotation and being eligible, offers himself for re-appointment.   |
| 6              | To appoint a Director in place of Mr M A Asharf Ali (DIN 01210946) and who retires by rotation and being eligible, offers himself for re-appointment.  |
| 7              | To Ratify Statutory Auditors' Appointment  |
| 8              | To Appoint Mr Mucheth Muhamed Abdul Basheer (DIN: 00120916) as Independent Director  |
| 9              | To appoint Mr Siddeek Ahmed Haji (DIN: 02067488) as Non Executive Director liable to retire by rotation  |

Signed this..... day of..... 2017

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.**



Thrikkakara North

THRIKKAKARA

Lulu Mall

EDAPPALLY

41

Wonderla Kochi

VUKAD

ELAMAKKARA

Oberon Mall

Kakkanad

Infopark Rd

Infopark

Kochi SmartCity

CSEZ

Seaport - Airport Rd

Infopark Rd

Infopark Rd

Chittoor Rd

Baner Rd

KALOOR

Mahakavi Vailoppilly Rd

47

VENNALA

Ernakulam

Cheraman Financial Services Ltd

GANDHI NAGAR

Bharat Petroleum Corporation Limited

15

VYTILA

EROOR

15

PANAMPILLY NAGAR

Indira Gandhi

RRY