

ANNUAL REPORT 2017-18



CHERAMAN FINANCIAL SERVICES LIMITED

CHERAMAN FINANCIAL SERVICES LIMITED

CIN: U65923KL2009PLC025082

Board of Directors (as on 11.08.2018)

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 Anand Sarma - Nominee Director of KSIDC
7. Mr. Ashraf Ali MA - Director
8. Mr. T Balakrishnan - Director
9. Mr. Cheril Krishna Menon - Director
10. Mr E S Jose - Nominee Director of KSIDC
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 - Director

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,
Ponnuruni, Vyttila, Ernakulam - 682019;
E mail- mail@cheraman.com; Website: www.cheraman.com

NOTICE TO THE MEMBERS

Notice is hereby given that the 8th Annual General Meeting of the Members of the Company will be held on Friday, the **28th day of September, 2018** at **12 Noon** at the **Registered office** of the Company at 33/2337-E, 2nd Floor, "Chakiapadath Building", By pass Road, Ponnuruni, Vyttila, Ernakulam – 682019 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company, both Standalone and Consolidated, for the financial year ended 31 March 2018, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Shamsheer V P (DIN: 02371712) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. P V Abdul Wahab(DIN: 00114617), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Abdulla Poyil (DIN: 02111206), and who retires by rotation and being eligible, offers himself for re-appointment.
5. Ratification of Statutory Auditors' Appointment: To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and pursuant to the resolution passed by the Members in respect of the appointment of Statutory Auditors at the Annual

General Meeting (AGM) held on 30th September, 2016, and in accordance with the recommendations of the 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 2019 on a remuneration as may be determined by the Audit Committee of the Company.”

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

Date : 11.08.2018
Place: Calicut

Notes:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. A member holding more than ten percent of total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- b) 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.

- c) The Annual Report 2017-18 and, the Notice of the 8th AGM, , along with the attendance slip and proxy form, are being sent by electronic mode to members whose email addresses are registered with the Company, unless a member has requested for a physical copy of the documents.
- d) Members may also note that the Notice of the 8th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.cheraman.com for their download.
- e) 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.
- 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) Route map to the Venue of Annual General Meeting is attached herewith

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

Date : 11.08.2018
Place: Calicut

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

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

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

Name of Director	MR SHAMSHEER V P (DIN: 02371712)
Age	41 years (DOB 11.01.1977)
Qualification	Masters Degree In Radiology
Experience in functional area	Over a decade of management experience in health care sector
Directorship in other Companies	<ol style="list-style-type: none"> 1. PEEKAY Speciality Hospitals Private Limited 2. VPS Health Care Private Limited 3. Kannur International Airport Limited 4. Lakeshore Hospital & Research Centre Limited 5. LIRAZ Builders And Property Developers Private Limited 6. DYNAMED Healthcare Solutions Private Limited 7. KEITA Foods & Beverages Private Limited

	8. ZIVA Wellness Private Limited 9. VPS Healthcare Ventures Private Limited 10. GANYA Realtors And Developers Private Limited	
Terms & Conditions of appointment	NA	
Date of First appointment	13.03.2015	
Shareholding	2.97% as on 31.03.2018	
Relationship with other directors	NIL	
No of Board meeting attended	Held	4
	Attended	1
Membership/ Chairmanship of Committees	Nil	

Name of Director	MR P V ABDUL WAHAB(DIN: 00114617)	
Age	68 years (DOB 01.07.1950)	
Qualification	Degree	
Experience	NIL	
Directorship in other Companies As on 01/04/2018	<ol style="list-style-type: none"> 1. Muslim Printing And Publishing Co Ltd 2. Indus Motor Company Private Limited 3. Feroke Boards Limited 4. PEEVEES EXIM Company Pvt Ltd 5. PEEVEEKAY Properties And Hotels Pvt Ltd 6. PEEVEES Projects Private Limited 7. Malabar Institute Of Medical Sciences Ltd 8. PEE VEE Holdings And Property Developers Limited 9. Supa Property Developers Limited (Under the process of strike off) 	
Terms & Conditions of appointment	NIL	
Date of First appointment	22.08.2015	
Shareholding	0.59% as on 31.03.2018	
Relationship with other directors	NIL	
No of Board meeting attended	Held	4
	Attended	2
Membership/ Chairmanship of Committees	NIL	

Name of Director	MR ABDULLA POYIL (DIN: 02111206)	
Age	48 years (DOB:21.05.1970)	
Qualification	BA	
Experience	Over 20 years of Experience in managing various businesses	

Directorship in other Companies	1. SAAFCO Infrastructures & Developers Private Limited 2. Al Madina Exports Private Limited 3. POMAC Hypermarket Private Limited	
Terms & Conditions of appointment	NIL	
Date of First appointment	13.08.2016	
Shareholding	11.90% as on 31.03.2018	
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 : 11.08.2018
Place: Calicut



CIN : U65923KL2009PLC025082

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

DIRECTOR'S REPORT

Your Directors have pleasure in submitting their 8th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018

1. FINANCIAL RESULTS OF THE COMPANY

Amount in Rs

Particulars	As on 31.03.2018	As on 31.03.2017
Total Revenue	18,421,163	13,348,304
Total Expenses	10,328,027	9,822,777
Tax Expenses	Nil	Nil
Profit/(loss) for the year	8,093,136	3,525,527

2. REVIEW OF PERFORMANCE

On a standalone basis, your Company has recorded a total income of Rs 18,421,163 for the financial year ended 31st March 2018 as against Rs 13,348,304 during the previous year. The total expenses incurred during the year under review is 10,328,027, resulting in a profit of Rs 8,093,136 after tax and exceptional items.

3. PERFORMANCE OF SUBSIDIARIES

During the year under review, Cheraman Infrastructure Private Limited, the wholly owned subsidiary Company, recorded profit after tax of Rs 15,87,511 as against loss of Rs. 38,07,483 during the previous year.

Cheraman Funds Management Limited, the wholly owned subsidiary Company recorded loss after tax of Rs 4,24,575 during the year as against the loss of Rs 3, 95,922 in the previous year.

Suits India Private Limited, the investee Company recorded net loss after tax of Rs 8,528,063 against the loss of Rs 6,317,825 in the previous year.

On a consolidated basis, the Company recorded a total income of Rs 29,763,713 during the financial year as against Rs 18,817,443 in the previous year. The total expenditure incurred during the financial year is Rs 29,035,703 as against Rs 25,912,197 in the previous year. The Company recorded profit after tax and minority interest of Rs 1,900,618 for the financial year, as against loss of Rs 6,127,003 in the previous year .

4. DIVIDEND

No Dividend was declared for the current financial year.

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

6. 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. The Company shall furnish a hard copy of the detailed accounts of the subsidiaries to any shareholder on demand.

7. 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.

8. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on 31st March 2018, 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.

9. 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
Non - Executive Chairman	<ul style="list-style-type: none"> Mr Ibrahimhaji P A
Independent Directors	<ul style="list-style-type: none"> Mr T Balakrishnan Mr M M Abdul Basheer
Non - Executive Directors	<ul style="list-style-type: none"> Mr P Siddeek Ahmed Haji Mr Cheril Krishna Menon Mr M A Asharf Ali Mr P K Ahammed Dr Shamsheer V P Mr Abdulla Poyil Mr P V Abdul Wahab Mr Najeeb E M
Nominee Directors of M/s Kerala State Industrial Development Corporation Limited.	<ul style="list-style-type: none"> Mr E S Jose Mr Anand Sarma
Managing Director	<ul style="list-style-type: none"> Mr A P M Mohamed Hanish I A S

i. Changes in Directors and Key Managerial Personnel during the year 2017-18

The appointment of Mr. M M Abdul Basheer, (DIN: 00120916) as Independent Director with effect from 28.06.2017, was approved by shareholders in the AGM held on 30.09.2017. Mr. Siddeek Ahmed Haji (DIN: 02067488) was appointed as director liable to retirement by rotation in the AGM held on 30.09.2017.

During the year under review, Mr Ameer Ahmed and Dr Azad Moopen, ceased to be directors of the Company w.e.f 14.09.2017, consequent to the withdrawal of nomination by M/s Kerala State Industrial Development Corporation Limited, (KSIDC Limited). Further, M/s KSIDC Limited nominated Mr E S Jose (DIN: 00479442) and Mr. Anand Sarma(DIN: 00579652), as Directors to the Board of the Company with effect from 14.09.2017.

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 Shenoi S - Chief Financial Officer
- CS Meera C - Company Secretary

ii. Retirement by Rotation

Mr. Shamsheer V P (DIN: 02371712), Mr. P V Abdul Wahab (DIN: 00114617), and Mr Abdulla Poyil (DIN: 02111206), 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.

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

The Company has conducted Four Board meetings during the financial year 2017-18 on the following dates: 28.06.2017, 28.08.2017, 21.12.2017 and 26.02.2018.

Sl. No	Date	Board Strength	No. of Directors present
1	28 th June 2017	12	5
2	28 th August 2017	13	6
3	21 st December 2017	14	7
4	26 th February 2018	14	5

11. 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.

12. 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.

13. SHARE CAPITAL

During the year under review, the Company had allotted 18,20,000 equity shares of Rs 10 each, making the paid up capital of the Company at Rs. 3,36,20,000 as on 31.03.2018.

14. 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

15. 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. 211,483.

16. 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.

17. 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.

18. 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

19. 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, 2018, 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.

20. 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.

21. 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**.

22. 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.

23. 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.

24. 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, 2018, 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, 2018 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.

25. 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.

26. RBI GUIDELINES

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

27. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

28. 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.

29. PARTICULARS OF EMPLOYEES

During the financial year 2017-18, 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.

30. DISCLOSURE AS PER SEXUAL HARRASSMENT 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

31. 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.

32. DETAIL OF FRAUD AS PER AUDITORS REPORT

There is no fraud in the Company during the F.Y. ended 31st March,2018 This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the F.Y. ended 31st March,2018.

33. MAINTENANCE OF COST RECORDS

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

34. 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: 11/08/2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Calicut

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.

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018

[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

e) Banks / FI	-	31,00,000	31,00,000	9.75	-	3670000	3670000	10.92	18.39
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	25299999	25299999	79.56	Nil	26119999	26119999	77.69	3.24
B. Public Shareholding									
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):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	1000000	1000000	3.14	Nil	1000000	1000000	2.97	Nil
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	17.30	-	6500000	6500000	19.33	18.18
c) Others (specify)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	6500001	6500001	20.44	-	7500001	7500001	22.30	15.38
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	31800000	31800000	100		33620000	33620000	100	5.72

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 Siddeek Ahmed Haji P	6000000	18.87	Nil	6000000	17.85	Nil	Nil
2	M/s Kerala State Industrial Development Corporation Limited(KSIDC Ltd)	3100000	9.75	Nil	3670000	10.92	Nil	18.39
3	Mr Cheril Krishna Menon,	3000000	9.43	Nil	3000000	8.92	Nil	Nil
4	Mr Yusuffali M A	3000000	9.43	Nil	3000000	8.92	Nil	Nil
5	Mr P Mohamad Ali	2200000	6.92	Nil	2200000	6.54	Nil	Nil
6	Mr Ibrahim Haji P.A.	3000000	9.43	Nil	3250000	9.67	Nil	8.33
7	Mr. Asharf Ali M A	2000000	6.29	Nil	2000000	5.95	Nil	Nil
8	Mr Azad Moopen	1000000	3.14	Nil	1000000	2.97	Nil	Nil
9	Mr P K Ahammed,	999999	3.14	Nil	999999	2.97	Nil	Nil
10	Mr E.M. Najeeb,	400000	1.26	Nil	400000	1.19	Nil	Nil
11	Mr Abdul Wahab	200000	0.63	Nil	200000	0.59	Nil	Nil
12	Mr P N C Menon.	100000	0.31	Nil	100000	0.30	Nil	Nil
13	Mr V K C Mammed Koya	100000	0.31	Nil	100000	0.30	Nil	Nil
14	Mr N. K.Mohammed Ali	100000	0.31	Nil	100000	0.30	Nil	Nil
15	Mr M P Ahammad	100000	0.31	Nil	100000	0.30	Nil	Nil

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

Sl No	Name	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters Shareholding during the year			Cumulative Shareholding during the year March 31, 2018	
		No of Shares	% of the total share of the company	Date	Increase / Decrease in Promoters Share holding during the year	Reason	No of Shares	% of shares
1	Mr Siddeek Ahmed Haji P	6000000	18.87	No Change			6000000	17.85
2	M/s Kerala State Industrial Development Corporation Limited(KSIDC Ltd)	3100000	9.75	14.03.2018	570000	Allotment	3670000	10.92
3	Mr Cheril Krishna Menon,	3000000	9.43	No Change			3000000	8.92
4	Mr Yusuffali M A	3000000	9.43	No Change			3000000	8.92
5	Mr P Mohamad Ali	2200000	6.92	No Change			2200000	6.54
6	Mr Ibrahim Haji P.A.	3000000	9.43	31.03.2018	250000	Allotment	3250000	9.67
7	Mr. Asharf Ali M A	2000000	6.29	No Change			2000000	5.95
8	Mr Azad Moopen,	1000000	3.14	No Change			1000000	2.97
9	Mr P K Ahammed,	999999	3.14	No Change			999999	2.97
10	Mr E.M. Najeeb,	400000	1.26	No Change			400000	1.19
11	Mr Abdul Wahab	200000	0.63	No Change			200000	0.59
12	Mr P N C Menon.	100000	0.31	No Change			100000	0.30
13	Mr V K C Mammed Koya	100000	0.31	No Change			100000	0.30
14	Mr N. K.Mohammed Ali	100000	0.31	No Change			100000	0.30
15	Mr M P Ahammad	100000	0.31	No Change			100000	0.30

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	3.14	1000000	2.97
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	1.49
5	Mr. Abdul Salim	At the beginning of the year	Nil	Nil	1000000	2.97

v. Shareholding of Directors and Key Managerial Personnel:

Sl No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters Shareholding during the year			Cumulative Shareholding during the year March 31, 2018	
		No of Shares	% of the total share of the company	Date	Increase / Decrease in Promoters Share holding during the year	Reason	No of Shares	% of shares
1	Dr Ibrahim Haji P.A	3000000	9.43	31.03.2018	250000	Allotment	3250000	9.67
2	Mr Abdul Wahab	200000	0.63	No Change			200000	0.59
3	Mr E.M. Najeeb	400000	1.26	No Change			400000	1.19
5	Mr Asharf Ali M.A	2000000	6.29	No Change			2000000	5.95
6	Dr V P Shamsheer	1000000	3.14	No Change			1000000	2.97
7	Mr PK Ahammed	999999	3.14	No Change			999999	2.97
8	Mr C K Menon	3000000	9.43	No Change			3000000	8.92
9	Mr Abdulla Poyil	4000000	12.58	No Change			4000000	11.90
10	Mr Siddeek Ahmed Haji P	6000000	18.87	No Change			6000000	17.85

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2)Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3)Income- tax Act, 1961					Nil
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - 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/ Manager				Total Amount
	<u>Independent Directors</u> -Fee for attending board committee meetings -Commission -Others, please specify					Nil
	Total(1)					Nil
	<u>Other Non-Executive Directors</u> -Fee for attending board committee meetings -Commission -Others, please specify					Nil
	Total(2)					Nil
	Total(B)=(1+2)					Nil
	Total Managerial Remuneration					Nil
	Overall Ceiling as per the Act					Nil

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

Sl. no.	Particulars of Remuneration(Per annum)	Key Managerial Personnel			
		CEO	Company Secretary*	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961		Rs. 771790 ¹	Rs. 1547050 ²	Rs. 2318840
			NIL	Rs.	Rs.
			Nil	Nil	Nil
2.	Stock Option		Nil	Nil	Nil

3.	Sweat Equity		Nil	Nil	Nil
4.	Commission - as % of profit -others, specify...		Nil	Nil	Nil
5.	Others, please specify		Nil	Nil	Nil
6.	Total		Rs. 771790	Rs. 1547050	Rs. 2318840

1. from May 2, 2017. Before May 2017, Gross salary was Rs 721006 p a.
2. from August 17, 2017. Before August 17,2017 Gross salary was Rs 1385356p.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)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

Date: 11/08/2018

Place: Calicut

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 2018, 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, as amended from time to time. 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, of the state of affairs of the Company as at 31st March, 2018, and its profit and its 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 modified 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 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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.

For Krishnamoorthy and Krishnamoorthy

Chartered Accountants

FRN: 001488S

Place: Cochin - 16

Date: 12th August 2018

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 31ST MARCH, 2018**

- (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 does not have any immovable properties having title deeds and hence this clause is not applicable to the Company during the period under report and hence not commented upon.
- (ii) The nature of the Company’s activities during the year has been such that clauses (ii) of the paragraph 3 of the companies (Auditor’s Report) Order, 2016 are not applicable to the company.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, paragraphs (iii) (a), (b) and (c) of CARO 2016 are not applicable.

- i) 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.
- ii) 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.
- iii) 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.
- iv) (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, goods and services tax, cess and any other statutory dues with the appropriate authorities during the year. There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of exercise, value added tax, goods and services tax outstanding on account of any dispute.
- v) 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.

- vi) 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.
- vii) 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.
- 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 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
- ix) 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.
- 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, 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.
- xi) 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.

- xii) 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.
- xiii) 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 12th August 2018

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, 2018**

**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, 2018 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, 2018, 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

Sd/-

Date 12th August 2018

K T Mohanan

Partner (M No.201484)

CHERAMAN FINANCIAL SERVICES LIMITED

BALANCE SHEET AS AT 31st MARCH 2018

Particulars	Note No	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
<u>EQUITY AND LIABILITIES:</u>			
(1) Shareholder's Funds			
(a) Share Capital	2	336,200,000	318,000,000
(b) Reserves and Surplus	3	(60,958,235)	(69,051,371)
(2) Non-Current Liabilities			
(a) Other Long Term Liabilities	4	22,224,192	13,321,100
(b) Long-Term Provisions	5	694,120	588,256
(3) Current Liabilities			
(a) Trade Payables	6	2,888,558	100,000
(b) Other Current Liabilities	7	724,950	3,350,107
(c) Short-Term Provisions	8	1,210,487	816,213
Total		302,984,072	267,124,305
<u>ASSETS:</u>			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	9		
i) Tangible Assets		3,954,672	4,801,563
ii) Intangible Assets		-	14,725
(b) Non-Current Investments	10	59,800,200	59,800,200
(c) Long Term Loans and Advances	11	102,176,799	99,065,877
(2) Current Assets			
(a) Trade Receivables	12	2,145,482	1,712,522
(b) Cash and Cash Equivalents	13	29,882,399	10,813,971
(c) Short-Term Loans and Advances	14	98,074,950	90,092,716
(d) Other Current Assets	15	6,949,571	822,731
Total		302,984,072	267,124,305

Significant Accounting Policies

1

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

As per our Report of even date

For Krishnamoorthy & Krishnamoorthy

For and on behalf of the Board of Directors

Chartered Accountants

(Firm Regn.No.001488S)

Sd/-

K T Mohanan

Partner

(M No.201484)

Sd/-

APM Mohammed Hanish IAS

Managing Director

Din: 02504842

Sd/-

M M Abdul Basheer

Director

Din:00120916

Sd/-

Meera C

Company Secretary

Sd/-

Remesh Shenoj S

Chief Financial Officer

Place: Kochi

Date: 12th Aug 2018

Place: Calicut

Date: 11th Aug 2018

CHERAMAN FINANCIAL SERVICES LIMITED			
Statement of Profit And Loss for the Year Ended 31st March 2018			
Particulars	Note No	For the Year Ended 31.03.2018 Amount (INR)	For the Year Ended 31.03.2017 Amount (INR)
I INCOME			
a) Revenue from Operations	16	18,403,133	13,328,474
b) Other Income	17	18,030	19,830
Total Revenue (a+b)		18,421,163	13,348,304
II EXPENSES			
a) Employee Benefit Expenses	18	6,303,399	5,478,466
b) Depreciation and Amortization Expenses	9	866,398	917,257
c) Other Expenses	19	3,158,230	3,427,054
Total Expenses (a+b+c)		10,328,027	9,822,777
III. Profit/(Loss) before exceptional and extraordinary items and tax (I -II)		8,093,136	3,525,527
IV. Exceptional Items		-	-
V. Profit/(Loss) Before Tax (III-IV)		8,093,136	3,525,527
VI. Tax Expense:			
a) Current Tax		881,377	-
b) Short Provision of Previous Years		60,914	-
c) MAT input tax credit entitlement (Refer Note -11.1)		(942,291)	-
d) Deferred Tax		-	-
VII. Profit/(Loss) After Tax (V-VI)		8,093,136	3,525,527
VIII. Earning per Equity Share of Rs.10 each	20		
Basic & Diluted		0.25	0.11
Significant Accounting Policies	1		
The accompanying notes form an integral part of the financial statements.			
As per our Report of even date			
For Krishnamoorthy & Krishnamoorthy		For and on behalf of the Board of Directors	
Chartered Accountants (Firm Regn.No.001488S)			
Sd/-	Sd/-	Sd/-	
K T Mohanan	APM Mohammed Hanish IAS	M M Abdul Basheer	
Partner	Managing Director	Director	
(M No.201484)	Din: 02504842	Din: 00120916	
	Sd/-	Sd/-	
	Meera C	Remesh Sheno S	
	Company Secretary	Chief Financial Officer	
Place: Kochi		Place: Calicut	
Date: 12th Aug 2018		Date: 11th Aug 2018	

CHERAMAN FINANCIAL SERVICES LIMITED
(Formerly known as Al-Barakah Financial Services Ltd)
Cash Flow Statement For The Year Ended 31st March 2018

Particulars	2017-18	2016-17
	Amount (INR)	Amount (INR)
A. Cash Flow From Operating Activities		
Profit/(Loss) Before Tax & Exceptional Items	8,093,136	3,525,527
Adjustments for:		
Depreciation and Amortisation	866,398	917,257
Excess Depreciation written back	-	-
Operating Profit before working capital changes	8,959,534	4,442,784
Movements in working capital :		
Increase/ (decrease) in other long term liabilities	8,903,092	3,659,544
Increase/ (decrease) in long term provisions	105,864	258,520
Increase/ (decrease) in trade payables	2,788,558	100,000
Increase/ (decrease) in other current liabilities	(2,625,157)	1,029,928
Increase/ (decrease) in short term provisions	394,274	231,407
Decrease / (increase) in long-term loans and advances	(3,110,921)	(45,152,415)
Decrease / (increase) in Trade Receivables	(432,960)	(998,715)
Decrease / (increase) in short-term loans and advances	(7,982,234)	(20,612,117)
Decrease / (increase) in other current assets	(6,126,840)	(361,221)
Net change in working capital	(8,086,324)	(61,845,069)
Cash generated from/(used in) operations	873,210	(57,402,285)
Direct Taxes Paid (net of Refund)		-
Cash generated from / (used in) from operating activities (A)	873,210	(57,402,285)
B. Cash Flow from Investing Activities		
Purchase of Fixed assets	(4,782)	(35,645)
Net cash flow from/(used in) investing activities (B)	(4,782)	(35,645)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share capital	18,200,000	30,000,000
Net cash flow from/(used in) financing activities (C)	18,200,000	30,000,000
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	19,068,428	(27,437,930)
Cash & Cash Equivalents at the beginning of the year	10,813,971	38,251,901
Cash & Cash Equivalents at the end of the year (Note 13)	29,882,399	10,813,971

As per our Report of even date

For Krishnamoorthy & Krishnamoorthy

For and on behalf of the Board of Directors

Chartered Accountants
(Firm Regn.No.001488S)

Sd/-

Sd/-

Sd/-

K T Mohanan

APM Mohammed Hanish IAS

M M Abdul Basheer

Partner

Managing Director

Director

(M No.201484)

Din: 02504842

Din:00120916

Sd/-

Sd/-

Meera C

Remesh Sheno S

Company Secretary

Chief Financial Officer

Place: Kochi

Place: Calicut

Date: 12th Aug 2018

Date: 11th Aug 2018

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, as amended from time to time, 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, the Company is exempt from the applicability of Chapter IV of the directions which contains the principles of income recognition, asset classification, provisioning requirements for NBFC's. However, as a matter of prudence, the management of the company has decided to mandatorily follow the IRAC norms prescribed by Reserve Bank of India for all the advances extended except for the amount advanced to subsidiary companies. In the case of subsidiary companies, the recognition of income shall be on accrual basis and the asset classification and provisioning will be based on the management estimate and judgement regarding the probability of recovery.
- 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, except in the case of non-performing assets (NPA) where it is recognised upon realisation.

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, 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 provides an allowance for Lease/Hire Purchase receivables based on the prudential norms issued by the RBI relating to income recognition, asset classification and provisioning for non-performing assets. Provision is calculated after considering the value of repossessed stock, except in the case as warranted in Note no. 1.1 (b)

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 and is not based on Actuarial Valuation. (Refer Note No.25).

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.

Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

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 2018

2 Share Capital

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount (INR)	Amount (INR)
Authorised Capital 1,000,000,000 Equity Shares of Rs. 10/- each	10,000,000,000	10,000,000,000
Issued and Subscribed and Fully Paid Up 3,36,20,000 (3,18,00,000) Equity Shares of Rs. 10/- each fully paid up	336,200,000	318,000,000
	336,200,000	318,000,000

2.1 Terms/ Rights Attached to Equity Shares:

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

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

2.2 Reconciliation of Outstanding Shares:

Particulars	31st March 2018		31st March 2017	
	No of Shares	Amount (INR)	No of Shares	Amount(INR)
Opening as on 1st April	31,800,000	318,000,000	28,800,000	288,000,000
Add: Issued during the year	1,820,000	18,200,000	3,000,000	30,000,000
Closing as on 31st March	33,620,000	336,200,000	31,800,000	318,000,000

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

Name of the Shareholder	No. of shares as on 31st March 2018	% of holding	No. of shares as on 31st March 2017	% of holding
Mr. Siddeek Ahmed Haji	6000000	17.85%	6000000	18.87%
Mr. Abdulla Poyil	4000000	11.90%	4000000	12.58%
M/s KSIDC	3670000	10.92%	3100000	9.75%
Mr. Ibrahim Haji P.A	3250000	9.67%	3000000	9.43%
Mr. C K Menon	3000000	8.92%	3000000	9.43%
Mr.Yusuffali M A	3000000	8.92%	3000000	9.43%
Mr.P Mohamad Ali	2200000	6.54%	2200000	6.92%
Mr.Ashraf Ali M.A	2000000	5.95%	2000000	6.29%

3 Reserves & Surplus

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount (INR)	Amount (INR)
a) Surplus in Statement of Profit & Loss		
As per last Balance Sheet	(69,051,371)	(72,576,898)
Add : Profit/(Loss) for the year	8,093,136	3,525,527
TOTAL	(60,958,235)	(69,051,371)

4 Other Long Term Liabilities

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount (INR)	Amount (INR)
a) Others		
Security Deposit - Leasing	22,224,192	13,321,100
TOTAL	22,224,192	13,321,100

5 Long Term Provisions

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount (INR)	Amount (INR)
i) For Employee Benefit:		
Provision for Gratuity	444,196	345,003
ii) Contingent Provisions against Standard Assets	249,924	243,253
TOTAL	694,120	588,256

6 Trade Payables

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount (INR)	Amount (INR)
a. Total outstanding dues of micro enterprises and small enterprises	-	-
b. Others	2,888,558	100,000
TOTAL	2,888,558	100,000

7 Other Current Liabilities

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount (INR)	Amount (INR)
a) Advance Received for Services to be rendered in relation to leasing	149,788	760,608
b) Other Payables:		
i) Statutory Dues	109,799	497,588
ii) Expenses Payable	130,363	295,601
iii) Security Deposit - Leasing	335,000	1,796,310
TOTAL	724,950	3,350,107

8 Short Term Provisions

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount (INR)	Amount (INR)
i) For Employee Benefit:		
Provision for Leave Encashment	1,096,682	719,412
ii) Contingent Provisions against Standard Assets	113,805	96,801
TOTAL	1,210,487	816,213

10 Non Current Investments

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount (INR)	Amount (INR)
Other Investments at Cost		
i) Investment in Equity Instruments (Unquoted)		
(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 - 71,380) 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
TOTAL	59,800,200	59,800,200
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.		
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.		

11 Long Term Loans & Advances

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount (INR)	Amount (INR)
(a) Security Deposits		
Unsecured, Considered Good	853,042	858,146
TOTAL (a)	853,042	858,146
(b) Income Tax - Advance (net of provisions)	411,553	907,218
(c) Income Tax - Mat Credit Entitlement	942,291	-
TOTAL (b)	1,353,844	907,218
(c) Others		
Secured, Considered Good		
i) Assets on Finance		
- To Related Party	-	-
- To Others	99,969,912	97,300,513
TOTAL (c)	99,969,912	97,300,513
TOTAL (a +b+c)	102,176,799	99,065,877

11.1 MAT Credit Entitlement represents the Income Tax paid for the current year and that of the previous year based on computation of book profit, which is available for set off against the tax liability based on normal computation. Based on future projections, the Management expects that there will be sufficient future taxable income to take credit for the MAT paid.

12 Trade Receivables

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount (INR)	Amount (INR)
Secured, Considered good		
(a) Outstanding for a period exceeding six months from the date they are due for payment	876,674	718,412
(b) Others	1,268,808	994,110
TOTAL	2,145,482	1,712,522

12.1 Outstanding for a period exceeding six months represents the amount of lease rent receivable from one of the subsidiary Company pending even after the completion of lease term. The Management had decided not to levy any additional interest or penalty charges considering the financial position of the subsidiary.

13 Cash & Cash Equivalents

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount (INR)	Amount (INR)
i) Balance with Banks - In Current Account	29,872,966	10,803,843
ii) Cash on Hand	9,433	10,128
TOTAL	29,882,399	10,813,971

14 Short Term Loans & Advances

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount (INR)	Amount (INR)
(a) Loans and Advances to Related parties		
Unsecured, Considered Good		
Wholly owned Subsidiaries:		
i) Cheraman Funds Management Ltd	5,297,000	5,040,000
ii) Cheraman Infrastructure Pvt Ltd	34,000,000	33,900,000
(b) Balance with Government Authorities	1,671,382	-
(c) Advance income tax (Net)	846,304	-
(d) Others		
Secured, Considered Good		
i) Assets on Finance		
- To Others	45,521,696	38,721,062
Unsecured, Considered Good		
i) Advances recoverable in kind or for value to be received.	9,350,658	11,041,428
ii) Cheraman Trust -Fund (Refer Note No.23)	1,387,910	1,387,910
iii) Other advances	-	2,316
TOTAL	98,074,950	90,092,716

14.1 No interest is charged for the amount advanced to wholly Owned Subsidiary Companies and also no terms for repayment had been fixed, considering the fact the amount advanced is for the business activities of the subsidiaries.

15 Other Current Assets

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount (INR)	Amount (INR)
(a) Accruals		
(i) Interest Accrued on Fixed Deposits	20,470	15,907
(ii) Accrued Annualised Cost to Customer	816,003	806,824
TOTAL	836,473	822,731
(b) Assets intended for lease	6,113,098	-
	6,113,098	-
Total	6,949,571	822,731

15.1 Pending entering into lease agreement, the equipment purchased based on the request to make available equipment on lease is considered as Other assets.

16 Revenue From Operations

Particulars	For the Year Ended 31.03.2018 Amount (INR)	For the Year Ended 31.03.2017 Amount (INR)
Annualised Cost to Customer	18,040,117	13,012,109
Processing Fee	363,016	316,365
TOTAL	18,403,133	13,328,474

17 Other Income

Particulars	For the Year Ended 31.03.2018 Amount (INR)	For the Year Ended 31.03.2017 Amount (INR)
Interest Received on IT Refund	-	12,570
Interest on Fixed Deposit	4,563	5,170
Miscellaneous Income	1,012	2,090
Excess Liability written back	12,455	-
TOTAL	18,030	19,830

18 Employee Benefit Expenses

Particulars	For the Year Ended 31.03.2018 Amount (INR)	For the Year Ended 31.03.2017 Amount (INR)
Salaries, Wages and Bonus	5,830,799	5,013,527
Contribution to Provident and other Funds	285,264	237,795
Staff Welfare Expenses	88,143	80,026
Gratuity	99,193	147,118
TOTAL	6,303,399	5,478,466

19 Other Expenses

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
	Amount (INR)	Amount (INR)
Legal and Professional Fees	499,776	668,166
Travelling Expenses	255,204	270,133
Rent	1,313,488	1,250,940
Office General Expenses	237,490	356,025
Electricity & Water Charges	327,306	349,456
Repairs and Maintenance		
(a) Building	700	2,150
(b) Others	141,295	84,573
Rates, Taxes and Filing Fees	50,775	35,281
Printing and Stationery	27,547	30,752
Recruitment Expense	66,864	11,608
Insurance Charges	-	12,301
Meeting Expense	25,798	27,061
Telephone Charges	118,312	104,395
Provision Against Standard Assets	23,675	154,213
Payment to Auditor		
a) Statutory Audit Fee	55,000	55,000
b) For Tax Audit	15,000	15,000
TOTAL	3,158,230	3,427,054

20 Earnings Per Share

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
	Amount (INR)	Amount (INR)
Profit/(Loss) Attributable to Equity Share Holders	8,093,136	3,525,527
Weighted Average Number of Equity Share Outstanding (Nos)	32,580,274	30,920,548
Earnings Per Share	0.25	0.11

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 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
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, 2018

Name of Related Party	Nature of Transaction	For the Year Ended 31.03.2018 Amount (INR)	For the Year Ended 31.03.2017 Amount (INR)
Mr.Siddeek Ahmed Haji P - Director	Subscription to Equity Share Capital	-	10,000,000
Cheraman Infrastructure Private Ltd	Unsecured Loan Given	100,000	-
	Recovery of Expenses	9,312	10,368
	Repayment of Loan	-	2,500,000
	Outstanding Loan Balance at the end of the year	34,000,000	33,900,000
Cheraman Funds Management Ltd	Unsecured Loan Given	257,000	140,000
	Recovery of Expenses	-	-
	Outstanding Loan Balance at the end of the year	5,297,000	5,040,000
Suits India Private Ltd	Investment in to Equity Share Capital	-	-
	Equipment Lease facility given during the year	-	-
	Income from Equipment Leasing recognized during the year	-	79,252
	Outstanding balance of lease facility	876,674	1,166,500

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

- 22.1 The Company has given certain assets on finance lease which effectively transferred substantially all of the risks and benefit incidental to the ownership and as per the understanding the ownership will be transferred at the end of lease period.
- 22.2 Though the invoice for the purchase of assets intended for finance lease is in the name of the Company, based on lease agreement, substantially all risks and benefit incidental to the ownership of the asset is transferred to the lessee, the asset is not considered as the fixed asset of the Company.
- 22.3 The total gross investment in these leases and the present value of minimum lease payment receivable as on 31st March, 2018 is as under:

	As At 31.03.2018		
	Gross investment in Lease	Unearned Finance Income	Present Value of Receivables
i) Not later than one year	60,181,438	14,659,742	45,521,696
ii) Later than one year and not later than five years	115,873,808	15,903,896	99,969,912
iii) Later than five years	-	-	-
Total	176,055,246	30,563,638	145,491,608
	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	-	-	-
Total	167,218,685	31,197,110	136,021,576

- 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 and in accordance with Payment of Gratuity Act, 1972, in case of gratuity. 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 Ended 31.03.2018	For the Year Ended 31.03.2017
	Amount (INR)	Amount (INR)
(a) Earnings in Foreign Currency	-	-
(b) Expenditure in Foreign Currency		
Purchase of Equipment for Leasing	-	2,355,045
Travel Expenses	211,483	141,427
Total Expenditure in Foreign Currency	211,483	2,496,472

27 CIF Value of Imports

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
	Amount (INR)	Amount (INR)
Equipment for Leasing	-	2,355,045

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

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
	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
- 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, 2018 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

Sd/-

Meera C

Company Secretary

Sd/-

Remesh Shenoi S

Chief Financial Officer

Place: Kochi

Date: 12th Aug 2018

Place: Calicut

Date: 11th Aug 2018

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 2018	Amount overdue as on 31st March 2018
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(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)	-	-
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	(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 2018
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
	(a) Secured	-
	(b) Unsecured	39,297,000

Amount in Rs.

Sl.No.	Particulars	Amount out-standing as on 31st March 2018
4	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	145,491,608
	(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 2018
5	Break-up of Investments :	
	<u>Current Investments :</u>	
	<u>1 Quoted :</u>	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	<u>2 Unquoted :</u>	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	<u>Long Term investments :</u>	
	<u>1. Quoted :</u>	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	<u>2. Unquoted :</u>	
	(i) Shares : (a) Equity	59,800,200
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(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 2018		
		Secured	Unsecured	Total
	Category			
	1. Related Parties **			
	(a) Subsidiaries	-	39,297,000	39,297,000
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related parties	145,491,608	-	145,491,608
	Total	145,491,608	39,297,000	184,788,608

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)
	1. Related Parties **		
	(a) Subsidiaries	2,666,338	59,800,200
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	-	-
	Total	2,666,338	59,800,200

Amount in Rs.

8	Other Information	Total As On 31st March 2018
	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 & Krishnamoorthy**For and on behalf of the Board of Directors**Chartered Accountants
(Firm Regn.No.001488S)Sd/-
K T Mohanan
Partner
(M No.201484)Sd/-
APM Mohammed Hanish IAS
Managing Director
Din: 02504842Sd/-
M M Abdul Basheer
Director
Din: 00120916Sd/-
Meera C
Company Secretary
Place: Kochi
Date: 12th Aug 2018Sd/-
Meera C
Company SecretarySd/-
Remesh Shenois
Chief Financial Officer
Place: Calicut
Date: 11th Aug 2018

9 Property, Plant and Equipment

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2017	Addition	Deduction	As at 31.03.2018	As at 01.04.2017	Depreciation Reversal*	For the Year	Deduction	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
A. Tangible Assets											
Building	542,462	-	-	542,462	67,708	-	17,669	-	85,377	457,085	474,754
Furniture & Fixture	4,637,889	-	-	4,637,889	1,885,827	-	464,099	-	2,349,926	2,287,963	2,752,062
Computers	675,112	2,783	-	677,895	642,756	-	3,392	-	646,148	31,747	32,356
Office Equipment	325,994	1,999	-	327,993	259,302	-	36,548	-	295,850	32,143	66,692
Electrical Equipments	1,796,619	-	-	1,796,619	663,631	-	183,397	-	847,028	949,591	1,132,988
Vehicle	871,549	-	-	871,549	528,839	-	146,567	-	675,406	196,143	342,710
Total Tangible Assets (A)	8,849,625	4,782		8,854,407	4,048,063	-	851,672		4,899,735	3,954,672	4,801,563
B. Intangible Assets											
Computer Software	311,670	-	-	311,670	296,945	-	14,726	-	311,670	-	14,725
Total Intangible Assets (B)	311,670	-	-	311,670	296,945	-	14,726	-	311,670	-	14,725
Total (A+B)	9,161,295	4,782	-	9,166,077	4,345,007	-	866,398	-	5,211,405	3,954,672	4,816,288
Previous Year	9,125,650	35,645	-	9,161,295	3,427,751	-	917,257	-	4,345,009	4,816,286	5,697,899

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHERAMAN FINANCIAL SERVICES LIMITED

Report on the Consolidated Financial Statements:

We have audited the accompanying consolidated Financial Statements of **Cheraman Financial Services Limited** (herein after referred to as “the Holding Company”), and its subsidiaries (together referred to as “The Group”) which comprise the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as “the Consolidated Financial Statements”).

Management's Responsibility for the Consolidated 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the holding company's preparation of the consolidated 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 holding company's Directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018 and the consolidated profit and the consolidated cash flows for the year ended on that date.

Emphasis of Matter Paragraph

We draw attention to the following matters in the notes forming part of the financial statements:

- a. Note No.41 in the consolidated financial statements which indicate that one of the subsidiary company have accumulated losses and its net worth has fully eroded, the Company has incurred a net cash loss during the current and previous years, and the Company's current liabilities exceeded its current assets as at the balance Sheet date. These conditions along with other matters set forth in the note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability

to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

- b. Note No.40 in the consolidated financial statements which indicate that one of the subsidiary company has accumulated losses and its net worth has fully eroded. The Company has incurred a net cash loss during the current year and the Company's current liabilities exceeded its current assets as at the balance sheet date. Though these conditions are in existence, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.
- c. Note No.42 in the consolidated financial statements regarding the amount to be recovered from one of the Trust towards the expenses incurred, which is pending for recovery for quite long time. However, the Management is confident of recovery for the reasons stated therein.

Our opinion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements:

1. 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 consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; 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.37 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.38 to the financial statements, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Krishnamoorthy and Krishnamoorthy

Chartered Accountants

FRN: 001488S

Place: Cochin - 16

Date: 12th Aug 2018

Sd/-

K T Mohanan

Partner (M No.201484)

**“ANNEXURE A” 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 CONSOLIDATED FINANCIAL STATEMENTS OF
CHERAMAN FINANCIAL SERVICES LIMITED FOR THE YEAR ENDED
31ST MARCH 2018**

**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, 2018 in conjunction with our audit of the consolidated 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 31st March, 2018, 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: 12th Aug 2018

Sd/-

K T Mohanan

Partner (M No.201484)

CHERAMAN FINANCIAL SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2018

Particulars	Note No	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
<u>EQUITY AND LIABILITIES:</u>			
(1) Shareholder's Funds			
(a) Share Capital	2	336,200,000	318,000,000
(b) Reserves and Surplus	3	(112,452,200)	(114,352,819)
Minority Interest		(394,623)	777,986
(2) Non-Current Liabilities			
(a) Other Long Term Liabilities	4	28,531,232	17,830,150
(b) Long-Term Provisions	5	694,120	786,314
(3) Current Liabilities			
(a) Short Term Borrowings	6	5,117,758	-
(b) Trade Payables	7	3,937,960	1,151,527
(c) Other Current Liabilities	8	8,633,264	10,611,349
(d) Short-Term Provisions	9	1,331,243	910,764
Total		271,598,754	235,715,271
<u>ASSETS:</u>			
(1) Non-Current Assets			
(a) Fixed Assets	10		
i) Tangible Assets		13,773,909	15,734,494
ii) Intangible Assets		44,226,682	46,822,405
iii) Intangible Assets Under Development		2,111,490	2,111,490
Goodwill on Consolidation		2,578,931	2,578,931
(b) Long Term Loans and Advances	11	102,720,819	99,569,785
(c) Other Non Current Assets	12	412,000	412,000
(2) Current Assets			
(a) Inventories	13	2,210,724	2,815,091
(b) Trade Receivables	14	3,929,367	707,509
(c) Cash and Bank Balances	15	32,566,805	11,107,571
(d) Short-Term Loans and Advances	16	60,052,404	53,007,033
(e) Other Current Assets	17	7,015,623	848,962
Total		271,598,754	235,715,271

Significant Accounting Policies

1

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

As per our Report of even date

For Krishnamoorthy & Krishnamoorthy

For and on behalf of the Board of Directors

Chartered Accountants

(Firm Regn.No.001488S)

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

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

Sd/-
M M Abdul Basheer
 Director
 DIN:00120916

Sd/-
Meera C
 Company Secretary

Sd/-
Remesh Shenoj S
 Chief Financial Officer

Place: Kochi

Place: Calicut

Date: 12th August 2018

Date: 11th August 2018

CHERAMAN FINANCIAL SERVICES LIMITED

Consolidated Statement of Profit And Loss for the Year Ended 31st March 2018

Particulars	Note No	For the Year Ended 31.03.2018 Amount (INR)	For the Year Ended 31.03.2017 Amount (INR)
I INCOME			
a) Revenue from Operations	18	28,870,802	18,659,646
b) Other Income	19	892,911	157,797
Total Revenue (a+b)		29,763,713	18,817,443
II EXPENSES			
a) Cost of Material Consumed	20	3,672,110	944,259
b) Changes in Inventories	21	(948,332)	174,645
c) Employee Benefit Expenses	22	12,576,539	10,828,473
d) Finance Cost	23	417,833	-
d) Depreciation and Amortization Expenses	10	4,963,665	4,250,913
e) Other Expenses	24	8,353,889	9,713,907
Total Expenses (a+b+c)		29,035,703	25,912,197
III. Profit/(Loss) before exceptional items and tax (I - II)		728,010	(7,094,754)
IV. Exceptional Items		-	-
V. Profit/(Loss) Before Tax (III-IV)		728,010	(7,094,754)
VI. Tax Expense:			
a) Current Tax		936,436	-
b) Short Provision of Previous Years		60,914	
c) MAT input tax credit entitlement (Refer Note -11.1)		(997,350)	
d) Deferred Tax		-	(99,050)
VII. Profit/(Loss) After Tax (V-VI)		728,010	(6,995,704)
VIII. Minority Interest		(1,172,609)	(868,701)
IX. Profit/(Loss) attributable to Shareholders		1,900,619	(6,127,003)
X. Earning per Equity Share of Rs.10 each	25		
Basic & Diluted		0.06	(0.20)

Significant Accounting Policies

1

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

As per our Report of even date

For Krishnamoorthy & Krishnamoorthy

For and on behalf of the Board of Directors

Chartered Accountants

(Firm Regn.No.001488S)

Sd/-

K T Mohanan
Partner
(M No.201484)

Sd/-

APM Mohammed Hanish IAS
Managing Director
DIN: 02504842

Sd/-

M M Abdul Basheer
Director
DIN: 00120916

Sd/-

Meera C
Company Secretary

Sd/-

Remesh Shenoi S
Chief Financial Officer

Place: Kochi

Date: 12th August 2018

Place: Calicut

Date: 11th August 2018

CHERAMAN FINANCIAL SERVICES LIMITED
Consolidated Cash Flow Statement For The Year Ended 31st March 2018

Particulars	2017-18	2016-17
	Amount (INR)	Amount (INR)
A. Cash Flow From Operating Activities		
Profit/(Loss) Before Tax & Exceptional Items	728,010	(7,094,754)
Adjustments for:		
Depreciation and Amortisation	4,963,665	4,250,913
Interest Income	(49,436)	(9,755)
Loss Attributable to Minority Interest	1,172,609	868,701
Operating Profit before working capital changes	6,814,848	(1,984,895)
Movements in working capital :		
Increase/ (decrease) in Minority Interest	(1,172,609)	(868,701)
Increase/ (decrease) in other long term liabilities	10,701,082	7,310,444
Increase/ (decrease) in long term provisions	(92,193)	147,367
Increase/ (decrease) in Short term borrowings	5,117,758	-
Increase/ (decrease) in Trade Payables	2,786,432	326,676
Increase/ (decrease) in other current liabilities	(1,978,085)	5,134,247
Increase/ (decrease) in short term provisions	420,479	261,586
Decrease / (increase) in Goodwill on Consolidation	-	-
Decrease / (increase) in long-term loans and advances	(3,151,034)	(44,664,746)
Decrease / (increase) in Non current Assets	-	40,000
Decrease / (increase) in Inventories	604,366	(736,293)
Decrease / (increase) in Trade Receivables	(3,221,858)	(101,378)
Decrease / (increase) in short-term loans and advances	(7,045,371)	(24,486,572)
Decrease / (increase) in other current assets	(6,166,660)	(357,009)
Net change in working capital	(3,197,691)	(57,994,378)
Cash generated from/(used in) operations	3,617,156	(59,979,273)
Direct Taxes Paid (net of Refund)	-	-
Cash generated from / (used in) from operating activities (A)	3,617,156	(59,979,273)
B. Cash Flow from Investing Activities		
Purchase of Fixed assets	(407,358)	(2,719,421)
Purchase of non current investments	-	-
Interest Received	49,436	9,755
Net cash flow from/(used in) investing activities (B)	(357,922)	(2,709,666)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share capital	18,200,000	30,000,000
Net cash flow from/(used in) financing activities (C)	18,200,000	30,000,000
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	21,459,234	(32,688,939)
Cash & Cash Equivalents at the beginning of the year	11,107,571	43,796,510
Cash & Cash Equivalents at the end of the year (Note 15)	32,566,805	11,107,571

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

Sd/-
Remesh Shenoj S
Chief Financial Officer

Place: Kochi
Date: 12th August 2018

Place: Calicut
Date: 11th August 2018

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. However, as a matter of prudence, the management of the company has decided to mandatorily follow the IRAC norms prescribed by Reserve Bank of India for all the advances extended except for the amount advanced to subsidiary companies. In the case of subsidiary companies, the recognition of income shall be on accrual basis and the asset classification and provisioning will be based on the management estimate and judgement regarding the probability of recovery.
- 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, 2018 and Statement of profit and loss and cash flows of the Parent Company and its Subsidiaries for the year ended March 31, 2018.

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, 2018.

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. Intangible Asset consisting of BOT Project Expenditure is amortized over the period of operation on straight line basis.

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.

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.

Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

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 2018

2 Share Capital

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
Authorised Capital 1,000,000,000 Equity Shares of Rs. 10/- each	10,000,000,000	10,000,000,000
Issued and Subscribed and Fully Paid Up 3,36,20,000 (3,18,00,000) Equity Shares of Rs. 10/- each fully paid up	336,200,000	318,000,000
	336,200,000	318,000,000

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 2018		31st March 2017	
	No of Shares	Amount (INR)	No of Shares	Amount (INR)
Opening as on 1st April	31,800,000	318,000,000	28,800,000	288,000,000
Add: Issued during the year	1,820,000	18,200,000	3,000,000	30,000,000
Closing as on 31st March	33,620,000	336,200,000	31,800,000	318,000,000

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

Name of the Shareholder	No. of shares as on 31st March 2018	% of holding	No. of shares as on 31st March 2017	% of holding
Mr. Siddeek Ahmed Haji	6000000	17.85%	6000000	18.87%
Mr. Abdulla Poyil	4000000	11.90%	4000000	12.58%
M/s KSIDC	3670000	10.92%	3100000	9.75%
Mr. Ibrahim Haji P.A	3250000	9.67%	3000000	9.43%
Mr. C K Menon	3000000	8.92%	3000000	9.43%
Mr. Yusuffali M A	3000000	8.92%	3000000	9.43%
Mr.P Mohamad Ali	2200000	6.54%	2200000	6.92%
Mr.Ashraf Ali M.A	2000000	5.95%	2000000	6.29%

3 Reserves & Surplus

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
a) Profit & Loss Account		
Opening Balance	(114,352,819)	(108,225,816)
Add : Profit/(Loss) for the year	1,900,619	(6,127,003)
TOTAL	(112,452,200)	(114,352,819)

4 Other Long Term Liabilities

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
a) Others		
Security Deposit - Leasing	22,224,192	13,321,100
Rent Deposit	2,676,940	766,150
Loans & Advances from Related Parties:-		
Unsecured loan from Director	3,630,100	3,742,900
TOTAL	28,531,232	17,830,150
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 Long Term Provisions

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
i) For Employee Benefit:		
Provision for Gratuity	444,196	543,061
ii) Contingent Provisions against	249,924	243,253
TOTAL	694,120	786,314

6 Short Term Borrowings

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
Secured:		
Working Capital Revolving Fund Loan	5,117,758	-
One of the Subsidiary Company M/s Suits India Pvt Ltd has availed loan from Kerala Financial Corporation which is secured by the assets of the Company and further guaranteed by the Promoter Directors of the Company. The credit facility sanctioned for a period of one year carries an interest at the rate of 14%p.a.		
TOTAL	5,117,758	-

7 Trade Payables

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
a. Total outstanding dues of micro enterprises and small enterprises	-	
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	3,937,960	1,151,527
TOTAL	3,937,960	1,151,527

8 Other Current Liabilities

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
a) Advance Received for Services to be rendered in relation to leasing	149,788	760,608
b) Payable for Capital Goods	246,250	10,250
c) Current Matutities of Long Term Debt	-	-
d) Other Payables:	-	-
i) Statutory Remittances	1,151,329	1,863,684
ii) Expenses Payable	5,598,342	3,927,136
iii) Retention Money	4,718	503,673
iv) Retention for Performance	-	-
v) Earnest Money Deposit	-	15,000
vi) Security Deposit - Leasing	335,000	1,796,310
vii) Advance Received from Customers	1,147,837	1,734,688
TOTAL	8,633,264	10,611,349

9 Short Term Provisions

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
i) For Employee Benefit:		
Provision for Leave Encashment	1,162,379	813,963
ii) Contingent Provisions against	113,805	96,801
iii) Income Tax Provision	55,059	
TOTAL	1,331,243	910,764

11 Long Term Loans & Advances

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
(a) Capital Advances		
Unsecured, Considered Good	-	-
TOTAL (a)	-	-
(b) Security Deposits		
Unsecured, Considered Good	1,337,578	1,357,682
TOTAL (b)	1,337,578	1,357,682
(c) Income Tax Advance (net of provisions)	415,979	911,590
(d) MAT Credit Entitlement	997,350	-
TOTAL (c)	1,413,329	911,590
(d) Others		
Secured, Considered Good		
i) Assets on Finance		
- To Related Party	-	-
- To Others	99,969,912	97,300,513
TOTAL (d)	99,969,912	97,300,513
TOTAL (a +b+c+d)	102,720,819	99,569,785

- 11.1 MAT Credit Entitlement represents the Income Tax paid for the current year and that of the previous year based on computation of book profit, which is available for set off against the tax liability based on normal computation. Based on future projections, the Management expects that there will be sufficient future taxable income to take credit for the MAT paid.

12 Other Non Current Assets

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
Fixed Deposit With Bank	412,000	412,000
TOTAL	412,000	412,000
This Fixed Deposit is held as security for bank guarantee issued in favor of The Central Excise and Customs Department.		

13 Inventories

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
Materials acquired for manufacturing:		
Finished Goods	1,080,765	161,523
Work In Progress	29,091	-
Packing Materials	223,821	202,938
Raw-materials	877,048	2,450,629
TOTAL	2,210,724	2,815,091
Inventories are as taken valued and certified by the Management, which has been relied upon by the Auditors.		

14 Trade Receivables

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
(a) Outstanding for a period exceeding six months from the date they are due for payment	-	-
(b) Others		
Secured, Considered good	3,929,367	707,509
TOTAL	3,929,367	707,509

15 Cash & Bank Balances

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
Cash & Cash Equivalents		
i) Balance with Banks		-
- In Current Account	32,507,376	11,077,571
ii) Cash on Hand	59,429	30,000
TOTAL	32,566,805	11,107,571

16 Short Term Loans & Advances

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
(a) Loans and Advances to Related parties -		
Unsecured, Considered Good		
i) Cheraman Fund	2,471,254	2,471,254
ii) Others	-	-
(b) Balance with Government Authorities	1,691,344	-
(c) Advance income tax (Net)	846,304	-
(d) Loans & Advances		
Secured, Considered Good		
i) Assets on Finance	-	-
- To Related Party	-	-
- To Others	45,521,696	38,721,062
Unsecured, Considered Good		
i) Advances recoverable in kind or for value to be received.	9,952,472	11,643,848
Less: Provision for Doubtful Advance	(430,666)	-
ii) Other Advances	-	170,869
TOTAL	60,052,404	53,007,033

Advance recoverable in cash or in kind includes Rs.4,30,666/- that relates to 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 cannot be regularised in future. Pending approval from Reserve Bank of India for the write off of the same, a provision for doubtful advance has been created against the same during the year.

17 Other Current Assets

Particulars	As at 31st March 2018 Amount (INR)	As at 31st March 2017 Amount (INR)
(a) Accruals		
(i) Interest Accrued on Deposits	86,522	42,138
(ii) Accrued Annualised Cost to Customer	816,003	806,824
TOTAL	902,525	848,962
(b) Assets intended for lease	6,113,098	-
TOTAL	6,113,098	-
	7,015,623	848,962
Pending entering into lease agreement, the equipment purchased based on the request to make available equipment on lease is considered as Other assets.		

18 Revenue From Operations

Particulars	For the Year Ended 31.03.2018 Amount (INR)	For the Year Ended 31.03.2017 Amount (INR)
Revenue from Sale of Products:		
Interstate sales	1,412,009	2,837,743
Export sales	2,079,668	853,408
Domestic sales	263,300	33,743
	3,754,977	3,724,894
Revenue From sale of Services:-		
Rental Income	6,712,692	1,685,530
Annualised Cost to Customer	18,040,117	12,932,857
Processing Fee	363,016	316,365
TOTAL	28,870,802	18,659,646

19 Other Income

Particulars	For the Year Ended 31.03.2018 Amount (INR)	For the Year Ended 31.03.2017 Amount (INR)
Interest Received on IT Refund	9,267	12,570
Interest on Fixed Deposit	49,436	9,755
Foreign Exchange Gain	-	22,229
Miscellaneous Income	1,012	2,090
Excess Gratuity Provision Written Back	198,058	111,153
Excess liability Written Back	635,138	-
TOTAL	892,911	157,797

20 Cost of Material Consumed

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
	Amount (INR)	Amount (INR)
Opening Stock	2,653,567	1,742,629
Add: Purchases	2,119,412	1,855,197
Less: Closing Stock	1,100,869	2,653,567
TOTAL	3,672,110	944,259

21 Changes in Inventories

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
	Amount (INR)	Amount (INR)
Closing Stock		
Finished Goods	1,080,765	161,523
Work in Progress	29,091	-
Less:- Opening Stock	161,523	336,168
TOTAL	(948,332)	174,645

22 Employee Benefit Expenses

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
	Amount (INR)	Amount (INR)
Salaries, Wages and Bonus	11,931,880	10,154,824
Contribution to Provident and	338,144	283,092
Staff Welfare Expenses	207,322	243,438
Gratuity	99,193	147,118
TOTAL	12,576,539	10,828,473

23 Finance Cost

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
	Amount (INR)	Amount (INR)
Interest on Loan	314,583	-
Processing Fee	103,250	-
TOTAL	417,833	-

24 **Other Expenses**

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
	Amount (INR)	Amount (INR)
Legal and Professional Fees	624,582	826,511
Travelling Expenses	265,280	278,463
Rent	3,286,209	3,205,012
Office General Expenses	613,222	872,105
Electricity & Water Charges	793,240	1,263,846
Repairs and Maintenance		
(a) Building	700	21,455
(b) Plant & Machinery	23,218	85,983
(c) Others	170,243	152,215
Annual Maintenance Contract	11,795	11,770
Generator Running Expense	222	2,816
Consumption of Stores & Consumables	96,412	205,463
Loading, Transportation and Other charges on products	286,581	460,921
Discount on Sales	-	5,000
Donation & Subscription	-	6,700
Rates, Taxes and Filing Fees	604,080	462,180
Printing and Stationery	27,547	68,358
Advertisement	15,767	144,220
Recruitment Expense	66,864	11,608
Provision for Doubtful Advances	430,666	
Insurance Charges	23,031	14,170
Meeting Expense	25,798	27,061
House Keeping Expense	3,000	18,760
Security Charges	-	459,320
Postage & Telephone Charges	196,761	201,774
Annuity to Muttawalli	600,000	600,000
Bank Charges	19,996	8,983
Provision Against Standard Assets	23,675	154,213
Payment to Auditor		
a) Statutory Audit Fee	130,000	130,000
b) Taxation Matters	15,000	15,000
TOTAL	8,353,889	9,713,907

25 **Earnings Per Share**

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
	Amount (INR)	Amount (INR)
Profit/(Loss) Attributable to Equity Share Holders	1,900,619	(6,127,003)
Weighted Average Number of Equity Share Outstanding (Nos)	32,580,274	30,920,548
Earnings Per Share	0.06	(0.20)

- 26 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 2018	% of holding as on 31st March 2017
Cheraman Funds Management Ltd	India	100%	100%
Cheraman Infrastructure Private Ltd	India	100%	100%
Suits India Private Ltd	India	86.25%	86.25%

- 27 Information on Related Party Transactions as Required by Accounting Standard (AS) - 18 For The Year Ended 31st March 2018

27.1 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
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

- 28 Details of related party transactions during the year ended 31st March, 2018

Name of Related Party	Nature of Transaction	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
		Amount (INR)	Amount (INR)
Mr. Siddeek Ahmed Haji P - Director	Subscription to Equity Share Capital	-	10,000,000
Mr. Aju George Kurian	Remuneration Paid	381,000	660,000
Mrs. Geetha George	Unsecured Long term loan taken	1,104,200	3,672,900
	Repayment of Loan	1,217,000	22,000
	Outstanding balance at the end of the year	3,630,100	3,742,900

29 Breakup of materials consumption:

Particulars	2017-18		2016-17	
		% of Consumption		% of Consumption
Rawmaterials (Fabrics)				
Imported	2,654,030	84%	160,867	26%
Indigenous	501,669	16%	457,426	74%
Total	3,155,699	100%	618,293	100%
Packing Materials				
Indigenous	53,187.00	100%	50,975.00	100%
Stores and Consumables				
Indigenous	1,960.00	100%	35,540.00	100%
Trims & Accessories				
Imported	15,900.00	4%	6,415.00	4%
Indigenous	341,360.81	96%	157,549.00	96%
	357,261	100%	163,964	100%

30 Particulars of Stock of Finished Goods:

Product	Closing Stock			
	2017-18		2016-17	
	Finished Goods	WIP	Finished Goods	WIP
Jackets	168,754	-	1,203	
Readymade size set	113,745	-	113,745	
Sample Blazers	7,923	-	7,923	
Suits	774,758	-	25,671	
Three piece suits	12,126	-	12,126	
sample Jacket	2,606	-	-	
Trouser	853		856	
Swatch Samples	-	29,091	-	117,457

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

- 31.1 The Company has given certain assets on lease which effectively transferred substantially all of the risks and benefit incidental to the ownership.
- 31.2 Though the invoice for the purchase of assets intended for finance lease is in the name of the Company, based on lease agreement, substantially all risks and benefit incidental to the ownership of the asset is transferred to the lessee, the asset is not considered as the fixed asset of the Company.
- 31.3 The total gross investment in these leases and the present value of minimum lease payment receivable as on 31st March, 2018 is as under:

	As At 31.03.2018		
	Gross investment in Lease	Unearned Finance Income	Present Value of Receivables
i) Not later than one year	60,181,438	14,659,742	45,521,696
ii) Later than one year and not later than five years	115,873,808	15,903,896	99,969,912
iii) Later than five years	-		
Total	176,055,246	30,563,638	145,491,608

	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	-	-	-
Total	167,218,685	31,197,110	136,021,576

32 Earnings and Expenditure in Foreign Currency

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
	Amount (INR)	Amount (INR)
(a) Earnings in Foreign Currency	2,779,651	1,502,851
(b) Expenditure in Foreign Currency		
Purchase of Equipment for Leasing	-	2,355,045
Purchase of Components & Spares	-	23,288
Purchase of Raw-material	1,329,950	1,482,239
Travel Expenses	211,483	141,427
Total Expenditure in Foreign Currency	1,541,433	4,001,999

33 CIF Value of Imports

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
	Amount (INR)	Amount (INR)
Equipments for Leasing	-	2,355,045
Components & Spareparts	-	23,288
Rawmaterial	1,329,950	1,482,239

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

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
	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
- 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
Disputed demand for payment of Income Tax of one of the subsidiary company for the Assessment Year 2015-16, which is pending for disposal before the First Appellate Authority	5,855,820	
b) Commitments		
Estimated Amount of Contracts remaining to be executed on Capital Account and not provided for	-	202,000

35 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
Parent:				
Cheraman Financial Services Ltd	98%	275,241,765	1112%	8,093,136
Subsidiaries				
Indian				
Cheraman Funds Management Ltd	-1%	(3,913,985)	-58%	(424,575)
Cheraman Infrastructure Private Ltd	4%	12,112,579	218%	1,587,511
Suits India Private Ltd	-1%	(2,865,918)	-1171%	(8,528,063)

- 36 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, 2018 together with interest paid /payable are required to be furnished
- 37 Litigation: The Parent Company IS subject to legal proceedings and claims, which have arisen in the ordinary course of business. The management of the company 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.
- 38 The Parent Company & Subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 39 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.
- 40 One of the Subsidiary Company Suits India Pvt Ltd has accumulated loss and its net worth is fully eroded as on the balance sheet date and that the available current assets are not sufficient to meet the current liabilities. However, the Management is of the opinion that the Company is having the ability to continue as a going concern, considering the future business plan and the expected additional investment, therefore the preparation of the financial statements are done considering the going concern concept.
- 41 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.

- 42 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.
- 43 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.
- 44 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. Because of the financial position, additional development activity on this software could not be carried out during the year under reference. However, the Management is of the opinion that the software under development is having the value as shown in the books and the development activity will be commenced at the earliest.
- 45 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

Signatures to Note 1 to 45 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: 12th August 2018

Sd/-
Meera C
Company Secretary
Place: Calicut
Date: 11th August 2018

Sd/-
Remesh Shenoil S
Chief Financial Officer

10 Fixed Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	As at 01.04.2017	Depreciation Reversal	For the Year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
A. Tangible Assets										
Building	3,174,620			3,174,620	200,101		102,663	302,764	2,871,856	2,974,519
Furniture & Fixture	5,142,315			5,142,315	1,981,198		520,358	2,501,556	2,640,759	3,161,117
Computers	1,233,667	2,783		1,236,450	988,805		175,827	1,164,632	71,818	244,862
Office Equipment	662,481	1,999		664,480	497,371		97,578	594,949	69,531	165,110
Plant & Machinery	6,953,327	200,000		7,153,327	395,183		751,152	1,146,335	6,006,992	6,558,144
Electrical Equipments	3,333,159			3,333,159	1,045,128		371,222	1,416,350	1,916,809	2,288,031
Vehicle	871,549			871,549	528,838		146,567	675,405	196,144	342,711
Total Tangible Assets (A)	21,371,118	204,782		21,575,900	5,636,624	-	2,165,367	7,801,991	13,773,909	15,734,494
B. Intangible Assets										
Computer Software	449,395		-	449,395	411,561		37,834	449,395	0	37,834
BOT Project	49,433,882	202,576		49,636,458	2,649,311		2,760,465	5,409,776	44,226,682	46,784,571
Total Intangible Assets (B)	49,883,277	202,576	-	50,085,853	3,060,872	-	2,798,299	5,859,171	44,226,682	46,822,405
C. Capital Work in Progress										
Capital Work in Progress				-	-		-	-	-	-
Total Capital Work in Progress (C)	-	-	-	-	-	-	-	-	-	-
D. Intangible Assets Under Development										
Intangible Assets Under Development	2,111,490			2,111,490	-		-	-	2,111,490	2,111,490
Total Intangible Assets Under Development (D)	2,111,490	-	-	2,111,490	-	-	-	-	2,111,490	2,111,490
Total (A+B+C+D)	73,365,884	407,358	-	73,773,242	8,697,496	-	4,963,665	13,661,161	60,112,082	64,668,389
Previous Year	70,646,463	52,153,303	49,433,882	73,365,884	4,446,583	-	4,250,913	8,697,496	64,668,389	66,199,882

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 Infrastrcutre 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	(21,413,985)	(9,487,421)	(3,693,548)
6	Total assets	1,510,908	49,567,132	14,931,580
7	Total Liabilities	5,424,893	37,454,553	17,797,498
8	Investments	-	-	-
9	Turnover	-	6,721,959	4,620,591
10	Profit before taxation	(424,575)	1,587,511	(8,528,063)
11	Provision for taxation	-	-	-
12	Profit after taxation	(424,575)	1,587,511	(8,528,063)
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

Sd/-
Meera C
Company Secretary

Sd/-
Remesh Shenois S
Chief Financial Officer

Place: Kochi
Date: 12th August 2018

Place: Calicut
Date: 11th August 2018



CIN: U65923KL2009PLC025082

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

ATTENDANCE SLIP

Folio No:

I residing at
.....
....., hereby record my presence at the 8th Annual
General Meeting of the Company held on Friday, the 28th day of September , 2018 at
12 Noon At the Registered Office of the Company at 33/2337-E, 2nd Floor,
"Chakiapadath Building", By pass Road, Ponnuruni, Vyttila, Ernakulam – 682019 .

Member's signature

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



CIN: U65923KL2009PLC025082

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

Proxy Form

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

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

Or failing him

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8th Annual general meeting of the company, to be held on Friday, the 28th day of September , 2018 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, both Standalone and Consolidated for the Financial Year ended March 31, 2018 together with the Reports of the Board of Directors and Auditors thereon.
2	To appoint a Director in place of Mr. Shamsheer V P (DIN: 02371712) who retires by rotation and being eligible, offers himself for re-appointment.
3	To appoint a Director in place of Mr. P V Abdul Wahab(DIN: 00114617), who retires by rotation and being eligible, offers himself for re-appointment.
4	To appoint a Director in place of Mr Abdulla Poyil (DIN: 02111206), and who retires by rotation and being eligible, offers himself for re-appointment.
5	To Ratify Statutory Auditors' Appointment

Signed this..... day of..... 2018



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.

