



CIN : U65923KL2009PLC025082

33/2337-E, 2nd Floor, “Chakiapadath Building”, By Pass Road,
Ponnurunni, Vyttila, Ernakulam – 682019; www.cheraman.com

DIRECTOR’S REPORT

Your Directors have pleasure in submitting their 11th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2021

1. FINANCIAL RESULTS OF THE COMPANY

Amount in Rs		
Particulars	As on 31.03.2021	As on 31.03.2020
Total Revenue	1,78,63,211	2,02,97,323
Total Expenses	2,29,91,048	1,06,59,781
Profit/(loss) for the year after Tax	(51,27,837)	96,37,542

2. REVIEW OF PERFORMANCE

On a standalone basis, your Company has recorded a total income of Rs 1,78,63,211. for the Financial Year ended 31st March 2021 as against Rs 2,02,97,323 during the previous year. The total expenses incurred during the year under review is 2,29,91,048, resulting in a loss of Rs 51,27,837 after tax and exceptional items.

3. RESERVES

During the year under review, no appropriation from reserve has been made during the year due to absence of profit.

4. PERFORMANCE OF SUBSIDIARIES

During the year under review, Cheraman Infrastructure Private Limited, the wholly owned subsidiary Company, recorded a profit after tax of Rs 1,954,030 as against Rs 37,37,563 during the previous year.

Cheraman Funds Management Limited, the wholly owned subsidiary Company recorded loss of 161,586 after exceptional items and provision for taxes as against Rs 3,56,419 in the previous year.

Suits India Pvt Ltd (SIPL), a company in to which CFSL had invested Rs.2,07,00,200 as equity share capital, representing 86.25% of its paid up capital is excluded from the scope of consolidation as it no longer satisfies the conditions prescribed for consolidation as per Para 11 of Accounting Standard 21.

On a consolidated basis, the Company recorded a total income of Rs 2,42,83,211 during the financial year as against Rs 2,93,93,975 in the previous year. The total expenditure incurred during the financial year is Rs 2,76,18,603 as against Rs 1,64,21,419 in the previous year. The Company recorded loss after tax and minority interest of Rs of Rs 33,35,393 for the financial year, as against profit of Rs 1,30,18,685 in the previous year .

5. DIVIDEND

No Dividend was declared for the current financial year.

6. 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.

7. ACCOUNTS OF SUBSIDIARIES

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

The Annual Audited Accounts of the wholly owned 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, *except M/s Suits India Limited*, to any shareholder on demand.

8. 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.

Suits India Pvt Ltd (SIPL), a company in to which CFSL had invested Rs.2,07,00,200 as equity share capital, representing 86.25% of its paid up capital is excluded from the scope of consolidation as it no longer satisfies the conditions prescribed for consolidation as per Para 11 of Accounting Standard 21. Further, CFSL has also recognised impairment loss in its standalone financials.

9. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on 31st March 2021, following are the subsidiaries of the Company:

- i. M/s Cheraman Infrastructure Private Limited (Wholly Owned subsidiary Company)
- ii. M/s Cheraman Funds Management Limited (Wholly Owned subsidiary Company)
- iii. M/s Suits India Private Limited (Investee Company)

Suits India Pvt Ltd (SIPL), a company in to which CFSL had invested Rs.2,07,00,200 as equity share capital, representing 86.25% of its paid up capital is excluded from the scope of consolidation as it no longer satisfies the conditions prescribed for consolidation as per Para 11 of Accounting Standard 21.

In accordance with Section 129(3) of the Companies Act, 2013, the salient features of the financial statement of M/s Cheraman Infrastructure Private Limited (Wholly Owned subsidiary Company) and M/s Cheraman Funds Management Limited (Wholly Owned subsidiary Company) is set out in the prescribed form AOC-1, which forms part of this Annual Report.

10.

The Board of your Company consists of Fourteen Director as on 31.03.2021, 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 M A Asharf Ali Mr P K Ahammed Mr Abdulla Poyil Mr P V Abdul Wahab Mr Najeeb E M Mr Hafiz Ali Ullatt

	<ul style="list-style-type: none"> • Mr Jayakrishnann Krishnan Menon
Nominee Directors of M/s Kerala State Industrial Development Corporation Limited.	<ul style="list-style-type: none"> • Mr E S Jose • Mr Prasanth R
Managing Director	<ul style="list-style-type: none"> • Mr A P M Mohamed Hanish I A S

Changes in Directors and Key Managerial Personnel during the year 2020-21

During the year under review Mr Jayakrishnan Krishna Menon (DIN: 02734324) was appointed in the AGM of the Company on 29.12.2020 as Director liable to rotation.

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

i. Retirement by Rotation

Mr PV Abdul Wahab (DIN 00114617), Mr Abdulla Poyil (DIN 02111206) and Mr E M Najeeb (DIN: 00100234), 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.

ii. Reappointment of Independent Director reg

The shareholders of the Company in the AGM held on 29.12.2020 approved the reappointment of Mr T Balakrishnan as independent Director for a second term for further period of Five years with effect from 13.03.2020 to 12.03.2025.

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

The Company has conducted Four Board meetings during the financial year 2020-21 on the following dates: 27.06.2020, 26.09.2020, 28.11.2020, and 20.03.2021.

Sl. No	Date	Board Strength	No. of Directors present
1	27 th June 2020	14	12
2	26 th September 2020	14	6
3	28 th November 2020	14	6
4	20th March 2021	14	5

Attendances of Directors at the Board Meetings are given below:

Name of the Director	No of Board Meetings which Director was entitled to attend	Attendance at the Board Meetings
Mr Ibrahimhaji P A	4	1
Mr M M Abdul Basheer	4	3
Mr Abdulla Poyil	4	1
Mr P V Abdul Wahab	4	1
Mr P K Ahammed	4	4
Mr M A Asharf Ali	4	1
Mr T Balakrishnan	4	1
Mr Najeeb E M	4	2
Mr P Siddeek Ahmed Haji	4	1
Mr E S Jose	4	4
Mr Hafiz Ali Ullatt	4	1
Mr Prasanth R	4	4
Mr Jayakrishnan Krishana Menon	4	1
Mr A P M Mohamed Hanish I A S	4	4

12. 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.

13. 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.

14. SHARE CAPITAL

The Authorized Capital of the Company is Rs 1000 crores and the issued, subscribed and paid-up share capital of the Company is Rs 33.87 crores. There is no change in Paid up capital during the year under review.

15. CHANGES IN MEMORANDUM & ARTICLES OF ASSOCIATION OF THE COMPANY

During the year under review, there is no change in memorandum and articles of association of the Company.

16. 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 statement relate on the date of this report. The Company is taking all the recommended precautions and safeguard measures as per the directives/guidelines/circulars issued by the Central Government and the respective State Government(s) from time to time as far as prevention and spreading of COVID-19 pandemic is concerned.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

The Company strictly monitors the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. Board reviews the risk management system prevalent in the Company at regular intervals.

19. 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.

20. 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 22.2 of NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS of Financial Statements

21. 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, 2021, 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.

22. 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.

23. 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**.

24. 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.

25. ANNUAL RETURN

The Annual Return of your Company is available on the website of the Company at the web-link www.cheraman.com .

26. 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, 2021, 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, 2021 and of the loss of the company for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis; and
- v. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. 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.

28. RBI GUIDELINES

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

29. 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.

30. 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. Their term of appointment expires on the conclusion of the ensuing AGM. The Board recommends the appointment of M/s R. Krishna Iyer & Co, Jyothi, 134 , Panampilly Nagar, Ernakulam, Kerala 682036 as auditors in place of M/s. Krishnamoorthy & Krishnamoorthy.

The Company has received letters from M/s R. Krishna Iyer & Co, Firm Registration No. 01474S, Jyothi, 134 , Panampilly Nagar, Ernakulam, Kerala 682036, 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 Auditor

31. PARTICULARS OF EMPLOYEES

During the financial year 2020-21, 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.

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

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

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

33. 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.

34. DETAIL OF FRAUD AS PER AUDITORS REPORT

There is no fraud in the Company during the F.Y. ended 31st March,2021 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,2021.

35. 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.

36. SECRETARIAL STANDARDS

The Company is in compliance with the Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meetings (SS-2).

37. 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: 18.09.2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Cochin

Sd/-

Sd/-

P K Ahammed

A P M Mohamed 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.

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

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

OPINION:

We have audited the accompanying standalone financial statements of **Cheraman Financial Services Limited**, which comprise the Standalone Balance sheet as at 31st March 2021, and the Standalone Statement of Profit and Loss, the Standalone Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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;

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2021;
- b. In the case of Statement of Profit and Loss account, of the loss for the year ended on that date;
- c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

BASIS OF OPINION

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT’S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company’s Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the financial statements of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, enclosed herewith, a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and believe were necessary for the purpose of our audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Standalone Balance sheet, the Standalone Statement of Profit and Loss, and the Standalone Statement of Cash Flows 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 Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, except for the provision for employee benefits, which is provided not based on actuarial valuation for reasons stated in note No.25 forming part of financial statements
- e) On the basis of written representations received from the Directors as on 31st March, 2021, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2021 from being appointed as a Director in terms 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 included in the Auditor’s Report and to our best of our information and according to the explanations given to us :
 - i. The Company has disclosed an impact of pending litigation on its financial position in its standalone financial statements (Refer Notes on accounts 27, 29).
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses (Refer Notes on accounts 32).
 - iii. There were no amounts in the financial statements which required to be transferred to Investor Education and Protection Fund.

For Krishnamoorthy and Krishnamoorthy
Chartered Accountants
Firm’s Registration No: 001488S

Sd/-

Place: Cochin- 16
Date: 20-09-2021

K T Mohanan
Partner
Membership No. 201484
UDIN: 21201484AAAADB9990

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) We are informed that these fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - 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) As company has no inventory, hence clauses (ii) of the paragraph 3 of the companies (Auditor's Report) Order, 2016 are not applicable.
- iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, paragraphs (iii) (a) (b) and (c) of CARO 2016 are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, as applicable. The company has not provided any guarantees and securities to the parties covered under Section 185 of the Act.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- vi) As per the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, in respect of goods and services provided by the company
- vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Goods and Service tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities during the year. There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date, they became payable.

(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax or Sales Tax or Wealth Tax or Service Tax or Goods and Service Tax, duty of customs or duty of excise or value added tax or cess, which have not been deposited on account of any dispute as on 31st March, 2021, except for income tax the particulars of the same are as given below:

Name of the Statute	Nature of Dues	Amount (Rupees)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 196 1	Income Tax	` 1,14,367	AY 2018-19	DCIT, CPC, Bengaluru

- viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, the Company has not taken any loan either from banks, or any financial institution or from the Government and has not issued any debentures during the year under report and hence the provisions of paragraph 3(vii) of the Order are not applicable to the Company and hence not commented upon.
- ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of paragraph 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, the Company has not paid/provided managerial remuneration and hence the provisions of paragraph 3 (x) of the Order are not applicable to the Company during the year under report and hence not commented upon
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the CARO 2016 Order is not applicable to the Company and hence not commented upon.
- xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given 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 under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with them, and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi) In our opinion, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and the registration has been obtained by the Company.

For Krishnamoorthy and Krishnamoorthy
Chartered Accountants
Firm's Registration No: 001488S

Place: Cochin-16
Date: 20-09-2021

Sd/-
K T Mohanan
Partner
Membership No. 201484
UDIN: 21201484AAAADB9990

“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 2021

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, 2021 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, 2021, 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
Firm's Registration No: 001488S

Sd/-

Place: Cochin-16
Date: 20-09-2021

K T Mohanan
Partner
Membership No. 201484
UDIN: 21201484AAAADB9990

CHERAMAN FINANCIAL SERVICES LIMITED			
BALANCE SHEET AS AT 31st MARCH 2021			
Particulars	Note No	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
<u>EQUITY AND LIABILITIES:</u>			
(1) Shareholder's Funds			
(a) Share Capital	2	338,700,000	338,700,000
(b) Reserves and Surplus	3	(71,029,086)	(65,901,249)
(2) Non-Current Liabilities			
(a) Other Long Term Liabilities	4	31,794,984	30,194,227
(b) Long-Term Provisions	5	894,414	903,686
(3) Current Liabilities			
(a) Trade Payables	6	6,080,986	5,500,000
(b) Other Current Liabilities	7	5,026,251	4,154,986
(c) Short-Term Provisions	8	15,819,149	1,502,335
Total		327,286,699	315,053,985
<u>ASSETS:</u>			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	9		
i) Tangible Assets		1,851,414	2,489,842
(b) Non-Current Investments	10	39,100,000	39,100,000
(c) Long Term Loans and Advances	11	112,425,974	147,706,807
(2) Current Assets			
(a) Trade Receivables	12	3,771,639	1,937,042
(b) Cash and Cash Equivalents	13	29,753,972	25,461,728
(c) Short-Term Loans and Advances	14	139,517,465	97,325,228
(d) Other Current Assets	15	866,234	1,033,339
Total		327,286,699	315,053,985
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 UDIN: 21201484AAAADB9990 Sd/- Sd/- Meera C Remesh Sheno S Company Secretary Chief Financial Officer Place: Kochi Place: Kochi Date: 20th Sep 2021 Date: 18th Sep 2021			

CHERAMAN FINANCIAL SERVICES LIMITED			
Statement of Profit And Loss for the Year Ended 31st March 2021			
Particulars	Note No	For the Year Ended 31.03.2021 Amount (INR)	For the Year Ended 31.03.2020 Amount (INR)
I INCOME			
a) Revenue from Operations	16	17,793,017	20,245,123
b) Other Income	17	70,194	52,200
Total Revenue (a+b)		17,863,211	20,297,323
II EXPENSES			
a) Employee Benefit Expenses	18	5,863,311	6,016,230
b) Depreciation and Amortization Expenses	9	670,446	670,480
c) Provisions and Write offs	19	13,768,687	-
c) Other Expenses	20	2,688,604	3,973,071
Total Expenses (a+b+c)		22,991,048	10,659,781
III. Profit/(Loss) before exceptional and extraordinary items and tax (I -II)		(5,127,837)	9,637,542
IV. Exceptional Items		-	-
V. Profit/(Loss) Before Tax (III-IV)		(5,127,837)	9,637,542
VI. Tax Expense:			
a) Current Tax		1,396,972	1,682,875
b) Short Provision of Previous Years		18,181	-
c) MAT input tax credit entitlement (Refer Note -11.1)		(1,415,153)	(1,682,875)
d) Deferred Tax		-	-
VII. Profit/(Loss) After Tax (V-VI)		(5,127,837)	9,637,542
VIII. Earning per Equity Share of Rs.10 each	21		
Basic & Diluted		(0.15)	0.28
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	
UDIN: 21201484AAAADB9990			
Sd/-	Sd/-		
Meera C	Remesh Sheno S		
Company Secretary	Chief Financial Officer		
Place: Kochi	Place: Kochi		
Date: 20th Sep 2021	Date: 18th Sep 2021		

CHERAMAN FINANCIAL SERVICES LIMITED (Formerly known as Al-Barakah Financial Services Ltd) Cash Flow Statement For The Year Ended 31st March 2021		
Particulars	2020-21	2019-20
	Amount (INR)	Amount (INR)
A. Cash Flow From Operating Activities		
Profit/(Loss) Before Tax & Exceptional Items	(5,127,837)	9,637,542
Adjustments for:		
Depreciation and Amortisation	670,446	670,480
Loss on sale of assets	17,930	
Provision for standard Assets	(50,063)	108,920
Provision for dimunition in the value of investment	13,768,687	-
Operating Profit before working capital changes	9,279,163	10,416,942
Movements in working capital :		
Increase/ (decrease) in other long term liabilities	1,600,757	8,043,489
Increase/ (decrease) in long term provisions	82,194	21,617
Increase/ (decrease) in trade payables	580,986	2,011,617
Increase/ (decrease) in other current liabilities	871,265	(1,124,442)
Increase/ (decrease) in short term provisions	140,015	62,580
Decrease / (increase) in long-term loans and advances	36,678,398	(52,257,526)
Decrease / (increase) in Trade Receivables	(1,834,597)	850,354
Decrease / (increase) in short-term loans and advances	(42,107,223)	4,528,263
Decrease / (increase) in other current assets	167,104	(182,531)
Net change in working capital	(3,821,100)	(38,046,578)
Cash generated from/(used in) operations	5,458,064	(27,629,636)
Direct Taxes Paid (net of Refund)	(1,115,870)	(1,482,580)
Cash generated from /(used in) from operating activities (A)	4,342,194	(29,112,216)
B. Cash Flow from Investing Activities		
Sale of Fixed assets	12,050	-
Purchase of Fixed assets	(62,000)	(25,700)
Net cash flow from/(used in) investing activities (B)	(49,950)	(25,700)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share capital	-	-
Net cash flow from/(used in) financing activities (C)	-	-
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	4,292,244	(29,137,916)
Cash & Cash Equivalents at the beginning of the year	25,461,728	54,599,644
Cash & Cash Equivalents at the end of the year (Note 13)	29,753,972	25,461,728
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) UDIN: 21201484AAAADB9990	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: 20th Sep 2021		Place: Kochi Date: 18th Sep 2021

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. Penal interest on overdue amounts is recognised on actual collection basis which is charged based on management decision.

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 on 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 GST 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 2021

2 Share Capital

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 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 3,38,70,000 (3,38,70,000) Equity Shares of Rs. 10/- each fully paid up	338,700,000	338,700,000
	338,700,000	338,700,000

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 2021		31st March 2020	
	No of Shares	Amount (INR)	No of Shares	Amount(INR)
Opening as on 1st April	33,870,000	338,700,000	33,870,000	338,700,000
Add: Issued during the year	-	-	-	-
Closing as on 31st March	33,870,000	-	33,870,000	338,700,000

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

Name of the Shareholder	No. of shares as on 31st March 2021	% of holding	No. of shares as on 31st March 2020	% of holding
Mr. Siddeek Ahmed Haji	6,000,000	17.71%	6,000,000	17.71%
Mr. Abdulla Poyil	4,000,000	11.81%	4,000,000	11.81%
M/s KSIDC	3,670,000	10.84%	3,670,000	10.84%
Mr. Ibrahim Haji P.A	3,500,000	10.33%	3,500,000	10.33%
Mr. J K Menon	3,000,000	8.86%	3,000,000	8.86%
Mr.Yusuffali M A	3,000,000	8.86%	3,000,000	8.86%
Mr.P Mohamad Ali	2,200,000	6.50%	2,200,000	6.50%
Mr.Ashraf Ali M.A	2,000,000	5.90%	2,000,000	5.90%

3 Reserves & Surplus

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
a) Statutory Reserve		
Balance at the beginning of the year	4,251,241	2,323,733
Add : Amount transferred from surplus in the statement of Profit and Loss	-	1,927,508
TOTAL	4,251,241	4,251,241
b) Surplus in Statement of Profit & Loss		
Balance at the beginning of the year	(70,152,490)	(77,862,524)
Add : Profit/(Loss) for the year	(5,127,837)	9,637,542
Less: Appropriations	-	-
Transfer to Statutory Reserve	-	1,927,508
TOTAL	(75,280,327)	(70,152,490)
TOTAL (a +b)	(71,029,086)	(65,901,249)

3.1 Statutory Reserve Fund represents the reserve fund created under section 45IC of Reserve Bank of India Act 1934. No appropriation from reserve has been made during the year due to absence of profit.

4 Other Long Term Liabilities

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
a) Others		
Security Deposit - Leasing	31,794,984	30,194,227
TOTAL	31,794,984	30,194,227

5 Long Term Provisions

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
i) For Employee Benefit:		
Provision for Gratuity	629,048	546,854
ii) Contingent Provisions against Standard Assets	265,366	356,832
TOTAL	894,414	903,686

6 Trade Payables

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
a. Total outstanding dues of micro enterprises and small enterprises	-	-
b. Others	6,080,986	5,500,000
TOTAL	6,080,986	5,500,000

7 Other Current Liabilities

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
a) Advance Received for Services to be rendered in relation to leasing	1,270,408	1,647,020
b) Other Payables:		
i) Statutory Dues	47,605	170,832
ii) Expenses Payable	167,852	792,102
iii) Security Deposit - Leasing	3,540,386	1,545,032
TOTAL	5,026,251	4,154,986

8 Short Term Provisions

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
i) For Employee Benefit:		
Provision for Leave Encashment	1,528,515	1,388,501
ii) Contingent Provisions against Standard Assets	155,237	113,834
iii) Provision for Non Performing Asset (Refer Note 14.2)	13,768,687	-
iv) Provision for Income Tax	366,711	-
TOTAL	15,819,149	1,502,335

8.1 Movement of Provision for NPA

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
Opening Balance	-	-
Provision made during the year	13,768,687	-
Write off/Write back of excess provision	-	-
Closing Balance	13,768,687	-

10 Non Current Investments

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 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
Less:Aggregate provision for dimuntion in value of investments	(20,700,200)	(20,700,200)
TOTAL	39,100,000	39,100,000

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) One of the Subsidiary companies, Suits India Private Ltd has discontinued its operations and the liabilities of the Company are more than the realisable value of assets. Therefore the Management has decided to make 100% provision for the value of investments made in the said Subsidiary.

11 Long Term Loans & Advances

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
(a) Security Deposits		
Unsecured, Considered Good	958,332	992,532
TOTAL (a)	958,332	992,532
(b) Income Tax - Advance (net of provisions)	-	64,828
(c) Income Tax - Mat Credit Entitlement	5,321,667	3,916,600
TOTAL (b)	5,321,667	3,981,427
(d) Others		
Secured, Considered Good		
i) Assets on Lease Finance		
- To Related Party	-	-
- To Others	106,145,975	142,732,848
TOTAL (c)	106,145,975	142,732,848
TOTAL (a + b + c)	112,425,974	147,706,807

- 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 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
Secured, Considered good	-	-
(a) Outstanding for a period exceeding six months from the date they are due for payment	3,771,639	1,937,042
(b) Others		
TOTAL	3,771,639	1,937,042

13 Cash & Cash Equivalents

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
i) Balance with Banks		
- In Current Account	29,749,893	25,455,209
ii) Cash on Hand	4,079	6,519
TOTAL	29,753,972	25,461,728

14 Short Term Loans & Advances

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
(a) Loans and Advances to Related parties		
Unsecured, Considered Good		
Wholly owned Subsidiaries:		
i) Cheraman Funds Management Ltd	5,978,000	5,858,000
ii) Cheraman Infrastructure Pvt Ltd	26,000,000	26,000,000
(b) Balance with Government Authorities	13,107,611	13,996,329
(c) Advance Income Tax (Net)	1,061,593	1,333,181
(d) Amount paid under protest (refer Note No.14.3)	114,370	
(e) Others		
Secured, Considered Good		
i) Assets under Finance Lease		
- To Related Party	-	-
- To Others (Refer note 14.2)	79,595,732	45,533,531
Unsecured, Considered Good		
i) Advances recoverable in kind or for value to be received.	13,659,909	4,604,185
ii) Other advances	250	-
TOTAL	139,517,465	97,325,228

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.

14.2 Assets under finance lease to others include Non Performing Assets, provided in accordance with the RBI guidelines applicable for Lease and Hire purchase assets. The gross amount, provision made and Net amount are as follows:

	Gross Amount		Provision		Net Amount	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Standard Assets	62,094,626	45,533,531		-	62,094,626	45,533,531
Sub Standard Assets	17,501,106	-	13,768,687	-	3,732,419	-
Total	79,595,732	45,533,531	13,768,687	-	65,827,046	45,533,531

14.3 Amount paid under protest refers to the amount of income tax adjusted from the refund due for the A.Y.2019-20, against the demand outstanding for the A.Y. 2018-19. However, the company has not accepted the said liability and has filed a rectification return. The company is under the process of filing an appeal against the adjustment.

15 Other Current Assets

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
(a) Accruals		
(i) Interest Accrued on Fixed Deposits	35,878	30,516
(ii) Accrued Annualised Cost to Customer	830,356	1,002,823
TOTAL	866,234	1,033,339
(b) Assets intended for lease	-	-
	-	-
Total	866,234	1,033,339

16 Revenue From Operations

Particulars	For the Year Ended 31.03.2021 Amount (INR)	For the Year Ended 31.03.2020 Amount (INR)
Annualised Cost to Customer	17,204,713	19,412,696
Minimum Value	11,759	11,702
Processing Fee	576,545	820,725
TOTAL	17,793,017	20,245,123

17 Other Income

Particulars	For the Year Ended 31.03.2021 Amount (INR)	For the Year Ended 31.03.2020 Amount (INR)
Interest on Fixed Deposit	5,362	5,168
Excess Prov for Standard Assets Reversed	50,063	-
Excess Liability written back	-	364
Interest on IT Refund	14,769	46,668
TOTAL	70,194	52,200

18 Employee Benefit Expenses

Particulars	For the Year Ended 31.03.2021 Amount (INR)	For the Year Ended 31.03.2020 Amount (INR)
Salaries, Wages and Bonus	5,408,848	5,551,456
Contribution to Provident and other Funds	251,172	252,259
Staff Welfare Expenses	121,097	130,321
Gratuity	82,194	82,194
TOTAL	5,863,311	6,016,230

19 Provisions and Write Offs

Particulars	For the Year Ended 31.03.2021 Amount (INR)	For the Year Ended 31.03.2020 Amount (INR)
Provision for Non-performing Assets (Refer note 14.2)	13,768,687	-
TOTAL	13,768,687	-

20 Other Expenses

Particulars	For the Year Ended 31.03.2021 Amount (INR)	For the Year Ended 31.03.2020 Amount (INR)
Legal and Professional Fees	480,123	550,417
Travelling Expenses	22,825	372,067
Rent	1,085,000	1,323,996
Office General Expenses	479,224	383,792
Electricity & Water Charges	248,528	319,295
Repairs and Maintenance		
(a) Building	1,500	7,320
(b) Others	143,665	160,927
Rates, Taxes and Filing Fees	32,779	451,187
Telephone Charges	80,542	97,473
Other Expenses	6,488	107,677
Loss on sale of assets	17,930	
Provision for standard Assets	-	108,920
Payment to Auditor		
a) Statutory Audit Fee	75,000	75,000
b) For Tax Audit	15,000	15,000
TOTAL	2,688,604	3,973,071

21 Earnings Per Share

Particulars	For the Year Ended 31.03.2021 Amount (INR)	For the Year Ended 31.03.2020 Amount (INR)
Profit/(Loss) Attributable to Equity Share Holders	(5,127,837)	9,637,542
Weighted Average Number of Equity Share Outstanding (Nos)	33,870,000	33,870,000
Earnings Per Share	(0.15)	0.28

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

22.1 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

22.2 Details of related party transactions during the year ended 31st March, 2021

Name of Related Party	Nature of Transaction	For the Year Ended 31.03.2021 Amount (INR)	For the Year Ended 31.03.2020 Amount (INR)
Cheraman Infrastructure Private Ltd	Unsecured Loan Given	-	-
	Recovery of Expenses	504	4,895
	Repayment of Loan	-	8,000,000
	Outstanding Loan Balance at the end of the year	26,000,000	26,000,000
Cheraman Funds Management Ltd	Unsecured Loan Given	120,000	156,000
	Recovery of Expenses	-	-
	Outstanding Loan Balance at the end of the year	5,978,000	5,858,000

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

- 23.1** The Company has given certain assets on finance lease which effectively transferred substantially all of the risks and benefits incidental to the ownership and as per the understanding the ownership will be transferred at the end of lease period.
- 23.2** 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.
- 23.3** The total gross investment in these leases and the present value of minimum lease payment receivable as on 31st March, 2021 is as under:

		As At 31.03.2021		
		Gross investment in Lease	Unearned Finance Income	Present Value of Receivables
i) Not later than one year		94,250,067	14,654,335	79,595,733
ii) Later than one year and not later than five years		118,566,942	15,296,436	103,270,506
iii) Later than five years		3,258,900	383,431	2,875,469
Total		216,075,909	30,334,202	185,741,708
		As At 31.03.2020		
		Gross investment in Lease	Unearned Finance Income	Present Value of Receivables
i) Not later than one year		64,287,892	18,754,362	45,533,530
ii) Later than one year and not later than five years		163,148,465	24,341,876	138,806,589
iii) Later than five years		4,690,199	763,940	3,926,259
Total		232,126,556	43,860,177	188,266,379

- 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 31.03.2021 Amount (INR)	For the Year Ended 31.03.2020 Amount (INR)
(a) Earnings in Foreign Currency	-	-
(b) Expenditure in Foreign Currency		
Travel Expenses	-	194,044
Total Expenditure in Foreign Currency	-	194,044

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

Particulars	For the Year Ended 31.03.2021 Amount (INR)	For the Year Ended 31.03.2020 Amount (INR)
a) Contingent Liabilities:		
i) Claims against the company not acknowledged as debt		
- Bond given to Customs for warehousing of imported equipment meant for leasing	5,000,000	5,000,000
- Claim made by ESIC, Sub Regional Office, Ernakulam	1,532,380	1,532,380
- Claim made by DCIT, CPC-ITD, Bengaluru	114,367	114,367
ii) Others	Nil	Nil
b) Commitments -	Nil	Nil

- 28** 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, 2021 together with interest paid /payable are required to be furnished
- 29** 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.
- 30** The Company decided not to exercise the option available under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Law (Amendment) Act, 2019, during the financial year 2019-20, considering the MAT credit available for set off against future tax liability under normal provisions. The same situation prevails during the current year (financial year 2020--21) also. The Management shall review the option in coming years and if beneficial shall exercise the option u/s 115BAA in future.
- 31** The Impact of COVID-19 on the operations and the going concern concept has been considered and reviewed by the management in the preparation and presentation of the financial statement. It is expected that the effect of COVID 19 will not have a material impact on the operations and financial performance of the Company. Further the financial position of the company can withstand the short term impact and will not have any impact on the going concern concept. The company had given moratorium in lease payment to its clients in accordance with RBI guidelines issued in this regard.
- 32** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 33** As per RBI Notification dated April 7 2021, regarding disclosure of compound interest relief to borrowers during the moratorium period, an amount of Rs.2,24,736/- has been refunded/adjusted against all borrower accounts.

- 34 Disclosure pursuant to Reserve Bank of India Notification No. RBI/ 2019-20/220/DOR No. BP.BC.63/21.04.048/2019-20 dated April 17, 2020 pertaining to Asset Classification and Provisioning in terms of COVID-19 Regulatory Package

Particulars	As at 31.03.2021	As at 31.03.2020
Respective amounts in SMA/Overdue categories where moratorium/deferment was extended	91,601,824	99,905,147
Respective amount where asset classification benefit is extended	Nil	Nil
General provisions made	Nil	Nil
General provisions adjusted during the period against slippages and the residual provisions	Nil	Nil

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

Signatures to Note 1 to 35 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)
UDIN: 21201484AAAADB9990

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: 20th Sep 2021

Place: Kochi
Date: 20th Sep 2021

9 Property, Plant and Equipment

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2020	Addition	Deduction	As at 31.03.2021	As at 01.04.2020	For the Year	Deduction	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
A. Tangible Assets										
Building	542,462.00	-	-	542,462	120,715	17,671	-	138,386	404,076	421,747
Furniture & Fixture	4,637,889.00	-	-	4,637,889	3,278,124	464,631	-	3,742,755	895,135	1,359,765
Computers	677,895.00	-	-	677,895	646,148	-	-	646,148	31,747	31,747
Office Equipment	353,693.00	-	-	353,693	311,822	8,118	-	319,940	33,753	41,871
Electrical Equipments	1,796,619.00	62,000	114,900	1,743,719	1,213,822	180,026	84,920	1,308,929	434,790	582,797
Vehicle	871,549.00	-	-	871,549	819,636	-	-	819,636	51,913	51,913
					-					
Total Tangible Assets (A)	8,880,107	62,000		8,827,207	6,390,267	670,446		6,975,794	1,851,414	2,489,842
B. Intangible Assets										
Computer Software	311,670	-	-	311,670	311,670	-	-	311,670	-	-
Total Intangible Assets (B)	311,670	-	-	311,670	311,670	-	-	311,670	-	-
Total (A+B)	9,191,777	62,000	-	9,138,877	6,701,937	670,446	-	7,287,464	1,851,414	2,489,842

Previous Year	8,854,407	25,700		8,880,107	5,719,787	670,480		6,390,267	2,489,842	3,134,622
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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 2021	Amount overdue as on 31st March 2020
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not <u>paid</u>:		
	(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 2021
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
	(a) Secured	-
	(b) Unsecured	31,978,000

Amount in Rs.

Sl.No.	Particulars	Amount out-standing as on 31st March 2021
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	185,741,708
	(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 2021
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 39,100,000 (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 2020		
	Category	Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries	-	31,978,000	31,978,000
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related parties	185,741,708	-	185,741,708
	Total	185,741,708	31,978,000	217,719,708

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	5,929,574	39,100,000
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	-	-
	Total	5,929,574	39,100,000

Amount in Rs.

8	Other Information	Total As On 31st March 2021
	Particulars	
	(i) Gross Non-Performing Assets	-
	(a) Related parties	-
	(b) Other than related parties	17,501,106
	(ii) Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	3,732,419
	(iii) Assets acquired in satisfaction of debt	-

<p>For Krishnamoorthy & Krishnamoorthy Chartered Accountants (Firm Regn.No.001488S)</p> <p style="text-align: center;">Sd/- K T Mohanan Partner (M No.201484) UDIN: 21201484AAAADB9990</p>	<p style="text-align: center;">For and on behalf of the Board of Directors</p> <p style="text-align: center;">Sd/- APM Mohammed Hanish IAS Managing Director Din: 02504842</p>	<p style="text-align: center;">Sd/- M M Abdul Basheer Director Din: 00120916</p>
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<p>Sd/- Meera C Company Secretary</p>	<p>Sd/- Remesh Shenoi S Chief Financial Officer</p>
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Place: Kochi	Place: Kochi
Date: 20th Sep 2021	Date: 18th Sep 2021

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

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION:

We have audited the accompanying consolidated financial statements of **Cheraman Financial Services Limited** and its subsidiary (together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31st March, 2021 and the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 state of affairs of the Group as at 31st March, 2021, of the loss of the Group for the year ended on that date and of the cash flow of the Group for the year then ended on that date.

BASIS OF OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

OTHER INFORMATION

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the standalone financial statements and our auditors’ report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls 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 Act.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiaries has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of these entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of audit of the financial statements of such entities included in the consolidated financial statements.
7. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
9. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirement

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 of the consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the 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 written representation received from Directors of the Company as on 31st March 2021, taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31st March 2021 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 Group Companies 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) The Group has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note No.25 and 28.
 - ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer note no 29.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For Krishnamoorthy and Krishnamoorthy
Chartered Accountants
Firm’s Registration No: 001488S

Sd/-

Place: Ernakulam - 16
Date: 20-09-2021

K T Mohanan
Partner
Membership No. 201484
UDIN: 21201484AAAADC2529

ANNEXURE A TO THE INDEPENDENT AUDIT REPORT
**(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’
section of our report of even date)**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of Cherman Financial Services Limited (“the Holding Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are 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 (“ICAI”). 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 internal financial controls over financial reporting of the Holding Company and its subsidiary companies which are companies incorporated in India, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgment, 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

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 unauthorized 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, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 31 March 2021, based on the internal control over financial reporting criteria established by the respective Companies 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.

Other Matters

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, 2021, 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
Firm's Registration No: 001488S

Place: Ernakulam - 16
Date: 20-09-2021

Sd/-
K T Mohanan
Partner
Membership No. 201484
UDIN: 21201484AAAADC2529

CHERAMAN FINANCIAL SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2021

Particulars	Note No	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
<u>EQUITY AND LIABILITIES:</u>			
(1) Shareholder's Funds			
(a) Share Capital	2	338,700,000	338,700,000
(b) Reserves and Surplus	3	(98,269,937)	(94,934,544)
(2) Non-Current Liabilities			
(a) Other Long Term Liabilities	4	36,234,984	34,634,227
(b) Long-Term Provisions	5	894,414	903,686
(3) Current Liabilities			
(b) Trade Payables	6	6,080,986	5,500,000
(c) Other Current Liabilities	7	5,334,513	4,676,565
(d) Short-Term Provisions	8	15,852,827	1,523,916
Total		304,827,787	291,003,850
<u>ASSETS:</u>			
(1) Non-Current Assets			
(a) Fixed Assets	9		
i) Tangible Assets		2,025,343	2,740,232
ii) Intangible Assets		37,439,840	40,317,402
(b) Long Term Loans and Advances	10	112,503,174	147,749,808
(2) Current Assets			
(b) Trade Receivables	11	4,597,838	2,995,138
(c) Cash and Bank Balances	12	38,486,393	29,878,229
(d) Short-Term Loans and Advances	13	108,908,964	66,289,701
(e) Other Current Assets	14	866,234	1,033,339
Total		304,827,787	291,003,850

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

UDIN: 21201484AAAADC2529

Sd/-

Sd/-

Meera C

Remesh Sheno S

Company Secretary

Chief Financial Officer

Place: Kochi

Place: Kochi

Date: 20th Sep 2021

Date: 18th Sep 2021

CHERAMAN FINANCIAL SERVICES LIMITED

Consolidated Statement of Profit And Loss for the Year Ended 31st March 2021

Particulars	Note No	For the Year Ended 31.03.2021 Amount (INR)	For the Year Ended 31.03.2020 Amount (INR)
I INCOME			
a) Revenue from Operations	15	24,213,017	29,125,123
b) Other Income	16	70,194	268,852
Total Revenue (a+b)		24,283,211	29,393,975
II EXPENSES			
a) Employee Benefit Expenses	17	6,268,215	6,421,576
b) Provisions and Write offs	18	13,768,687	-
c) Depreciation and Amortization Expenses	9	3,624,471	3,624,424
d) Other Expenses	19	3,957,231	6,375,418
Total Expenses (a+b+c)		27,618,603	16,421,419
III. Profit/(Loss) Before Tax (I-II)		(3,335,393)	12,972,557
IV. Tax Expense:			
a) Current Tax		1,396,972	1,682,875
b) Short/(Excess) Provision of Previous Years		18,181	(101,187)
c) MAT input tax credit entitlement (Refer Note -10.1)		(1,415,153)	(1,682,875)
d) MAT Credit Lapsed			55,059
V. Profit/(Loss) After Tax (III-IV)		(3,335,393)	13,018,685
VI. Minority Interest		-	-
VII. Profit/(Loss) attributable to Shareholders		(3,335,393)	13,018,685
VIII. Earning per Equity Share of Rs.10 each	20		
Basic & Diluted		(0.10)	0.38

Significant Accounting Policies

1

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

As per our Report of even date

For Krishnamoorthy & Krishnamoorthy

Chartered Accountants

(Firm Regn.No.001488S)

For and on behalf of the Board of Directors

Sd/-

K T Mohanan

Partner

(M No.201484)

UDIN: 21201484AAAADC2529

Sd/-

APM Mohammed Hanish IAS

Managing Director

DIN: 02504842

Sd/-

M M Abdul Basheer

Director

DIN: 00120916

Sd/-

Meera C

Company Secretary

Place: Kochi

Date: 18th Sep 2021

Sd/-

Remesh Shenoi S

Chief Financial Officer

Place: Kochi

Date: 20th Sep 2021

CHERAMAN FINANCIAL SERVICES LIMITED
Consolidated Cash Flow Statement For The Year Ended 31st March 2021

Consolidated Cash Flow Statement For The Year Ended 31st March 2021		
Particulars	2020-21	2019-20
	Amount (INR)	Amount (INR)
A. Cash Flow From Operating Activities		
Profit/(Loss) Before Tax & Exceptional Items	(3,335,393)	12,972,557
Adjustments for:		
Depreciation and Amortisation	3,624,471	3,624,424
Provision for Standard Assets	(50,063)	108,920
Loss on sale of Asset	17,930	
Provision for Non Performing Assets	13,768,687	-
Operating Profit before working capital changes	14,025,632	16,705,901
Movements in working capital :		
Increase/ (decrease) in other long term liabilities	1,600,757	8,043,489
Increase/ (decrease) in long term provisions	82,194	21,617
Increase/ (decrease) in Trade Payables	580,986	1,556,163
Increase/ (decrease) in other current liabilities	657,948	(783,965)
Increase/ (decrease) in short term provisions	518,822	28,990
Decrease / (increase) in long-term loans and advances	36,586,873	(52,257,526)
Decrease / (increase) in Trade Receivables	(1,602,699)	(207,743)
Decrease / (increase) in short-term loans and advances	(42,229,457)	(3,293,855)
Decrease / (increase) in other current assets	167,104	(182,531)
Net change in working capital	(3,637,472)	(47,075,361)
Cash generated from/(used in) operations	10,388,160	(30,369,460)
Direct Taxes Paid (net of Refund)	(1,730,046)	(2,258,926)
Cash generated from /(used in) from operating activities (A)	8,658,114	(32,628,386)
B. Cash Flow from Investing Activities		
Sale of Fixed assets	12,050	
Purchase of Fixed assets	(62,000)	(25,700)
Net cash flow from/(used in) investing activities (B)	(49,950)	(25,700)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share capital	-	-
Net cash flow from/(used in) financing activities (C)	-	-
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	8,608,164	(32,654,086)
Cash & Cash Equivalents at the beginning of the year	29,878,229	62,532,315
Cash & Cash Equivalents at the end of the year (Note 12)	38,486,393	29,878,229
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
UDIN: 21201484AAAADC2529		
	Sd/-	Sd/-
	Meera C	Remesh Shenoi S
	Company Secretary	Chief Financial Officer
Place: Kochi	Place: Kochi	
Date: 20th Sep 2021	Date: 18th Sep 2021	

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, 2021 and Statement of profit and loss and cash flows of the Parent Company and its two fully owned Subsidiaries Cheraman Funds Management Ltd & Cheraman Infrastructure Pvt Ltd for the year ended March 31, 2021.

Suits India Pvt Ltd, a subsidiary of the Parent Company is excluded from the scope of consolidation from financial year 2018-19, as it no longer satisfies the conditions prescribed for consolidation as per Para 11 of Accounting Standard 21.

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, 2021.

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. Penal interest on overdue amounts is recognised on actual collection basis which is charged based on management decision.

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.

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 2021

2 Share Capital

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 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 3,38,70,000 (3,38,70,000) Equity Shares of Rs. 10/- each fully paid up	338,700,000	338,700,000
	338,700,000	338,700,000

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 2021		31st March 2020	
	No of Shares	Amount (INR)	No of Shares	Amount (INR)
Opening as on 1st April	33,870,000	338,700,000	33,870,000	338,700,000
Add: Issued during the year	-	-	-	-
Closing as on 31st March	33,870,000	338,700,000	33,870,000	338,700,000

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 2021	% of holding	No. of shares as on 31st March 2020	% of holding
Mr. Siddeek Ahmed Haji	6,000,000	17.71%	6,000,000	17.71%
Mr. Abdulla Poyil	4,000,000	11.81%	4,000,000	11.81%
M/s KSIDC	3,670,000	10.84%	3,670,000	10.84%
Mr. Ibrahim Haji P.A	3,500,000	10.33%	3,500,000	10.33%
Mr. J K Menon	3,000,000	8.86%	3,000,000	8.86%
Mr.Yusuffali M A	3,000,000	8.86%	3,000,000	8.86%
Mr.P Mohamad Ali	2,200,000	6.50%	2,200,000	6.50%
Mr.Ashraf Ali M.A	2,000,000	5.90%	2,000,000	5.90%

3 Reserves & Surplus

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	Amount (INR)
a) Statutory Reserve		
Balance at the beginning of the year	4,251,241	2,323,732.54
	-	1,927,508.00
Add : Amount transferred from surplus in the statement of Profit and Loss		
	4,251,241	4,251,241
b) Surplus in Statement of Profit & Loss		
Balance at the beginning of the year	(99,185,785)	(110,276,962)
Add : Profit/(Loss) for the year	(3,335,393)	13,018,685
Less: Appropriations		
Transfer to Statutory Reserve	-	1,927,508
TOTAL	(102,521,178)	(99,185,785)
TOTAL (a +b)	(98,269,937)	(94,934,544)

- 3.1 Statutory Reserve Fund represents the reserve fund created under section 45IC of Reserve Bank of India Act 1934. No appropriation from reserve has been made during the year.

4 Other Long Term Liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	Amount (INR)
a) Others		
Security Deposit - Leasing	31,794,984	30,194,227
Rent Deposit	4,440,000	4,440,000
TOTAL	36,234,984	34,634,227

5 Long Term Provisions

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	Amount (INR)
i) For Employee Benefit:		
Provision for Gratuity	629,048	546,854
ii) Contingent Provisions against Standard Assets	265,366	356,832
TOTAL	894,414	903,686

6 Trade Payables

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	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	6,080,986	5,500,000
TOTAL	6,080,986	5,500,000

7 Other Current Liabilities

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
a) Advance Received for Services to be rendered in relation to leasing	1,270,408	1,647,020
b) Other Payables:		
i) Statutory Remittances	183,100	348,844
ii) Expenses Payable	340,619	1,135,669
iii) Security Deposit - Leasing	3,540,386	1,545,032
TOTAL	5,334,513	4,676,565

8 Short Term Provisions

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
i) For Employee Benefit:		
Provision for Leave Encashment	1,562,192	1,410,082
ii) Contingent Provisions against Standard Assets	155,237	113,834
iii) Provision for Non Performing Assets	13,768,687	-
iii) Provision for Income Tax	366,711	-
TOTAL	15,852,827	1,523,916

Movement of Provision for NPA

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
Opening Balance	-	-
Provision made during the year	13,768,687	-
Write off/Write back of excess provision	-	-
	13,768,687	-

10 Long Term Loans & Advances

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
(a) Security Deposits		
Unsecured, Considered Good	1,035,532	1,035,532
TOTAL (a)	1,035,532	1,035,532
(b) Income Tax Advance (net of provisions)	-	64,828
(c) MAT Credit Entitlement	5,321,667	3,916,600
TOTAL	5,321,667	3,981,428
(d) Others		
Secured, Considered Good		
i) Assets on Finance		
- To Related Party	-	-
- To Others	106,145,975	142,732,848
TOTAL (d)	106,145,975	142,732,848
TOTAL (a +b+c+d)	112,503,174	147,749,808

- 10.1 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.

11 Trade Receivables

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	Amount (INR)
(a) Outstanding for a period exceeding six months from the date they are due for payment	-	-
(b) Others		
Secured, Considered good	4,597,838	2,995,138
TOTAL	4,597,838	2,995,138

12 Cash & Bank Balances

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	Amount (INR)
Cash & Cash Equivalents		
i) Balance with Banks		
- In Current Account	38,477,573	29,857,134
ii) Cash on Hand	8,820	21,095
TOTAL	38,486,393	29,878,229

13 Short Term Loans & Advances

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	Amount (INR)
(b) Balance with Government Authorities	13,107,611	13,996,329
	-	-
(c) Advance income tax (Net)	2,545,463	2,155,656
(d) Loans & Advances		
Secured, Considered Good		
i) Assets on Finance		
- To Related Party	-	-
- To Others	79,595,732	45,533,531
Unsecured, Considered Good		
i) Advances recoverable in kind or for value to be received.	13,659,909	4,604,185
Less: Provision for Doubtful Advance	-	-
ii) Other Advances	250	-
TOTAL	108,908,964	66,289,701

Assets under finance lease to others include Non Performing Assets, provided in accordance with the RBI guidelines applicable for Lease and Hire purchase assets. The gross amount, provision made and Net amount are as follows:

	Gross Amount		Provision		Net Amount	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Standard Assets	62,094,626	45,533,531		-	62,094,626	45,533,531
Sub Standard Assets	17,501,106	-	13,768,687	-	3,732,419	-
Total	79,595,732	45,533,531	13,768,687	-	65,827,046	45,533,531

14 Other Current Assets

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
(a) Accruals		
(i) Interest Accrued on Deposits	35,878	30,516
(ii) Accrued Annualised Cost to Customer	830,356	1,002,823
TOTAL	866,234	1,033,339
(b) Assets intended for lease		
	-	-
TOTAL	-	-
	866,234	1,033,339
Pending entering into lease agreement, the equipment purchased based on the request to make available equipment on lease is considered as Other assets.		

15 Revenue From Operations

Particulars	For the Year Ended 31.03.2021 Amount (INR)	For the Year Ended 31.03.2020 Amount (INR)
Revenue From sale of Services:-		
Rental Income	6,420,000	8,880,000
Annualised Cost to Customer	17,204,713	19,412,696
Minimum Value	11,759	11,702
Processing Fee	576,545	820,725
TOTAL	24,213,017	29,125,123

16 Other Income

Particulars	For the Year Ended 31.03.2021 Amount (INR)	For the Year Ended 31.03.2020 Amount (INR)
Interest Received on IT Refund	14,769	46,668
Interest on Fixed Deposit	5,362	5,168
Miscellaneous Income	-	216,652
Excess liability Written Back	-	364
Excess Provision for Standard Assets	50,063	-
TOTAL	70,194	268,852

17 Employee Benefit Expenses

Particulars	For the Year Ended 31.03.2021 Amount (INR)	For the Year Ended 31.03.2020 Amount (INR)
Salaries, Wages and Bonus	5,783,812	5,926,862
Contribution to Provident and other Funds	281,112	282,199
Staff Welfare Expenses	121,097	130,321
Gratuity	82,194	82,194
TOTAL	6,268,215	6,421,576

18 Provisions and Write Offs

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
	Amount (INR)	Amount (INR)
Provision for Non Performing Assets	13,768,687	-
Advances written Off	-	-
Bad Debts Written Off	-	-
TOTAL	13,768,687	-

19 Other Expenses

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
	Amount (INR)	Amount (INR)
Legal and Professional Fees	541,443	712,517
Travelling Expenses	22,825	374,109
Rent	1,140,650	1,925,485
Office General Expenses	487,353	403,525
Electricity & Water Charges	248,528	319,295
Repairs and Maintenance		
(a) Building	12,500	464,950
(b) Others	143,665	160,927
Rates, Taxes and Filing Fees	517,282	958,925
Postage & Telephone Charges	81,046	102,488
Loss on sale of assets	17,930	
Annuity to Muttawalli	600,000	600,000
Bank Charges	2,521	1,599
Other Expenses	6,488	107,677
Provision Against Standard Assets	-	108,920
Payment to Auditor		
a) Statutory Audit Fee	120,000	120,000
b) Taxation Matters	15,000	15,000
TOTAL	3,957,231	6,375,418

20 Earnings Per Share

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
	Amount (INR)	Amount (INR)
Profit/(Loss) Attributable to Equity Share Holders	(3,335,393)	13,018,685
Weighted Average Number of Equity Share Outstanding (Nos)	33,870,000	33,870,000
Earnings Per Share	(0.10)	0.38

21 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 2021	% of holding as on 31st March 2020
Cheraman Funds Management Ltd	India	100%	100%
Cheraman Infrastructure Private Ltd	India	100%	100%

- 22 The financial statement of Suits India Pvt Ltd, a subsidiary in which the Parent Company holds 86.25% stake has been excluded from consolidation pursuant to para 11 of AS 21 from financial year 2018-19. The company has closed down its business activities and the secured financial creditors have started revenue recovery proceedings against the company. Further the assets of the company are unable to satisfy even the secured creditors and the company is no longer a going concern. The Parent Company has fully provided for the diminution in the value of investment in this subsidiary.

23

Information on Related Party Transactions as Required by Accounting Standard (AS) - 18 For The Year Ended 31st March 2021

23.1 Details of Related Parties

Description of Relationship	Names of Related Parties
Key Management Personnel - Holding Company	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

24 Details of related party transactions during the year ended 31st March, 2021 - Nil

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

- 25.1 The Company has given certain assets on lease which effectively transferred substantially all of the risks and benefit incidental to the ownership.
- 25.2 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.
- 25.3 The total gross investment in these leases and the present value of minimum lease payment receivable as on 31st March, 2021 is as under:

	As At 31.03.2021		
	Gross investment in Lease	Unearned Finance Income	Present Value of Receivables
i) Not later than one year	94,250,067	14,654,335	79,595,733
ii) Later than one year and not later than five years	118,566,942	15,296,436	103,270,506
iii) Later than five years	3,258,900	383,431	2,875,469
Total	216,075,909	30,334,202	185,741,708

	As At 31.03.2020		
	Gross investment in Lease	Unearned Finance Income	Present Value of Receivables
i) Not later than one year	64,287,892	18,754,362	45,533,530
ii) Later than one year and not later than five years	163,148,465	24,341,876	138,806,589
iii) Later than five years	4,690,199	763,940	3,926,259
Total	232,126,556	43,860,177	188,266,379

24 Earnings and Expenditure in Foreign Currency

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
	Amount (INR)	Amount (INR)
(a) Earnings in Foreign Currency	-	-
(b) Expenditure in Foreign Currency		
Travel Expenses	-	194,044
Total Expenditure in Foreign Currency	-	194,044

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

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
	Amount (INR)	Amount (INR)
a) Contingent Liabilities:		
i) Claims against the company not acknowledged as debt		
- Bond given to Customs for warehousing of imported equipment meant for leasing	5,000,000	5,000,000
- Bond given to Commercial Taxes Department, Kerala on imported equipment meant		
- Claim made by ESIC, Sub Regional Office, Ernakulam	1,532,380	1,532,380
- Claim made by DCIT, CPC-ITD, Bengaluru	114,367	114,367
ii) Others	Nil	Nil
b) Commitments -	Nil	Nil

26 **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 Profit/(Loss)	Amount
Parent:				
Cheraman Financial Services Ltd	96%	267,670,914	154%	(5,127,837)
Subsidiaries				
Indian				
Cheraman Funds Management Ltd	-2%	(5,877,961)	5%	(161,586)
Cheraman Infrastructure Private Ltd	6%	17,737,109	-59%	1,954,030
Consolidated Amount		279,530,062		(3,335,393)

- 27 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, 2021 together with interest paid /payable are required to be furnished
- 28 **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.
- 29 The Parent Company & Subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 30 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.

- 31 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.
- 32 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.
- 33 The Impact of COVID-19 on the operations and the going concern concept has been considered and reviewed by the management in the preparation and presentation of the financial statement. It is expected that the effect of COVID 19 will not have a material impact on the operations and financial performance of the parent and subsidiary Companies. Further the financial position of the parent and subsidiary companies can withstand the short term impact and will not have any impact on the going concern concept. The parent company had given moratorium in lease payment to its clients in accordance with RBI guidelines issued in this regard which has no material financial impact on the parent company.
- 34 As per RBI Notification dated April 7 2021, regarding disclosure of compound interest relief to borrowers during the moratorium period, an amount of Rs.2,24,736/- has been refunded/adjusted against all borrower accounts by the Parent Company.
- 35 Disclosure pursuant to Reserve Bank of India Notification No. RBI/ 2019-20/220/DOR No. BP.BC.63/21.04.048/2019-20 dated April 17, 2020 pertaining to Asset Classification and Provisioning in terms of COVID-19 Regulatory Package

Particulars	As at 31.03.2021	As at 31.03.2020
Respective amounts in SMA/Overdue categories where moratorium/deferment was extended	91,601,824	99,905,147
Respective amount where asset classification benefit is extended	Nil	Nil
General provisions made	Nil	Nil
General provisions adjusted during the period against slippages and the residual provisions	Nil	Nil

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

Signatures to Note 1 to 36 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)

UDIN: 21201484AAAADC2529

Sd/-

APM Mohammed Hanish IAS

Managing Director

Din: 02504842

Sd/-

M M Abdul Basheer

Director

Din: 00120916

Sd/-

Meera C

Company Secretary

Place: Kochi

Date: 18th Sep 2021

Sd/-

Remesh Shenoi S

Chief Financial Officer

Place: Kochi

Date: 20th Sep 2021

9 Fixed Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2020	Additions	Deductions	As at 31.03.2021	As at 01.04.2020	Deductions	For the Year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
A. Tangible Assets										
Building	542,462			542,462	120,715		17,671	138,386	404,076	421,747
Furniture & Fixture	4,665,129			4,665,129	3,305,358		464,631	3,769,989	895,140	1,359,771
Computers	711,695			711,695	678,464			678,464	33,231	33,232
Office Equipment	644,445			644,445	588,355		8,118	596,474	47,971	56,090
Electrical Equipments	2,539,302	62,000	114,900	2,486,402	1,721,824	84,920	256,488	1,893,393	593,009	817,479
Vehicle	871,549			871,549	819,634			819,634	51,915	51,915
Total Tangible Assets (A)	9,974,582	62,000	114,900	9,921,682	7,234,352	84,920	746,909	7,896,339	2,025,343	2,740,232
B. Intangible Assets										
Computer Software	395,395			395,395	395,395			395,395	0	0
BOT Project	51,404,697			51,404,697	11,087,295		2,877,562	13,964,857	37,439,840	40,317,402
Total Intangible Assets (B)	51,800,092	-	-	51,800,092	11,482,690	-	2,877,562	14,360,252	37,439,840	40,317,402
Total (A+B+C+D)	61,774,674	62,000	114,900	61,721,774	18,717,042	84,920	3,624,471	22,256,591	39,465,183	43,057,634
Previous Year	61,748,974	25,700	-	61,774,674	15,092,618	-	3,624,424	18,717,040	43,057,634	46,656,358

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

PART "A": SUBSIDIARIES

1	Name of the Subsidiary	Cheraman Funds Management Ltd	Cheraman Infrastructure Private Ltd	*Suits India Private Ltd
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A	N.A	N.A
4	Share capital	17,500,000	21,600,000	827,630
5	Reserves & surplus	(23,377,961)	(3,862,892)	(3,693,548)
6	Total assets	238,006	48,381,081	14,931,580
7	Total Liabilities	6,115,967	30,643,972	17,797,498
8	Investments	-	-	-
9	Turnover	-	6,420,000	4,620,591
10	Profit before taxation	(161,586)	1,954,030	(8,528,063)
11	Provision for taxation	-	-	-
12	Profit after taxation	(161,586)	1,954,030	(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

*Suits India Pvt Ltd figures are as per the latest available audited balance sheet for the year ended 31.03.2018.

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)
UDIN: 21201484AAAADC2529

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

Sd/-
M M Abdul Basheer
Director
DIN:00120916

Place: Kochi
Date: 20th Sep 2021

Sd/-
Meera C
Company Secretary
Place: Kochi
Date: 18th Sep 2021

Sd/-
Remesh Shenoi S
Chief Financial Officer