

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CHERAMAN INFRASTRUCTURE PRIVATE LIMITED**

REPORT ON THE FINANCIAL STATEMENTS

OPINION:

We have audited the accompanying financial statements of **Cheraman Infrastructure Private Limited**, which comprise the Balance sheet as at 31st March 2021, and the Statement of Profit and Loss and 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 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 profit 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 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 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 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 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 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 financial statements, including the disclosures, and whether the 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 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 Balance sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 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 financial statements (Refer Notes on accounts 22).
 - 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 25).

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

Place: Cochin - 16
Date: 17 -09-2021

Sd/-
K T Mohanan
Partner
Membership No. 201484
UDIN: 21201484AAAADA1255

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) The Company has not granted loans, made investments, given guarantees or security attracting the provisions of section 185 and section 186 of the Companies Act, 2013 during the period under report.
- v) 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.

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 give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year 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 not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and accordingly the provisions of paragraph 3(xvi) of the Order is not applicable to the Company and hence not commented upon.

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

Sd/-

Place: Cochin-16
Date: 17-09-2021

K T Mohanan
Partner
Membership No. 201484
UDIN: 21201484AAAADA1255

“ANNEXURE B” REFERRED TO IN PARAGRAPH 2 (f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CHERAMAN INFRASTRUCTURE PRIVATE 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 Infrastructure Private Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting:

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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/-
K T Mohanan
Partner
Membership No. 201484
UDIN: 21201484AAAADA1255

Place: Cochin-16
Date: 17-09-2021

CHERAMAN INFRASTRUCTURE PVT LTD
BALANCE SHEET AS AT 31st MARCH, 2021

Particulars	Note No.	AS AT 31st March, 2021 Amount (INR)	AS AT 31st March, 2020 Amount (INR)
I. <u>EQUITY AND LIABILITIES</u>			
1 Shareholders' Funds			
a. Share Capital	2	21,600,000	21,600,000
b. Reserves and Surplus	3	(3,862,892)	(5,816,922)
2 Non-Current Liabilities			
a. Other Long Term Liabilities	4	4,440,000	4,440,000
3 Current Liabilities			
a. Short term Borrowings	5	26,000,000	26,000,000
b. Trade Payables	6		
i) Total outstanding dues of micro enterprises and small enterprises		-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
c. Other Current Liabilities	7	170,295	376,663
d. Short Term Provisions	8	33,677	21,581
Total		48,381,081	46,621,322
II. <u>ASSETS</u>			
1 Non-current Assets			
a. Property, Plant and Equipment	9		
i. Tangible Assets		2,257	2,257
ii. Intangible Assets		37,439,840	40,317,402
b. Long Term Loans and Advances	10	65,300	42,500
2 Current Assets			
a. Trade Receivables	11	826,199	1,058,097
b. Cash and Bank Balances	12	8,677,985	4,378,591
c. Short Term Loans and Advances	13	1,369,500	822,475
Total		48,381,081	46,621,322

Accounting Policies

1

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

As per our Report of even date

For Krishnamoorthy & Krishnamoorthy

For and on behalf of the Board of Directors

Chartered Accountants

(Firm Regn.No.001488S)

Sd/-

K T Mohanan

Partner

(M No.201484)

UDIN: 21201484AAAADA1255

Place: Kochi

Date: 17th Sep 2021

Sd/-

PK Ahammed

Director

Din: 01678711

Place: Kochi

Date: 17th Sep 2021

Sd/-

Remesh Sheno S

Director

Din: 07077337

CHERAMAN INFRASTRUCTURE PVT LTD

Statement of Profit & 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	14	6,420,000	8,880,000
Other Income		-	216,652
Total Revenue		6,420,000	9,096,652
II. Expenses:			
a. Employee Benefits Expense	15	403,704	404,146
b. Depreciation and Amortisation Expense	9	2,877,562	2,877,562
c. Other Expenses	16	1,184,703	2,123,509
Total Expenses (a+b+c)		4,465,970	5,405,217
III. Profit/(Loss) Before Tax (III-IV)		1,954,030	3,691,435
IV. Tax Expense:			
a) Current Tax		-	-
b) Excess Provision of Previous year		-	(101,187)
c)MAT credit lapsed		-	55,059
VI. Profit/(Loss) After Tax (V-VI)		1,954,030	3,737,563
VII. Earning per Equity Share of Rs.10 each	17		
Basic & Diluted		0.90	1.73

Accounting Policies

1

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

As per our Report of even date

For Krishnamoorthy & Krishnamoorthy

For and on behalf of the Board of Directors

Chartered Accountants

(Firm Regn.No.001488S)

Sd/-

K T Mohanan

Partner

(M No.201484)

UDIN: 21201484AAAADA1255

Place: Kochi

Date: 17th Sep 2021

Sd/-

PK Ahammed

Director

Din: 01678711

Place: Kochi

Date: 17th Sep 2021

Sd/-

Remesh Sheno S

Director

Din: 07077337

CHERAMAN INFRASTRUCTURE PVT LTD (Formerly known as ABFS Infrastructure Private 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	1,954,030	3,691,435
Adjustments for:		
Depreciation and Amortisation	2,877,562	2,877,562
Operating Profit before working capital changes	4,831,592	6,568,997
Movements in working capital :		
Increase/ (decrease) in other long term liabilities	-	-
Increase/ (decrease) in trade payables	-	(455,454)
Increase/ (decrease) in other current liabilities	(206,368)	323,453
Increase/ (decrease) in short term provisions	12,096	(33,590)
Decrease / (increase) in long-term loans and advances	(22,800)	-
Decrease / (increase) in Trade Receivables	231,898	(1,058,097)
Decrease / (increase) in other non current assets	-	-
Decrease / (increase) in short-term loans and advances	(547,025)	(800,593)
Net change in working capital	(532,199)	(2,024,281)
Cash generated from/(used in) operations	4,299,394	4,544,716
Direct Taxes Paid (net of Refund)	-	46,128
Cash generated from /(used in) from operating activities (A)	4,299,394	4,590,844
B. Cash Flow from Investing Activities		
Purchase of Fixed assets	-	-
Net cash flow from/(used in) investing activities (B)	-	-
C. Cash Flow from Financing Activities		
Proceeds from Short term borrowing	-	-
Repayment of short term borrowing	-	(8,000,000)
Net cash flow from/(used in) financing activities (C)	-	(8,000,000)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	4,299,394	(3,409,156)
Cash & Cash Equivalents at the beginning of the year	4,378,591	7,787,747
Cash & Cash Equivalents at the end of the year (Note 12)	8,677,985	4,378,591
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	PK Ahammed	Remesh Shenoi S
Partner	Director	Director
(M No.201484)	Din: 01678711	Din: 07077337
UDIN: 21201484AAAADA1255		
Place: Kochi	Place: Kochi	
Date: 17th Sep 2021	Date: 17th Sep 2021	

NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

1 Significant Accounting Policies

1.1 Basis of Accounting

The financial statements of the Company are prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP), on accrual basis under historical cost convention as a going concern. The Company has prepared these financial statements to comply with the requirements of mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 (Act) read with rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time. The accounting policies adopted for the preparation of financial statements are consistent with those of the previous year except when a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use and when the statute mandate the change.

1.2 Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period.

1.3 Tangible & Intangible Assets

Tangible & Intangible assets are stated at original cost of acquisition / installation net off accumulated depreciation, amortization and impairment losses. The cost of fixed assets includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition/installation.

1.4 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.

1.5 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 asset to their present value.

1.6 Depreciation of Tangible & Intangible Assets

Depreciable amount for Tangible & Intangible Assets is the cost of the asset, or other amount substituted for the cost, less its estimated residual value.

Depreciation on tangible assets has been provided on the Straight-Line Method (SLM) by adopting the useful life prescribed as per Part C of Schedule II to the Companies Act, 2013 and retaining 5% of the original cost as residual value, except for assets having value less than Rs.10,000/- which are depreciated at 100% in the year of purchase.

Cost of Software is treated as Intangible Assets and is amortised over a period of three years in accordance with Accounting Standard (AS) 26. Intangible Asset consisting of BOT Project Expenditure is amortized over the period of operation on straight line basis..

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 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 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 Leave Encashment is made considering the number of days leave outstanding at the end of the year. Provision for Gratuity is made in accordance with the provisions of Payment of Gratuity Act.

1.9 Taxes on Income

Current Tax is provided and determined as the amount of tax payable in respect of taxable income for the period. Deferred Tax is provided and recognized on timing differences between taxable income and accounting income subject to consideration of prudence. Deferred tax is not recognized as assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

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.

1.10 Provisions and Contingencies

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

1.11 Cash Flow Statement

Cash Flows are reported using the Indirect Method, whereby net profit before tax is adjusted for the effect of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Notes to the Financial Statement For The Year Ended 31st March 2021

2 Share Capital

Particulars	As at 31st March 2021 Amount (INR)	As at 31st March 2020 Amount (INR)
Authorised Capital		
3,000,000 Equity Shares of Rs. 10/- each	30,000,000	30,000,000
Issued and Subscribed and Paid up:		
2,160,000 Equity Shares of Rs. 10/- each	21,600,000	21,600,000
TOTAL	21,600,000	21,600,000

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	As at 31st March 2021		As At 31st March 2020	
	No of shares	Amount (INR)	No of shares	Amount (INR)
Opening as on 1st April	2,160,000	21,600,000	2,160,000	21,600,000
Add: Issued during the year	-	-	-	-
Closing as on 31st March	2,160,000	21,600,000	2,160,000	21,600,000

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
Cheraman Financial Services Ltd	2,160,000	100%	2,160,000	100%

3 Reserves & Surplus

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	Amount (INR)
Profit & Loss Account		
Opening Balance	(5,816,922)	(9,554,485)
Add : Profit/(Loss) for the year	1,954,030	3,737,563
TOTAL	(3,862,892)	(5,816,922)

4 Other Long Term Liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	Amount (INR)
Other Long Term Liabilities	4,440,000	4,440,000
TOTAL	4,440,000	4,440,000

5 Short term Borrowings

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	Amount (INR)
Unsecured Loan		
- From Holding Company	26,000,000	26,000,000
The loan represents interest free unsecured loan taken from Holding company in the ordinary course of business and are repayable on demand.		
TOTAL	26,000,000	26,000,000

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	-	-
TOTAL	-	-

7 Other Current Liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	Amount (INR)
i) Statutory Dues	135,395	176,337
ii) Other Payables	34,900	200,326
TOTAL	170,295	376,663

8 Short Term Provisions

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	Amount (INR)
a) Provision for Leave Encashment	33,677	21,581
b) Provision for Income Tax	-	-
	33,677	21,581

10 Long Term Loans and Advances

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	Amount (INR)
Unsecured, Considered Good		
i) Security and Other Deposits	65,300	42,500
ii) Income Tax - Mat Credit Entitlement	-	-
TOTAL	65,300	42,500

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	8,475	-
(b) Others		
Secured, Considered good	817,724	1,058,097
TOTAL	826,199	1,058,097

12 Cash & Cash Equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	Amount (INR)
i) Balance with Banks		
- In Current Account	8,675,532	4,369,281
ii) Cash on Hand	2,453	9,310
TOTAL	8,677,985	4,378,591

13 Short Term Loans and Advances

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (INR)	Amount (INR)
Unsecured, Considered Good		
Income Tax Refundable	1,369,500	822,475
TOTAL	1,369,500	822,475

14 Revenue From Operations

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
	Amount (INR)	Amount (INR)
Rent Received	6,420,000	8,880,000
TOTAL	6,420,000	8,880,000

15 Employee Benefit Expense

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
	Amount (INR)	Amount (INR)
Salaries, Wages and Bonus	374,964	375,406
Contribution to Provident and Other Funds	28,740	28,740
Staff Welfare Expenses	-	-
TOTAL	403,704	404,146

16 Other Expenses

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
	Amount (INR)	Amount (INR)
Rent	35,000	378,288
Rates & Taxes	467,570	493,801
Postage & Telephone Expenses	504	5,015
Annuity to Muttawalli	600,000	600,000
Travelling & Conveyance	-	2,042
Payment to Auditor		
a) As Auditor	25,000	25,000
Professional Charges	38,000	142,000
Office General Expenses	7,629	19,733
Repairs & Maintenance	11,000	457,630
TOTAL	1,184,703	2,123,509

17 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	1,954,030	3,737,563
Weighted Average Number of Equity Share Outstanding (Nos)	2,160,000	2,160,000
Earnings Per Share	0.90	1.73

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

18.1 Details of Related Parties

Description of Relationship	Names of Related Parties
Holding Company	Cheraman Financial Services Ltd.
Fellow Subsidiary	Cheraman Funds Management Ltd. Suits India Private Ltd.
Persons having significant influence over the company	-
Enterprises under control of persons having significant influence over the company and with whom transactions were carried out during the year	-

18.2 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	For the Year Ended 31.03.2020
		Amount (INR)	Amount (INR)
Cheraman Financial Services Ltd	Unsecured Loan received	-	-
	Repayment of Unsecured Loan	-	8,000,000
	Outstanding Loan Balance at the end of the year	26,000,000	26,000,000
	Expense Reimbursement Paid	504	4,895

19 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.

20 The Company is having only very few employees and the provision for long term employee benefits such as Earned leave is made considering the number of leave outstanding at the end of the year. Further, no provision for Gratuity is made since the number of employees in the rolls is below the limit for the eligibility of gratuity as per Payment of Gratuity Act. 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.

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

(a) Contingent Liabilities

i) Claims against the company not acknowledged as debt : Nil

(b) Commitments

Estimated Amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances) NIL (as at 31st March 2020 - NIL)

22 Litigations: The Company is not subject to any legal proceedings and claims, which have arisen in the ordinary course of business.

23 During the previous year 2019-20, the Company had decided to exercise the option available under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Law (Amendment) Act, 2019 . As a result, set off of MAT credit amounting to **Rs. 0.55 lakhs available with the** company was lapsed in perpetuity. Company's tax liability under normal provision was reduced/ nullified in the previous year (2019-20) as well as the current year (2020-21) because of brought forward loss and unabsorbed depreciation. But if the option is not exercised, company has to pay Minimum Alternative Tax (MAT) which is not required under new section.

24 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.

25 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

Signatures to Note 1 to 26 forming integral part of accounts.

As per our Report of even date

For Krishnamoorthy & Krishnamoorthy

Chartered Accountants

(Firm Regn.No.0014885)

For and on behalf of the Board of Directors

Sd/-

K T Mohanan

Partner

(M No.201484)

UDIN: 21201484AAAADA1255

Place: Kochi

Date: 17th Sep 2021

Sd/-

PK Ahammed

Director

Din: 01678711

Place: Kochi

Date: 17th Sep 2021

Sd/-

Remesh Shenoi S

Director

Din: 07077337

9 Property, Plant and Equipment

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.04.2020	Addition	Deductions	As at 31.03.2021	As at 01.04.2020	For the Year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
A. Tangible Assets									
Computer	4,100	-	-	4,100	4,099		4,099	1	1
Furniture & Fittings	27,240	-	-	27,240	27,234		27,234	6	6
Office Equipments	45,000	-	-	45,000	42,750		42,750	2,250	2,250
Total Tangible Assets (A)	76,340	-	-	76,340	74,083	-	74,083	2,257	2,257
B. Intangible Assets									
Computer Software	66,125		-	66,125	66,125	-	66,125	-	-
BOT Project (Refer Note 1.4)	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)	51,470,822	-	-	51,470,822	11,153,420	2,877,562	14,030,982	37,439,840	40,317,402
Total (A+B)	51,547,162	-	-	51,547,162	11,227,503	2,877,562	14,105,065	37,442,097	40,319,659
Previous Year	51,547,162	-	-	51,547,162	8,349,941	2,877,562	11,227,503	40,319,659	43,197,221