



Cheraman
Financial Services Ltd

ANNUAL REPORT 2021-22



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MANAGING DIRECTOR'S COMMUNIQUÉ



Dear Shareholders,

I would like to start with by paying my utmost heartfelt homage on behalf of Team Cheraman to our departed Chairman, Shri. Ibrahim Haji P.A, who departed for his heavenly abode on 21.12.2021. We have all seen very turbulent and challenging times last year. I believe that these are unprecedented times and the effect of the pandemic cannot be underestimated. Your company continues to be cautiously optimistic in these times.

We focused on the possibilities and prepared ourselves to face the challenges and overcome them. We opted for a conservative approach to liquidity management and endeavored to maintain the strength of the balance sheet along with a high degree of fairness and transparency. We had adequate funds available to us in an otherwise difficult environment. We evaluated several opportunities during the course of the year and continue to do so. Throughout the year gone by we have been constantly assessing the evolving situation, in order to make necessary business adaptations. RBI has classified lending to healthcare industry as priority sector lending in the aftermath of COVID-19 Pandemic and asked banks

to lend at the repo rate. As a result, most of the healthcare providers have opted for the facility. Presently, CFSL is focusing on other sectors like digital printers, offset printers, generators, packing machines, display racks and counters, IT equipment etc, which are of lower value and more customers can be added in short time. These sectors are being financed at higher rate than healthcare sector. By this way, the risk of default is reduced and better returns are being fetched.

We will continue to focus on fundamentals along with growth, keeping quality of assets as our goal rather than setting quantity based targets. We believe that this will enable us to meet our longer term goals of serving our target segment more effectively as well as meeting the expectations of our other stakeholders. We believe that growth along with quality is the key to enhance shareholders' value and will continue to prioritize asset quality and profitability.

Your Company has the capital, an unlevered balance sheet, management strength and the desire to grow. Together we will overcome the challenges and emerge stronger so as to create long term value for all stakeholders. I would like to take this opportunity to thank our stakeholders for the confidence that they have placed in us, their continuous support, commitment and engagement, and look forward to rewarding this trust with sustainable results.

Sd/-

A.P.M. Mohamed Hanish IAS
Managing Director

CORPORATE SNAPSHOT

CFSL at a glance

Cheraman Financial Services Limited ('CFSL') was registered as an NBFC with the Reserve Bank of India in 2013. CFSL strives to provide financial services to sole proprietorships, companies, partnerships, societies, trusts etc, to cater their equipment requirements.

Offerings

Medical equipment finance



For purchase of new/ refurbished medical equipment such as ECG machines, MRI scanners, ultrasound scanners, CT scanners, X-ray machines etc.

Solar equipment finance



For purchase and installation of solar power panels.

Industrial equipment finance



For purchase of generator, AC, rack, chillers, printing machines, its components and industrial equipment of the like nature

Key strengths

✓ Growth potential and constant monitoring



The growth potential of CFSL is enormous. Number of individuals and organizations in need of equipment finance is quite significant and CFSL can utilize this opportunity. Credit worthiness of borrowers is monitored before extending facilities.

✓ Fund management and asset creation



Fund requirements for business are met predominantly through raising of share capital and internal accruals while focusing on maintaining healthy asset portfolio, planning and maintaining cost efficiency.

✓ Product offerings



CFSL product portfolio includes medical equipment finance, solar equipment finance and industrial equipment finance. Attempts are being made to expand the range of product offerings, keeping in view the economic transformation.

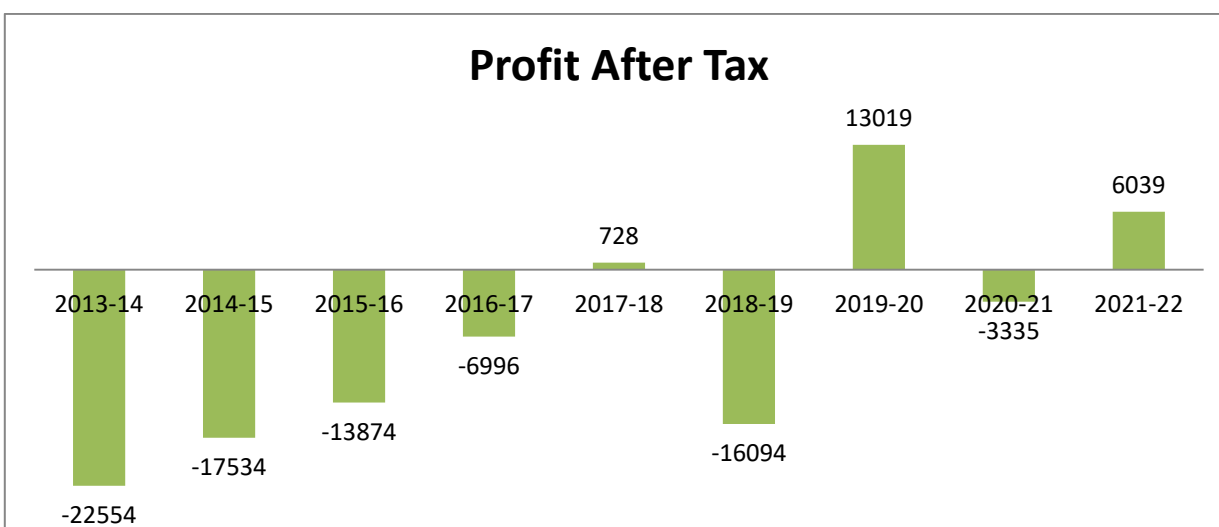
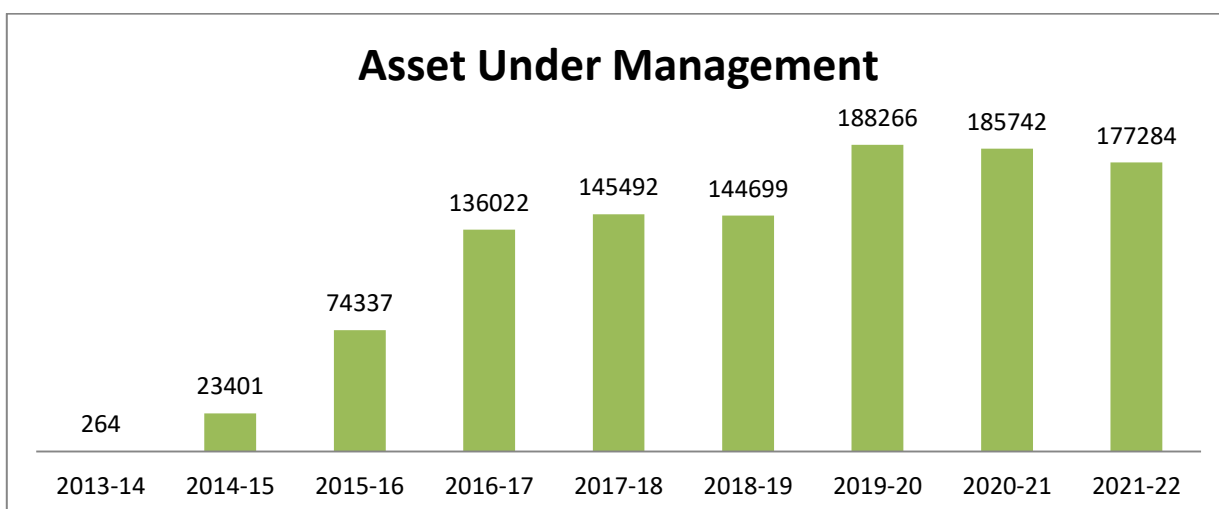
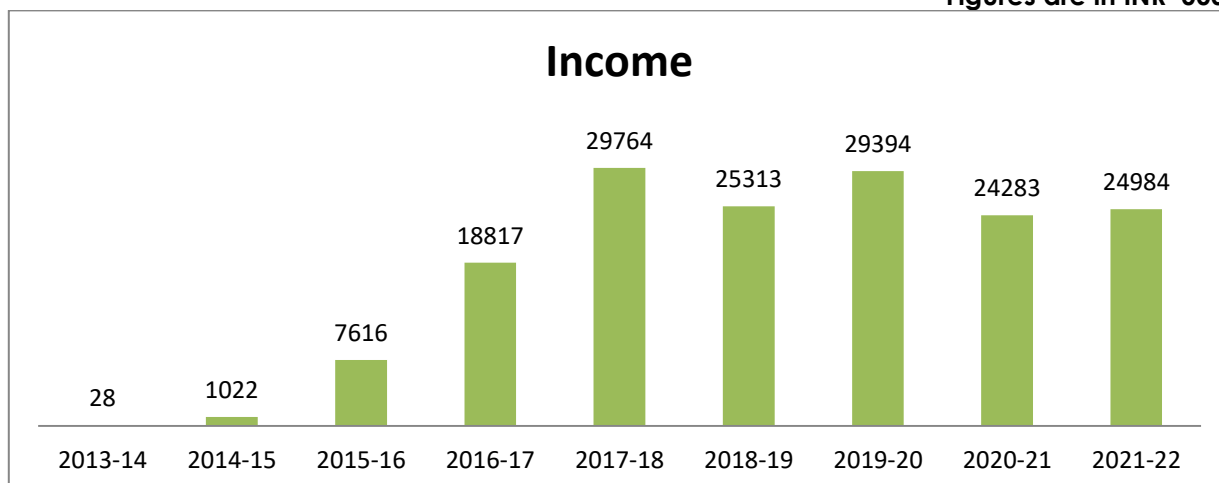
✓ Customer centric approach



Even though cautious approach is followed in selecting customers, CFSL's focus in customer satisfaction has enabled to gain loyalty and delight of customers, support of employees and confidence and trust of our stakeholders.

SNAPSHOT OF COMPANY PERFORMANCE

*Figures are in INR '000



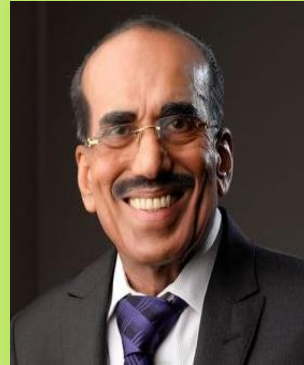
BOARD OF DIRECTORS



A.P.M. Mohamed Hanish IAS
Managing Director



T. Balakrishnan
Independent Director



Pokkinary Ahammed
Director



Asharf Ali M.A
Director



Siddeek Ahmed Haji P
Director



Jayakrishnan Krishna Menon
Director



E.M. Najeeb
Director



Hafiz Ali Ullat
Director



Abdulla Poyil
Director



P.V. Abdul Wahab
Director



M.M. Abdul Basheer
Director



E.S. Jose
Nominee Director



Prasanth R
Nominee Director

CORPORATE INFORMATION

Corporate Identification No.

U65923KL2009PLC025082

Registered office address

33/2337-E, 2nd Floor,
Chakiapadath Building,
By pass Road, Ponnuruni,
Vyttila, Cochin,
Kerala-682019

Chief Financial Officer

CA Ramesh Shenoi S

Company Secretary

CS Arun Kumar V.K

Statutory Auditors

R. Krishna Iyer & Co.,
Chartered Accountants,
134, 'Jyothy',
Panampilly Nagar,
Cochin-682036

Board of Directors

1. A.P.M. Mohamed Hanish IAS
DIN: 02504842 | Managing Director
2. T. Balakrishnan
DIN: 00052922 | Independent Director
3. Pokkinary Ahammed
DIN: 01678711 | Director
4. Asharf Ali M.A
DIN: 01210946 | Director
5. Siddeek Ahmed Haji P
DIN: 02067488 | Director
6. Jayakrishnan Krishna Menon
DIN: 02734324 | Director
7. E.M. Najeeb
DIN: 00100234 | Director
8. Hafiz Ali Ullat
DIN: 06678357 | Director
9. Abdulla Poyil
DIN: 02111206 | Director
10. P.V. Abdul Wahab
DIN: 00114617 | Director
11. M.M. Abdul Basheer
DIN: 00120916 | Independent Director
12. E.S. Jose
DIN: 00479442 | Nominee Director
13. Prasanth R
DIN: 02113647 | Nominee Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 12th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2022.

1. Financial results of the Company

(Amount in INR '000)

Particulars	As on 31.03.2022	As on 31.03.2021
Total Revenue	17,400	17,863
Total Expenses and Exceptional Items	13,921	22,991
Profit/ (Loss) After Tax and Exceptional Items	3,448	(5,128)

2. Review of performance

On a standalone basis, your Company has recorded a total income of INR 1,73,99,681/- for the financial year ended 31st March 2022 as against INR 1,78,63,211/- during the previous year. The total expenses incurred during the year under review is INR 1,39,21,001/- as against INR 2,29,91,048/- in the previous year. The Company recorded profit after tax of INR 34,47,664/- for the financial year ended 31st March 2022, as against loss of INR 51,27,837/- in the previous year.

On a consolidated basis, the Company recorded a total income of INR 2,49,83,538/- during the financial year ended 31st March 2022 as against INR 2,42,83,211/- during the previous year. The total expenses incurred during the year under review is INR 1,83,36,702/- as against INR 2,76,19,603/- in the previous year. The Company recorded profit after tax and minority interest of INR 60,38,898/- for the financial year ended 31st March 2022, as against loss of INR 33,35,393/- in the previous year.

3. Reserves

An amount of INR 6,89,533/- representing 20% of net profit has been created as Statutory Reserve Fund under Section 45 IC of Reserve Bank of India Act, 1934.

4. Performance of Subsidiaries

During the year under review, Cheraman Infrastructure Private Limited, the wholly owned subsidiary company, recorded profit after tax of INR 25,75,632/- as against profit of INR 19,54,030/- during the previous year.

Cheraman Funds Management Limited, the wholly owned subsidiary company recorded profit after tax of INR 14,602/- after exceptional items and provision for taxes as against loss of INR 1,61,586/- in the previous year.

Suits India Private Limited (SIPL), a company in to which CFSL had invested INR 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.

5. Dividend

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and therefore, do not recommend any dividend for the financial year ended 31st March 2022.

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 Form AOC-1.

The Audited Financial Statements of the wholly owned subsidiary companies and the related detailed information will be made available to the Members of the Company at the Registered Office of the Company and on the website of the Company, www.cheraman.com. The Company shall furnish a hard copy of the detailed accounts of the subsidiaries, except Suits India Limited, to any Member on demand.

8. Consolidated Financial Statement

The Consolidated Financial Statements of the Company are prepared in accordance with Section 129 of the Companies Act, 2013 read with relevant Accounting Standards issued by the Institute of Chartered Accountants of India and forms part of this Annual Report.

Suits India Private Limited (SIPL), a company in to which CFSL had invested INR 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 2022, following are the subsidiaries of the Company:

- a. Cheraman Infrastructure Private Limited (Wholly Owned subsidiary Company)
- b. Cheraman Funds Management Limited (Wholly Owned subsidiary Company)

c. Suits India Private Limited (Investee Company)

Suits India Private Limited (SIPL), a company in to which CFSL had invested INR 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 Cheraman Infrastructure Private Limited (wholly owned subsidiary company) and Cheraman Funds Management Limited (wholly owned subsidiary company) is set out in Form AOC-1, which forms part of this Annual Report.

10. Directors and Key Managerial Personnel

a. Composition of the Board

The Board of your Company consists of 13 Directors as on 31.03.2022, as follows:

Category	Name of Directors
Independent Directors	<ul style="list-style-type: none"> Shri. T. Balakrishnan Shri. M.M. Abdul Basheer
Non – Executive Directors	<ul style="list-style-type: none"> Shri. Pokkinary Ahammed Shri. Asharf Ali M.A Shri. Siddeek Ahmed Haji P Shri. Jayakrishnan Krishna Menon Shri. E.M. Najeeb Shri. Hafiz Ali Ullat Shri. Abdulla Poyil Shri. P.V. Abdul Wahab
Nominee Directors of Kerala State Industrial Development Corporation Limited	<ul style="list-style-type: none"> Shri. E.S. Jose Shri. Prasanth R
Managing Director	<ul style="list-style-type: none"> Shri. A.P.M. Mohamed Hanish IAS

b. Retirement by rotation

Shri. Hafiz Ali Ullat (DIN: 06678357), Shri. Pokkinary Ahammed (DIN: 01678711) and Shri. Aharf Ali M.A (DIN: 01210946), Directors would be liable to retire by rotation and being eligible offer themselves for re-appointment. The Board of Directors of your Company recommends their re-appointment.

c. Changes in Directors and Key Managerial Personnel

During the year under review, Shri. Ibrahim Haji P.A, Director of the Company passed away on 21.12.2021. The Board of Directors of your Company places on record the invaluable services rendered by the Late Shri. Ibrahim Haji P.A in his capacity as the Chairman and Director of the Company.

Further, Smt. Meera C resigned from the post of Company Secretary of the Company with effect from 13.01.2022.

The following are the Key Managerial Personnel of the Company:

- Shri. A.P.M Mohamed Hanish IAS, Managing Director
- Shri. Remesh Shenoi S, Chief Financial Officer
- Shri. Arun Kumar V.K, Company Secretary (appointed with effect from 20.04.2022)

11. Number of Board Meetings conducted during the year under review

The Company has conducted 04 (Four) Board meetings during the financial year 2021-22 on the following dates:

SN	Date	Board Strength	No. of Directors present
1	18.06.2021	14	12
2	18.09.2021	14	06
3	11.12.2021	14	06
4	26.03.2021	13	05

The maximum interval between the two meetings did not exceed 120 days. 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
Shri. T. Balakrishnan	04	03
Shri. Pokkinary Ahammed	04	02
Shri. Asharf Ali M.A	04	01
Shri. Siddeek Ahmed Haji P	04	01
Shri. Jayakrishnan Krishna Menon	04	03
Shri. E.M. Najeeb	04	02
Shri. Hafiz Ali Ullat	04	01
Shri. Abdulla Poyil	04	01
Shri. P.V. Abdul Wahab	04	01
Shri. M.M. Abdul Basheer	04	03
Shri. E.S. Jose	04	02
Shri. Prasanth R	04	03
Shri. A.P.M. Mohamed Hanish IAS	04	04
Shri. Ibrahim Haji P.A	03	02

12. Declaration of Independent Directors

The Independent Directors have submitted the declaration that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and that they qualify themselves to be appointed as independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The above declaration were placed before the Board at its meeting held on 21.06.2022 and duly noted.

13. Disclosure of composition of Audit Committee

During the financial year under review, the Audit Committee of the Company comprised of 3 members, majority of who are Non-Executive Independent Directors in accordance with Section 177 of the Act read with rules thereto, viz., Shri. T. Balakrishnan, Shri. M.M. Abdul Basheer and Shri. E.M. Najeeb. The members of the Audit Committee are financially literate and learned, experienced and well known in their respective fields.

14. Share capital

The authorized capital of the Company is INR 1,000 Crore and the issued, subscribed and paid-up capital of the Company is INR 33.87 Crore. There is no change in paid-up capital of the Company during the financial year under review.

15. Changes in Memorandum of Association and Articles of Association of the Company

During the year under review, there is no change in Memorandum of Association 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 during the year under review.

18. Statement concerning development and implementation of Risk Management Policy of the Company

Being in the lending business, risk management forms a vital element of our business. The Company has a well-defined risk management framework, approved by the Board of Directors. It provides the mechanism for identifying, assessing and mitigating risks from time to time.

The Company has adopted its own Risk Management Policy that represents the basic standards of risk assessment to be followed by the Company. The Board is responsible for managing risk at an overall level to do this. The Board has delegated authority for overall risk management to the Risk Management and Credit Committee ('RMC Committee') to ensure focused oversight and committed board level capacity for this task.

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

'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 financial year 2021-22, which were not at arm's length basis. The transaction entered into by the Company during the financial year 2021-22 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 Board of the Company has adopted the Nomination and 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 and for determining the remuneration for Directors of the Company. A copy of the Nomination and Remuneration Policy is enclosed herewith as **Annexure I**.

24. Evaluation by the 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 extracts of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed herewith as **Annexure II**.

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:

- (a) in the preparation of the annual accounts for the financial year ended 31st March 2022, the applicable accounting standards have been followed and there are no material departures from the same;
- (b) 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 2022 and of the profit and loss of the Company for the year ended on that date;
- (c) 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;
- (d) the Directors have prepared the annual accounts on a going concern basis; and
- (e) 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 being a 'Non-Systemically Important Non-Deposit taking Non-Banking Financial Company', has not accepted nor invited any deposits from the public during the period under review within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and shall not accept any deposits from the public without obtaining prior approval of the Reserve Bank of India. Since the Company has not accepted nor invited any deposits, there are no amounts that remained unpaid or unclaimed as at the end of the year under review.

28. RBI guidelines

Your Company has complied with 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 put in place adequate internal controls with reference to accuracy and completeness of the accounting records and timely preparation of reliable financial information, commensurate with the size, scale, complexity of operations and ensures compliance with various policies and statutes in keeping with the Company's pace of growth, complexity of operations, prevention and detection of frauds and errors.

The Board is of the opinion that the Company has sound internal financial controls commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist.

During the year under review, no material or serious observations have been highlighted for inefficiency or inadequacy of such controls.

30. Statutory Auditors

M/s. R. Krishna Iyer & Co. (FRN: 01474S), Chartered Accountants, Cochin were appointed as the Statutory Auditors of your Company to hold office from the conclusion of 11th Annual General Meeting (AGM) till the conclusion of fifth consecutive AGM, subject to the ratification of the appointment by the Members at every AGM. Ratification of appointment of Statutory Auditors is being sought from the Members of the Company at the ensuing AGM.

The Company has received letters from M/s. R. Krishna Iyer & Co., Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) of the Act and that they are not disqualified from appointment as Statutory Auditors of the Company.

31. Particulars of employees

During the financial year 2021-22, 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. During the year under review, no cases/ complaints in the nature of sexual harassment were reported.

33. Detail of fraud as per Auditors' Report

There is no fraud in the Company during the financial year ended 31st March 2022. This is also being supported by the report of the Auditors of the Company as no fraud has been reported in their report for the financial year ended 31st March 2022.

34. 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.

35. Secretarial Standards

During the year under review, the Company has complied with the applicable SS-1 (Secretarial Standard on Meetings of the Board of Directors) and SS-2 (Secretarial Standard on General Meetings) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

36. 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; and
- (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.

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.

For and on behalf of the Board of Directors,

Cochin
02.09.2022

Sd/-
A.P.M. Mohamed Hanish IAS
Managing Director
DIN: 02504842

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

Annexure I

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. Shri. T. Balakrishnan
2. Shri. M.M. Abdul Basheer
3. Shri. E.M. 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; and
- 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

The 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

The 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; and
- compensation will be fully legal and tax compliant.

Annexure II

Form No.MGT-9

Extract of Annual Return as on the financial year ended on 31.03.2022

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

(I) REGISTRATION AND OTHER DETAILS

1	CIN	U65923KL2009PLC025082
2	Registration Date	30.11.2009
3	Name of the Company	Cheraman Financial Services Limited
4	Category/ Sub-Category of the Company	NBFC, Limited by shares and Company having share capital
5	Address of the Registered office and contact details	33/2337 - E, 2 nd Floor, Chakiapadath Building, By pass Road, Ponnurunni, Vyttila, Cochin, Kerala-682019, India
6	Whether listed company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

(II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

SN	Name and Description of main products/ services	NIC Code of the product/ service	% to total turnover of the company
1	Financial Leasing	6491	100
2	Equity Financing	6420	Nil
3	Financial consultancy/ Advisory services	7020	Nil

(III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and Address of the company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Cheraman Infrastructure Private Limited	U45203KL2011PTC029094	Subsidiary	100	2(87)(ii)

	33/2337-E, 2 nd Floor, Chakiapadath Building, By pass Road, Ponnurrunni, Vyttila, Cochin, Kerala-682019				
2	Cheraman Funds Management Limited 33/2337-E, 2 nd Floor, Chakiapadath Building, By pass Road, Ponnurrunni, Vyttila, Cochin, Kerala-682019	U67190KL2012PLC032330	Subsidiary	100	2(87)(ii)
3	Suits India Private Limited 15/773, Karanjikudy House, Perumbavoor P.O., Thottungal Lane, Ernakulam, Kerala-683542	U17200KL2013PTC035538	Subsidiary	86.25	2(87)(ii)

(IV) SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise share holding

Category of share-holders	No. of shares held at the beginning of the year (As on 01.04.2021)				No. of shares held at the end of the year (As on 31.03.2022)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a. Individual/HUF	18499999	1200000	19699999	58.16	18499999	1200000	19699999	58.16	-
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies corporate	-	-	-	-	-	-	-	-	-

e. Banks/ FI	3670000	-	3670000	10.84	3670000	-	3670000	10.84	-
f. Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	22169999	1200000	23369999	69.00	22169999	1200000	23369999	69.00	-
B. Public shareholding									
1. Institutions									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/ FI	-	-	-	-	-	-	-	-	-
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a. Bodies corporate									
i. Indian	1000000	-	1000000	2.95	1000000	-	1000000	2.95	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals	-	-	-	-	-	-	-	-	-
i. Individual shareholders holding nominal share capital upto INR 1 Lakh	1	-	1	-	1	-	1	-	-

ii. Individual shareholders holding nominal share capital in excess of INR 1 Lakh	4000000	5500000	9500000	28.05	4000000	5500000	9500000	28.05	-
c. Others (specify)	-	-	-	-	-	-	-	-	-
Total public share-holding (B)=(B)(1)+(B)(2)	5000001	5500000	10500001	31.00	5000001	5500000	10500001	31.00	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	27170000	6700000	33870000	100	27170000	6700000	33870000	100	-

(ii) Shareholding of Promoter

SN	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Siddeek Ahmed Haji P	6000000	17.17	-	6000000	17.17	-	-
2	Kerala State Industrial Development Corporation Limited (KSIDC Ltd)	3670000	10.83	-	3670000	10.83	-	-

3	Yusuffali M.A	3000000	8.85	-	3000000	8.85	-	-
4	P. Mohamad Ali	2200000	6.49	-	2200000	6.49	-	-
5	Ibrahim Haji P.A	3500000	10.33	-	3500000	10.33	-	-
6	Asharf Ali M.A	2000000	5.90	-	2000000	5.90	-	-
7	Azad Moopen	1000000	2.95	-	1000000	2.95	-	-
8	Pokkinary Ahammed	999999	2.95	-	999999	2.95	-	-
9	E.M. Najeeb	400000	1.18	-	400000	1.18	-	-
10	P.V. Abdul Wahab	200000	0.59	-	200000	0.59	-	-
11	P.N.C.Menon	100000	0.29	-	100000	0.29	-	-
12	V.K.C. Mammed Koya	100000	0.29	-	100000	0.29	-	-
13	N.K. Mohammed Ali	100000	0.29	-	100000	0.29	-	-
14	M.P.Ahamed	100000	0.29	-	100000	0.29	-	-

(iii) Change in Promoters' shareholding
(Please specify, if there is no change)

There was no change in Promoter's shareholding.

SN	Shareholder's name	Shareholding at the beginning of the year		Date wise increase/ decrease in Promoters' shareholding during the year			Shareholding at the end of the year	
		No of shares	% of total share of the company	Date	Increase/ decrease in Promoters share holding during the year	Reason	No of shares	% of total share of the company
1	Siddeek Ahmed Haji P	6000000	17.71		-		6000000	17.71
2	Kerala State Industrial Development	3670000	10.84		-		3670000	10.84

	Corporation Limited							
3	Yusuffali M.A	3000000	8.86		-		3000000	8.86
4	P. Mohamad Ali	2200000	6.50		-		2200000	6.50
5	Ibrahim Haji P.A	3500000	10.33		-		3500000	10.33
6	Asharf Ali M.A	2000000	5.90		-		2000000	5.90
7	Azad Moopen	1000000	2.95		-		1000000	2.95
8	Pokkinary Ahammed	999999	2.95		-		999999	2.95
9	E.M. Najeeb	400000	1.18		-		400000	1.18
10	P.V. Abdul Wahab	200000	0.59		-		200000	0.59
11	P.N.C.Menon	100000	0.29		-		100000	0.29
12	V.K.C. Mohamad Koya	100000	0.29		-		100000	0.29
13	N.K. Mohamed Ali	100000	0.29		-		100000	0.29
14	M.P. Ahamed	100000	0.29		-		100000	0.29

(iv) Shareholding pattern of top ten shareholders
(Other than Directors, Promoters and holders of GDRs and ADRs)

SN	Shareholder's name	Shareholding at the beginning of the year		Date wise increase/ decrease in Promoters' shareholding during the year			Shareholding at the end of the year	
		No of shares	% of total share of the company	Date	Increase/ decrease in Promoters share holding during the year	Reason	No of shares	% of total share of the company
1	Eram Property Network Private Limited	1000000	2.95		-		1000000	2.95
2	Abdul Salim	1000000	2.95		-		1000000	2.95

3	V.P. Shamsheer	1000000	2.95		-		1000000	2.95
4	K.K. Ashraf	500000	1.48		-		500000	1.48
5	Ibrahim Haji P.A	3500000	10.33		-		3500000	10.33

(v) Shareholding of Directors and Key Managerial Personnel

SN	Director's/ KMP's name	Shareholding at the beginning of the year		Date wise increase/ decrease in Promoters' shareholding during the year			Shareholding at the end of the year	
		No of shares	% of total share of the company	Date	Increase/ decrease in Promoters share holding during the year	Reason	No of shares	% of total share of the company
1	Siddeek Ahmed Haji P	6000000	17.71		-		6000000	17.71
2	Abdulla Poyil	4000000	11.81		-		4000000	11.81
3	Asharf Ali M.A	2000000	5.90		-		2000000	5.90
4	Pokkinary Ahammed	999999	2.95		-		999999	2.95
5	E.M. Najeeb	400000	1.18		-		400000	1.18
6	P.V. Abdul Wahab	200000	0.59		-		200000	0.59
7	M.M. Abdul Basheer	1	0.00		-		1	0.00
8	Jayakrishnan Krishna Menon	3000000	8.86		-		3000000	8.86

(V) INDEBTEDNESS

(Indebtedness of the Company including interest outstanding/ accrued but not due for payment)

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

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) Remuneration to Managing Director, Whole-time Director and/ or Manager

SN	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount
1	Gross salary (a) Salary as per provisions u/s 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-

5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

(ii) Remuneration to other Directors

SN	Particulars of Remuneration	Name of the Director				Total Amount
	Independent Directors					
	- Fee for attending Board committee meetings	-	-	-	-	-
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	Other Non-Executive Directors					
	- Fee for attending Board committee meetings	-	-	-	-	-
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

(iii) Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

SN	Particulars of Remuneration (per annum)	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions u/s 17(1) of the Income-tax Act, 1961	-	13,30,312	20,36,504	33,66,816
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-

4	Commission - as % of profit - others, specify	- -	- -	- -	- -
5	Others, please specify	-	-	-	-
	Total (A)	-	13,30,312	20,36,504	33,66,812

(VII) PENALTIES/ PUNISHMENT/ COMPOUNDING OFFENCES

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give details)
(i) Company					
- Penalty	-	-	-	-	-
- Punishment	-	-	-	-	-
- Compounding	-	-	-	-	-
(ii) Directors					
- Penalty	-	-	-	-	-
- Punishment	-	-	-	-	-
- Compounding	-	-	-	-	-
(iii) Other Officers in Default					
- Penalty	-	-	-	-	-
- Punishment	-	-	-	-	-
- Compounding	-	-	-	-	-

For and on behalf of the Board of Directors,

Cochin
02.09.2022

Sd/-
A.P.M. Mohamed Hanish IAS
Managing Director
DIN: 02504842

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

R. KRISHNA IYER & Co.
CHARTERED ACCOUNTANTS
134, "JYOTHY", PANAMPILLY NAGAR, COCHIN – 682036.
Tel: 91-484-2314426, 2318159, 2310221, 2322048, 2322148
e-mail: mail@rkiandco.in
Fax: 91-484-2318159

INDEPENDENT AUDITOR'S REPORT

To the Members of
Cheraman Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Cheraman Financial Services Limited (hereinafter referred to as "the Company")**, which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

In connection with our audit of the 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 during the course of our 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.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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.
- 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 Company'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 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 Company 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.

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.

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 Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of Section 143 of The Companies Act 2013, we give, in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- 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:

- a) the Company does not have any pending litigations which would impact its financial position (See Notes to Accounts: Note-29);
- b) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (See Notes to Accounts: Note-31);
- c) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- d) (i) the management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) the management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party; or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that

- the representations under sub clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) the dividend has not been declared or paid during the year by the Company and hence compliance as per Section 123 of Companies Act is not applicable.
- h) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, there has been no remuneration paid by the company to its directors during the current year. Hence we have nothing to report in this regard. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For R. Krishna Iyer & Co
Chartered Accountants

Sd/-
K. Parvathy Ammal
Partner | M. No.204767
FRN: 01474S

Place: Cochin
Date: 02.09.2022

UDIN: 22204767ARETDB1564

**‘Annexure A’ to the Independent Auditors’ Report of Cheraman Financial Services Limited for the year ended 31.03.2022
(Referred to in our report of even date)**

- (1) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (ii) The Property, Plant and Equipment of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (iii) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment.
- (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (2) According to the information and explanation given to us, the Company has no inventory as the company is engaged in Financial services, hence paragraph (ii) of the Order is not applicable.
- (3) According to the information and explanations given to us, the Company has granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under Section 189 of the Companies Act,

2013. Since the schedule of repayment is not specified, whether any amount is overdue for the loan cannot be specified (REF: Note 14.1 in the Notes to Financial Statements).

- (4) 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.
- (5) 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.
- (6) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the Company.
- (7) 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 the 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, 1961	Income Tax	₹ 1,14,367	AY 2018-19	DCIT, CPC, Bengaluru

(8) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(9) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we

report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(10) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(11) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under

Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(12) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(13) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Accounting Standards.

(14) (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.

(b) The Company did not have an internal audit system for the period under audit.

(15) In our opinion 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 to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(16) (a) The Company is a Non-Banking Finance Company and is required to obtain Registration under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration is obtained.

(b) The Company has a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) for conducting Non-Banking Financial

Activities and no business has been conducted by the company without a valid CoR.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any core investment companies as defined in the regulations made by the Reserve Bank of India as part of its group and accordingly, the requirements of clause 3(xvi)(d) are not applicable.

- (17) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (18) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (20) In our opinion and according to the information and explanations given to us, transfer of unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project is not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For R. Krishna Iyer & Co
Chartered Accountants

Sd/-
K. Parvathy Ammal
Partner | M. No.204767
FRN: 01474S

Place: Cochin
Date: 02.09.2022

UDIN: 22204767ARETDB1564

**‘Annexure B’ to the Independent Auditors’ Report of Cheraman Financial Services Limited for the year ended 31.03.2022
(Referred to in 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”)

Opinion

We have audited the internal financial controls over financial reporting of Cheraman Financial Services Limited (‘the Company’) as of March 31, 2022, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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, 2022, 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 (the ‘Guidance Note’).

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal standalone financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, 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 ICAI. 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 with reference to standalone financial statements 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 standalone financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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 standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal standalone financial control with reference to standalone financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the

internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For R. Krishna Iyer & Co
Chartered Accountants

Sd/-

K. Parvathy Ammal
Partner | M. No.204767
FRN: 01474S

Place: Cochin
Date: 02.09.2022

UDIN: 22204767ARETDB1564

BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Note No	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
<u>EQUITY AND LIABILITIES:</u>			
(1) Shareholder's Funds			
(a) Share Capital	2	3,38,700	3,38,700
(b) Reserves and Surplus	3	(67,581)	(71,029)
(2) Non-Current Liabilities			
(a) Other Long Term Liabilities	4	22,357	31,795
(b) Long-Term Provisions	5	725	894
(3) Current Liabilities			
(a) Trade Payables	6	5,088	6,081
(b) Other Current Liabilities	7	9,268	5,026
(c) Short-Term Provisions	8	17,846	15,819
Total		3,26,402	3,27,287
<u>ASSETS:</u>			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	9		
i) Tangible Assets		3,709	1,851
(b) Non-Current Investments	10	39,100	39,100
(c) Long Term Loans and Advances	11	1,06,708	1,12,425
(2) Current Assets			
(a) Trade Receivables	12	1,877	3,772
(b) Cash and Cash Equivalents	13	44,459	29,754
(c) Short-Term Loans and Advances	14	1,26,823	1,39,518
(d) Other Current Assets	15	3,727	866
Total		3,26,402	3,27,287
<p>Significant Accounting Policies 1</p> <p>The accompanying notes form an integral part of the financial statements.</p> <p>As per our Report of even date</p> <p>For R. Krishnaiyer & Co. For and on behalf of the Board of Directors</p> <p>Chartered Accountants FRN: 001474S</p> <div> <div> Sd/- K. Parvathy Ammal Partner M.No.204767 UDIN: 22204767ARETDB1564 </div> <div> Sd/- A.P.M. Mohamed Hanish IAS Managing Director DIN: 02504842 </div> <div> Sd/- M.M. Abdul Basheer Director DIN: 00120916 </div> </div> <div> <div> Sd/- Arun Kumar V.K Company Secretary </div> <div> Sd/- Remesh Sheno S Chief Financial Officer </div> </div> <div> Place: Cochin Date: 02.09.2022 </div> <div> Place: Cochin Date: 02.09.2022 </div>			

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Note No	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
I. INCOME			
a) Revenue from Operations	16	17,134	17,793
b) Other Income	17	266	70
Total Revenue (a+b)		17,400	17,863
II. EXPENSES			
a) Employee Benefit Expenses	18	6,292	5,863
b) Depreciation & Amortization Expenses	9	784	670
c) Provisions and Write offs	19	2,766	13,769
d) Other Expenses	20	4,079	2,689
Total Expenses (a+b+c)		13,921	22,991
III. Profit/ (Loss) before exceptional and extraordinary items and tax (I – II)		3,479	(5,128)
IV. Exceptional Items		-	-
V. Profit/ (Loss) Before Tax (III-IV)		3,479	(5,128)
VI. Tax Expense:			
a) Current Tax		31	1,397
b) Short Provision of Previous Years		-	18
c) MAT input tax credit entitlement (Refer Note -11.1)			(1,415)
d) Deferred Tax		-	-
VII. Profit/ (Loss) After Tax (V-VI)		3,448	(5,128)
VIII.Earning per Equity Share of Rs.10 each	21		
Basic & Diluted in Rs.		0.10	(0.15)

Significant Accounting Policies

1

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

As per our Report of even date

For R. Krishnaiyer & Co.

For and on behalf of the Board of Directors

Chartered Accountants | FRN: 001474S

Sd/-

K. Parvathy Ammal

Partner | M.No.204767

Sd/-

A.P.M. Mohamed Hanish IAS

Managing Director | DIN: 02504842

Sd/-

M.M. Abdul Basheer

Director | DIN: 00120916

UDIN: 22204767ARETDB1564

Sd/-

Arun Kumar V.K

Company Secretary

Sd/-

Remesh Sheno S

Chief Financial Officer

Place: Cochin

Date: 02.09.2022

Place: Cochin

Date: 02.09.2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
A. Cash Flow From Operating Activities		
Profit/ (Loss) Before Tax & Exceptional Items	3,479	(5,128)
Adjustments for:		
Depreciation and Amortisation	784	670.45
(Profit)/ Loss on sale of assets	(198)	17.93
Provision for standard Assets	(21)	(50.06)
Provision for Non-Performing Asset	2,766	13,768.69
Operating Profit before working capital changes	6,810	9,279
Movements in working capital :		
Increase/ (decrease) in other long term liabilities	(9,438)	1,600.76
Increase/ (decrease) in long term provisions	(155)	82.19
Increase/ (decrease) in trade payables	(993)	580.99
Increase/ (decrease) in other current liabilities	4,242	871.27
Increase/ (decrease) in short term provisions	(365)	140.01
Decrease/ (increase) in long-term loans & advances	5,717	36,678.40
Decrease/ (increase) in Trade Receivables	1,895	(1,834.60)
Decrease/ (increase) in short-term loans & advances	12,695	(42,107.22)
Decrease/ (increase) in other current assets	(2,860)	167.10
Net change in working capital	10,736	(3,821)
Cash generated from/ (used in) operations	17,546	5,458
Direct Taxes Paid (net of Refund)	(398)	(1,115.87)
Cash generated from/ (used in) operating activities (A)	17,149	4,342
B. Cash Flow from Investing Activities		
Sale of Fixed assets	250	12.05
Purchase of Fixed assets	(2,694)	(62.00)
Net cash flow from/ (used in) investing activities (B)	(2,444)	(50)
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 & Cash Equivalents(A+B+C)	14,705	4,292
Cash & Cash Equivalents at beginning of the year	29,754	25,462
Cash & Cash Equivalents at end of the year (Note 13)	44,459	29,754
As per our Report of even date		
For R. Krishnaiyer & Co.	For and on behalf of the Board of Directors	
Chartered Accountants FRN: 001474S		
Sd/-	Sd/-	Sd/-
K. Parvathy Ammal	A.P.M. Mohamed Hanish IAS	M.M. Abdul Basheer
Partner M.No.204767	Managing Director DIN: 02504842	Director DIN: 00120916
UDIN: 22204767ARETDB1564		
	Sd/-	Sd/-
	Arun Kumar V.K	Remesh Sheno S
	Company Secretary	Chief Financial Officer
Place: Cochin		Place: Cochin
Date: 02.09.2022		Date: 02.09.2022

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 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/ Pre-incorporation 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 2022

2 Share Capital

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
Authorised Capital 1,000,000,000 Equity Shares of Rs. 10/- each	1,00,00,000	1,00,00,000
Issued and Subscribed and Fully Paid Up 3,38,70,000 (3,38,70,000) Equity Shares of Rs. 10/- each fully paid up	3,38,700	3,38,700
	3,38,700	3,38,700

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	31 st March 2022		31 st March 2021	
	No of Shares	Rs.in.'000	No of Shares	Rs.in.'000
Opening as on 1 st April	3,38,70,000	3,38,700	3,38,70,000	3,38,700
Add: Issued during the year	-	-	-	-
Closing as on 31 st March	3,38,70,000	3,38,700	3,38,70,000	3,38,700

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

Name of the Shareholder	No. of shares as on 31 st March 2022	% of holding	No. of shares as on 31 st March 2021	% of holding
Mr. Siddeek Ahmed Haji P	60,00,000	17.71	60,00,000	17.71
Mr. Abdulla Poyil	40,00,000	11.81	40,00,000	11.81
M/s. KSIDC Ltd	36,70,000	10.84	36,70,000	10.84
Mr. Ibrahim Haji P.A	35,00,000	10.33	35,00,000	10.33
Mr. J.K. Menon	30,00,000	8.86	30,00,000	8.86
Mr. Yusuffali M.A	30,00,000	8.86	30,00,000	8.86
Mr. P. Mohamad Ali	22,00,000	6.50	22,00,000	6.50
Mr. Asharf Ali M. A	20,00,000	5.90	20,00,000	5.90

2.4 Shares held by promoters for the year ended 31st March 2022

Name of the Shareholder	No. of shares as on 31 st March 2022	% of total shares	% of change during the year
Mr. Siddeek Ahmed Haji P	60,00,000	17.71	-
Mr. Yusuffali M.A	30,00,000	8.86	-
Mr. P. Mohamad Ali	22,00,000	6.50	-
Mr. Ibrahim Haji P.A	35,00,000	10.33	-
Mr. Asharf Ali M.A	20,00,000	5.90	-
Mr. Pokkinari Ahammed	9,99,999	2.95	-
Mr. E.M. Najeeb	4,00,000	1.18	-
Mr. P.V. Abdul Wahab	2,00,000	0.59	-
Mr. V.K.C. Mammed Koya	1,00,000	0.30	-
Mr. N.K. Mohammed Ali	1,00,000	0.30	-
M/s. Kerala State Industrial Development Corporation Limited (KSIDC Ltd)	36,70,000	10.84	-
Total	2,21,69,999	65.46	

3 Reserves & Surplus

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
a) Statutory Reserve		
Balance at the beginning of the year	4,251	4,251
Add: Amount transferred from surplus in the statement of Profit and Loss	690	-
TOTAL	4,941	4,251
b) Surplus in Statement of Profit & Loss		
Balance at the beginning of the year	(75,280)	(70,152)
Add: Profit/ (Loss) for the year	3,448	(5,128)
Less: Appropriations	-	-
Transfer to Statutory Reserve	690	-
TOTAL	(72,522)	(75,280)
TOTAL (a +b)	(67,581)	(71,029)

3.1 Statutory Reserve Fund represents the reserve fund created under Section 45IC of Reserve Bank of India Act 1934.

4 Other Long Term Liabilities

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
a) Others		
Security Deposit - Leasing	22,357	31,795
TOTAL	22,357	31,795

5 Long Term Provisions

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
i) For Employee Benefit: Provision for Gratuity	474	629
ii) Contingent Provisions against Standard Assets	251	265
TOTAL	725	894

6 Trade Payables

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
a. Total outstanding dues of micro enterprises and small enterprises	-	-
b. Others	5,088	6,081
TOTAL	5,088	6,081

Rs.in.'000

As At 31.03.2022

Outstanding for the following periods from due date of payment				
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years
MSME	-	-	-	-
Others	1,889	499	-	2,700
Disputed Dues - MSME	-	-	-	-
Undisputed Dues - MSME	-	-	-	-
Total	1,889	499	-	2,700

Rs.in.'000

As At 31.03.2021

Outstanding for the following periods from due date of payment				
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years
MSME	-	-	-	-
Others	3,281	-	-	2,800
Disputed Dues - MSME	-	-	-	-
Undisputed Dues - MSME	-	-	-	-
Total	3,281	-	-	2,800

7 Other Current Liabilities

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
a) Advance Received for Services to be rendered in relation to leasing	326	1,270

b) Other Payables:	-	-
i) Statutory Dues	106	48
ii) Expenses Payable	290	168
iii) Security Deposit - Leasing	8,547	3,540
TOTAL	9,268	5,026

8 Short Term Provisions

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
i) For Employee Benefit: Provision for Leave Encashment	1,163	1,529
ii) Contingent Provisions against Standard Assets	148	155
iii) Provision for Non-Performing Asset (Refer Note 14.2)	16,535	13,769
iv) Provision for Income Tax	-	367
TOTAL	17,846	15,819

8.1 Movement of Provision for NPA

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
Opening Balance	13,769	-
Provision made during the year	2,766	13,769
Write off/ Write back of excess provision	-	-
Closing Balance	16,535	13,769

10 Non-Current Investments

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
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	17,500

(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	21,600
(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	20,700
Less: Aggregate provision for diminution in value of investments	(20,700)	(20,700)
TOTAL	39,100	39,100
<p>ii) Considering the Business Plan of Cheraman Funds Management Ltd which is expected to bring in positive cash flows in the near future, the management is of the opinion that no diminution in value of investment in the subsidiary company is anticipated at this stage and hence no provision is made for diminution in value.</p> <p>iii) 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.</p>		

11 Long Term Loans & Advances

Particulars	As at 31st March 2022 Rs.in.'000	As at 31st March 2021 Rs.in.'000
(a) Security Deposits Unsecured, Considered Good	949	958
TOTAL (a)	949	958
(b) Income Tax - Advance (net of provisions)	-	-
(c) Income Tax - Mat Credit Entitlement	5,322	5,322
TOTAL (b)	5,322	5,321
(d) Others Secured, Considered Good		
i) Assets on Lease Finance		
- To Related Party	-	-
- To Others Standard Assets	1,00,437	1,06,146
TOTAL (c)	1,00,437	1,06,146
TOTAL (a +b+c)	1,06,708	1,12,425

- 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 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
Secured, Considered good		
(a) Outstanding for a period exceeding six months	-	-
(b) Others	1,877	3,772
TOTAL	1,877	3,772

Rs.in.'000

As At 31.03.2022

Outstanding for the following periods after due date of payment				
	Less than 6 Months	6 Months - 1 Year	1 - 2 years	2-3 Years
Undisputed trade receivable considered good	1,877	-	-	-
Disputed trade receivable considered good	-	-	-	-
Total	1,877	-	-	-

Rs.in.'000

As At 31.03.2021

Outstanding for the following periods after due date of payment				
	Less than 6 Months	6 Months - 1 Year	1 - 2 years	2-3 Years
Undisputed trade receivable considered good	3,772	-	-	-
Disputed trade receivable considered good	-	-	-	-
Total	3,772	-	-	-

13 Cash & Cash Equivalents

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
i) Balance with Banks - In Current Account	44,439	29,750
ii) Cash on Hand	20	4
TOTAL	44,459	29,754

14 Short Term Loans & Advances

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
(a) Loans and Advances to Related parties Unsecured, Considered Good Wholly owned Subsidiaries:		
i) Cheraman Funds Management Ltd	6,053	5,978
ii) Cheraman Infrastructure Pvt Ltd	26,000	26,000
(b) Balance with Government Authorities	13,419	13,108
(c) Advance Income Tax (Net)	2,401	1,062
(d) Amount paid under protest (refer Note No.14.3)	114	114
(e) Others		
Secured, Considered Good		
i) Assets under Finance Lease		
- To Related Party	-	-
- To Others (Refer note 14.2)	76,847	79,596
Unsecured, Considered Good	-	-
i) Advances recoverable in kind or for value to be received.	1,988	13,660
ii) Other advances	-	0
TOTAL	1,26,823	1,39,518

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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Standard Assets	59,346	62,095	-	-	59,346	62,095
Sub Standard Assets	17,501	17,501	2,766	13,769	966	3,732
Total	76,847	79,596	2,766	13,769	60,312	65,827

- 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 2022 Rs.in.'000	As at 31st March 2021 Rs.in.'000
(a) Accruals		
(i) Interest Accrued on Fixed Deposits	42	36
(ii) Accrued Annualised Cost to Customer	945	830
(b) Assets intended for lease	2,740	-
Total	3,727	866

16 Revenue From Operations

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
Annualised Cost to Customer	16,536	17,205
Minimum Value	12	12
Processing Fee	586	577
TOTAL	17,134	17,793

17 Other Income

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
Interest on Fixed Deposit	6	5
Interest Others	2	-
Excess Prov for Standard Assets Reversed	21	50
Excess Gratuity Reversed	17	-
Excess Liability written back	22	-
Round Off	0	-
Profit on Sale of Fixed Asset	198	-
Interest on IT Refund	-	15
TOTAL	266	70

18 Employee Benefit Expenses

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
Salaries, Wages and Bonus	5,884	5,409
Contribution to Provident and other Funds	269	251
Staff Welfare Expenses	138	121
Gratuity	-	82
TOTAL	6,292	5,863

19 Provisions and Write Offs

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
Provision for Non-performing Assets (Refer note 14.2)	2,766	13,769
TOTAL	2,766	13,769

20 Other Expenses

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
Legal and Professional Fees	854	480
Travelling Expenses	173	23
Rent	1,248	1,085
Office General Expenses	821	479
Electricity & Water Charges	294	249
Repairs and Maintenance	-	-
(a) Building	-	2
(b) Others	115	144
Rates, Taxes and Filing Fees	131	33
Rebate on Preclosure	258	-
Telephone Charges	79	81
Other Expenses	16	6
Loss on sale of assets	-	18
Provision for standard Assets	-	-
Payment to Auditor	-	-
(a) Statutory Audit Fee	75	75
(b) For Tax Audit	15	15
TOTAL	4,079	2,689

21 Earnings Per Share

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
Profit/ (Loss) Attributable to Equity Share Holders in '000's	3,448	(5,128)
Weighted Average Number of Equity Share Outstanding (Nos)	3,38,70,000	3,38,70,000
Earnings Per Share in Rs.	0.10	(0.15)

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. A.P.M. 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, 2022

Name of Related Party	Nature of Transaction	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
Cheraman Infrastructure Private Ltd	Unsecured Loan Given	-	-
	Recovery of Expenses	-	1
	Repayment of Loan	-	-
	Outstanding Loan Balance at the end of the year	26,000	26,000
Cheraman Funds Management Ltd	Unsecured Loan Given	75	120
	Recovery of Expenses	-	-
	Outstanding Loan Balance at the end of the year	6,053	5,978

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, 2022 is as under:

As At 31.03.2022

	Gross investment in Lease	Unearned Finance Income	Present Value of Receivables
i) Not later than one year	90,831	13,984	76,847
ii) Later than one year and not later than five years	1,11,911	11,712	1,00,199
iii) Later than five years	1,811	1,572	238
Total	2,04,553	27,269	1,77,284

As At 31.03.2021

	Gross investment in Lease	Unearned Finance Income	Present Value of Receivables
i) Not later than one year	94,250	14,654	79,596
ii) Later than one year and not later than five years	1,18,567	15,296	1,03,271
iii) Later than five years	3,259	383	2,875
Total	2,16,076	30,334	1,85,742

- 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 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
(a) Earnings in Foreign Currency	-	-
(b) Expenditure in Foreign Currency	-	-
Travel Expenses	57	-
Total Expenditure in Foreign Currency	57	-

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

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
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	5,000
- Claim made by ESIC, Sub Regional Office, Ernakulam	1,532	1,532
- Claim made by DCIT, CPC-ITD, Bengaluru	114	114
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, 2022 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 Sectoral Exposure

	Current Year			Previous Year		
Sectors	Total Exposure (Rs.in. '000's)	Gross NPA (Rs.in '000's)	% of Gross NPA to total exposure to the sector	Total Exposure (Rs.in. '000's)	Gross NPA (Rs.in '000's)	% of Gross NPA to total exposure to the sector
Industry						
1. Medium	750	-	-	1,753	-	-
Services						

1. Tourism Hotels & Restaurant	423	-	-	-	-	-
2. Retail Trade	53,397	-	-	45,596	-	-
3. Other Services	1,22,714	17,501	14%	1,38,393	17,501	13%

34 Intra Group Exposures

Particulars	As at 31 st March 2022	As at 31 st March 2021
Total amount of intra group exposures - Loans to Wholly owned Subsidiaries	32,053	31,978
Total amount of top 20 intra group Exposures	32,053	31,978
Percentage of intra group exposures to total exposure of the company on borrower/ customers	18%	17%

35 Disclosure of Restructured Accounts

Particulars	No. of Accounts	Amount in '000's
Restructured accounts as on April of Financial Year	18	91,601
Fresh Restructuring during the year	4	50,978

Restructuring pertains to moratorium for payment of hire rentals.

36 Related Party Disclosure

Particulars	As at 31 st March 2022	As at 31 st March 2021
Loans & Advances to Wholly owned subsidiaries	32,053	31,978
Investments in Wholly owned Subsidiaries	39,100	39,100

37 Customer Complaints

Particulars	As at 31 st March 2022	As at 31 st March 2021
No. of complaints pending as at the beginning of the year	Nil	Nil
No. of complaints received during the year	Nil	Nil
No. of complaints redressed during the year	Nil	Nil
No. of Complaints pending as at the end of the year	Nil	Nil

38 The Company has acquired premises under operating lease agreement that are renewable on a periodic basis at the option of both the lessor and lessee. Rental expenses debited to statement of profit and loss during the year is Rs.12,47,750 (Rs.10,85,000). The company has only entered into cancellable lease arrangements.

39 The Company has no loans or advances in the nature of loans granted to promoters, directors, KMP's and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

40 The Company has no Intangible Assets under Development as on 31.03.2022, whose completion is overdue or has exceeded its cost compared to its original plan.

41 The Company has no transaction with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

42 The Company does not have any charges or satisfaction which is yet to be registered with ROC (Registrar of Companies) beyond the statutory period.

43 The Company has complied with number of layers of companies are as per clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

44 Ratios

Ratios	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	5.49	6.46	-14.95%	

Return on Equity Ratio	Net Profit After Tax	Average Shareholder's Equity	1.02%	-1.51%	-167%	The return on equity improved during the year since the Company made profit during the year
Trade Receivable Turnover Ratio	Net Sales	Average Trade Receivable's	6.07	6.23	-3%	
Trade Payable Turnover Ratio	Net Purchases	Average Trade Payables	NA	NA	-	The Company is not a trading company. The trade payable represents amount payable to equipment suppliers which has been leased out to customers.
Net Capital Turnover Ratio	Net Sales	Working Capital = Current Assets - Current Liabilities	0.12	0.12	-2%	
Net Profit Ratio	Net Profit After Tax	Net Sales	20.12%	-28.82%	-170%	The net profit ratio improved during the year since the Company

						made profit during the year.
Return on Capital Employed	Earnings before interest and tax	Capital Employed = Networth + Total Borrowings	1.28%	-1.92%	-167%	The return on capital employed improved during the year since the Company made profit during the year.

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

Signatures to Note 1 to 45 forming integral part of accounts.

As per our Report of even date

For R. Krishnaiyer & Co.
Chartered Accountants
FRN: 001474S

For and on behalf of the Board of Directors

Sd/-
K. Parvathy Ammal
Partner
M.No.204767

Sd/-
A.P.M. Mohamed Hanish IAS
Managing Director
DIN: 02504842

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

UDIN: 22204767ARETDB1564

Sd/-
Arun Kumar V.K
Company Secretary

Sd/-
Remesh Sheno S
Chief Financial Officer

Place: Cochin
Date: 02.09.2022

Place: Cochin
Date: 02.09.2022

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. '000

Sl.No.	Particulars	Amount out-standing as on 31 st March 2022	Amount overdue as on 31 st March 2021
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures - Secured	-	-
	- Unsecured	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits*	-	-
	(g) 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. '000

Sl.No.	Particulars	Amount out-standing as on 31 st March 2022
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
	(a) Secured	-
	(b) Unsecured	32,053

Amount in Rs. '000

Sl.No.	Particulars	Amount out-standing as on 31 st March 2022
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	1,77,284
	(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. '000

Sl.No.	Particulars	Amount out-standing as on 31 st March 2022
5	<u>Break-up of Investments :</u>	
	<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>	
	1. <u>Quoted :</u>	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	2. <u>Unquoted :</u>	
	(i) Shares : (a) Equity	39,100
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-

Amount in Rs. '000

6	Borrower group-wise classification of assets financed as in (3) and (4) above :	Amount net of provisions as on 31st March 2022		
		Secured	Unsecured	Total
	Category			
	1. Related Parties **			
	(a) Subsidiaries	-	32,053	32,053
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related parties	1,77,284	-	1,77,284
	Total	1,77,284	32,053	2,09,337

Amount in Rs. '000

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	7,459	39,100
	(b) Companies in the same group	-	-

(c) Other related parties	-	-
2. Other than related parties	-	-
Total	7,459	39,100

Amount in Rs. '000

8	Other Information	Total as on 31st March 2022
	Particulars	
	(i) Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	17,501
	(ii) Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	966
	(iii) Assets acquired in satisfaction of debt	-

As per our Report of even date

For R. Krishnaiyer & Co.
Chartered Accountants
FRN: 001474S

Sd/-
K. Parvathy Ammal
Partner
M.No.204767

UDIN: 22204767ARETDB1564

For and on behalf of the Board of Directors

Sd/-
A.P.M. Mohamed Hanish IAS
Managing Director
DIN: 02504842

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

Sd/-
Arun Kumar V.K
Company Secretary

Sd/-
Remesh Sheno S
Chief Financial Officer

Place: Cochin
Date: 02.09.2022

Place: Cochin
Date: 02.09.2022

9. Property, Plant and Equipment

Rs.in.'000

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Addition	Deduction	As at 31.03.2022	As at 01.04.2021	For the Year	Deduction	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
A. Tangible Assets										
Building	542	-	-	542	138	18	-	156	386	404
Furniture & Fixture	4,638	7	-	4,645	3,743	471	-	4,214	431	895
Computers	678	192	-	870	646	29	-	676	194	32
Office Equipment	354	-	-	354	320	9	-	329	25	34
Electrical Equipments	1,744	189	-	1,933	1,309	178	-	1,487	446	435
Vehicle	872	2,306	872	2,306	820	79	820	79	2,227	52
Total Tangible Assets (A)	8,827	2,694		10,649	6,976	784	820	6,940	3,709	1,851
B. Intangible Assets										
Computer Software	312	-	-	312	312	-	-	312	-	-
Total Intangible Assets (B)	312	-	-	312	312	-	-	312	-	-
Total (A+B)	9,139	2,694	872	10,961	7,287	784	820	7,252	3,709	1,851
Previous Year	9,192	62	-	9,139	6,702	670	-	7,287	1,851	2,490

R. KRISHNA IYER & Co.
CHARTERED ACCOUNTANTS
134, "JYOTHY", PANAMPILLY NAGAR, COCHIN – 682036.
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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 balance sheet as at 31st March 2022, and the Consolidated statement of Profit and Loss and Consolidated statement of cash flows for the year then ended, and notes to the financial statements, including 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 on the Consolidated Financial Statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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.

Responsibility of Management for Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 this Consolidated Financial Results by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and

using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group

Auditor's Responsibilities for the Audit of the Financial Statements

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 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.
- 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 Company'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 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 Company 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 within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results 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 Consolidated Financial Results.

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.

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 Requirements

(1) As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The 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 books of account.
- (d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- (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:
 - (a) the Group has disclosed the impact of pending litigations on its financial position in its financial statements (Refer note No.25 and 28);
 - (b) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (Refer note no. 29);
 - (c) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (d) (i) the management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding,

whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) the management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party; or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) (i) and (d) (ii) contain any material mis-statement.

- (e) the dividend has not been declared or paid during the year by the Company and hence compliance as per Section 123 of Companies Act is not applicable.

- (h) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, there has been no remuneration paid by the company to its directors during the current year. Hence we have nothing to report in this regard. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- (i) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For R. Krishna Iyer & Co
Chartered Accountants

Sd/-
K. Parvathy Ammal
Partner | M. No.204767
FRN: 01474S

Place: Cochin
Date: 02.09.2022

UDIN: 22204767ARGLDY6924

**‘Annexure A’ to the Independent Auditors’ Report of Cheraman Financial Services Limited for the year ended 31.03.2022
(Referred to in our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting 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 March 31, 2022, we have audited the internal financial controls over financial reporting of **Cheraman Financial Services Limited** (“the Holding Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2022, based on the criteria for internal financial control over financial reporting 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.

Management’s Responsibility for Internal Financial Controls

The respective Boards of Directors of the 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 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 (the "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 the respective 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 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the 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 ("ICAI") 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 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to financial statements

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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For R. Krishna Iyer & Co
Chartered Accountants

Sd/-

K. Parvathy Ammal
Partner | M. No.204767
FRN: 01474S

Place: Cochin
Date: 02.09.2022

UDIN: 22204767ARGLDY6924

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Note No	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
<u>EQUITY AND LIABILITIES:</u>			
(1) Shareholder's Funds			
(a) Share Capital	2	3,38,700	3,38,700
(b) Reserves and Surplus	3	(92,230)	(98,269)
(2) Non-Current Liabilities			
(a) Other Long Term Liabilities	4	26,797	36,235
(b) Long-Term Provisions	5	725	894
(3) Current Liabilities			
(b) Trade Payables	6	5,088	6,081
(c) Other Current Liabilities	7	9,470	5,335
(d) Short-Term Provisions	8	18,423	15,853
Total		3,06,972	3,04,828
<u>ASSETS:</u>			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		3,850	2,026
(ii) Intangible Assets		34,562	37,440
(b) Long Term Loans and Advances	10	1,06,785	1,12,503
(2) Current Assets			
(b) Trade Receivables	11	2,676	4,598
(c) Cash and Bank Balances	12	59,380	38,486
(d) Short-Term Loans and Advances	13	95,991	1,08,908
(e) Other Current Assets	14	3,727	866
Total		3,06,972	3,04,828
Significant Accounting Policies 1			
The accompanying notes form an integral part of the financial statements.			
As per our Report of even date			
For R. Krishnaiyer & Co.		For and on behalf of the Board of Directors	
Chartered Accountants FRN: 001474S			
Sd/-	Sd/-	Sd/-	
K. Parvathy Ammal	A.P.M. Mohamed Hanish IAS	M.M. Abdul Basheer	
Partner M.No.204767	Managing Director DIN: 02504842	Director DIN: 00120916	
UDIN: 22204767ARGLDY6924			
	Sd/-	Sd/-	
	Arun Kumar V.K	Remesh Shenoi S	
	Company Secretary	Chief Financial Officer	
Place: Cochin		Place: Cochin	
Date: 02.09.2022		Date: 02.09.2022	

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Note No	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
I. INCOME			
a) Revenue from Operations	15	24,534	24,213
b) Other Income	16	450	70
Total Revenue (a+b)		24,984	24,283
II. EXPENSES			
a) Employee Benefit Expenses	17	6,611	6,268
b) Provisions and Write offs	18	2,766	13,769
c) Depreciation and Amortization Expenses	9	3,696	3,624
d) Other Expenses	19	5,264	3,957
Total Expenses (a+b+c)		18,337	27,620
III. Profit/(Loss) Before Tax (I-II)		6,647	(3,335)
IV. Tax Expense:			
a) Current Tax		608	1,397
b) Short/ (Excess) Provision of Previous Years		-	18
c) MAT input tax credit entitlement (Refer Note -10.1)		-	(1,415)
d) MAT Credit Lapsed			
V. Profit/ (Loss) After Tax (III-IV)		6,039	(3,335)
VI. Minority Interest		-	-
VII. Profit/ (Loss) attributable to Shareholders		6,039	(3,335)
VIII.Earning per Equity Share of Rs.10 each	20		
Basic & Diluted		0.18	(0.10)

Significant Accounting Policies

1

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

As per our Report of even date

For R. Krishnaiyer & Co.

For and on behalf of the Board of Directors

Chartered Accountants | FRN: 001474S

Sd/-

K. Parvathy Ammal

Partner | M.No.204767

UDIN: 22204767ARGLDY6924

Sd/-

A.P.M. Mohamed Hanish IAS

Managing Director | DIN: 02504842

Sd/-

M.M. Abdul Basheer

Director | DIN: 00120916

Sd/-

Arun Kumar V.K

Company Secretary

Sd/-

Remesh Shenoi S

Chief Financial Officer

Place: Cochin

Date: 02.09.2022

Place: Cochin

Date: 02.09.2022

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	2021-22 Rs.in.'000	2020-21 Rs.in.'000
A. Cash Flow From Operating Activities		
Profit/ (Loss) Before Tax & Exceptional Items	6,647	(3,335)
Adjustments for:		
Depreciation and Amortisation	3,696	3,624
Provision for Standard Assets	(21)	(50)
(Profit)/ Loss on sale of Asset	(198)	18
Provision for Non-Performing Assets	2,766	13,769
Operating Profit before working capital changes	12,890	14,026
Movements in working capital:		
Increase/ (decrease) in other long term liabilities	(9,438)	1,601
Increase/ (decrease) in long term provisions	(155)	82
Increase/ (decrease) in Trade Payables	(993)	581
Increase/ (decrease) in other current liabilities	4,135	658
Increase/ (decrease) in short term provisions	(399)	519
Decrease/ (increase) in long-term loans & advances	5,718	36,587
Decrease/ (increase) in Trade Receivables	1,922	(1,603)
Decrease/ (increase) in short-term loans & advances	12,916	(42,229)
Decrease/ (increase) in other current assets	(2,860)	167
Net change in working capital	10,845	(3,637)
Cash generated from/ (used in) operations	23,735	10,388
Direct Taxes Paid (net of Refund)	(397)	(1,730)
Cash generated from/ (used in) from operating activities (A)	23,337	8,658
B. Cash Flow from Investing Activities		
Sale of Fixed assets	250	12
Purchase of Fixed assets	(2,694)	(62)
Net cash flow from/ (used in) investing activities (B)	(2,444)	(50)
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)	20,893	8,608
Cash & Cash Equivalents at the beginning of the year	38,486	29,878
Cash & Cash Equivalents at the end of the year (Note 12)	59,380	38,486
As per our Report of even date		
For R. Krishnaiyer & Co.	For and on behalf of the Board of Directors	
Chartered Accountants FRN: 001474S		
Sd/-	Sd/-	Sd/-
K. Parvathy Ammal	A.P.M. Mohamed Hanish IAS	M.M. Abdul Basheer
Partner M.No.204767	Managing Director DIN: 02504842	Director DIN: 00120916
UDIN: 22204767ARGLDY6924		
	Sd/-	Sd/-
	Arun Kumar V.K	Remesh Shenoi S
	Company Secretary	Chief Financial Officer
Place: Cochin		Place: Cochin
Date: 02.09.2022		Date: 02.09.2022

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, 2022 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, 2022.

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, 2022.

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 is 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/ Pre-incorporation 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 2022**

2 Share Capital

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
Authorised Capital 1,000,000,000 Equity Shares of Rs. 10/- each	1,00,00,000	1,00,00,000
Issued and Subscribed and Fully Paid Up 3,38,70,000 (3,38,70,000) Equity Shares of Rs. 10/- each fully paid up	3,38,700	3,38,700
	3,38,700	3,38,700

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	31 st March 2022		31 st March 2021	
	No of Shares	Rs.in.'000	No of Shares	Rs.in.'000
Opening as on 1 st April	3,38,70,000	3,38,700	3,38,70,000	3,38,700
Add: Issued during the year	-	-	-	-
Closing as on 31 st March	3,38,70,000	3,38,700	3,38,70,000	3,38,700

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

Name of the Shareholder	No. of shares as on 31 st March 2022	% of holding	No. of shares as on 31 st March 2021	% of holding
Mr. Siddeek Ahmed Haji P	60,00,000	17.71	60,00,000	17.71
Mr. Abdulla Poyil	40,00,000	11.81	40,00,000	11.81
M/s. KSIDC Ltd	36,70,000	10.84	36,70,000	10.84
Mr. Ibrahim Haji P. A	35,00,000	10.33	35,00,000	10.33
Mr. J. K. Menon	30,00,000	8.86	30,00,000	8.86
Mr. Yusuffali M. A	30,00,000	8.86	30,00,000	8.86
Mr. P. Mohamad Ali	22,00,000	6.50	22,00,000	6.50
Mr. Asharf Ali M. A	20,00,000	5.90	20,00,000	5.90

2.4 Shares held by promoters for the year ended 31st March 2022

Name of the Shareholder	No. of shares as on 31 st March 2022	% of holding	% of change during the year
Mr. Siddeek Ahmed Haji P	60,00,000	17.71	-
Mr. Yusuffali M. A	30,00,000	8.86	-
Mr. P. Mohamad Ali	22,00,000	6.50	-
Mr. Ibrahim Haji P. A	35,00,000	10.33	-
Mr. Asharf Ali M. A	20,00,000	5.90	-
Mr. Pokkinari Ahammed	9,99,999	2.95	-
Mr. E. M. Najeeb	4,00,000	1.18	-
Mr. P. V. Abdul Wahab	2,00,000	0.59	-
Mr. V. K. C. Mammed Koya	1,00,000	0.30	-
Mr. N. K. Mohammed Ali	1,00,000	0.30	-
M/s. Kerala State Industrial Development Corporation Limited (KSIDC Ltd)	36,70,000	10.84	-
Total	2,21,69,999	65.46	

3 Reserves & Surplus

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
a) Statutory Reserve		
Balance at the beginning of the year	4,251	4,251
Add: Amount transferred from surplus in the statement of Profit and Loss	690	-
TOTAL	4,941	4,251
b) Surplus in Statement of Profit & Loss		
Balance at the beginning of the year	(1,02,521)	(99,186)
Add: Profit/ (Loss) for the year	6,039	(3,335)
Less: Appropriations		
Transfer to Statutory Reserve	690	
TOTAL	(97,172)	(1,02,521)
TOTAL (a + b)	(92,230)	(98,269)

- 3.1 Statutory Reserve Fund represents the reserve fund created under Section 45IC of Reserve Bank of India Act, 1934.

4 Other Long Term Liabilities

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
a) Others		
Security Deposit - Leasing	22,357	31,795
Rent Deposit	4,440	4,440
TOTAL	26,797	36,235

5 Long Term Provisions

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
i) For Employee Benefit:		

Provision for Gratuity	474	629
ii) Contingent Provisions against Standard Assets	251	265
TOTAL	725	894

6 Trade Payables

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
a. Total outstanding dues of micro enterprises and small enterprises	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	5,088	6,081
TOTAL	5,088	6,081

Outstanding for the following periods from due date of payment

As At 31.03.2022	Less than 1 year	1 - 2 years	2-3 years	More than 3 years
MSME				
Others	1,889	499	-	2,700
Disputed Dues - MSME	-	-	-	-
Undisputed Dues - MSME	-	-	-	-
Total	1,889	499	-	2,700

Outstanding for the following periods from due date of payment

As At 31.03.2021	Less than 1 year	1 - 2 years	2-3 years	More than 3 years
MSME				
Others	3281	-	-	2800
Disputed Dues - MSME	-	-	-	-
Undisputed Dues - MSME	-	-	-	-
Total	3281	-	-	2800

7 Other Current Liabilities

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
a) Advance Received for Services to be rendered in relation to leasing	326	1,270
b) Other Payables:		
i) Statutory Remittances	254	183
ii) Expenses Payable	343	341
iii) Security Deposit - Leasing	8,547	3,540
TOTAL	9,470	5,335

8 Short Term Provisions

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
i) For Employee Benefit:		
Provision for Leave Encashment	1,163	1,562
ii) Contingent Provisions against Standard Assets	148	155
iii) Provision for Non-Performing Assets	16,535	13,769
iii) Provision for Income Tax	577	367
TOTAL	18,423	15,853

9 Movement of Provision for NPA

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
Opening Balance	13,769	-
Provision made during the year	2,766	13,769
Write off/ Write back of excess provision	-	-
TOTAL	16,535	13,769

10 Long Term Loans & Advances

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
(a) Security Deposits Unsecured, Considered Good	1,026	1,036
TOTAL (a)	1,026	1,036
(b) Income Tax Advance (net of provisions)	-	-
(c) MAT Credit Entitlement	5,322	5,322
TOTAL (b+c)	5,322	5,322
(d) Others Secured, Considered Good		
i) Assets on Finance		
- To Related Party	-	-
- To Others Standard Assets	1,00,437	1,06,146
TOTAL (d)	1,00,437	1,06,146
TOTAL (a+b+c+d)	1,06,785	1,12,503

- 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 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
(a) Outstanding for a period exceeding six months	-	-
(b) Others Secured, Considered good	2,676	4,598
TOTAL	2,676	4,598

Outstanding for the following periods from due date of payment

As At 31.03.2022	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 Years
Undisputed trade receivable considered good	2,676	-	-	-
Disputed trade receivable considered good				
Total	2,676	-	-	-

Outstanding for the following periods from due date of payment

As At 31.03.2021	Less than 6 Months	6 Months - 1 Year	1 - 2 years	2-3 Years
Undisputed trade receivable considered good	4,589	-	8	-
Disputed trade receivable considered good	-	-	-	-
Total	4,589	-	8	-

12 Cash & Bank Balances

Particulars	As at 31st March 2022 Rs.in.'000	As at 31st March 2021 Rs.in.'000
Cash & Cash Equivalents		
i) Balance with Banks		
- In Current Account	59,358	38,478
ii) Cash on Hand	22	9
TOTAL	59,380	38,486

13 Short Term Loans & Advances

Particulars	As at 31st March 2022 Rs.in.'000	As at 31st March 2021 Rs.in.'000
(a) Balance with Government Authorities	13,419	13,108

(b) Advance income tax (Net)	3,737	2,545
(c) Loans & Advances		
Secured, Considered Good		
i) Assets on Finance		
- To Related Party	-	-
- To Others	76,847	79,596
Unsecured, Considered Good		
i) Advances recoverable in kind or for value to be received	1,988	13,660
Less: Provision for Doubtful Advance	-	-
ii) Other Advances	-	-
TOTAL	95,991	1,08,908

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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Standard Assets	59,346	62,095	-	-	59,346	62,095
Sub-Standard Assets	17,501	17,501	2,766	13,769	966	3,732
Total	76,847	79,596	2,766	13,769	60,312	65,827

14 Other Current Assets

Particulars	As at 31 st March 2022 Rs.in.'000	As at 31 st March 2021 Rs.in.'000
(a) Accruals		
(i) Interest Accrued on Deposits	42	36
(ii) Accrued Annualised Cost to Customer	945	830
TOTAL	987	866
(b) Assets intended for lease	2,740	-
TOTAL	2,740	-
TOTAL (a +b+c+d)	3,727	866

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

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
Revenue From sale of Services:-		
Rental Income	7,400	6,420
Annualised Cost to Customer	16,536	17,205
Minimum Value	12	12
Processing Fee	586	577
TOTAL	24,534	24,213

16 Other Income

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
Interest Received on IT Refund	-	15
Interest Others	2	-
Interest on Fixed Deposit	6	5
Miscellaneous Income	184	-
Excess Gratuity Reversed	17	-
Excess liability Written Back	22	-
Profit on Sale of Asset	198	-
Excess Provision for Standard Assets	21	50
Round Off	0	
TOTAL	450	70

17 Employee Benefit Expenses

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
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Salaries, Wages and Bonus	6,179	5,784
Contribution to Provident and other Funds	294	281
Staff Welfare Expenses	138	121
Gratuity	-	82
TOTAL	6,611	6,268

18 Provisions and Write Offs

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
Provision for Non-Performing Assets	2,766	13,769
Advances written Off	-	-
Bad Debts Written Off	-	-
TOTAL	2,766	13,769

19 Other Expenses

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
Legal and Professional Fees	903	541
Travelling Expenses	173	23
Rent	1,312	1,141
Office General Expenses	835	487
Electricity & Water Charges	294	249
Repairs and Maintenance	-	-
(a) Building	-	13
(b) Others	115	144
Rates, Taxes and Filing Fees	542	517
Rebate on Pre-closure	258	
Postage & Telephone Charges	79	81
Loss on sale of assets	-	18
Annuity to Muttawalli	600	600
Bank Charges	2	3
Other Expenses	16	6
Provision Against Standard Assets	-	-

Payment to Auditor		
(a) Statutory Audit Fee	120	120
(b) Taxation Matters	15	15
TOTAL	5,264	3,957

20 Earnings Per Share

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
Profit/ (Loss) Attributable to Equity Share Holders in Rs.'000's	6,039	(3,335)
Weighted Average Number of Equity Share Outstanding (Nos)	3,38,70,000	3,38,70,000
Earnings Per Share in Rs.	0.18	(0.10)

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 31 st March 2022	% of holding as on 31 st March 2021
Cheraman Funds Management Limited	India	100%	100%
Cheraman Infrastructure Private Limited	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 2022

23.1 Details of Related Parties

Description of Relationship	Names of Related Parties
Key Management Personnel - Holding Company	Mr. A.P.M. 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 2022 - 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 2022 is as under:

As At 31.03.2022

	Gross investment in Lease	Unearned Finance Income	Present Value of Receivables
i) Not later than one year	90,831	13,984	76,847
ii) Later than one year and not later than five years	1,13,360	13,278	1,00,082
iii) Later than five years	362	7	356
Total	2,04,553	27,269	1,77,284

As At 31.03.2021

	Gross investment in Lease	Unearned Finance Income	Present Value of Receivables
i) Not later than one year	94,250	14,654	79,596
ii) Later than one year and not later than five years	1,18,567	15,296	1,03,271
iii) Later than five years	3,259	383	2,875
Total	2,16,076	30,334	1,85,742

25.4 Earnings and Expenditure in Foreign Currency

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
(a) Earnings in Foreign Currency	-	-
(b) Expenditure in Foreign Currency		
Travel Expenses	57	-
Total Expenditure in Foreign Currency	57	-

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

Particulars	For the Year Ended 31.03.2022 Rs.in.'000	For the Year Ended 31.03.2021 Rs.in.'000
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	5,000
- Claim made by ESIC, Sub Regional Office, Ernakulam	1,532	1,532
- Claim made by DCIT, CPC-ITD, Bengaluru	114	114
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

Rs.in.'000

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	94.9%	2,71,118	57.1%	3,448
Subsidiaries				
Indian Cheraman Funds Management Ltd	-2.1%	(5,862)	0.2%	15
Cheraman Infrastructure Private Ltd	7.1%	20,313	42.7%	2,577
Consolidated Amount		2,85,568		6,040

- 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 2022 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** The Parent Company & subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

35 Sectoral Exposure

Sectors	Current Year			Previous Year		
	Total Exposure (Rs.in'000s)	Gross NPA (Rs.in'000s)	Percentage of Gross NPA to total exposure to the sector	Total Exposure (Rs.in'000s)	Gross NPA (Rs.in'000s)	Percentage of Gross NPA to total exposure to the sector
Industry						
1. Medium Services	750	-	-	1,753	-	-
1. Tourism Hotels & Restaurant	423	-	-	-	-	-
2. Retail Trade	53,397	-	-	45,596	-	-
3. Other Services	1,22,714	17,501	14%	1,38,393	17,501	13%

36 Disclosure of Restructured Accounts

Particulars	No. of Accounts	Amount in '000s
Restructured accounts as on April of Financial Year	18	91,601
Fresh Restructuring during the year	4	50,978

Restructuring pertains to moratorium for payment of hire rentals.

37 Customer Complaints

Particulars	As at 31 st March 2022	As at 31 st March 2021
No. of complaints pending as at the beginning of the year	Nil	Nil
No. of complaints received during the year	Nil	Nil
No. of complaints redressed during the year	Nil	Nil
No. of complaints pending as at the end of the year	Nil	Nil

- 38** The Parent Company and subsidiaries have acquired premises under operating lease agreement that are renewable on a periodic basis at the option of both the lessor and lessee. Rental expenses debited to statement of profit and loss during the year is Rs.13,12,377 (Rs.11,40,650). The company has only entered into cancellable lease arrangements.
- 39** Title deeds of Immovable Property not held in name of the Parent Company & Subsidiaries – NIL.
- 40** The Parent Company & Subsidiaries have not revalued its Property, Plant and Equipment during the year by a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.
- 41** The Parent company & Subsidiaries have no loans or advances in the nature of loans granted to promoters, directors, KMP's and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person.
- 42** The Parent Company & Subsidiaries have no Intangible Assets under Development as on 31.03.2022, whose completion is overdue or has exceeded its cost compared to its original plan.
- 43** The Parent Company & Subsidiaries does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- 44** The Parent Company & Subsidiaries have not been declared willful defaulter by any bank or financial institution or other lender or government or government authority.
- 45** The Parent company & Subsidiaries have no transaction with the companies struck off under Section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- 46** The Parent Company & Subsidiaries does not have any charges or satisfaction which is yet to be registered with ROC (Registrar of Companies) beyond the statutory period.
- 47** The Parent Company & Subsidiaries have complied with number of layers of companies are as per clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

48 Ratios

Ratio	Numerator	Denominator	31.03.2022	31.03.2021	% Change
Current Ratio	Current Assets	Current Liabilities	4.91	5.61	-12%
Return on Equity Ratio (Refer 1 below)	Net profit After Tax	Average Shareholder's Equity	1.78%	-0.98%	-281%
Trade Receivable Turnover Ratio	Net Sales	Average Trade Receivables	6.75	6.38	6%
Net Capital Turnover Ratio	Net Sales	Working Capital = Current Assets – Current Liabilities	0.19	0.19	-1%
Net Profit Ratio (Refer 2 below)	Net Profit After Tax	Net Sales	24.61%	-13.78%	-279%
Return on Capital Employed (Refer 3 below)	Earnings before interest and tax	Capital Employed = Networth + Total Borrowings	2.70%	-1.39%	-29.4%

1. The return on equity ratio improved during the year since the Parent company and subsidiaries made profit during the year.
2. The net profit ratio improved during the year since the Parent company and subsidiaries made profit during the year.
3. The return on capital employed improved during the year since the Parent company and subsidiaries made profit during the year.

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

Signatures to Note 1 to 49 forming integral part of accounts.

As per our Report of even date

For R. Krishnaiyer & Co.
Chartered Accountants
FRN: 001474S

For and on behalf of the Board of Directors

Sd/-
K. Parvathy Ammal
Partner
M.No.204767

UDIN: 22204767ARGLDY6924

Sd/-
A.P.M. Mohamed Hanish IAS
Managing Director
DIN: 02504842

Sd/-
Arun Kumar V.K
Company Secretary

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

Sd/-
Remesh Shenoi S
Chief Financial Officer

Place: Cochin
Date: 02.09.2022

Place: Cochin
Date: 02.09.2022

Form AOC-I
Statement containing salient features of the Financial Statements of
Subsidiaries and Joint Ventures
(Pursuant to first proviso 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	21,600	828
5	Reserves & surplus	(23,363)	(1,288)	(3,694)
6	Total assets	211	51,511	14,932
7	Total Liabilities	6,074	31,198	17,797
8	Investments	-	-	-
9	Turnover	-	7,400	4,621
10	Profit before taxation	15	3,153	(8,528)
11	Provision for taxation	-	577	-
12	Profit after taxation	15	2,576	(8,528)
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 R. Krishnaiyer & Co.
Chartered Accountants
FRN: 001474S

For and on behalf of the Board of Directors

Sd/-
K. Parvathy Ammal
Partner
M.No.204767

Sd/-
A.P.M. Mohamed Hanish IAS
Managing Director
DIN: 02504842

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

UDIN: 22204767ARGLDY6924

Sd/-
Arun Kumar V.K
Company Secretary

Sd/-
Remesh Sheno S
Chief Financial Officer

Place: Cochin
Date: 02.09.2022

Place: Cochin
Date: 02.09.2022

9. Property, Plant and Equipment

Rs.in.'000

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Additions	Deductions	As at 31.03.2022	As at 01.04.2021	For the Year	Deduction	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
A. Tangible Assets										
Building	542	-	-	542	138	18	-	156	386	404
Furniture & Fixture	4,665	7	-	4,672	3,770	471	-	4,241	431	895
Computers	712	192	-	903	678	29	-	708	195	34
Office Equipment	644	-	-	644	596	9	-	605	39	48
Electrical Equipments	2,486	189	-	2,675	1,893	212	-	2,105	570	594
Vehicle	872	2,306	872	2,306	820	79	820	79	2,227	52
Total Tangible Assets(A)	9,922	2,694	872	11,744	7,897	818		7,895	3,850	2,026
B. Intangible Assets										
Computer Software	395	-	-	395	395	-	-	395	-	-
BOT Project	51,405	-	-	51,405	13,965	2,878	-	16,842	34,562	37,440
Total Intangible Assets(B)	51,800	-	-	51,800	14,360	2,878	-	17,238	34,562	37,440
Total (A+B)	61,722	2,694	872	63,544	22,258	3,696	820	25,133	38,412	39,466
Previous Year	61,775	62	115	61,722	18,717	3,624	85	22,257	39,465	43,058