

32nd ANNUAL REPORT 2022-2023



**Palma Development
Finance Private Limited**

(CIN: U65999TN1990PTC104347)

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CORPORATE INFORMATION

Corporate Identification Number (CIN)

U65999TN1990PTC104347

Board of Directors

Mr. Anbaiyan Nadar Sankili (Managing Director)
Mr. Jacob Abraham Isaac (Whole Time Director)
Mr. Selvan Bala Krishnan (Director)
Mrs. Radha Jayakumari (Director)
Mrs. Vasthi Joy Alice (Director)
Mr. Ponnann Nadar Poulouse (Director)
Mr. Joju Madathumpady Johny (Director)
Mrs. Nitha Roy (Director)
Mr. Ambramoli Purushothaman (Independent Director)

Registered Office/ Corporate Office

Door No.16/41 ST 1, Sirayankuzhi, Kanjiracode P O
Marthandam, Kanyakumari District, Tamilnadu-629155

Auditors

M/s TAS & Co.
Chartered Accountants LLP
Vennala, Kerala- 682028

Our Bankers

- South Indian Bank Ltd.
- Axis Bank Ltd
- ESAF Small Finance Bank Ltd
- HDFC Bank Ltd
- Karur Vysya Bank
- Tamilnad Mercantile Bank

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 32nd Annual General Meeting of the members of PALMA DEVELOPMENT FINANCE PRIVATE LIMITED will be held on 30th September, 2023 (Saturday) at 11:00 am at Door No 16/41, ST 1 SIRANKUZHI, KANJIRACODE, KANYAKUMARI, TAMIL NADU PIN:629155 to transact the following businesses-

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited financial statements including consolidated financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon.
2. Appointment of Statutory Auditors

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

“RESOLVED THAT pursuant to the provisions under Section 139 and the Rules framed there under, as amended from time to time, M/s. TAS & Co., Chartered Accountants LLP, 2652/C, Venus Arcade, Kaniyappilly Road, Chakaraparambu, Vennala, Ernakulam, Kerala, 682028 be and is hereby appointed as Statutory Auditors of the Company and to hold office for a period of five years from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Annual General Meeting of the Company for the financial year 2027-2028 at such remuneration as may be agreed upon between the Board of Directors and Statutory Auditors, in addition to the reimbursement of GST and actual out of pocket expenses incurred in relation with the audit of accounts of the Company.”

SPECIAL BUSINESS

- 1) Regularization of appointment of Mr. Ambramoli Purushothaman (DIN:07706484), Additional Director (Non-Executive & Independent) as Director (Non-Executive & Independent)

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

“RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee and provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder read with Schedule IV to the Act, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Mr. Ambramoli Purushothaman (DIN: 07706484) who was appointed as an Additional

Director (Non-Executive & Independent) on the Board of the Company w.e.f. 25.11.2022, to hold office up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and being eligible for appointment, be and is hereby appointed as Director (Non-Executive & Independent) of the Company, not liable to retire by rotation, to hold office for a term of five years from the date of this Annual General Meeting.”

**By Order of the Board of Directors
For Palma Development Finance Private Limited**

Sd/-
ANBAIYAN NADAR SANKILI
Managing Director
DIN:06799412

Date: 02/09/2023
Place: Marthandam

NOTES:

1.All relevant documents referred to in this Notice requiring the approval of the Members shall be available for inspection by the Members. The relevant statutory registers, Memorandum and Articles, will also be available for inspection by the members at the registered office of the company.

2.A Member entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend and vote instead of himself. Proxy need not be a member of the Company. Proxies to be effective should be lodged with the Registered Office of the Company at least 48 hours before the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.

3.The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business above is attached herewith. As required, the brief profile of Directors seeking appointment/ re-appointment at this AGM are given in the Explanatory Statement to the Notice of the AGM.

4.Members desiring any information or clarification are requested to write to the Company at least 48 hour before the meeting so as to enable the board to keep the information ready.

5. Members are requested to contact the Company, in case of any doubts/clarifications.
6. Members who have not registered their email ID and updated contact number with the Company are requested to register the same at the earliest by contacting Share department at HO.
7. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
8. Members will not be distributed any gift, compliments or kind of such nature before or after the AGM.
9. The members holding physical shares (in share certificate format) who prefer to receive notice and Annual Report only by e-mail in future may register their email by submitting duly filled-in format to the Company (Annexure to Annual Report). However, in case of shareholders holding shares in demat form; email shall be registered with respective DP, and not with the Company.
10. Soft copy of notice and annual report for the FY 2022-2023 is being sent through electronic mode to those members who have registered their email id with the Company/ Depository (DP). The physical copy of notice and annual report will be sent to members who have not registered their email ids with the Company. Members may note that notice of 32nd AGM along with Annual Report for the financial year will also be hosted on the website.
(www.palmamicrofin.com).
11. Route map to the venue of AGM is enclosed with this notice.

Explanatory Statement pursuant to section 102 of the Companies Act 2013 relating to Special Business

ITEM NO. 1

Mr. Ambramoli Purushothaman (DIN:07706484) was appointed as Additional Director (Non-Executive & Independent) of the Company by the Board on 25.11.2022. As per the provisions of Section 161(1) of the Act, he holds office of Additional Director only up to the date of this Annual General Meeting of the Company, and is eligible for appointment as Director. An ordinary resolution for his appointment as Director is set out in the notice. Accordingly, Your Directors recommend the resolution to be passed as an Ordinary Resolution as set out in Item No. 1

Mr. Ambramoli Purushothaman, post graduate in Financial Management with over 34 years of experience in managerial cadre with State Bank of India (SBI), the nation's premier banking institution. Mr. A Purushothaman has a wide range of experience in commercial banking especially investment banking, corporate credit, treasury, risk management, NPA management, retail banking, IT, and marketing of financial services. He had completed a three year assignment with Govt of Kerala as Managing Director, Kerala State Financial Enterprises Ltd (KSFE Ltd), an NBFC, owned 100% by Govt of Kerala, set up in 1969 to conduct chit fund business in a transparent manner Mr. A Purushothaman had taken KSFE to bigger heights, simultaneously giving the company a more professional corporate image. In the last three years, changes have been affected in KSFE on all fronts including the re-branding exercise with the result that KSFE has been recognized as the best NBFC in Kerala during the year 2018 -19 at Dhanam BFSI Annual meet at Kochi in Feb 2020. As General Manager (Rupee Market), in Global Market SBI, Mr. A Purushothaman was responsible for the huge rupee investments (over Rs 5.7 trillion) of the Bank's balance sheet. He was also managing the Regulatory requirements of the Bank and trading and investment books of the Bank in respect of equity portfolio, bond (SLR and Non SLR) portfolio and rupee derivatives portfolio. He was the Secretary of Corporate Centre Investment Committee (CCIC) and member of the Investment Committees of two major Private Equity/ Venture Capital Funds.

Except Mr. Ambramoli Purushothaman (DIN:07706484) being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 1

**By Order of the Board of Directors
For Palma Development Finance Private Limited**

Sd/-

ANBAIYAN NADAR SANKILI

Managing Director

DIN: 06799412

Date: 02/09/2023

Place: Marthandam

BOARD'S MESSAGE

Dear Members,

It is with great pleasure that the Board of Directors conveys its deepest gratitude for your continued support of our company. Your partnership has been pivotal in our pursuit of meaningful financial inclusion.

In our commitment to transparency, we wish to share that your insights have played a crucial role in shaping our strategic initiatives. Your feedback has been a beacon, guiding us toward sustainable practices and innovative solutions.

Your confidence in our mission to drive financial inclusion empowers us. We are committed to upholding the highest standards of governance, innovation, and social responsibility.

As we stand at the intersection of opportunity and responsibility, the Board reaffirms its dedication to upholding the highest standards of governance. We recognize the impact of our collective efforts on the lives of individuals and communities.

Looking ahead, we are excited about the possibilities that lie before us and are confident that, with your ongoing collaboration, we will navigate the ever-evolving landscape of microfinance with resilience and adaptability.

Thank you for being integral to our journey and for contributing to the positive change we collectively aspire to create.

Thanks & Regards,

Board of Directors

Palma Development Finance Private Limited

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are delighted to present their 32nd Annual Report together with the Audited Financial Statements of your Company for the financial Year ended 31st March 2023.

1. Company Overview

Palma Development Finance Private Limited is a Non-Systemically Important Non-Deposit taking NBFC-MFI and one among the fastest growing NBFC operating in the states of Tamilnadu & Kerala

2. Performance Highlights

The performance highlights and summarized financial results of the company are given below-

- The total revenue has increased to Rs. 32,34,440/- in 2022-23 as compared to Rs.31,69,990 in 2021-22.
- The net profit of the Company after tax has increased to Rs. 13,88,659/- in 2022-23 as compared to Rs. 32,775/- in 2021-22.

3. Financial Highlights

Particulars	2022 – 23 ₹ in Thousands	2021 – 22 ₹ in Thousands
Revenue from operations	2852.69	3169.99
Other Income	381.75	0.00
Total Income	3234.44	3169.99
Total Expenses	1164.03	3045.03
Profit Before Depreciation	2070.41	124.96
Depreciation	23.69	83.82
Profit after Depreciation	2046.72	41.14
Provision for Standard Asset Reversed	0.00	-3.14
Taxes	658.06	11.51
Profit / (Loss) carried to Balance sheet	1388.66	32.77

4. State of Company's Affairs and Future Outlook

The company's management team is actively engaged in the creation of products and

services aimed at addressing the financial requirements of a diverse customer base, ultimately contributing to the realization of your company's objectives. With regard to the financial performance in the fiscal year 2022-23, your Directors anticipate that your company will attain increased profitability in the coming years as a result of its strategic growth initiatives.

5. Change in Nature of Business, if any

Since your company is a registered NBFC-MFI, carrying on the business of loan financing, the company is not authorized to do any other business. Your Company has not carried out any other business activity till date and has no proposal to take up any other business.

6. Change in Registered Office

Your Company has changed the registered office from 14-26/1, "Palmalayam", Chengai, Kanjiracode P.O. Marthandam, Kanjiracode, Kanyakumari District Tamil Nadu Pin: 629155 to Door no 16/41 Sirayankuzhi, Kanjiracode, Kanyakumari District, Tamil Nadu, Pin:629155 with effect from 07.04.2023 for operational convenience.

7. Dividend

The Board of Directors of your Company does not recommend any final dividend for the financial year 2022-23 with a view to conserve of profits and for investment in business resources of your Company.

8. Amounts Transferred to Reserves:

Out of Profit of Rs 13,88,660 during the current year (Previous Year Rs 32,775) Rs 2,77,732 was transferred to General reserve during the year.(Previous year Rs.6,555/-) The Balance in the Reserves & Surplus account was Rs 2,58,07,664 (Previous Year Rs 2,44,07,247)

9. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The provisions of Section 125(2) of the Companies Act, 2013 do not apply since there was no dividend declared and paid during the past years.

10. Share Capital & Disclosures

The Authorized Capital of the Company is increased from Rs 300,00,000 to RS 500,00,000 consisting of 5,00,000 Equity Shares of RS 100/- each. The Paid-up Equity Share Capital as on March 31, 2023 was Rs. 2,62,82,500 consisting of 2,62,825 Equity Shares of Rs 100 each.

(a) Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

(b) Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

(c) Bonus Shares

No Bonus Shares were issued during the year under review.

(d) Employees Stock Option Plan

The Company has not provided any Stock Option Scheme to the employees.

Thus, there was no change in capital structure of the company during the period under review.

11. Information about Subsidiary/ JV/ Associate Company

The Company does not have any subsidiaries, associates and joint venture companies.

12. Deposits

The Provisions of Section 73 to 76 of Companies Act 2013 and Companies (Acceptance of Deposits) Rules ,2014 are not applicable to the company. During this year the company is not accepted any deposits from anyone.

13. Material Changes and Commitments

No material changes and commitments affecting the financial position of your Company occurred between the ends of the financial year to which these financial statements relate on the date of this report.

14. Annual Return

The Annual Return as required under section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, in Form MGT-7 will be hosted on the website of the Company (www.palmamicrofin.com).

15. Board of Directors and meetings

The Board of Directors comprises of nine directors as on date of this report. The Board of Directors of the company met Eight times in the Financial Year, as per the provisions of Section173 of Companies Act, 2013 on following dates:

1ST QUARTER	2ND QUARTER	3 RD QUARTER	4 TH QUARTER
05.04.2022	27.07.2022	28.10.2022	25.01.2023
23.05.2022	30.08.2022	25.11.2022	01.03.2023

The intervening gap between any two meetings was within the period prescribed by the Companies Act 2013.

Details of attendance of the directors and the board meeting held during the financial year are given below:

Name of directors	Total no of meetings entitled to attend	Total no of meetings attended by directors
Mr.Anbaiyan nadar Sankili(Managing Director)	08	08
Mr. Jacob Abraham Isaac(Director)	08	08
Mr.Selvan Bala krishnan(Director)	08	08
Mrs.Radha Jayakumari (Director)	08	08
Mrs.Vasthi Joy Alice (Director)	08	08
Mr.Ponnan Nadar Poulouse (Director)	08	08
Mrs. Nitha Roy(Director)	04	04
Mr. Joju Madathumpady Johny(Director)	04	04
Mr.Ambramoli Purushothaman (Independent Director)	02	02

16. Committees of Board

a. Audit Committee

(Applicable to every listed company and such other class or classes of companies ,as may be prescribed)

Ours is not a listed company or any class of Public Company.

b. Nomination & Remuneration Committee

(Applicable to every listed company and such other class or classes of companies ,as may be prescribed)

Ours is not a listed company or any class of Public Company.

17.Changes in Directors and Key Managerial Personnel (KMP)

Mr.Joju Madathumpady Johny (DIN:02712125) has been appointed as professional director with decades of experience in NBFC sector in the Annual General Meeting held on 30th September 2022 for a period of 5 years without any shareholding.

Mr.Ambramoli Purushothaman (DIN :07706484) has been appointed as an additional director (nonexecutive and independent) on board meeting held on 25th November 2022.Now the board propose to regularize/appoint him as director(nonexecutive & independent)in the ensuing AGM, subject to the applicable provisions of Companies Act 2013.Appropriate resolution needs to be passed as set out in the notice calling AGM for his regularization.

18. Particulars of Loan, Guarantees and Investments under Section 186

The loan made, guarantee given, or security provided in the ordinary course of business by a NBFC-MFI registered with the Reserve Bank of India are exempt from the applicability of the provisions of Section 186 of the Act. As such, the particulars of loans have not been disclosed in this Report. The Company has not made any investment within the meaning of Section 186 of the Act during the FY 2022-23.

19. Particulars of Contract or Arrangements with Related Parties

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of Companies Act 2013, including certain arms-length transaction under third proviso thereto shall be disclosed in Form No AOC 02-Form enclosed.

20. Corporate Governance

Your Company has taken certain measures to ensure good corporate governance and promote ethical standards envisaged under the Companies Act 2013. The Board of Directors welcomes the concept of Corporate Governance to ensure that a Company is governed in the best interests of all stakeholders. Corporate Governance is all about promoting fairness, transparency, accountability and compliance with laws. Your company strictly follow these principles to safeguard the interest of stakeholders.

21. Secretarial Standards

During the period under review the Company has complied with all applicable Secretarial Standards issued by Secretarial Standards Board of the Institute of Company Secretaries of India.

22. Annual Evaluation:

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of governance. The main aspects of evaluation included the contribution to governance, participation in planning and fulfillment of obligations and responsibilities by Directors.

23. Details of Subsidiary, Joint Venture or Associates

No Company has become or ceased to be a Subsidiary, Joint Venture or Associate of the Company during the year.

24. Cost Auditors

The Company is not required to appoint a Cost Auditor pursuant to the provisions of Section 148 Companies Act, 2013

25. Auditors and Report thereon

The report of the auditors and the financial statements audited by Statutory Auditors - M/s TAS& CO Chartered Accountants, LLP, Vennala, are enclosed herewith as annexure.

The statutory auditors of the company have not reported any fraud pursuant to Section 143(12) of the Companies Act, 2013. The auditors have made necessary disclosures/statements under applicable laws. The Board proposes to appoint M/s TAS & CO CHARTERED ACCOUNTANTS LLP, Chartered Accountants (FRN S200024), Vennala, with the approval of members in the AGM. The approval of members is sought under Section 139 of the Companies Act 2013 for appointment of aforesaid appointment of statutory auditors for a term of 5 years i.e. from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting for the FY 2027-2028. Appropriate resolution has been set out in the notice calling AGM for consideration of members

26. Conservation of energy, technology absorption and foreign exchange outgo

a. Conservation of Energy: The Company is engaged in the financial services sector and therefore conservation of energy, technology absorption etc. have a limited application. However, the Company follows a practice of purchase and use of energy efficient electrical and electronic equipment and gadgets in its operations. The Company has also taken measures to reduce usage of electricity in its offices/branches.

b. Technology Absorption: During the period under review there was no major technology absorption undertaken by the Company.

c. Foreign Exchange Earnings and Outgo: There was no Foreign Exchange Earnings and Outgo during the year.

27. Risk Management Policy

Your Company is a non-deposit accepting NBFC-MFI engaged in loan business by utilizing its own funds. The risks associated with your Company are perceived in three ways - Market risk, Credit Risk and Operational Risk. Your Company has formulated a risk management policy and has taken measures to address risks associated with business and for improving the skills of employees involved in application side of the policy. In our view, there are no material risks which threaten the current position of the Company.

28. Internal Financial Controls

Your company has adequate internal financial controls commensurate with its size and nature of business as detailed in the Financial Statements. The Board has taken measures to improve the quality and effectiveness of accounting and internal audit procedures within the Company and has a team to ensure timely action on major concerns without fail. The Board has adopted a strong internal audit policy and has set procedures to ensure the orderly and efficient conduct of its business, safeguarding of its assets, the prevention and detection of frauds and errors and the accuracy and completeness of accounting records. The top management oversees the functioning of the internal audit team on a regular basis and the reports are reviewed on a periodical basis. Actions are initiated to ensure proper compliance with all applicable laws and RBI norms. The management is having deliberation with IT experts for improvement of IT aspects of operations for better technology backed financial controls.

29. Particulars of Employees and Related Disclosures

It is hereby confirmed that there are no employees of the company who are in receipt of remuneration in excess of the limits specified under Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and hence the disclosure of particulars in this regard is not applicable.

Your Company has in place “Prevention of Sexual Harassment at workplace” (POSH policy) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company also has a duly constituted Internal Complaints Committee (ICC) under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act 2013. During the financial year under review, the Committee/ Company has not received any complaints with allegations of sexual harassment falling within the purview of the policy.

30. Commission

The Company has not provided any commission which falls within the purview of Companies Act 2013, to its MD/WTD and hence the provisions relating to disclosure are not applicable.

31. Secretarial Audit Report

The provisions of the Companies Act, 2013 and the rules framed there under relating secretarial audit report are not applicable to the company

32. Corporate Social Responsibility (CSR)

The provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) do not apply to your company, hence no disclosures in this regard have been made in this report.

33. Order of Court

There are no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operation in future.

34. Vigil Mechanism.

The Company has established a vigil mechanism to promote ethical behavior in all its business activities and has in place a mechanism for employees to report any genuine grievances, illegal, unethical behaviors, suspected fraud, violation of laws, rules and regulations etc. The Company has a whistle blower policy in place which is duly approved by the Board of Directors which also provides for adequate protection to the whistle blower against victimization or discriminatory practices. The Whistle Blower Policy is hosted on the website of the Company (www.palmamicrofin.com).

35. Women Director

The Company is not covered under rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence it is not mandatory to appoint women director in the Board.

36. Declaration from Independent Directors on annual basis

The Company has received necessary declarations from the Independent Directors of the Company as per Section 149(7) of the Companies Act, 2013 in conformity with the criteria laid down in Section 149 (6) of Companies Act, 2013.

37. RBI Guidelines

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

38. Director's Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013 the Board of Directors of the Company confirms that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March 2023,

the applicable accounting standards have been followed and there are no material departures from the same.

- (b) the directors had 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 at the end of the financial year and of the profit and loss and cash flow of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (f) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating efficiently.

39. Cautionary Statement

Statements in the Board's report and annexures describing the Company's projections, estimates and expectations may be forward looking, within the meaning of the applicable laws, and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

40. Acknowledgement

Your Directors express their sincere gratitude to the Reserve Bank of India, Government Authorities, Banks, Customers, shareholders and all other stakeholders, for the magnanimous support given to the Company.

Your Directors also take this opportunity to appreciate the dedicated and sincere services and support rendered by the employees of the Company.

For and on behalf of the Board of Directors

Sd/-
SANKILI NADAR ANBAIYAN
Managing Director
DIN: 06799412

Sd/-
JACOB ABRAHAM ISAAC
Director
DIN: 06895329

Place: Marthandam
Date: 02/09/2023

Annexure – I

FORM NO. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014).

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

Sl. No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Not Applicable
B	Nature of contracts/arrangements/transactions	
C	Duration of the contracts/arrangements/transactions	
D	Salient terms of the contracts or arrangements or transactions including the value, if any	
E	Justification for entering into such contracts or arrangements or transactions	
F	Date of approval by the Board	
G	Amount paid as advances, if any	
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis: NIL

Sl. No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Not Applicable
B	Nature of contracts/arrangements/transactions	
C	Duration of the contracts/arrangements/transactions	
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	
E	Date(s) of approval by the Board, if any	
F	Amount paid as advances, if any:	
G	Form shall be signed by the persons who have signed the Board's report.	

For and on behalf of the Board of Directors

Sd/-
SANKILI NADAR ANBAIYAN
Managing Director
DIN: 06799412

Sd/-
JACOB ABRAHAM ISAAC
Director
DIN: 06895329

Place: Marthandam
Date: 02/09/2023

INDEPENDENT AUDITORS' REPORT

**To, The Members of
M/s. PALMA DEVELOPMENT FINANCE PRIVATE LIMITED**

Report on the Financial Statements

We have audited the financial statements of PALMA DEVELOPMENT FINANCE PRIVATE LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit, change in equity and 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 Companies Act, 2013. 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 audit 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.

Key Audit matter	Auditor's Response
1. Compliance and Disclosure requirements Compliance and disclosure requirements under the applicable Indian Accounting Standards, Reserve Bank of India (RBI) guidelines and other applicable statutory, regulatory and financial reporting framework.	(i) Assessed the systems and processes laid down by the Company to appropriately ensure compliance and disclosures as per the applicable Indian Accounting Standards, RBI guidelines and other applicable statutory, regulatory and financial reporting framework. (ii) Designed and performed audit procedures to assess the completeness and correctness of the details disclosed having regard to the assumptions made by the management in relation to the applicability and extent of disclosure requirements. (iii) Relied on internal records of the Company and external confirmations wherever necessary.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for 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.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the company or the cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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:

- i. 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.

- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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.
- v. 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. This Report include, a statement on the matters specified in paragraphs 3 and 4 of 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. The same is given in the Annexure A.
2. Our report on the internal financial controls of the company as required under clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 is given as Annexure B.

3. Rule 11(g) of the Companies (Accounts) Rules, 2014 requires reporting on the use of accounting software by a company for maintaining its books of accounts which has a feature of recording audit trail. As per the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), for the financial year commencing on or after the 1st day of April, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. Since the said proviso is applicable to the Company only with effect from the financial year beginning 1 April 2023, the reporting required as per Rule 11(g) is not applicable for the previous year 2022-23.
4. 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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - e) On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as March 31, 2023, 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 statement 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 Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.

- ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The management has represented that other than those disclosed in the notes to accounts that, there were no funds which have been advanced or loaned or invested by the company to or any other person including foreign entities whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- v. The management has represented that other than those disclosed in the notes to accounts that, there were no funds which have been received by the company from any persons or entities including foreign entities whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi. There was no dividend declared or paid during the year by the company.

Sd/-

CA Abhijith Satheesh

Partner

Membership No:234822

Place : Ernakulam

Date : 02/09/2023

UDIN : 23234822BGSBWS5835

Annexure A

Referred to in Paragraph 1 under the heading “Report on other legal and regulatory requirement” of our report of even date to the members of M/s. PALMA DEVELOPMENT FINANCE PRIVATE LIMITED on the accounts of the company for the year ended March 31, 2023.

In terms of Companies (Auditor's Report) Order 2020, issued by the Central Government of India, in terms of section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that :-

1. a) The company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
b) The company has maintained proper records showing full particulars of Intangible assets.
c) The major Property, plant and equipment of the company have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
c) According to the information and explanations given to us there are no immovable properties in the name of the Company during the year.
d) The company has not revalued its Property, Plant & Equipment or Intangible assets or both during the year.
e) No proceedings have been initiated against the company for holding benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder and the details have been appropriately disclosed in the financial statements.
2. In our opinion and according to the information and explanation given to us, the nature of the Company's business is such that it is not required to hold any inventories. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.
3. The Company has not made investments in, provided any guarantee or security granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms or LLP, or any other parties.
4. The company has not given any loans or guarantees/made any investments within the meaning of sections 185 & 186 of The Companies Act, 2013.
5. According to the information and explanations given to us, the Company has not accepted deposits from the public. There for 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, shall not apply to the company.

-
6. The Central Government has not prescribed the maintenance of Cost records u/s 148(1) of the Companies Act, 2013.
 7. In respect of statutory dues:
 - a) The company is regular in depositing undisputed statutory dues with appropriate authorities.
 - b) According to the records of Company examined by us, there are no statutory dues which have not been deposited on account of any dispute.
 8. There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
 9. (a) The company has not defaulted in any repayment of dues to any financial institution or bank or debenture holders.

(b) The company has not been declared as a willful defaulter by any bank or financial institution or other lender.
 10. (a) The company has not made any initial public offer during the year.

(b) The company has made preferential allotment or private placement of shares/ debentures during the year.
 11. (a) Based on our audit procedures and according to the information and explanations given to us by the management, we report that no fraud by the company or on the company by its officers/employees have been noticed or reported during the course of our audit.

(b) During the year no report under sub-Section (12) of Section 143 of the Companies Act 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) The Company has not received any whistle blower complaints during the year.
 12. The company is not a Nidhi Company and thus the matters in the said order are not applicable to the company.
 13. The transactions entered into with related parties are in compliance with section 177 & 188 of The Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
 14. (a) The company has an internal audit system commensurate with the size and nature of its business.

- (b) The company is not covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. Therefore, the company is not required to appoint any internal auditor. Therefore, the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.
15. The company has not entered into any non-cash transactions with directors or persons connected with directors, during the year.
16. (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India.
- (d) The company does not come under any group and thus no CIC's in its group.
17. The company has not incurred any cash losses during the current Financial Year and during the immediately preceding Financial Year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is 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.
20. Since section 135 of the Companies Act, 2013 is not applicable to the company, the reporting under this clause is not applicable.

Sd/-

CA Abhijith Satheesh

Partner

Membership No:234822

Place : Ernakulam

Date : 02/09/2023

UDIN : 23234822BGSBWS5835

Annexure B

Annexure B referred to Paragraph 2 under the heading “Report on Other Legal & Regulatory Requirement” of our report of even date to the members of M/s. PALMA DEVELOPMENT FINANCE PRIVATE LIMITED on the accounts of the Company for the year ended March 31, 2023.

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

We have audited the internal financial controls over financial reporting of PALMA DEVELOPMENT FINANCE PRIVATE LIMITED, CIN: U65999TN1990PTC104347, Door No: 16/41 ST-1, Sirayankuzhi, Kanjiracode P O, Marthandam, Kanyakumari District, Tamilnadu-629155 , as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the ‘Guidance Note’) and the standards on auditing (the ‘Standards’) issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 issued by the ICAI.

Place : Ernakulam
Date :02-09-2023

Sd/-

CA Abhijith Satheesh

Partner

Membership No:234822

Place : Ernakulam

Date : 02/09/2023

UDIN : 23234822BGSBWS5835

PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

CIN:U65999TN1990PTC104347

Door No: 16/41 ST-1 ,Sirayankuzhi, Kanjiracode P O

Marthandam,Kanyakumari District,Tamilnadu-629155

Balance Sheet as at March 31, 2023

Amount in thousands

Particulars	Note No	As at 31-03-2023	As at 31-03-2022
I. Equity and liabilities			
(1) Shareholders' funds			
(a) Share capital	3	26,282.50	26,282.50
(b) Reserves and surplus	4	25,807.66	24,407.25
(2) Current liabilities		-	-
(a) Deferred tax liability		7.77	-
(b) Other current liabilities	5	711.00	99.83
(c) Short term provisions	6	124.88	483.50
		52,933.82	51,273.08
II. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	7	634.46	-
(b) Deferred tax asset		-	73.00
(c) loans and advances	8	49,949.81	50,969.11
		-	-
(2) Current assets		-	-
(a) Cash and cash equivalents	9	1,785.08	61.60
(b) Other current assets	10	564.47	169.38
		52,933.82	51,273.08

The accompanying notes form integral part of financial statements (Note No 1, 2)

For and on behalf of the Board of Directors

As per our report of even date attached

TAS&CO CHARTERED
ACCOUNTANTS LLP
FR No:S200024

Sd/-
CA Abhijith Satheesh
Partner
Membership No:234822
Place : Ernakulam
Date : 02/09/2023
UDIN : 23234822BGSBWS5835

Sd/-
Jacob Abraham Isac
Director
DIN: 06895329

Sd/-
Sankili Nadar Anbaiyan
Managing Director
DIN: 06799412

PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

CIN:U65999TN1990PTC104347

Door No: 16/41 ST-1 ,Sirayankuzhi, Kanjiracode P O

Marthandam,Kanyakumari District,Tamilnadu-629155

Statement of Profit and Loss for the year ended March 31, 2023

Amount in thousands

Particulars	Note No	For the year ended	
		31-03-2023	31-03-2022
I Revenue			
Revenue from operations	11	2,852.69	3,169.99
Other income	12	381.75	3.14
Total income		3,234.44	3,173.13
II Expenses			
Employee benefits expense	13	635.48	1,674.78
Depreciation and amortization expense	7	23.69	83.82
Other expenses	15	528.54	1,370.24
Total expenses		1,187.72	3,128.84
Profit before exceptional and extraordinary items			
III and tax (I-II)		2,046.72	44.29
IV Exceptional/ extraordinary items		-	-
V Profit before tax (III-IV)		2,046.72	44.29
VI Tax expense:			
(1) Current tax		577.29	11.76
(2) Deferred tax expense/(income)		80.77	-0.24
VII Profit/ (Loss) for the year (V-VI)		1,388.66	32.77
VIII Earnings per equity share:			
Basic in (₹)		0.05	0.12
Diluted in (₹)		0.05	0.12

The accompanying notes form integral part of financial statements (Note No 1, 2)

For and on behalf of the Board of Directors

As per our report of even date attached

TAS&CO CHARTERED

Sd/-
Jacob Abraham Isac

ACCOUNTANTS LLP

FR No:S200024

Sd/-

CA Abhijith Satheesh

Partner

Membership No:234822

Place : Ernakulam

Date : 02/09/2023

UDIN : 23234822BGSBWS5835

Director
DIN: 06895329

Sd/-
Sankili Nadar Anbaiyan
Managing Director
DIN: 06799412

PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

CIN:U65999TN1990PTC104347

Door No: 16/41 ST-1 ,Sirayankuzhi, Kanjiracode P O

Marthandam, Kanyakumari District,Tamilnadu-629155

Cash flow statement for the year ended March 31, 2023

Amount in thousands

Particulars	For the year ended	
	31-03-2023	31-03-2022
A. Cash flows from operating activities		
Net profit before taxation	2,046.72	44.29
Add: Depreciation for current year	23.69	83.82
Add: Reversal of income tax provision	11.76	-
Operating profit before working capital changes	2,082.17	128.11
Decrease/(Increase) in long term loans and advances	1,019.30	350.12
Decrease/(Increase) in other current assets	(395.10)	15.96
Increase/(Decrease) in other current liabilities	611.17	(1,167.30)
Increase/(Decrease) in short term provisions	(358.63)	(3.14)
Cash generated from operations	2,958.92	(676)
Less : Payment of taxes	(577.29)	(11.76)
Net cash flow from operating activities (A)	2,381.63	(688)
B. Cash flows from investing activities		
Other non-current assets	-	-
Purchase of fixed assets	(658.15)	-
Asset written Back to Shareholders' organization	-	601.03
Net cash used in investing activities (B)	(658.15)	601.03
C. Cash flows from financing activities		
Issue of share capital	-	-
Net cash used in financing activities (C)	-	-
D. Net increase in cash & cash equivalents (A+B+C)	1,723.48	(86.98)
E. Cash and cash equivalents at beginning of the year	61.60	148.58
F. Cash and cash equivalents at end of the year	1,785.08	61.60

For and on behalf of the board of directors

As per our report of even date attached

TAS&CO CHARTERED

ACCOUNTANTS LLP

FR No:S200024

Sd/-

CA Abhijith Satheesh

Partner

Membership No:234822

Place : Ernakulam

Date : 02/09/2023

UDIN : 23234822BGSBWS5835

Sd/-

Jacob Abraham Isac

Director

DIN: 06895329

Sd/-

Sankili Nadar Anbaiyan

Managing Director

DIN: 06799412

PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

Door No: 16/41 ST-1, Sirayankuzhi, Kanjiracode P O

Marthandam, Kanyakumari District, Tamilnadu-629155

NOTES ON FINANCIAL STATEMENTS

1. Background

PALMA DEVELOPMENT FINANCE PRIVATE LIMITED was incorporated on 10th September, 1990. The company is a Non-Banking Financial Company Non-Deposit taking Non- Systematically Important (NBFC-ND) as defined under 45-IA of the Reserve Bank of India Act, 1934. The company is primarily engaged in business of Loan Finance but the company shall not do the business of Banking within the purview of the Banking Regulations Act, 1949.

2. Significant Accounting Policies

The significant Accounting Policies followed by the company are as stated below:

2.1 General

The financial statements are prepared under historical cost convention. These statements have been prepared in accordance with applicable mandatory Accounting Standards and relevant presentational requirements of The Companies Act, 2013.

2.2 Use of Estimates

The preparation of financial statements in conformity with the Indian Generally Accepted Accounting Principal (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amount of income and expenses during the period. Actual figures may differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods

2.3 Property, plant and Equipment

The preparation of financial statements in conformity with the Indian Generally Accepted Accounting Principal (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amount of income and expenses during the period. Actual figures may differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.4 Depreciation

Depreciation on property, plant and equipment has been provided under Straight Line Method over the useful life of the assets estimated by the management which is in line with the terms prescribed in Schedule II to The Companies Act, 2013. Depreciation for assets purchased/sold during the period is proportionately charged. Depreciation methods, useful lives & residual values are reviewed periodically

The management estimates the useful life of the assets as follows:

Asset	Useful life
Office equipment	5 years
Computer and peripherals	3 years
Furniture and fixtures	10 years
Electrical fittings	10 years
Plant and machinery	15 years

2.5 Amortization of Intangible Assets

Intangible Assets are amortized over their expected useful life. It is stated at cost, net of amortization. Computer software is reclassified as intangible asset during the current financial year and is amortized as per Companies Act 2013.

The management estimates the useful life of the assets as follows:

Intangible Asset	Useful Life
Computer Software	3 years

2.6 Inventories

The company does not hold any inventories during the year.

2.7 Revenue Recognition

Revenues are recognized and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses. Revenue is recognized to the extent it is realizable wherever there is uncertainty in the ultimate collection. Income from non-performing assets is recognized only when it is realized. Interest income on deposits is recognized on time proportionate basis.

2.8 Foreign Currency Transactions

The company has no foreign currency transaction during the year.

2.9 Government Grants

The company has not received any Government grants during the year.

2.10 Investments

The company does not hold any investments during the year

2.11 Employee Benefits

Short term employee benefits such as salaries, wages, bonus and incentives which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the profit and loss account. No provision has been made for Bonus , Gratuity and Provident Fund contribution since they are not applicable to the company for the current year.

2.12 Borrowing Costs

Interest on borrowings is recognized in the Statement of Profit and Loss on an accrual basis. Costs associated with borrowings are grouped under finance charges along with interest costs.

2.13 Deferred tax Assets/ Liabilities

The Company has provided deferred tax assets/liability in accordance with Accounting Standard -22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. The detailed workings are given

Particulars	2022-23	2021-22
Balance in the beginning	73.99	72.75
Less: Create/(Reserved) during the year	80.77	(.24)
Net Deferred Tax Asset/ (Liabilities)	(7.77)	73.99

2.14 Segment Reporting

Since the company operates in single segment, no further disclosure is required to be given as per the notified AS-17 'Segment Reporting'.

2.15 Taxes on Income

Income tax expense comprises current tax and deferred tax charge or credit. The current tax is determined as the amount of tax payable in respect of the estimated taxable income of the period. The deferred tax charge or credit is recognized using prevailing enacted or substantively enacted tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax asset is recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets are reviewed at each Balance Sheet date based on the developments during the year and available case laws, to reassess realization/liabilities. The net deferred tax position as on 31-03-2023 is a Deferred Tax liability of ₹ 7773.

2.16 Impairment of Assets

The carrying amount of assets is reviewed at each Balance Sheet date to check whether there is any indication of impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital.

2.17 Provisions, Contingent Liabilities and Contingent Assets

The company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.

The company makes provision for standard assets and non-performing assets as per Master Direction Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. Provision for standard assets in excess of the prudential norms, as estimated by the management, is categorized under Provision for Standard Assets, as General provisions and/or as Gold Price Fluctuation Risk provisions.

2.18 Contingent Liabilities and Commitments

Company does not have any Contingent Liabilities and Commitments during the year.

2.19 Earning per share

	Particulars	FY 2022-23	FY 2021-22
A	Calculation of Basic EPS:		(₹)
(i)	Profit after tax attributable to Equity Shareholders (<i>in Thousands</i>)	138.86	70.88
(ii)	Equity shares outstanding during the year	262.83	262.83
(iii)	Face value of equity share	100	100
	Basic EPS	.05	.12
B	Calculation of Diluted EPS:		(₹)
(i)	Profit after tax attributable to Equity Shareholders (<i>in Thousands</i>)	138.86	70.88
(ii)	Equity shares outstanding during the year	262.83	262.83
(iii)	Face value of equity share	100	100
	Diluted EPS	.05	.12

2.20 Related Party Disclosures

Name of the related party and nature of relationship

The directors has no significant influence in any Enterprises

Related parties have been identified on the basis of the declaration received by the management and other records available.

- (b) There are no transactions with struck off companies under section 248 or 560
- (c) No charges or satisfaction is yet to be registered with Registrar of Companies beyond the statutory period.
- (d) There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237
- (e) There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (f) The company is not covered under section 135.

(g) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

2.21 Previous year figures have been regrouped /reclassified wherever necessary to suit the current year's layout.

Sd/-

CA Abhijith Satheesh

Partner

Membership No:234822

Place : Ernakulam

Date : 02/09/2023

UDIN : 23234822BGSBWS5835

Sd/-

Jacob Abraham Isac

Director

DIN: 06895329

Sd/-

Sankili Nadar Anbaiyan

Managing Director

DIN: 06799412

PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

3. Share capital

Amount in thousands

Particulars	As at 31-03-2023	As at 31-03-2022
<u>A. Authorised</u> 500000 Equity shares of ₹1,00 each.	50,000.00	30,000.00
<u>B. Issued, Subscribed and Paid up</u> 2,62,825 Equity shares of ₹1,00 each. 2,62,825 Equity shares of ₹1,00each.(PY 2021-22)	26,282.50	26,282.50
Total	26,282.50	26,282.50

(a) Reconciliation of the shares outstanding at the end of the reporting period

Amount in thousands

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Amount (₹)	Number	Amount (₹)
Balance as at the beginning of the year	262.83	26,282.50	262.83	26,282.50
Add: Shares issued during the year	-	-		
Add: Bonus shares issued during the year	-	-		
Balance as at the end of the year	262.83	26,282.50	262.83	26,282.50

(b) Terms/rights attached to equity shares

The company has issued only one class of Equity shares having a face value of ₹100 per share. Each holder of equity shares is entitled to one vote per share. The voting right of each equity shareholder shall be in proportion to his share in the paid-up equity share capital of the company. The dividend proposed by the Board of Directors are subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount.

No Dividend has been declared during the year ended March 31, 2023

(c) Details of share holders holding more than 5% of shares in the company

Name of shareholder	As at 31-03-2023		As at 31-03-2022	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Palma Thozhilalar Peravai	1,11,481	42.42%	1,11,481	42.42%
Palma Mahalir Suya Uthavikuzhu	1,21,194	46.11%	1,31,194	49.92%
	2,32,675	88.53%	2,42,675	92.34%

(d) Disclosure of Shareholding of Promoters - Shares held by the Promoters:

As at 31 March 2023:

S. No	1	2	3
Promoter name	Palma Thozhilalar Peravai	Palma Mahalir Suya Uthavikuzhu Koottamaippu	Mrs.J. Santhi
Class of Shares			
At the end of the year	No. of Shares	1,11,481	1,21,194
	%of total shares	42.42%	46.11%
At the beginning of the year	No. of Shares	1,11,481	1,31,194
	%of total shares	42.42%	49.92%
% Change during the year		0%	3.81%

4. Reserve and surplus

Amount in thousands

Particulars	As at 31-03-2023	As at 31-03-2022
Statutory Reserve Fund ¹		
Opening Balance	1,395.16	1,388.61
Add: Current year transfer from surplus	277.73	6.56
	1,672.89	1,395.16
Reserve- Share Premium		
Share Issued -2013-14	3,665.63	3,665.63
Share Issued -2013-14	12,150.00	12,150.00
	15,815.63	15,815.63
Profit and loss and account		
Opening Balance	7,196.46	7,170.24
Add: current year surplus	1,388.66	32.77
Add: Income Tax Provision written back	11.76	-
Less: Current year transfer to reserves	(277.73)	(6.55)
	8,319.14	7,196.46
Total	25,807.66	24,407.25

¹The amount appropriated out of the surplus in the Statement of profit and loss are as under:

(a) Transfer of 2,77,732/- (Previous year -6,555/-) to Statutory reserve as prescribed by section 45-IC of the Reserve Bank of India Act, 1934, being 20% of the Profit after Tax (PAT) for the year

5. Other current liabilities

Amount in thousands

Particulars	As at 31-03-2023	As at 31-03-2022
Income Tax Payable	577.29	11.76
TDS Payable	4.88	4.88
Audit Fee Payable	100.00	83.20
Other Expenses Payable	28.84	-
Total	711.00	99.83

6. Loans and advances

Amount in thousands

Particulars	As at 31-03-2023	As at 31-03-2022
Contingent provision against standard assets	124.88	483.50
Total	124.88	483.50

8. Loans and advances

Amount in thousands

Particulars	As at 31-03-2023	As at 31-03-2022
Small Personal Loan	49,949.81	50,969.11
Total	49,949.81	50,969.11

9. Cash and cash equivalents

Amount in thousands

Particulars	As at 31-03-2023	As at 31-03-2022
Balance with bank	247.93	2.29
Fixed Deposit	1,500.00	-
Cash in hand	37.15	59.31
	1,785.08	61.60

10. Other current assets

Amount in thousands

Particulars	As at 31-03-2023	As at 31-03-2022
Interest Accrued	249.12	169.38
Rent Deposit	230.00	-
Advance to supplier	85.35	-
Total	564.47	169.38

11. Revenue from operations

Amount in thousands

Particulars	31-03-2023	31-03-2022
Financial activities :		
Interest on personal loans	2,852.69	3,169.99
Total	2,852.69	3,169.99

12. Other income

Amount in thousands

Particulars	31-03-2023	31-03-2022
Bank Interest	23.13	-
Provision for NPA reversal	358.63	3.14
Total	381.75	3.14

13. Employee benefits expenses

Amount in thousands

Particulars	31-03-2023	31-03-2022
Salaries and wages	635.48	1,459.49
EPF Mgmt. Contribution	-	198.76
Special Allowance	-	16.53
Total	635.48	1,674.78

14. Other expenses

Amount in thousands

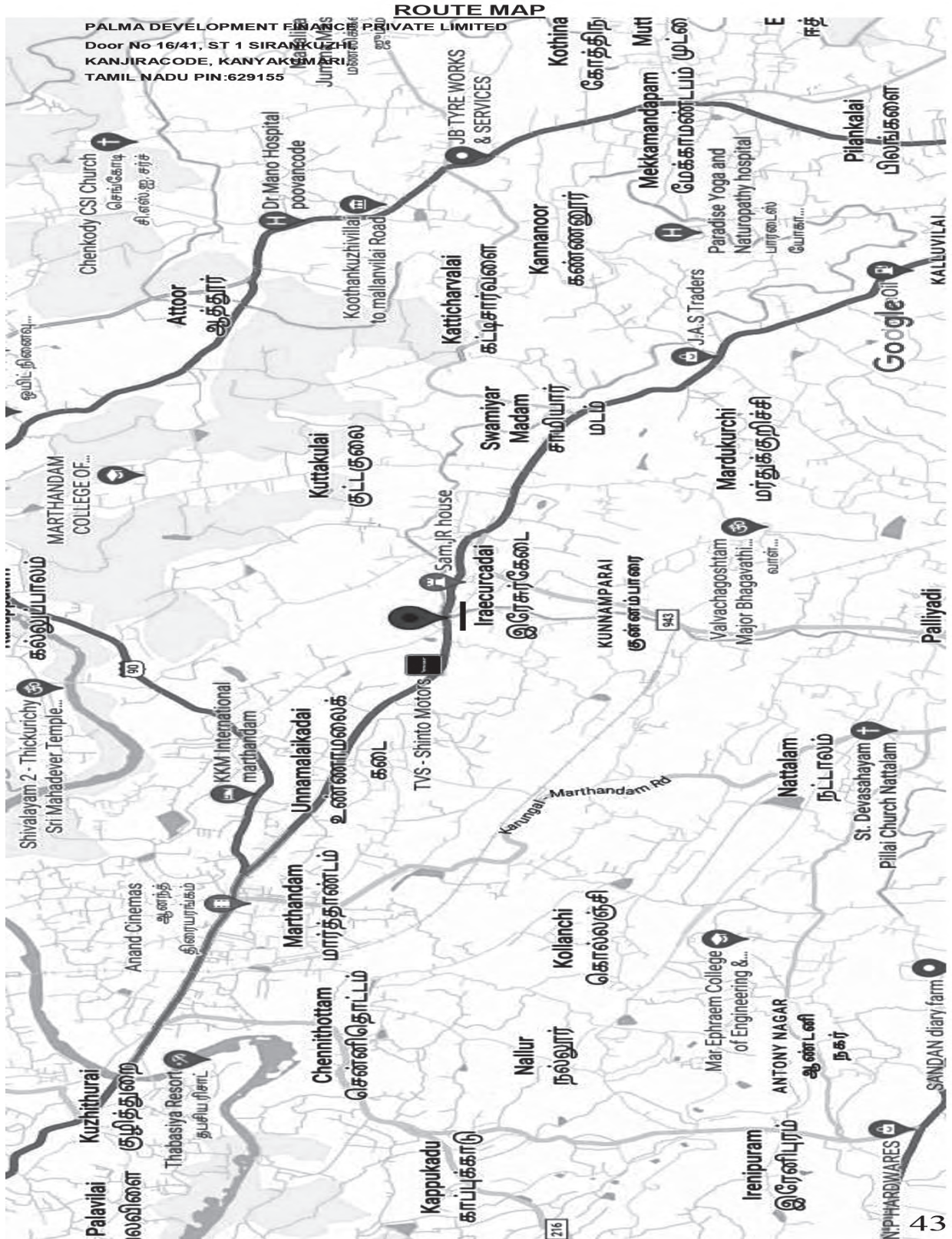
Particulars	31-03-2023	31-03-2022
Advertisement Charges	29.80	-
Bank Charges	2.45	1.73
Communication Expenses	6.36	-
CIC Registration Charges	11.80	22.70
Conveyance and Travelling Expenses	38.56	368.49
E-Filing Charges	153.63	1.80
Electricity Charges	22.49	-
Food & Accommodation	-	4.58
Office Rent	120.00	48.00
Office Expense	7.21	171.13
Postage & Courier	-	0.70
Legal Expenses	-	2.00
Printing & Stationery	0.88	9.40
Retainer Fees Company Secretary	29.50	16.50
Repair & Maintenance	5.60	261.95
Vehicle Insurance	-	13.01
Interest on Income Tax	0.27	3.82
Vehicle Running Expenses	-	344.14
Payment to Auditors :		
Statutory audit fees	100.00	100.30
Total	528.54	1,370.24

Note No : 7 - Property, plant & equipment and Intangible assets

(i) Property, plant and equipment

Amount in thousands

Particular	Gross carrying value		Accumulated depreciation		Net carrying value	
	April 1, 2022	March 31, 2023	April 1, 2022	March 31, 2023	March 31, 2023	March 31, 2022
Computer and networks	-	137.88	-	11.27	126.61	-
Electrical Fittings	-	456.54	-	11.40	445.13	-
Furniture & fixtures	-	63.74	-	1.02	62.72	-
Total	-	658.15	-	23.69	634.46	-
Grand total	-	658.15	-	23.69	634.46	-



Form No. MGT-11

Proxy form

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

CIN:	U65999TN1990PTC104347
Name of the company:	PALMA DEVELOPMENT FINANCE PRIVATE LIMITED
Registered office:	Door No 16/41 ST 1, Sirayankuzhi, Kanjiracode P O, Marthandam , Kanyakumari District, Tamilnadu, Pin:629155
Name of the member(s):	
Registered address:	
Email Id:	
Folio No./Client Id:	
DP ID:	

I/We, being the member (s)/holder of..... shares of the above named company, hereby appoint-

1	Name:	
	Address:	
	E-mail Id:	
	Signature:	

Or failing him/her

2.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

Or failing him/her

3.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the company, to be held on 30.09.2023 (Saturday) at 11.00 a.m. at Door No 16/41, ST 1 SIRANKUZHI, KANJIRACODE, KANYAKUMARI, TAMIL NADU PIN:629155 and any adjournment thereof in respect of such resolutions as are indicated below:

Resol ution No.	Particulars	For	Against
Ordinary Business			
1.	To receive, consider, approve and adopt the Audited financial statements including consolidated financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon		
2.	To appoint, M/s. TAS & Co., Chartered Accountants LLP, 2652/C, Venus Arcade, Kaniyappilly Road, Chakaraparambu, Vennala, Ernakulam, Kerala, 682028 be and is hereby appointed as Statutory Auditors of the Company and to hold office for a period of five years from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Annual General Meeting of the Company for the financial year 2027-2028		
Special Business			
3.	Regularization of appointment of Mr. Ambramoli Purushothaman (DIN:07706484), Additional Director (Non-Executive & Independent) as Director (Non-Executive & Independent)		

Signed this..... day of September 2023

Signature of shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy form which does not state the name of the Proxy shall not be considered valid. Undated Proxy shall not be considered valid. Proxies which are incomplete will not be valid.
3. A Proxy shall not have right to speak and shall not vote on a show of hands.
4. Vote should be cast either in "For" (if favor the resolution), or in "against" (if you are against the resolution) by putting a tick mark (✓) in appropriate columns.

Affix Revenue Stamp

For Office Use only	
Date of receipt:	

Form No. SH-13
NOMINATION FORM

(Form for nominating persons in whom rights relating to securities/shares shall vest in the event of death of shareholder(s))

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To
PALMA DEVELOPMENT FINANCE PRIVATE LIMITED
Door No.16/41 ST 1, Sirayankuzhi, Kanjiracode P O
Marthandam, Kanyakumari District, Tamilnadu-629155

I/We the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.	
				From	To

(2) PARTICULARS OF NOMINEE/S —

Name		Date of Birth	
Father's/Mother's/ Spouse's name		Occupation	
Address		Nationality	
PIN Code			
Relationship with the security holder		Phone No.	
E-mail id		Mobile No.	
Signature of Nominee		IT PAN /Others	

(3) IN CASE NOMINEE IS A MINOR—

Name		Date of Birth	
Name of guardian:		Date of attaining majority	

Address of guardian		Relationship with Minor	
---------------------	--	-------------------------	--

Name of Security Holder(s)	Signature
1.	
2.	
3.	

Witness	Signature
Name:	
Address:	

Place:

Date:

Please fill this Nomination form in Duplicate after carefully reading the instructions given below:

1. A nomination is a written mandate given by a shareholder to a company describing a particular person, to whom the shares held in the company shall vest in the event of death of the shareholder/ all joint holders. The Nomination can be made by individuals only holding shares singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.
2. Shareholders holding shares in dematerialized mode, nomination is required to be filled with the Depository Participants (DPs) in their prescribed form.
3. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.
4. The shareholder [s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
5. As per section 72 of Companies Act 2013, if the shares are held by more than one person jointly, then the joint holders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.
6. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favor of the nominee but would be transferred in the name of the surviving shareholders (joint holder).
7. The nomination form filled in "duplicate" should be lodged with the Company. One copy of the nomination form will be returned to the shareholder after registering the nomination. The registration number allotted will be furnished in the said form.
8. The shareholder[s] can Cancellation or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form).
9. Nomination stands cancelled whenever the shares in the given folio are transferred / dematerialized. Also in case of change in folio due to consolidation/ transmission a new nomination has to be filed.

-
10. Kindly note that the nomination being a legal document should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witness, witnessing the document.
11. A copy of photo identity proof (like PAN/Passport) of nominee is required.

FOR OFFICE USE ONLY

Nomination Registration No.	Date of Registration	Signature of Employee with Code No.



Palma Development Finance pvt Ltd

(CIN: U65999TN1990PTC104347)

Registered Office :

**Door No. 16/41, ST-1, Sirayankuzhi,
Kanjiracode PO., Marthandam, Kanjiracode,
Kanyakumari, Vilavancode, Tamil Nadu, India, 629155
website: www.palmamicrofin.com
mail id: co@palmamicrofin.com
mob: 97457 99499**

