

BOARD OF DIRECTORS

Shri Deepak Mukerjee	– Independent Director & Chairman
Shri Sunil Kanti Roy	– Director
Shri Bhargab Lahiri	– Director
Shri Dipankar Chatterji	– Independent Director
Shri Asoke Kumar Mukhuty	– Director
Shri K. Balasubramanian	– Director
Shri Abhishek Tantia	– Managing Director & Chief Executive Officer

COMPANY SECRETARY

Shri Biswajit Das

CHIEF FINANCIAL OFFICER

Shri Partha Bose

AUDITORS

Messers Mukund M. Chitale & Co.
Chartered Accountants

PRINCIPAL BANKER

HDFC Bank Ltd

REGISTRAR AND SHARE TRANSFER AGENT

C.B. Management Services (P) Ltd.
P-22 Bondel Road,
Kolkata- 700019

REGISTERED & CORPORATE OFFICE

Peerless Bhavan,
3, Esplanade East,
Kolkata-700 069
Phone : +91-33-2262 5663/4062 2525
Fax : +91-33-2262 5664
E-Mail: pfs@peerlessfinance.in
Website: www.peerlessfinance.in
CIN: U65993WB1988PLC044077

Contents

	Page
Directors' Report	2
Auditors Report	22
Balance Sheet	28
Statement of Profit & Loss	29
Cash Flow Statement	30
Notes to Accounts	32

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2017-18

TO, THE MEMBERS

The Board has pleasure in presenting the Thirtieth Annual Report and the Audited Financial Statements of the Company for the Financial Year ("FY") ended March 31, 2018.

BACKGROUND

Peerless Financial Services Limited ("the Company" or "PFS") is a subsidiary of The Peerless General Finance & Investment Company Limited ("PGFI") CIN : U66010WB1932PLC007490, and is a Non-Systemically Important Non Deposit Accepting Non-Banking Finance Company, holding a Certificate of Registration dated January 17, 2003 from the Reserve Bank of India ("RBI"). The Company is located in Kolkata, India.

FINANCIAL RESULTS

The performance of the Company for the Financial Year ended March 31, 2018 is summarized below:

(Rs. in Lakh)

PARTICULARS	Year ended 31st March, 2018	Year ended 31st March, 2017
Gross Revenue	441.98	578.60
Profit/(Loss) before taxation	281.78	(772.36)
Less: Tax Expense	78.49	2.54
Profit/(Loss) after tax	203.29	(774.90)
Add: Balance brought forward from the previous year	(541.93)	232.97
Surplus	(338.64)	(541.93)
Transfer to Special Reserve	41.10	—
Balance transferred to Balance Sheet	(379.74)	(541.93)

The state of Company's Affairs

Your Company has, over the last year, been shifting its lending focus to Retail business. This is a strategic shift in recognition of the rising incidence of corporate Non-Performing assets in the industry in general and also based on the Company's experience in recent years. To this end, your Company has introduced a number of retail lending products in the year 2017-18. These include Loans against Salary and Vehicle finance. The response from the market has been encouraging and it is expected that the Retail book will grow well in the coming years.

Concurrently, a number of high risk, big ticket loan accounts have been closed. This has contributed to a decline in the Total Revenue of the Company from Rs. 578.60 lakhs in 2016-17 to Rs. 441.98 lakhs in 2017-18. The Company's operations, however, resulted in a Net Profit of Rs. 203.29 lakhs for the year under review against a net loss of Rs. 774.90 lakhs in the previous year 2016-17.

Other Retail products in our pipeline include Equipment Finance, Loan against Property, Loan against Insurance Policies and Loan against Marketable Securities. Your Company has strengthened its credit and marketing team and is in the process of adding relevant technology aided monitoring systems in order to handle growth of its Retail business.

The Company is shortly going to launch a new product -- Loan to Professionals - designed to cater to the financial needs of Doctors, Chartered Accountants etc. The above loan products are aimed at building up a quality Retail lending book by helping creditworthy retail clientele realize their dreams through a suite of simply structured, attractively priced retail finance products which PFS will market under the code name, 'simplifinance'.

Dividend

In view of the cumulative loss that stands in the books of the Company, your directors do not recommend any dividend for the FY 2017-18.

Amounts Transferred to Reserves

The Board of Directors of the Company has decided to transfer an amount of Rs. 41.10 Lakh to Special Reserve in terms of Section 451C of RBI Act, 1934.

Acceptance of Public Deposit

The Company has neither accepted nor renewed any deposits from the public during the year under review.

Variation in Net Worth

The Net Worth of the Company as at the close of the financial year ended 31st March, 2018 recorded rise to Rs. 5029.86 lakh, compared to the net worth as at the close of previous financial year ended 31st March, 2017 of Rs.4867.66 lakh.

Extract of Annual Return

The details forming part of the extract of the Annual Return as on 31st March, 2018 in Form MGT – 9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out herewith as Annexure – ‘A’ to this report.

Particulars of Loan, Guarantees and Investments under Section 186 of the Companies Act, 2013 (“the Act”)

The provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate and giving of guarantees or providing security in connection with loans to any other bodies corporate or persons are not applicable to the Company since the Company is an NBFC.

The Company has not made any investments which are covered under the provisions of Section 186 of the Act.

Particulars of contracts or arrangements or transactions with Related Parties

During the year, the Company has not entered into any material contract or arrangement or transaction with Related Parties which are not in its ordinary course of business or not on an arm’s length basis and which require disclosure in this Report in terms of the provisions of Section 188(1) of the Act.

A Statement containing details of contracts or arrangements or transactions with Related Parties for the year is attached in the prescribed Form No. AOC-2 as **Annexure ‘B’**. Further, details of Related Party Transactions, required to be disclosed by Accounting Standard – 18 on “Related Party Disclosures” specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, are given in the Notes to the Financial Statements.

Compliance with Non-Banking Financial Companies (Reserve Bank) Directions

Relevant provisions of the Reserve Bank of India Act, 1934, Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, as updated, and such other Directions as are prescribed by the Reserve Bank of India (“RBI”) have been complied with. The Company has also been submitting periodic returns and audited statements regularly.

Explanation to Auditors’ Observations

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their Report on the Financial Statements of the Company for the FY 2017-18.

The provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 concerning appointment of Secretarial Auditor, are not applicable to the Company.

Material Changes Affecting the Financial Position of the Company

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The operations of the Company, being Financial Services related, require normal consumption of energy and technology. Since the Company is not undertaking any activity which requires substantial consumption of energy or technology, no particulars are furnished. However, the Company is taking every necessary step to reduce consumption of electricity in its office premises.

There was no Foreign Exchange Earnings or Outgo during the year under review.

Details of Subsidiary, Joint Venture or Associates

During the year under review, no company has become or ceased to be a subsidiary, joint venture or associate of your Company.

Risk Management

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committees of the Board and the Senior Management Team. The Risk Management process is governed by the Risk Management Policy adopted and laid down by the Board for Risk identification, assessment and monitoring as an ongoing process.

The risk management policy maps enterprise-wide risks that the company is exposed to, such as strategic, financial, credit, market, liquidity, security, property, information technology, legal, regulatory, reputational and other risks, and lays down processes for overseeing these risks periodically. The Audit Committee performs the function of assessing, managing, monitoring and reporting on the principal risks and uncertainties that can impact the company's strategic objectives.

The Company undertakes certain processes for Integrated Enterprise Risk Management, Internal Controls Management to drive a common integrated view of risks and efficient management of internal control and assurance activities. Risks associated with frauds are mitigated by regular monitoring by the Managing Director & CEO and other Senior Officials. They review matters relating to fraud risk, including corrective and remedial actions.

Internal Control System

The Company has established an adequate internal control system to ensure operational efficiency, protection and conservation of resources, accuracy and timeliness in providing services to the customers and ease of business. The internal control system is supported by an internal audit process for reviewing the design, adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of Directors, which also reviews the adequacy and effectiveness of the internal controls in the Company.

The Company's internal control system is commensurate with the size, nature and operations of the Company.

Internal Financial Control with reference to the Financial Statements

Your Company has put in place an internal financial control system to enhance accounting efficiency, speedy transactions, accuracy and timeliness in financial reporting and necessary compliances with various policies and applicable laws and regulations. The Company has documented Standard Operating Procedures (Accounts Manual) for various processes which are reviewed for changes as and when they arise and impact our business needs. Besides, the Company also has in place various policies such as, Human Resource Policy, Lending Policy, Risk Management Policy, IT & Security Policy, and Investment Policy etc. Internal Auditors and Statutory auditors as well as the management and the Audit Committee of the Board review the operating effectiveness of such policies and procedures periodically. In the opinion of the Board, the Internal Financial Control System of the Company is adequate and it is operating effectively.

Details of Directors and Key Managerial Personnel

In accordance with the relevant provisions of the Companies Act, 2013, Mr. Asoke Kumar Mukhuty, Director (DIN: 00173745) will retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

No Director or KMP was appointed or resigned during the year under review.

Declaration by Independent Director

The Company has received declarations from the Independent Directors, viz., Mr. Deepak Mukerjee (DIN : 00046690) and Mr. Dipankar Chatterji (DIN : 00031256), stating that they meet the criteria of independence as provided in Section 149(6) of the Act.

Nomination & Remuneration Policy

The Company has implemented a Nomination and Remuneration Policy, which covers appointment / removal and remuneration for directors, key managerial personnel and other employees and lays down criteria for determining qualifications, positive attributes and independence of a director and other matters, as formulated by the Nomination & Remuneration Committee in accordance with Section 178 of the Companies Act, 2013.

The salient aspects covered in the Nomination and Remuneration Policy are given below:

Objectives

- To lay down criteria and terms & conditions with regard to identifying persons qualified to become Directors (Executive and Non-Executive) and to hold Senior Management and Key Managerial positions
- To determine remuneration based on the Company's size, financial position, trends and practices on remuneration prevailing in peer companies and industry as a whole.
- To carry out evaluation of the performance of Directors.
- To provide them rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons commensurate with the requirements of the Company.

Applicability

The Policy is applicable to:

- Directors (both, Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

"Senior Management" for the purpose of this Policy means personnel of the Company who are members of its core management team excluding Board of Directors, comprising all members of management one level below the executive directors, including the functional heads.

General

This Policy is divided in three parts: Part – A covers matters to be dealt with and recommended by the Committee to the Board, Part – B covers nomination, appointment and removal, and Part – C covers remuneration, perquisites etc.

A copy of the Nomination and Remuneration Policy is posted on the website of the Company at <http://www.peerlessfinance.in/nrc-policy.html>.

Number of Board Meetings

During the Financial Year 2017-18, the Board of Directors of the company held 7 (seven) meetings on 12/05/2017, 24/05/2017, 14/07/2017, 09/10/2017, 25/10/2017, 15/11/2017 and 15.02.2018.

Committees of the Board

In order to focus effectively on issues and to ensure resolution of different matters in an expedient and efficient manner, the Board has constituted Committees of the Board with specific terms of reference / scope. There are: Audit Committee, Nomination and Remuneration Committee, Share Transfer & Stakeholders' Relationship Committee, and Credit & Investment Committee.

Audit Committee

The Board has constituted Audit Committee pursuant to the provisions of Section 177(1) of the Companies Act, 2013.

The composition of the Audit Committee is in line with the provisions of Section 177(2) of the Act. All the Members have the ability to read and understand financial statements and have relevant finance, banking and/or audit experience.

The Audit Committee comprises Mr. Dipankar Chatterji, Independent Director, as Chairman, and Mr. Deepak Mukerjee, Independent Director, and Mr. Asoke Kumar Mukhuty, Non-Executive Director, as Members.

The terms of reference (“TOR”) of the Audit Committee is in conformity with the requirements of sub-Section (4) of Section 177 the Act. The TOR of Audit Committee include but are not limited to detailed review of audited / un-audited financial statements prior to consideration by the Board of Directors, approval of transactions with related parties, review of internal audit reports, review of financial reporting system, internal control system, internal financial control on financial reporting and other financial matters and recommendation for appointment of statutory and internal auditors.

The Committee held 5 (five) meetings during the financial year on 12/05/2017, 24/05/2017, 09/10/2017, 25/10/2017 and 15/02/2018.

All the recommendations made by the Audit Committee were accepted by the Board.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee (“NRC”) was constituted by the Board in terms of Section 178 of the Companies Act, 2013 (“the Act”).

The Nomination & Remuneration Committee comprises Mr. Dipankar Chatterji, Independent Director, as Chairman, and Mr. Deepak Mukerjee, Independent Director, and Mr. Asoke Kumar Mukhuty, Non-Executive Director, as Members.

The terms of reference of Nomination & Remuneration Committee are in conformity with the requirements of Section 178 of the Companies Act, 2013. The Committee formulates criteria for determining qualifications, positive attributes and independence of Directors. It also considers appointment and remuneration for Directors, key managerial personnel and others who may be appointed in senior management positions and makes recommendations to the Board. The Committee carries out evaluation of every director’s performance annually.

The Committee held two meetings during the FY on 12/05/2017 and 24/05/2017.

Share Transfer & Stakeholders Relationship Committee

Share Transfer & Stakeholders Relationship Committee was constituted in accordance with the provisions of the Act.

Share Transfer & Stakeholders Relationship Committee has three Non-executive Directors as members, viz. Mr. Bhargab Lahiri as Chairman, and Mr. Asoke Kumar Mukhuty and Mr. K Balasubramanian as Members.

Share Transfer & Stakeholders Relationship Committee considers and resolves grievances of security holders of the Company, apart from consideration, approval and registration of share transfer/ transmission and issue of duplicate and renewed/fresh share certificates.

The Committee held three meetings during the financial year on 31/07/2017, 07/11/2017 and 27/03/2018.

Credit & Investment Committee

The Credit & Investment Committee comprises of Mr. S.K. Roy, Mr. Bhargab Lahiri, Mr. A.K. Mukhuty, Mr. K Balasubramanian, all Non-executive Directors and Mr. Abhishek Tantia, Managing Director & CEO, as Members.

The Credit & Investment Committee sanctions as per the powers delegated by the Board of Directors and takes decisions on deployment of the Company’s surplus funds of the Company as per the terms of the Investment Policy adopted by the Board.

Statutory Auditors

M/s. Mukund M Chitale & Co., Chartered Accountants (FRN 106655W), were appointed as the Auditors of the Company at the 29th Annual General Meeting of the Company held on 14/07/2017 for a period of five years from the conclusion of the 29th AGM till the conclusion of 34th AGM to be held in the calendar year 2022 subject to ratification of the appointment including fixation of remuneration for the relevant year at the AGM, in each of the subsequent years during the aforesaid term of their appointment.

However, as per the provisions of Companies (Amendment) Act, 2017, the ratification of appointment of Auditors at every Annual General Meeting is no more required. Hence, your Directors do not recommend any such resolution in the ensuing Annual General Meeting.

Statement Indicating the Manner in which Formal Annual Evaluation has been made by the Board of its own Performance, its Directors, and that of its Committees.

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance and that of its Committees and the individual Directors (including the Chairman). The Nomination & Remuneration Committee specified the manner for carrying out effective evaluation of the Board, its Committees and individual directors and also reviewed its implementation and compliance.

The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be.

The criteria for evaluating the performance of the Board as a whole covered various aspects of the Board's functioning such as fulfilment of key responsibilities, structure of the Board and its composition, establishment and delineation of responsibilities of the Board Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, etc.

The criteria for evaluation of the Board Committees covered areas related to degree of fulfilment of key responsibilities, adequacy of Board Committee composition, effectiveness of meetings, Committee dynamics, quality of relationship of the Committee with the Board and the Management, etc.

The criteria for evaluation of individual Directors covered parameters such as attendance and contribution at meetings, guidance to Management, etc.

The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company and the assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board, was taken into consideration by the Board in carrying out the performance evaluation.

Evaluation of Independent Directors is done by Non-Independent Directors and evaluation of Chairman is done by the other Directors.

Particulars of Employees

Disclosure pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is made in Annexure 'C' to the Board's Report.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

In compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has put in place a Policy against Sexual Harassment of Women at workplace. An Internal Complaints Committee was also set up to redress complaints.

No complaint on sexual harassment has been made so far including the year under review.

During the year a workshop / awareness programme was held to spread awareness among the employees.

Fraud Reporting

Pursuant to the provisions of Section 134(3) (ca) of the Companies (Amendment) Act, 2015, no fraud was reported by the Auditors under sub-section (12) of Section 143 of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

Directors Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:-

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 2017-18 and of the profit & loss 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 the Companies Act, 2013 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; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and all applicable Secretarial Standards and that such systems were adequate and operating effectively.

Significant / material Orders passed by the Regulators

No significant material order was passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

Whistle Blower Policy & Vigil Mechanism

The Board of Directors encourages its employees, customers, suppliers and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of our Code, policies or law and also encourages reporting of any event (actual or potential) of misconduct that is not reflective of the values and principles of the Company.

A Whistle blower Policy ("the Policy") has been formulated with a view to provide a mechanism for directors and employees and other stakeholders of the Company to approach the Chairman of the Audit Committee of the Company. The said policy has been posted on the website of the Company.

General Disclosures

Your Directors further state and confirm the following in respect of the FY 2017-18.

1. There was no change in the nature of business during the year under review.
2. The Company did not accept nor hold any deposit covered under Chapter V of the Act.
3. The provisions of the Companies Act, 2013 for providing details about CSR Policy and implementation and initiative taken thereon do not apply to the Company.
4. The Company did not issue equity shares with differential rights as to dividend, voting or otherwise.
5. The Company did not issue any shares (including ESOP and sweat equity shares) to employees of the Company under any scheme.
6. Disclosure regarding receiving of any remuneration or commission by the Managing Director from its holding/subsidiary company is not required, since Managing Director & CEO of the Company does not hold any such position.

Acknowledgment

The Directors express their sincere appreciation to the valued shareholders, bankers, clients, employees and all other stakeholders for their support.

Your Directors wish to place on record their sincere thanks to the Reserve Bank of India, the Ministry of Corporate Affairs and the Registrar of Companies, W.B. for their valued support and cooperation.

Your Directors also gratefully acknowledge the continued support, cooperation and guidance received from the Holding Company, viz., The Peerless General Finance & Investment Company Limited.

Kolkata

Date : 19th June, 2018

Registered office :

"PEERLESS BHAVAN"

3, Esplanade East

Kolkata - 700 069

For and on behalf of the Board

Deepak Mukerjee
Chairman

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2018

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U65993WB1988PLC044077
- ii) Registration Date : 05/04/1988
- iii) Name of the Company : PEERLESS FINANCIAL SERVICES LIMITED
- iv) Category/Sub-Category of the Company : Indian Non-Government company/
Company limited by shares
- v) Address of the Registered office and contact details : Peerless Bhavan,
3, Esplanade East, Kolkata-700069,
Phone: 2262-5663, Fax : 2262-5664
- vi) Whether listed company : Yes / No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : C.B. Management Services (P) Ltd.
P-22 Bondel Road, Kolkata- 700019,
Phone : (033) 2280-6692

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:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Other financial service activities, except insurance and pension funding activities	649	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	The peerless General Finance & investment Co. Ltd	U66010WB1932PLC007490	Holding Company	92.57	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	—	2,65,501	2,65,501	0.71	—	2,65,501	2,65,501	0.71	Nil
(b) Central Govt	—	—	—	—	—	—	—	—	—
(c) State Govt (s)	—	—	—	—	—	—	—	—	—
(d) Bodies Corp.	—	36575501	36575501	98.17	—	36580801	36580801	98.19	+0.02
(e) Banks/FI	—	—	—	—	—	—	—	—	—
(f) Any Other.....	—	—	—	—	—	—	—	—	—
Sub-total (A) (1):-	—	36841002	36841002	98.88	—	36846302	36846302	98.90	+0.02
(2) Foreign									
(a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
(b) Other - Individuals	—	—	—	—	—	—	—	—	—
(c) Bodies Corp.	—	—	—	—	—	—	—	—	—
(d) Banks / FI	—	—	—	—	—	—	—	—	—
(e) Any Other.....	—	—	—	—	—	—	—	—	—
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	—	36841002	36841002	98.88	—	36846302	36846302	98.9	+0.02
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) FIIs	—	—	—	—	—	—	—	—	—
(h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
(i) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	—	25000	25000	0.07	—	25000	25000	0.07	—
(ii) Overseas	—	—	—	—	—	—	—	—	—
(b) Individuals									
(i) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	—	391906	391906	1.05	—	386606	386606	1.04	-0.02
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	—	—	—	—	—	—	—	—	—
(c) Other (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(2):-	—	416906	416906	1.12	—	411606	411606	1.11	-0.02
Total Public Shareholding (B)=(B)(1)+(B)(2)	—	416906	416906	1.12	—	411606	411606	1.11	-0.02
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	—	3,72,57,908	3,72,57,908	100	—	3,72,57,908	3,72,57,908	100	—

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In share holding 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.	The Peerless General Finance & Investment Co. Ltd.	3,44,89,401	92.57	—	3,44,89,401	92.57	—	—
2	Shikha Holding Pvt. Ltd.	8,75,275	2.35	—	8,75,275	2.35	—	—
3	Bichitra Holdings Pvt. Ltd.	6,38,825	1.71	—	6,44,125	1.73	—	+0.02
4	Peerless Financial Products Distribution Ltd.	5,72,000	1.54	—	5,72,000	1.54	—	—
5	Sunil Kanti Roy	27,501	0.07	—	27,501	0.07	—	—
6	Jayanta Roy	1,25,000	0.34	—	1,25,000	0.34	—	—
7	Shikha Roy	62,500	0.17	—	62,500	0.17	—	—
8	Tushar Kanti Roy	500	0.001	—	500	0.001	—	—
9	Debasree Roy	50,000	0.14	—	50,000	0.14	—	—
	Total	3,68,41,002	98.88%	—	3,68,46,302	98.90	—	+0.02

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3,68,41,002	98.88	—	—
	Date wise Increase/Decrease in Promoters Share holding during the Year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	5300	0.02	3,68,46,302	98.90
	At the end of the year	—	—	3,68,46,302	98.90

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	PEERLESS ADVTG & ALLIED SER P LTD	10000	0.027	10000	0.027
2	T T INVESTMENTS PVT LTD	10000	0.027	10000	0.027
3	EL GRAPHICUS PVT LTD	5000	0.013	5000	0.013
4	VINAYAK G PAWAR	4000	0.011	4000	0.011
5	ANAND CHOPRA	2500	0.007	2500	0.007
6	SANTANA DUTTA	2500	0.007	2500	0.007
7	ASIS KUSUM CHATTERJEE	2500	0.007	2500	0.007
8	SUBHRANGSHU CHAKRABARTI	2000	0.005	2000	0.005
9	KAKOLI SEN	2000	0.005	2000	0.005
10	PUSHPALATA L BANGERA	1400	0.004	1400	0.004

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sunil Kanti Roy				
	At the beginning of the year	27501	0.07		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer /bonus/sweat equity etc):	—	—	—	—
	At the end of the year			27501	0.07
2	Bhargab Lahiri				
	At the beginning of the year	200	0.0005		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer /bonus/sweat equity etc):	—	—	—	—
	At the end of the year			200	0.0005
3	Asoke Kumar Mukhuty				
	At the beginning of the year	1451	0.0039		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer /bonus/sweat equity etc):	—	—	—	—
	At the end of the year			1451	0.0039
4	Abhishek Tantia				
	At the beginning of the year	10	0.00002		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer /bonus/sweat equity etc):	0	0	10	0.00002
	At the end of the year			10	0.00002
5	Partha Bose				
	At the beginning of the year	10	0.00002		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer /bonus/sweat equity etc):	0	0	10	0.00002
	At the end of the year			10	0.00002
6	Biswajit Das				
	At the beginning of the year	10	0.00002		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer /bonus/sweat equity etc):	0	0	10	0.00002
	At the end of the year			10	0.00002
		29,182	0.0744	29,182	0.0744

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount
		Mr. Abhishek Tantia MD & CEO	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	21,00,000	21,00,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act,1961	2,02,176	2,02,176
	(c) Profits in lieu of salary under section 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		
6	Total (A)	23,02,176	23,02,176

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Deepak Mukerjee	Mr. S. K. Roy	Mr. A. K. Mukhuty	Mr. B. Lahiri	Mr. D. Chatterji	Mr. K Balasubramanian	
1.	Independent Directors • Fee for attending board/committee meetings • Commission • Others, please specify	1,20,000	—	—	—	1,20,000	—	2,40,000
	Total (1)	1,20,000	—	—	—	1,20,000	—	2,40,000
2.	Other Non-Executive Director • Fee for attending board/committee meetings • Commission • Others, please specify	—	1,00,000	1,05,000	1,20,000	—	1,20,000	4,45,000
	Total (2)	—	1,00,000	1,05,000	1,20,000	—	1,20,000	4,45,000
	Total (B)=(1+2)	1,20,000	1,00,000	1,05,000	1,20,000	1,20,000	1,20,000	6,85,000
	Total Managerial Remuneration							29,87,176
	Overall Ceiling as per the Act	As per resolutions passed by Nomination & Remuneration Committee, Board of Directors and Special Resolution passed/to be passed by the shareholders as per relevant sections of the Companies Act and the Schedule made thereunder.						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,18,707	4,74,420	13,93,127
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	12,000	—	12,000
	(c) Profits in lieu of salary under section 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	9,30,707	4,74,420	14,05,127

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF 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)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

Kolkata
Dated : 19 June, 2018
Registered office :
"PEERLESS BHAVAN"
3, Esplanade East
Kolkata - 700 069

For and on behalf of the Board

Deepak Mukerjee
Chairman

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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 arms length transactions under third proviso thereto

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

(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/arrangements/ transactions	N.A.
(c)	Duration of the contracts / arrangements/ transactions	N.A.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A.
(e)	Justification for entering into such contracts or arrangements or transactions	N.A.
(f)	Date(s) of approval by the Board	N.A.
(g)	Amount paid as advances, if any	N.A.
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	N.A.

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

(i)

(a)	Name(s) of the related party and nature of relationship	Kaizen Leisure & Holidays Ltd.(a Director holding more than 2% of share capital)
(b)	Nature of contracts/ arrangements/transactions	Service Received
(c)	Duration of the contracts / arrangements/ transactions	01.04.2017 to 31.03.2018
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Service Charge Rs.1400/-. Cost of Air Ticket Rs. 41,159/- Total Rs.42,559/-
(e)	Date(s) of approval by the Board/Audit Committee, if any	
(f)	Amount paid as advances, if any:	NIL

(ii)

(a)	Name(s) of the related party and nature of relationship	Peerless Securities Ltd. (a subsidiary of the holding company)
(b)	Nature of contracts/ arrangements/transactions	Service received
(c)	Duration of the contracts / arrangements/ transactions	01.04.2017 to 31.03.2018
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Payment of Advisory Fees for Margin Funding business Rs.70,621/-. (incl.GST-10773/-)
(e)	Date(s) of approval by the Board/Audit Committee, if any	
(f)	Amount paid as advances, if any:	NIL

(iii)

(a)	Name(s) of the related party and nature of relationship	Peerless Securities Ltd. (a subsidiary of the holding company)
(b)	Nature of contracts/ arrangements/transactions	Service received
(c)	Duration of the contracts / arrangements/ transactions	01.04.2017 to 31.03.2018
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	DEMAT Account maintenance Charge paid Rs.3,720/- . (incl taxes)
(e)	Date(s) of approval by the Board/Audit Committee, if any	
(f)	Amount paid as advances, if any:	NIL

(iv)

(a)	Name(s) of the related party and nature of relationship	Peerless Securities Ltd. (a subsidiary of the holding company)
(b)	Nature of contracts/ arrangements/transactions	Service received
(c)	Duration of the contracts / arrangements/ transactions	01.04.2017 to 31.03.2018
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Brokerage paid Rs.44,819/-.
(e)	Date(s) of approval by the Board/Audit Committee, if any	
(f)	Amount paid as advances, if any:	NIL

(v)

(a)	Name(s) of the related party and nature of relationship	Peerless Hotels Ltd. (a subsidiary of the holding company)
(b)	Nature of contracts/ arrangements/transactions	Service received
(c)	Duration of the contracts / arrangements/ transactions	01.04.2017 to 31.03.2018
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Cost of food and conference room hire charges and hotel booking etc. Rs.26,415/-.
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any:	NIL

(vi)

(a)	Name(s) of the related party and nature of relationship	Peerless Hotels Ltd. (a subsidiary of the holding company)
(b)	Nature of contracts/ arrangements/transactions	Service rendered
(c)	Duration of the contracts / arrangements/ transactions	01.04.2017 to 31.03.2018
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Rental and reimbursement of maintenance expenses received for Rs.5,67,996/-.
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any:	NIL

(vii)

(a)	Name(s) of the related party and nature of relationship	Kaizen Hotels & Resorts Ltd. (a subsidiary of the holding company)
(b)	Nature of contracts/ arrangements/transactions	Service rendered
(c)	Duration of the contracts / arrangements/ transactions	01.04.2017 to 31.03.2018
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Upfront Fees including GST Rs.2,06,500/-.
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any:	NIL

(viii)

(a)	Name(s) of the related party and nature of relationship	Bengal Peerless Housing Development Company Ltd (an Associate Company of the Holding Company)
(b)	Nature of contracts/ arrangements/transactions	Service received
(c)	Duration of the contracts / arrangements/ transactions	01.04.2017 to 31.03.2018
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Installments paid for acquiring two flats at AVIDIPTA II Housing Complex for Rs. Rs.66,81,162/- including GST. (Total Cost of two flats is Rs.3,34,05,817/-)
(e)	Date(s) of approval by the Board if any	
(f)	Amount paid as advances, if any:	

Kolkata

Date : 19th June, 2018

Registered office :

"PEERLESS BHAVAN"

3, Esplanade East

Kolkata - 700 069

For and on behalf of the Board

Deepak Mukerjee
Chairman

ANNEXURE TO THE DIRECTORS’ REPORT

Particulars of Employees pursuant to the provisions of Section 134 of the Companies Act, 2013 read with sub-rule (2) of rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors’ Report for the year ended 31st March, 2018.

	Name	Age (Years)	Designation	Gross Remuneration (Rs.)	Nature of Employment	Qualification	Experience (Years)	Date of Commencement of Employment	Last Employment /Post held
	1	2	3	4	5	6	7	8	9
A Top ten Employees in terms of remuneration									
1	Abhishek Tantia	36	MD & CEO	29,25,000/-	Contractual	ACA, MBA	11	02/01/2017	Peerless Securities Ltd. / Chief Financial Officer
2	Biswajit Das	49	Company Secretary & Chief Compliance Officer	9,98,533/-	Non-contractual	B.Com (Hons), ACS.	23	18/06/2015	The Peerless General Finance & Investment Co. Ltd. /Manager
3	Dibyendu Basu	45	Chief Manager-Operation	8,75,459/-	Non-contractual	B.Tech, MBA	18	01/01/2014	The Peerless General Finance & Investment Co. Ltd. / Chief Manager
4	Partha Bose	52	Chief Financial Officer	5,52,896/-	Non-contractual	B.SC., ICWA	24	29/09/1994	NIL
5	Rajat Kanti Bhanja Choudhury	43	Manager-Operation & Accounts	3,00,220/-	Non-contractual	B. Com (Hons.) & MBA	14	12/06/2015	TATA Asset Management Ltd. / Regional Co-ordinator (Operation)
6	Avijit Nag	44	Asstt. Manager-Accounts & product	2,87,100/-	Non-contractual	B. Com (Hons.)	23	16/12/2015	P. N. Memorial Neuro Center & Research Institute Limited/Officer - Admin.
7	Saptarshi Roy Bardhan (joined w.e.f 20.12.2017)	52	Chief Manager-Legal & Risk	2,51,508/-	Non-contractual	B.Com (Hons) , MBA (Finance)	25	20/12/2017	BMA Wealth Creators Ltd
8	Shampa Banerjee	52	Asstt. Manager	2,31,115/-	Non-contractual	M.A., B. Ed.	23	29/01/1996	NIL
9	Rashmi Singh (joined w.e.f 05.06.2017)	23	Exe Asst. to MD &CEO	1,88,441/-	Non-contractual	Pursuing B.SC Hons	3	05/06/2017	HR Spot Pvt. Ltd
10	Moumita Podder Das (upto 26/05/2017)	38	Exe Asst. to MD & CEO	72,422/-	Non-contractual	B.A (Hons)	11	27/01/2014	Magma Fincorp Ltd/ Sr. MIS Executive

B. Employed throughout the financial year and in receipt of remuneration aggregating Rs.1,02,00,000/- or more per annum

None

C. Employed for a part of the financial year and in receipt of remuneration aggregating Rs. 8,50,000/- or more per month

None

- Notes:
1. Gross remuneration comprises salary and allowances, company's contribution to Provident Fund, Monetary value of perquisites etc. The Employees are also entitled to gratuity in accordance with the rules of the Company.
 2. The nature of employment is contractual in case of Managing Director & CEO. In respect of all the other employees, the nature of employment is non-contractual, terminable by notice of either side and liable to transfer to any division/holding/associate companies.
 3. None of the employees is a relative of any Director of the Company.
 4. None of the employees together with their relatives hold shares of 2% or more of the paid up share capital of the Company.

Kolkata
Dated : 19th June, 2018
Registered office :
"PEERLESS BHAVAN"
3, Esplanade East
Kolkata - 700 069.

For and on behalf of the Board

Deepak Mukerjee
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEERLESS FINANCIAL SERVICES LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of Peerless Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2018;
- ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

As stated in Note 26 of the accompanying financial statements, the Company is not a Systematically Important Non-deposit taking Non-Banking Financial Company and therefore provisions of para 3(C)(iv) are not applicable to the Company.

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 purpose 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 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 March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As per representation received from the management, the Company has disclosed the impact of pending litigations on its financial position in its financial statements (refer Note 21(a) of the financial statements);
 - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long term contracts. As explained, the Company does not have any derivative contracts.
 - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No.: 106655W

S. M. Chitale
Partner

Place : Kolkata
Date : 19th June, 2018

Membership No.: 111383

‘Annexure A’ to the Independent Auditors’ Report-

Statement on the matters specified in paragraphs 3 and 4 of Companies (Auditor’s Report) Order, 2016 (Referred to in paragraph 5 of our Audit Report of even date)

- i. According to the information and as explained to us:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) Fixed assets of the Company were physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its business. No material discrepancies in respect of the assets verified during the year were noticed.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property are held in the name of the Company.
- ii) The Company has no inventory and accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured and unsecured to any company, firm, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a) to (c) of the Order is not applicable to the Company.
- iv) According to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security in connection with any loan taken by persons specified under Section 185 of the Act. As explained to us, since the Company is engaged in the business of financing of companies and has not acquired securities of any other body corporate, provisions of section 186 of the Act are not applicable to the Company.
- v) The Company has not accepted any deposits and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.
- vi) According to the information and explanations given to us, the maintenance of cost records under Section 148(1) of the Act has not been specified and as such, paragraph 3(vi) of the Order is not applicable to the Company.
- vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Employee’s State Insurance, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues where applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of aforesaid dues for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, as per our verification of the records of the Company, there are no dues with respect to income tax or sales tax or service tax or duty of customs or duty of excise or value added tax and cess which have not been deposited on account of any dispute, except as given hereunder:

Name of Statute	Nature of the Dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	16,23,940	A.Y. 2008-2009	Dy. Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	9,48,840	A.Y. 2013-2014	Commissioner of Income Tax (Appeals)

- viii) According to the information and explanations given to us, the company has not taken any loans or borrowings taken during the year from any financial institution, banks, government or debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

- ix) The Company has not raised monies by way of Initial Public Offer or further public offer (including debt instruments) and term loans and as such paragraph 3(ix) of the Order is not applicable to the Company.
- x) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud by the Company or on the Company by its officers or employees, nor have we been informed of any such case by the management.
- xi) According to the information and explanations given to us, and based on our examination of the records, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore paragraph 3(xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors/persons connected with the directors and therefore provisions of section 192 of the Act are not applicable to the Company.
- xvi) According to the information and explanations given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the said registration has been obtained.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No.: 106655W

Place : Kolkata
Date : 19th June, 2018

S. M. Chitale
Partner
Membership No.: 111383

Annexure “B” to the Independent Auditors’ Report

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

(Referred to in paragraph 8(f) of our Audit Report of even date) Annexure ‘B’ referred to in our report of even date

We have audited the internal financial controls over financial reporting of Peerless Financial Services Limited (“the Company”) as at March 31, 2018 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the 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 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No.: 106655W

Place : Kolkata
Date : 19th June, 2018

S. M. Chitale
Partner
Membership No.: 111383

BALANCE SHEET
AS AT 31ST MARCH, 2018

(Figures in Rupees)

Particulars	Schedule	As at 31.3.2018	As at 31.3.2017
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	37,25,79,080	37,25,79,080
(b) Reserves and Surplus	3	14,28,65,257	12,25,36,659
(2) Non-Current Liabilities			
(a) Long term provisions	4	8,14,748	9,42,750
(b) Deferred Tax liabilities(net)	8	6,04,273	—
(3) Current Liabilities			
(a) Trade payables Outstanding dues of creditors [Includes dues of Micro & small enterprises Rs. Nil (Prev Year Rs. Nil)]	5	4,80,962	5,33,158
(b) Other current liabilities	6	2,64,830	8,66,081
(c) Short-term provisions	7	1,81,965	1,88,538
TOTAL		51,77,91,115	49,76,46,266
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
i) Tangible Assets		1,28,19,796	1,30,39,542
ii) Intangible Assets		91,428	26,721
iii) Capital W.I.P		50,000	—
		1,29,61,224	1,30,66,263
(b) Deferred tax assets (net)	8	—	2,21,886
(c) Long-term loans and advances			
– Financing by way of Loans	10	2,41,47,299	2,54,98,490
– Other Long Term Advances	11	1,97,64,748	1,36,02,449
(2) Current Assets			
(a) Current investments	12	32,50,29,035	40,32,00,000
(b) Cash and Bank balances	13	7,22,81,111	15,59,520
(c) Short-term loans and advances	14	3,54,567	3,37,145
(d) Other current assets			
– Current Maturities of Long Term Loans	10	6,14,56,860	3,96,41,064
– Other Current Assets	15	17,96,271	5,19,449
TOTAL		51,77,91,115	49,76,46,266

The Notes to Account forms integral part of Financial Statements 1 to 27

M/s Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W
S. M. Chitale
Partner
Membership No. 111383

Place : Kolkata
Dated: 19th June, 2018

Biswajit Das
Company Secretary

Partha Bose
Chief Financial Officer

On behalf of the Board

Deepak Mukerjee Dipankar Chatterji
Chairman Director
DIN-00046690 DIN-00031256

Abhishek Tantia
Managing Director & CEO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Schedule	(Figures in Rupees)	
		Year ended 31.3.2018	Year ended 31.3.2017
I. Revenue from Operations	16	4,26,19,854	5,42,71,015
II. Other Income	17	15,78,683	35,89,649
III. Total Revenue (I+II)		4,41,98,537	5,78,60,664
IV. Expenses			
Employee benefits expense	18	77,30,443	69,67,362
Depreciation and Amortisation expense	9	5,36,252	11,43,138
Other expenses	19	77,54,085	12,69,86,250
Total Expenses (IV)		1,60,20,780	13,50,96,750
V. Profit before tax (III-IV)		2,81,77,757	(7,72,36,086)
VI. Taxation			
Current tax		70,23,000	—
Deferred taxation		8,26,159	2,53,534
VII. Profit/(Loss) for the year (V-VI)		2,03,28,598	(7,74,89,620)
Earning per equity share face value of Rs. 10 each			
Basic and Diluted		0.55	(2.08)
The Notes to Account forms integral part of Financial Statements	1 to 27		

M/s Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W
S. M. Chitale
Partner
Membership No. 111383
Place : Kolkata
Dated: 19th June, 2018

Biswajit Das
Company Secretary

Partha Bose
Chief Financial Officer

On behalf of the Board

Deepak Mukerjee Dipankar Chatterji
Chairman Director
DIN-00046690 DIN-00031256

Abhishek Tantia
Managing Director & CEO

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

	Year ended on 31.3.2018	Year ended on 31.3.2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	2,81,77,757	(7,72,36,086)
Adjustment for –		
Depreciation and Amortization	5,36,252	11,43,138
Contingent Provision for Standard Assets written back	(1,61,805)	(5,23,239)
Bad debt written off	—	12,06,24,997
Provision for diminution in the value of current investments no longer required	—	(18,27,196)
Liability for expenses written back	(77,615)	(8,24,026)
Prior Period Income	(3,13,129)	—
Net gain on sale of current investments	(2,92,94,058)	(2,50,65,815)
Interest Income on Fixed Deposit	(3,83,342)	—
Dividend Income on Current Investments	(8,64,345)	(39,000)
Provision for doubtful loan	11,91,865	—
Provision for Unrecognised Income	—	7,33,801
Operating profit/ (loss) before working capital changes	(11,88,420)	1,69,86,574
Movements in working capital –		
Increase/ (Decrease) in Trade Payable	(52,196)	(2,45,207)
(Increase)/ Decrease in loans and advances and other assets	(2,88,73,528)	24,82,10,429
Increase/ (Decrease) Liabilities/ Provisions	(6,58,210)	(3,16,000)
Cash Generated/ (Utilised) from/in Operations	(3,07,72,354)	26,46,35,796
Less: Direct Taxes Paid (Net)	(67,87,551)	(48,17,221)
Net Cash from Operating Activities (A)	(3,75,59,905)	25,98,18,575
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of current investments	(2,04,46,36,983)	(3,77,95,65,193)
Sale of current investments	2,15,21,02,006	3,52,74,28,630
Dividend Income on Current Investments	8,64,345	39,000
Net Investments in Fixed Assets	(4,31,213)	(98,19,689)
Income from Fixed Deposits	3,83,342	—
Net Cash from Investing Activities (B)	10,82,81,496	(26,19,17,252)

	Year ended on 31.3.2018	Year ended on 31.3.2017
C) CASH FLOW FROM FINANCING ACTIVITIES		
Intercorporate Deposit	—	—
Payment of Interest Expense	—	—
Net Cash from Financing Activities (C)	<u>—</u>	<u>—</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	7,07,21,591	(20,98,674)
Opening Cash and Cash Equivalents	15,59,520	36,58,197
Closing Cash and Cash Equivalents	<u>7,22,81,111</u>	<u>15,59,520</u>

The Notes to Account forms integral part of Financial Statements 1 to 27

The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS) 3 on Cash Flow Statements.

M/s Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W
S. M. Chitale
Partner
Membership No. 111383
Place : Kolkata
Dated: 19th June, 2018

Biswajit Das
Company Secretary

Partha Bose
Chief Financial Officer

On behalf of the Board
Deepak Mukerjee Dipankar Chatterji
Chairman Director
DIN-00046690 DIN-00031256
Abhishek Tantia
Managing Director & CEO

Notes to the financial statements for the year ended 31st March 2018

1. Significant Accounting Policies:-

(a) Use of Estimates:

The preparation of financial statements require management to make estimates and assumptions that impact the reported amount of assets and liabilities and disclosures relating to contingent liabilities at the Balance Sheet date and the reported amounts of income and expenses for the relevant period. Difference between the actual results and estimates are recognized as and when, the results are known/materialized.

(b) Basis of Accounting:

Financial Statements have been prepared on historical cost basis on the principle of going concern. The Company follows Mercantile system of Accounting except otherwise stated.

(c) Revenue Recognition:

- The Company follows the accrual method of accounting for recognition of Income excepting in cases of uncertainties of collections, which are recognized on receipt basis.

Interest Income from financing by way of loan is recognised in terms of the respective agreements with the borrowers.

Dividend from Investments is accounted for when right to receive the same is established.

- In accordance with the guidelines issued by the Reserve Bank of India (RBI), incomes against non-performing assets are recognised on receipt basis.

(d) Fixed Assets:

Tangible Assets

All fixed assets have been shown at cost less accumulated depreciation.

Depreciation on leasehold building improvement has been provided on straight line method over the period of lease.

Depreciation on other fixed assets has been provided on straight line method based on the useful life as prescribed in Schedule II of the Companies Act, 2013.

Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortization. Computer Software packages are amortized over the best estimate of its useful life on straight line basis.

(e) Impairment of Assets

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of the fixed assets is determined. An impairment loss is recognised, whenever the carrying amounts of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a pro-rata basis.

(f) Investments:

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. Current investments also include

Notes to the financial statements for the year ended 31st March 2018

current maturities of long-term investments. All other investments are classified as non-current (long term) investments. Long-term investments are stated at cost less provision, if any, for diminution in value other than temporary. Current investments are valued at lower of cost or fair value.

(g) Loans and advances:

Classification of loans and advances are made as per the guidelines prescribed by RBI. Provision against performing (standard) and non-performing assets are made as required in terms of prudential norms prescribed by RBI. Further, assets which are considered non recoverable are fully provided for / written off.

(h) Employee Benefits:

Employee benefits are accrued in the year services are rendered by the employees.

Long-term employee benefit viz. Gratuity and Leave are determined at the close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gain and losses are recognized in the Statement of Profit and Loss as income / expense in the year in which they arise.

(i) Income Tax:

Provision for Tax is made for current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent periods are recognized using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is "virtual certainty" that such deferred tax assets can be realized against future taxable profits.

(j) Leases:

Lease rentals in respect of operating leases are recognized as expense in the statement of Profit and Loss as per the terms and conditions of the respective agreements.

(k) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes.

Notes to the financial statements for the year ended 31st March 2018
Schedule - 2
SHARE CAPITAL

(Figures in Rupees)

Particulars	As at 31.03.2018		As at 31.3.2017	
	Number	Amount	Number	Amount
A. Authorised				
Equity Shares of Rs.10/- each	10,50,00,000	1,05,00,00,000	10,50,00,000	1,05,00,00,000
10% Redeemable Preference Shares of Rs. 100/- each	5,000	5,00,000	5,000	5,00,000
Total	10,50,05,000	1,05,05,00,000	10,50,05,000	1,05,05,00,000
B. Issued and Subscribed Equity Shares of Rs.10/- each				
(i) Fully paid up	3,72,57,908	37,25,79,080	3,72,57,908	37,25,79,080
Total		37,25,79,080		37,25,79,080

a) Movement of Share Capital:

Particulars	As at 31.03.2018		As at 31.3.2017	
No. of Shares Outstanding as at 01.04.2017	3,72,57,908	37,25,79,080	3,72,57,908	37,25,79,080
New Shares issued during the year	—	—	—	—
No. of Shares Outstanding as at 31.03.2018	3,72,57,908	37,25,79,080	3,72,57,908	37,25,79,080

b) Disclosure with respect to Shareholding in excess of 5%:

Name of the Shareholder	As at 31.03.2018		As at 31.3.2017	
	Name of the Shares held	% of Shareholding	Name of the Shares held	% of Shareholding
The Peerless General Finance & Investment Company Limited	3,44,89,401	92.57%	3,44,89,401	92.57%
Total	3,44,89,401	92.57%	3,44,89,401	92.57%

c) Rights, Preferences & Restrictions attached to Shares:

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity is entitled to one vote per share. The Company may declare and pay dividends. The dividend, if any proposed by the Board of Directors of the Company 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 equity shares will be entitled to receive remaining assets of the Company, after distribution of all Preferential amounts in proportion to the number of equity shares held by them.

Notes to the financial statements for the year ended 31st March 2018

Schedule-3

RESERVES AND SURPLUS

(Figures in Rupees)

Particulars	As at 31.03.2018		As at 31.3.2017	
	Number	Amount	Number	Amount
Capital Redemption Reserve				
At the commencement of the year	8,000		8,000	
Add/(Less): Changes during the year	—		—	
At the end of year		8,000		8,000
Securities Premium Account				
At the commencement of the year	16,83,80,853		16,83,80,853	
Add/(Less): Changes during the year	—		—	
At the end of year		16,83,80,853		16,83,80,853
Special Reserve (in terms of Section 451C of Reserve Bank of India Act, 1934)				
At the commencement of the year	83,40,857		83,40,857	
Add: Transferred from Statement of Profit and Loss	41,09,587		—	
At the end of year		1,24,50,444		83,40,857
Surplus i.e. balance in the Statement of Profit and Loss				
At the commencement of the year	(5,41,93,051)		2,32,96,569	
Add: Profit /(loss) for the year	2,03,28,598		(7,74,89,620)	
Less: Transfer to Special Reserve U/S 451C of the Reserve Bank of India Act, 1934	(41,09,587)		—	
Net Surplus at the end of period/ year in the Statement of Profit and Loss		(3,79,74,040)		(5,41,93,051)
TOTAL		14,28,65,257		12,25,36,659

Schedule-4

LONG TERM PROVISIONS

(Figures in Rupees)

Particulars	As at 31.3.2018	As at 31.3.2017
Provision for Employee Benefits	7,54,292	8,79,004
Contingent Provision against Standard Assets	60,456	63,746
TOTAL	8,14,748	9,42,750

Schedule-5

TRADE PAYABLE

(Figures in Rupees)

Particulars	As at 31.3.2018	As at 31.3.2017
Trade Payables*	4,80,962	5,33,158
TOTAL	4,80,962	5,33,158

* Include amount payable to related party of Rs. 47,952 (Previous Year 19,058)

Notes to the financial statements for the year ended 31st March 2018
Schedule-6
OTHER CURRENT LIABILITIES

(Figures in Rupees)

Particulars	As at 31.3.2018	As at 31.3.2017
Interest on Non performing loans pending realisation	—	7,33,801
Other Payables		
Statutory Dues - TDS ,P.F, P.Tax, service tax etc.	2,64,723	13,257
Income Received in Advance	107	103
Other Payable	—	1,18,920
TOTAL	2,64,830	8,66,081

* Include amount payable to related party of Rs. 47,952 (Previous Year 19,058)

Schedule-7
SHORT TERM PROVISIONS

(Figures in Rupees)

Particulars	As at 31.3.2018	As at 31.3.2017
Provision for Employee Benefits	49,420	89,343
Contingent Provision against Standard Assets	1,32,545	99,195
TOTAL	1,81,965	1,88,538

Schedule-8
Deferred Tax Liability / (Assets)

(Figures in Rupees)

Particulars	Opening as on 01.04.2017	Charge/ credit during the period	Closing as on 31.03.2018
Deferred Tax assets			
i) on account of expenses allowable on payment basis	(3,20,165)	8,17,087	4,96,922
ii) On account of Depreciation difference	98,279	9,072	1,07,351
Net Deferred Tax Liability/ (Assets)	(2,21,886)	8,26,159	6,04,273
Previous Year	(4,75,420)	2,53,534	(2,21,886)

Notes to the financial statements for the year ended 31st March 2018

Schedule-9 FIXED ASSETS

(Figures in Rupees)

PARTICULARS	GROSS BLOCK (A)			DEPRECIATION/AMORTIZATION (B)					NET BLOCK (A-B)	
	Balance as on 01.04.2017	Additions	Disposal/ Adjustments	Balance as on 31.03.2018	For the Year	Disposal/ Adjustments	Depreciation Adjustments*	Balance as on 31.03.2018	Balance as on 31.03.2018	Balance as on 31.03.2017
(A) Tangible Assets										
Improvement to Leasehold Building	6,52,382	—	—	6,52,382	72,487	—	41	2,90,911	3,61,471	4,33,917
Building (including flat)	97,71,737	—	—	97,71,737	1,62,862	—	—	2,03,466	95,68,271	97,31,133
Data Processing Equipments	27,41,314	1,98,077	—	29,39,391	73,210	—	12,805	27,45,835	1,93,556	55,884
Motor Car	10,88,236	—	—	10,88,236	1,28,629	—	18,274	5,53,633	5,34,603	6,44,958
Electrical Machinery	12,72,412	4,700	—	12,77,112	1,17,127	—	26,358	5,86,986	6,90,126	7,76,195
Furniture and Fixtures	24,52,502	—	—	24,52,502	2,37,570	—	2,42,687	10,62,418	13,90,084	13,84,967
Office Equipment	3,53,267	71,559	—	4,24,826	9,437	—	7,075	3,43,141	81,685	12,488
Total(A)	1,83,31,850	2,74,336	—	1,86,06,186	8,01,322	—	3,07,240	57,86,390	1,28,19,796	1,30,39,542
Previous Year	86,35,453	97,96,997	1,00,600	1,83,31,850	5,84,966	—	49,692	52,92,308	1,30,39,542	
(B) Intangible Assets										
Computer Software	20,46,635	1,06,877	—	21,53,512	40,922	—	(1,248)	20,62,084	91,428	26,721
Total(B)	20,46,635	1,06,877	—	21,53,512	40,922	—	(1,248)	20,62,084	91,428	26,721
Previous Year	19,73,035	73,600	—	20,46,635	5,58,172	—	—	20,19,914	26,721	—
TOTAL(A+B)	2,03,78,485	3,81,213	—	2,07,59,698	8,42,244	—	3,05,992	78,48,474	1,29,11,224	1,30,66,263
Previous Year	1,06,08,488	98,70,597	1,00,600	2,03,78,485	11,43,138	—	49,692	73,12,222	1,30,66,263	—
Capital Work In Progress	—	—	—	—	—	—	—	50,000	—	—

Notes to the financial statements for the year ended 31st March 2018
Schedule-10
LONG-TERM LOANS AND ADVANCES
(i) Financing by way of Loans
(Secured and Considered good unless otherwise stated)

(Figures in Rupees)

Particulars	As at 31.3.2018		As at 31.3.2017	
	Non-Current Maturities	Current Maturities	Non-Current Maturities	Current Maturities
Loans and Advances to related parties				
Secured Loan against hypothecation of Plant and Machinery- Peerless Hospitex Hospital & Research Center Limited	—	—	—	8,00,018
Unsecured Business Loan	2,20,00,001	—	—	—
Loans and Advances to Other parties				
Unsecured Business Loan	—	5,00,00,000	—	—
Secured loan against margin funding	—	15,88,597	—	5,00,000
Secured Loan against Mortgage of properties	—	1,00,00,000	—	1,25,00,000
Secured Loan against charge of Machines & equipments	—	—	2,54,98,490	2,18,72,843
Secured Loan against Mortgage of Properties & Pledge of shares	—	—	—	39,68,200
		6,15,88,597		3,96,41,061
Less : Provision for Doubtful Debts		10,00,000		—
		6,05,88,597		3,96,41,061
Unsecured				
Loan against Salary	21,47,298	8,68,260	—	—
Loan against pledge of shares	—	3	—	3
TOTAL	2,41,47,299	6,14,56,860	2,54,98,490	3,96,41,064

Schedule-11
OTHER LONG TERM ADVANCES
(Unsecured and considered good unless otherwise stated)

(Figures in Rupees)

Particulars	As at 31.3.2018	As at 31.3.2017
Security Deposits	1,56,650	1,56,650
Advances to related parties (Refer Note 2.20)		
Capital Advance against flat- Bengal Peerless Housing Development Company Limited for acquiring Flat	66,81,162	—
Other Advances		
Advance Tax including Tax deducted at Source (Net of Provisions)	1,27,01,186	1,29,36,635
Prepaid Expenses	2,25,750	5,09,164
TOTAL	1,97,64,748	1,36,02,449

Notes to the financial statements for the year ended 31st March 2018

Schedule -12

CURRENT INVESTMENTS

(Fully Paid-up)

(Valued at cost or fair value, whichever is lower)

(Figures in Rupees)

Particulars	As at 31.3.2018			As at 31.3.2017		
	Number/ Unit	Nominal Value/ Face Value	Amount	Number/ Unit	Nominal Value/ Face Value	Amount
Investments in Mutual Funds - Unquoted						
(a) Peerless Liquid Fund - Growth	—	—	—	35,365.255	1,000	6,32,00,000
(b) Baroda Pioneer Treasury Advantage Fund - Plan -B - Growth	2,41,261.370	1,000	5,00,00,000	36,530.214	1,000	7,00,00,000
(c) Franklin India Ultra Short Bond Fund - Direct Plan - Growth	49,87,241.022	10	12,00,00,000	22,45,455.190	10	5,00,00,000
(d) Franklin India Treasury Management Account - SIP Growth	—	—	—	20,601.022	1,000	5,00,00,000
(e) DHFL pramerica Low Duration Fund	—	—	—	22,07,154.713	10	5,00,00,000
(f) BOI - AXA Treasury Advantage Fund - direct Plan Growth	—	—	—	35,565.672	1,000	7,00,00,000
(g) India Bulls Liquid fund - Direct Growth	—	—	—	31,535.027	1,000	5,00,00,000
(h) Aditya Birla Sun Life Floating Rate Fund	1,39,929.483	10	3,00,29,035	—	—	—
(i) Invesatment in L & T Floating Rate Fund	43,00,982.487	—	7,50,00,000	—	—	—
(j) DHFL Pramerica Ultra Short Term Fund	23,50,994.000	10	5,00,00,000	—	—	—
Total			32,50,29,035			40,32,00,000
Less: Provision for diminution in the value of investments			—			—
Net Value of Investments *			32,50,29,035			40,32,00,000

Aggregate amount of:

(Figures in Rupees)

Particulars	As at 31.3.2018	As at 31.3.2017
Quoted Investment	—	—
Unquoted Investment	32,50,29,035	40,32,00,000
Diminution in the Value of Investment	—	—
Market Value of unquoted Investment	32,61,28,588	40,42,27,088
Market Value of quoted Investment	—	—

* Includes amount of investment with related party of Rs. Nil (Previous Year 6,32,00,000)

Notes to the financial statements for the year ended 31st March 2018

Schedule-13

CASH AND BANK BALANCES

(Figures in Rupees)

Particulars	As at 31.3.2018	As at 31.3.2017
A. Cash and Cash Equivalents		
a) Balances with Banks		
In Current Accounts	2,22,66,470	15,52,317
In Fixed Deposits	5,00,00,000	—
b) Cash on Hand	14,641	7,203
Total	7,22,81,111	15,59,520

Schedule-14

SHORT-TERM LOANS AND ADVANCES

(Unsecured and considered good unless otherwise stated)

(Figures in Rupees)

Particulars	As at 31.3.2018	As at 31.3.2017
Others		
Prepaid Expenses	3,54,567	3,37,145
TOTAL	3,54,567	3,37,145

Schedule-15

OTHER CURRENT ASSETS

(Figures in Rupees)

Particulars	As at 31.3.2018	As at 31.3.2017
Interest Receivable –		
Loan		
Accrued but not Due *	9,37,405	64,221
Accrued and Due	1	3,507
Others	432	1,69,100
Service Tax Input Credit	—	2,82,621
GST Input Credit	8,58,433	—
TOTAL	17,96,271	5,19,449

* Includes Amount receivable from related party Rs. 1,91,096 (Previous Year Nil)

Notes to the financial statements for the year ended 31st March 2018

Schedule-16

REVENUE FROM OPERATIONS

(Figures in Rupees)

Particulars	Year ended on 31.3.2018	Year ended on 31.3.2017
A. Fund Based:		
<u>Interest Income (Gross)</u>		
Loans	80,21,006	2,90,97,708
Upfront Fees and charges	1,77,000	3,000
B. Fee Based:		
<u>Other Financial Services</u>		
Commission Income	90,832	65,490
C. <u>Other Operating Revenues</u>		
Net Gain on Sale of Current Investments	2,92,94,058	2,50,65,817
Recovery of Bad debt	41,72,613	—
<u>Dividend Income</u>		
On Current Investments	8,64,345	39,000
TOTAL	4,26,19,854	5,42,71,015

Schedule-17

OTHER INCOME

(Figures in Rupees)

Particulars	Year ended on 31.3.2018	Year ended on 31.3.2017
Miscellaneous Income	1,02,792	2,80,188
Interest on FD	3,83,342	—
Rental Income	5,40,000	1,35,000
<u>Provisions no longer required:</u>		
Diminution in the value of current investment	—	18,27,196
Liability written back	77,615	8,24,026
Prior Period Income	3,13,129	—
Provision against standard assets written back	1,61,805	5,23,239
TOTAL	15,78,683	35,89,649

Notes to the financial statements for the year ended 31st March 2018
Schedule-18
EMPLOYEES BENEFIT EXPENSES

(Figures in Rupees)

Particulars	Year ended on 31.3.2018	Year ended on 31.3.2017
Salaries, Wages and Bonus, etc. *	72,37,630	65,66,082
Contribution to Provident Fund and Administrative Charges and ESI contribution	4,49,367	3,64,004
Staff Welfare expenses	43,446	37,276
TOTAL	77,30,443	69,67,362

* Includes Salary to Managing Director Rs. 28,26,587 (Previous Year Rs. 27,65,112)

Schedule-19
OTHER EXPENSES

(Figures in Rupees)

Particulars	Year ended on 31.3.2018	Year ended on 31.3.2017
Rent	11,55,060	23,73,820
Repairs & maintenance to Machinery	3,73,969	54,877
Rates and Taxes	5,37,401	3,85,106
Auditors Remuneration		
Audit Fees	1,25,000	1,25,000
Tax Audit Fees	10,000	10,000
Certificate	45,000	75,000
Legal and Professional Fees	20,59,694	10,20,715
Filing Fees	20,488	11,914
Travelling Expenses	1,49,894	1,33,480
Advertisement	1,32,588	65,000
Directors' Sitting Fees	6,85,000	5,10,000
Loans and Advances written off	—	12,06,24,997
Provision for Doubtful Debt	10,00,000	—
Provision Standard Assets	1,91,865	—
Miscellaneous Expenditure	12,68,126	15,96,341
TOTAL	77,54,085	12,69,86,250

20 The disclosures which are required under Accounting Standard - 15 are given below:

Defined Benefit Scheme:

The employees' gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Notes to the financial statements for the year ended 31st March 2018

Based on actuarial valuation report of the actuary, disclosures with respect to gratuity liability ascertained based on actuarial valuation carried out at the end of the year are as follows:

Gratuity

Figures in Rupees)

		2017-18	2016-17	
i. Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:	Liability at the beginning of the year	5,55,848	6,09,416	
	Interest cost	44,604	61,989	
	Current Service Cost	1,14,737	1,86,993	
	Actuarial (Gain)/Loss on obligations	1,24,660	(3,02,550)	
	Benefits paid	—	—	
	Liability at the end of the year	8,39,849	5,55,848	
	ii. Amount Recognized in Balance Sheet		2017-18	2016-17
	Liability at the end of the year	8,39,849	5,55,848	
Fair value of Plan Assets at the end of the year	(6,63,704)	—		
Amount recognized in the Balance Sheet	1,76,145	5,55,848		
iii. Expenses recognized in the Statement of Profit and Loss	Current service cost	1,14,737	1,86,993	
	Interest cost	44,604	61,989	
	Expected Return on Plan Assets	—	—	
	Net Actuarial (gain)/loss to be Recognized	1,01,089	(3,02,550)	
	Benefit Payments	—	—	
	Expenses Recognized in Statement of Profit and Loss	2,60,430	(53,568)	
	Actual Return on Plan Asset	23,571	—	
iv. Balance Sheet Reconciliation	Opening Net Liability	5,55,848	6,09,416	
	Expenses as above	2,60,430	(53,568)	
	Employers Contribution	(6,40,133)	—	
	Amount recognized in the Balance Sheet	1,76,145	5,55,848	

Notes to the financial statements for the year ended 31st March 2018

(Figures in Rupees)

	2013-14	2014-15	2015-16	2016-17	2017-18
v. Other Disclosures					
Present value of defined benefit obligation	2,33,145	4,06,384	6,09,416	5,55,848	8,39,849
Fair value of Plan assets	—	—	—	—	6,63,704
Surplus or (Deficit)	(2,33,145)	(4,06,384)	(6,09,416)	(5,55,848)	(1,76,145)
Experience adjustments					
Exp. Adj. on Plan Liabilities	4,222	(19,663)	52,641	(3,27,086)	1,48,429
Exp. Adj on Plan Assets	—	—	—	—	23,571

(Figures in Rupees)

vi. Principal Actuarial assumption at the Balance Sheet	2017-18	2016-17
Discount Rate	7.75%	6.85%
Expected Rate of Return on Assets (p.a.)	7.50%	0.00%
Rate of escalation in salary	8.00%	8.00%

Note- Assumptions relating to future salary increases, attrition, and interest rate for discount have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

Defined Contribution Scheme

(Figures in Rupees)

Particulars	Year ended on 31.3.2018	Year ended on 31.3.2017
Employer's Contribution to Provident Fund	4,10,886	3,43,672
Employer's Contribution to E.S.I	38,480	20,332

Compensated Absences

The obligation for compensated absences is determined based on actuarial valuation using the Projected Unit Credit Method. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the company as at year end is given below:

Particulars	2017-18	2016-17
Privileged Leave	4,38,516	3,15,146
Sick Leave	1,89,051	97,353
TOTAL	6,27,567	4,12,499

21. Contingent Liabilities and Commitments:

(to the extent not provided for)

a) Contingent Liabilities:

In respect of Income Tax matters pending in appeal for the assessment year 2008-2009 Rs.16,23,940/- (Previous Year - Rs.16,23,940/-) and for the assessment year 2013-14 Rs.9,48,840/- (previous year - Rs.9,48,840/-)

In the opinion of the Management the above demands are not tenable and future cash outflows in respect of the same are determinable on the outcome of decisions pending with relevant Authorities.

Notes to the financial statements for the year ended 31st March 2018

b) Commitments:

(Figures in Rupees)

Particulars	As at 31.3.2018	As at 31.3.2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance made there against) (inclusive of GST).	2,81,61,373	—

2.20 Related Party Disclosures as required as per Accounting Standard - 18 on Related Party Disclosures are as below:

- Related parties with whom transactions have been taken place during the year ended on 31st March, 2018.

Holding Company

The Peerless General Finance & Investment Company Limited

Associates, Group Enterprises and Companies under common control

- Peerless Hospitex Hospital & Research Center Limited
- Peerless Financial Products Distribution Ltd.
- Peerless Securities Limited
- Bengal Peerless Housing Development Company Limited
- Peerless Funds Management Company Limited (up to 19th September, 2017)
- Kaizen Hotels & Resorts Limited
- Peerless Trust Management Company Limited (up to 19th September, 2017)
- Peerless Hotels Ltd.
- Kaizen Leisure & Holidays Ltd.

Key Management Personnel (KMP)

Mr. Abhishek Tantia – Managing Director and Chief Executive Officer
 Mr. Partha Bose – Chief Financial Officer
 Mr. Biswajit Das – Company Secretary & Chief Compliance Officer

The Company's related party transactions during the year and outstanding balances as at 31st March, 2018 are annexed herewith:

Notes to the financial statements for the year ended 31st March 2018

(Figures in Rupees)

Particulars	Holding Company, Associates, Group Enterprises and Companies under common control								Grand Total	
	The Peerless General Finance & Investment Company Ltd.	Peerless Hospital & Research Center Ltd	Bengal Peerless Housing Development Company Ltd.	Kaizen Leisure & Holidays Ltd.	Peerless Hotels Ltd.	Peerless Securities Ltd.	Peerless Mutual Fund (Managed by Peerless Funds Mgmt. Co. Ltd.)	Kaizen Hotels & Resorts Ltd.		Key Management personnel
INCOME										
Reimbursement of Expenses	—	—	—	—	—	—	—	—	—	—
Rental of flat & reimbursement of Maintenance Expenses (incl. Service tax)	—	—	—	—	6,19,632	(2,023)	—	—	—	(2,023)
Interest on Loan	—	18,379	—	—	—	65,094	—	5,25,534	—	6,09,007
Uprfront Fees (incl. GST)	—	—	—	—	—	—	—	2,06,500	—	2,06,500
TOTAL	—	18,379	—	—	6,19,632	65,094	—	7,32,034	—	14,35,139
	(—)	(1,42,128)	(—)	(—)	(—)	(2,023)	(—)	(—)	(—)	(1,44,151)
	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)
EXPENSES										
Brokerage for share transaction	—	—	—	—	—	44,819	—	—	—	44,819
Demat Charges	—	—	—	—	—	(1,33,451)	—	—	—	(1,33,451)
Reimbursement of personnel expenses	—	—	—	—	—	3,720	—	—	—	3,720
Advisory Fees	—	—	—	—	—	(3,205)	—	—	—	(3,205)
Cost of Air ticket (incl. Service tax)	—	—	—	—	—	(6,64,470)	—	—	—	(6,64,470)
Rent (including Service Tax)	13,57,308	—	—	—	—	70,622	—	—	—	70,622
Cost of Food packets/ Room booking for meeting etc.	—	—	—	—	—	(—)	—	—	—	(—)
Remuneration	—	—	—	—	42,522	(61,899)	—	—	—	42,522
Expenses and deposit amount for registration of flat	—	—	—	—	—	(—)	—	—	—	(—)
TOTAL	13,57,308	—	—	26,415	42,522	1,19,161	—	—	43,93,029	59,38,435
	(11,36,138)	(—)	(4,35,554)	(30,675)	(61,899)	(8,01,126)	(—)	(—)	(40,38,887)	(65,04,279)

Notes to the financial statements for the year ended 31st March 2018

PEERLESS FINANCIAL SERVICES LIMITED



Particulars	Holding Company, Associates, Group Enterprises and Companies under common control										Grand Total
	The Peerless General Finance & Investment Company Ltd.	Peerless Hospital & Research Center Ltd	Bengal Peerless Housing Development Company Ltd.	Kaizen Leisure & Holidays Ltd.	Peerless Hotels Ltd.	Peerless Securities Ltd.	Peerless Mutual Fund (Managed by Peerless Funds Mgmt. Co. Ltd.)	Kaizen Hotels & Resorts Ltd.	Key Management personnel		
INVESTMENT											
Purchase of Investment in Mutual Fund/ Equity shares	-	-	-	-	-	-	10,32,00,000 (19,17,08,876)	-	-	-	10,32,00,000 (19,17,08,876)
Sale of Investment in Mutual Fund/Equity Shares	-	-	-	-	-	-	10,32,00,000 (19,17,08,876)	-	-	-	10,32,00,000 (19,17,08,876)
DISBURSEMENT OF LOAN											
Amount disbursed for Business Loan	-	-	-	-	-	1,00,00,000	-	2,20,00,000	-	-	3,20,00,000
TOTAL	-	-	-	-	-	1,00,00,000	-	2,20,00,000	-	-	3,20,00,000
CAPITAL ASSETS											
Purchase of Capital Assets	-	-	(97,71,737)	-	-	-	-	-	-	-	(97,71,737)
TOTAL	-	-	(97,71,737)	-	-	-	-	-	-	-	(97,71,737)
OUTSTANDING BALANCES											
Loan Given including interest	-	(8,02,780)	-	-	-	-	-	2,20,00,000	-	-	2,20,00,000 (8,02,780)
Advance for acquiring Flat	-	-	66,81,162	-	-	-	-	-	-	-	66,81,162
Interest on loan	-	-	-	-	-	-	-	1,91,096	-	-	1,91,096
Receivable of Rent and maintenance Expenses (incl. Service tax)	-	-	-	-	(1,75,158)	-	-	-	-	-	(1,75,158)
Payable of Expenses	-	-	-	(17,468)	-	(1590)	-	-	47,952	-	47,952 (19,058)
Investment in Mutual Fund	-	-	-	-	-	-	(6,32,00,000)	-	-	-	(6,32,00,000)
TOTAL	-	(8,02,780)	66,81,162	(17,468)	51,636 (1,75,158)	19,114 (1590)	-	2,21,91,096	47,952	-	2,89,90,960 (9,96,996)

Note: A) Remuneration to the Key Management Personnel does not include the provisions made for Gratuity Benefits, as they are determined on an Actuarial basis for the Company as a whole.
 B) Previous Year's Figures are indicated in brackets

23. Details of Earning per Share (EPS):

(Figures in Rupees)

Particulars	Year ended on 31.3.2018	Year ended on 31.3.2017
Profit/(Loss) After Tax	2,03,28,598	(7,74,89,620)
Weighted Average Number of Equity Shares used as denominator for calculating EPS	3,72,57,908	3,72,57,908
Earnings per share		
Basic and Diluted	0.55	(2.08)
Face Value Per Equity Share (Rs.)	10	10

24. (a) Reserve Bank of India (RBI) vide its letter dated 05.12.2011 has granted the approval to carry on the business of a loan company. Investments, other assets and liabilities or proceeds thereof are therefore intended to be utilized for the said business activity.
- (b) In view of the above, the Company operates in a single primary business and secondary geographical segment and hence, disclosure requirements of AS 17 on Segment Reporting are not applicable to it.
25. In terms of Para 10 of Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, a provision of 0.25 percent of the outstanding amount of the standard assets during the year is required to be made. Accordingly, Rs. 1,91,865/(previous year Rs. Nil) charged out to statement of profit and loss) has been debited to statement of profit & loss and closing balance thereof is shown as "provision for Standard Assets" in these accounts.
26. The Company as per the professional advice received on application of RBI Circular No. DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014 (the Circular) and notifications issued by RBI on 27.03.2015 and 10.04.2015 for implementation thereof, has been classified as Non-Systemically Important Company. Various provisions and directions have accordingly been complied with and reported upon from time to time. In terms of the said advice, the Circular read with notifications as above dealing with aggregation of the assets of all the NBFC of the Group for the purpose of classification has not yet been made effective and as such is not applicable to the Company.
27. Previous year's figures have been regrouped / re-arranged / re-classified whenever necessary.

M/s Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W
S. M. Chitale
Partner
Membership No. 111383
Place : Kolkata
Dated: 19th June, 2018

Biswajit Das
Company Secretary

Partha Bose
Chief Financial Officer

On behalf of the Board

Deepak Mukerjee Chairman DIN-00046690	Dipankar Chatterji Director DIN-00031256
Abhishek Tantia Managing Director & CEO	

Annex 1

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

(Rs. in Lakh)

Particulars			
Liabilities side :			
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :	Amount outstanding	Amount overdue
	(a) Debenture: Secured	—	—
	: Unsecured	—	—
	(other than falling due within the meaning of public deposits*)		
	(b) Deferred Credits	—	—
	(c) Term Loans	—	—
	(d) Inter-corporate loans and borrowings	—	—
	(e) Commercial Paper	—	—
	(f) Other Loans (Specify nature)	—	—
	* Please see Note 1 below		
(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 shortfall in the value of security	—	—
(c)	Other public deposits	—	—
	* please see Note 1 below		
Asset side :		Amount outstanding	
(2)	Break-up of Loans and Advances including bills receivable [other than those included in (4) below]:		
	(a) Secured		105.89
	(b) Unsecured		750.15

(3)	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	—
	(b) Operating lease	5.40
	(ii) Stock on hire including the 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	—
(4)	Break-up of Investments	
	Current Investments	
	1. Quoted :	
	(i) Shares : (a) Equity	—
	(b) Preference	—
	(ii) Debentures and Bonds	—
	(iii) Units of Mutual Funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—
	2. Unquoted :	
	(i) Shares : (a) Equity	—
	(b) Preference	—
	(ii) Debentures and Bonds	—
	(iii) Units of Mutual Funds	3,250.29
	(iv) Government Securities	—
	(v) Others (please specify)	—
	Long Term Investments	
	1. Quoted :	
	(i) Shares : (a) Equity	—
	(b) Preference	—
	(ii) Debentures and Bonds	—
	(iii) Units of Mutual Funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—
	2. Unquoted :	
	(i) Shares : (a) Equity	—
	(b) Preference	—
	(ii) Debentures and Bonds	—
	(iii) Units of Mutual Funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—

(5)	Borrower group-wise classification of assets financed as in (2) and (3) above : Please see note 2 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties**			
	(a) Subsidiaries	—	—	—
	(b) Companies in the same group	—	220.00	220.00
	(c) Others related parties	—	—	—
	2. Other than related parties	105.88	530.16	636.04
	Total	105.88	750.16	856.04

(6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) Please see note 3 below		
	Category	Amount net of provisions	
		Market value/ Break up or fair value or NAV	Book value (Net of Provisions)
	1. Related Parties**		
	(a) Subsidiaries	—	—
	(b) Companies in the same group	—	—
	(c) Other related parties	—	—
	2. Other than related parties	3,261.29	3,250.29
	Total	3,261.29	3,250.29

** As per Accounting Standard of ICAI (please see Note 3)

(7) Other Information

	Particulars	Amount
	Gross Non-Performing Assets	—
(i)	(a) Related Parties	—
	(b) Other than related parties	100.00
	Net Non-Performing Assets	—
(ii)	(a) Related Parties	—
	(b) Other than related parties	90.00
(iii)	Assets acquired in satisfaction of debt	—

Notes:

- As defined in point xix of paragraph 3 of chapter -2 of these Directions
- Provisioning norms shall be applicable as prescribed in these Directions.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and breakup/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

