

**A N N U A L**  
**A C C O U N T S**  
**2 0 1 4      2 0 1 5**



**PEERLESS FINANCIAL SERVICES LIMITED**

**BOARD OF DIRECTORS**

<b>Shri Pranab Kumar Choudhury</b>	- <b>Chairman &amp; Independent Director</b>
<b>Shri Sunil Kanti Roy</b>	- <b>Director</b>
<b>Shri Bhargab Lahiri</b>	- <b>Director</b>
<b>Shri Dipankar Chatterji</b>	- <b>Independent Director</b>
<b>Shri Asoke Kumar Mukhuty</b>	- <b>Director</b>
<b>Shri K. Balasubramanian</b>	- <b>Director</b>
<b>Shri Sudama Ram</b>	- <b>Managing Director &amp; Chief Executive Officer</b>

**COMPANY SECRETARY**

**Shri Biswajit Das**

**AUDITORS**

**Messrs Lodha & Co.**  
**Chartered Accountants.**

**PRINCIPAL BANKERS**

**HDFC Bank Limited**  
**Central Bank of India**

**REGISTRARS AND SHARE  
TRANSFER AGENTS**

**C.B. Management Services (P) Limited**  
**P-22 Bondel Road,**  
**Kolkata – 700019**

**REGISTERED &  
CORPORATE OFFICE**

**Peerless Bhavan,**  
**3, Esplanade East,**  
**Kolkata – 700 069**  
**CIN : U65993WB1988PLC044077**  
**E-mail : pfs@peerlessfinance.in**  
**Website : www.peerlessfinance.in**

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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2014-15**

To

The Members

Your directors have pleasure in presenting their Twenty-seventh Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2015.

**Financial Highlights**

During the year under review, performance of your Company as under:

(Rupees in Lakh)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March 2015</b>	<b>Year ended 31<sup>st</sup> March 2014</b>
Turnover	229.15	119.19
Profit/(Loss) before taxation	51.06	48.44
Less: Tax Expense	5.95	(1.25)
Profit/(Loss) after tax	<b>45.11</b>	<b>49.69</b>
Add: Balance B/F from the previous year	171.58	131.83
Surplus	216.69	181.52
Transfer to Special Reserve	9.02	9.94
Balance transferred to Balance Sheet	<b>207.67</b>	<b>171.58</b>

**State of Company's Affairs and Future Outlook**

Your Company commenced lending business in the month of March 2014. As part of this new business, your Company offers loans to corporates, firms and individuals customized to suit their requirements. The bouquet of loan products consists of Loan Against Marketable Securities, Loan Against Property, Equipment Finance, Equipment Leasing and similar other products depending on market demand.

Being the first full year its lending business, your Company during 2014-15 sanctioned loans aggregating Rs.3459 Lakh and disbursed Rs.3314 Lakh. The revenue of your company increased by 92% y-o-y, from Rs.119 Lakh in 2013-14 to Rs.229 Lakh in 2014-15. The Company earned a Profit Before Tax of Rs.51.06 Lakh and Profit After Tax of Rs.45.11 Lakh during the FY 2014-15 vis-à-vis Rs.48.44 Lakh and Rs.49.69 Lakh respectively during the previous financial year.

Now well established in the market as a Loan NBFC, your Company looks forward to expanding business in coming years. A long-term business plan for the next five years commencing from FY2015-16 has been approved by the Board of Directors. The plan envisages building up a cumulative loan book of Rs.1000 Crore upto FY2018-19, to be financed by way of equity capital of Rs.275 crore and debt of Rs.725 crore progressively over the years.

#### **Dividend**

With a view to conserve the resources of the Company, your directors do not recommend any dividend for the FY 2014-15.

#### **Amounts Transferred to Reserves**

The Board of Directors of the Company has decided to carry Rs.9.02 Lakh to Special Reserve in terms of Section 45IC 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.

#### **Increase in Authorised Share Capital**

The Company needs to be adequately capitalised in order to meet the targets of its long-term business plan. Accordingly, it is proposed to increase the Authorised Capital of the Company from Rs.50,05,00,000/- to Rs.105,05,00,000/-. This will necessitate amendment of the Capital Clause of the Memorandum of Association of the Company.

Pursuant to the provisions of Section 13 of the Companies Act, 2013 read with section 61 of the said Act, the abovementioned amendments should be approved by the General Body of shareholders by way of an Ordinary Resolution.

#### **Extract of Annual Return**

The extract of Annual Return in terms of the Companies Act, 2013, has been enclosed with this report (as Annexure 'A') in the prescribed form MGT-9, for the Financial Year 2014-15.

#### **Number of Board Meetings**

During the Financial Year 2014-15, 8 (eight) meetings of the Board of Directors of the company were held on 06/05/2014, 21/06/2014, 18/08/2014, 15/09/2014, 20/10/2014, 10/11/2014, 31/01/2015 and 12/03/2015.

#### **Particulars of Loan, Guarantees and Investments under Section 186**

Since your Company is a Non-Banking Financial Company (NBFC) registered with Reserve Bank of India having principal business of giving of loans in the ordinary course of business, the provisions of Section 186 of the Companies Act, 2013 do not apply to the Company.

### **Particulars of Contracts or Arrangements with Related Parties**

Few contracts / arrangements / transactions were made in the ordinary course of business and on 'arm's length' basis with some of the related parties; and, therefore, the provisions of Section 188 of the Companies Act, 2013 do not apply to the said transactions. However, the Board advised, for the purpose of good governance, to enter the said transactions into the Register maintained under section 189 of the Companies Act, 2013 and also to disclose the same voluntarily in the Board's Report in the prescribed form. Therefore, the particulars of such contracts or arrangements with related parties for the Financial Year 2014-15 in the Form AOC-2 have been enclosed with the report (as Annexure 'B').

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

The Company has complied with relevant provisions of the Reserve Bank of India Act, 1934 and Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended. The Company has also been submitting periodic returns and audited statements regularly.

### **Explanation to Auditor's Remarks**

There is no observation in the Auditors' Report that needs to be explained or responded to.

### **Material Changes Affecting the Financial Position of the Company**

There is no material change / event occurred after balance sheet date till the date of the report.

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

Particulars as required under Section 134(3)(m) read with sub-rule 3(A) and (B) of Rule 8 of Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption do not apply to the Company. There was no Foreign Exchange Earnings and Outgo during the FY 2014-15.

### **Details of Subsidiary, Joint Venture or Associates**

The Company does not have any subsidiary or joint venture. No Company has become or ceased to be an Associate Company during the FY 2014-15.

### **Risk Management Policy**

A Risk Management Policy was approved by the Board of Directors for (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified, assessed, handled with adequate risk management infrastructure in place. The Risk Management Policy also envisages periodical reporting and review by the Board of Directors to take corrective actions, if needed.

The Audit Committee performs the task to assess, manage, monitor and report on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company has introduced

several improvements to Integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. Risks associated with frauds are mitigated by the Managing Director and other Senior Officials. They review matters relating to fraud risk, including corrective and remedial actions.

#### **Details of Directors and Key Managerial Personnel**

Mr. Pranab Kumar Choudhury (DIN: 00015470) and Mr. Dipankar Chatterji (DIN: 00031256) were appointed as Independent Directors at the previous Annual General Meeting of the Company held on 21st June, 2014 for a period of 5 years each in compliance with the provisions of Section 149 of the Companies Act, 2013.

In accordance with the provisions of the Companies Act, 2013, Mr. K Balasubramanian, Director (DIN: 03521793) will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Ms. Vinamrata Agrawal resigned from the office of Company Secretary with effect from 30th April, 2015. The Board has appointed Mr. Biswajit Das as the Company Secretary with effect from 18th June, 2015.

#### **Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements**

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the 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 the Board which also reviews the adequacy and effectiveness of the internal controls in the Company. In the opinion of the Board the Internal Financial Control System of the Company is working effectively.

#### **Declaration by Independent Director**

The Company has received necessary declaration from each of the Independent Directors under section 149(7) of the Companies Act, 2013 to the effect that the respective Director meets the criteria of independence laid down under Section 149 (6) of the Companies Act, 2013.

#### **Committees of the Board**

In order to give focused attention to the business of the Company, the Board delegates different aspects of business to designated Committees of the Board set up for the purpose.

#### **Audit Committee**

The terms of reference of the Audit Committee conform to the requirements of the Companies Act, 2013. These include detailed review of audited / un-audited accounts and final accounts prior to consideration

by the Board of Directors, approval of annual internal audit plan, review of internal audit reports, review of financial reporting system, internal control system and compliance with the regulatory guidelines and recommendation for appointment of statutory and internal auditors.

**Composition:**

The Audit Committee comprises two Independent Directors and one Non-executive Director, namely, Mr. Dipankar Chatterji, Independent Director as Chairman, Mr. Pranab Kumar Choudhury, Independent Director as Member and Mr. Asoke Kumar Mukhuty, Non-executive Director as member.

The Committee held three meetings during the financial year on 06/05/2014, 18/08/2014 and 31/01/2015. There was no occasion of non-acceptance of any recommendation of the Audit Committee by the Board.

**Nomination & Remuneration Committee and Nomination & Remuneration Policy**

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 criteria for independence of Directors and also considers appointment and remuneration for the Directors, key managerial personnel and others who may be appointed in senior management and recommend to the Board to put in place the long-term performance objectives appropriate to the working of the Company and its goals. The Committee carries out evaluation of every director's performance periodically.

**Composition:**

The Nomination & Remuneration Committee comprise two Independent Directors and one Non-executive Director, namely, Mr. Dipankar Chatterji, Independent Director as Chairman, Mr. Pranab Kumar Choudhury, Independent Director as Member and Mr. Asoke Kumar Mukhuty, Non-executive Director as member.

The Company has formulated a Nomination & Remuneration Policy for appointment / removal and remuneration of directors and key managerial personnel including criteria for determining qualifications, positive attributes and criteria for independence of a director and other matters as specified u/s 178(3) of the Companies Act, 2013.

The key features of the 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 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 mean 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 the matters to be dealt with and recommended by the Committee to the Board, Part B covers the nomination, appointment and removal, and Part C covers remuneration, perquisites etc.

There was no occasion to hold any meeting by the Committee during the year under review.

### **Stakeholders Relationship Committee**

The 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.

#### **Composition:**

The Stakeholders Relationship Committee comprises three Non-executive Directors, namely, Mr. Bhargab Lahiri as Chairman, and Mr. Asoke Kumar Mukhuty and Mr. K Balasubramanian as Members.

The Committee held three meetings during the financial year on 06/06/2014, 12/11/2014 and 31/01/2015.

### **Human Resource Committee**

The Human Resource Committee formulates incentive policy, senior level appointments etc.

#### **Composition:**

The Human Resource Committee comprises Mr. Pranab Kumar Choudhury, Independent Non-executive Director as Chairman, Mr. Bhargab Lahiri, Non-executive Director as Member and Mr. Sudama Ram, Managing Director & CEO as Member.

There was no occasion to hold any meeting by the Committee during the year under review.

### **Credit & Investment Committee**

The Credit & Investment Committee is responsible for sanctioning loans within the limits approved by the Board of Directors and invest/disinvest the Company's surplus resources in Mutual Funds, Equities etc. under the powers delegated to it by the Board.

The Credit & Investment Committee comprise Mr. S.K. Roy, Mr. Bhargab Lahiri, Mr. A.K. Mukhuty, Mr. K Balasubramanian, all Non-executive Directors and Mr. Sudama Ram, Managing Director & CEO as Members thereof.



### **Statutory Auditors and Auditors' Report**

M/s. Lodha & Co., Chartered Accountants (FRN.301051E), was appointed at the 26th Annual General Meeting of the Company held on 21st June, 2014 as the Auditors for a period of three years, subject to ratification at every Annual General Meeting. The said auditors, being eligible, offer themselves for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### **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**

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination & Remuneration Committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors through a peer-evaluation process excluding the director being evaluated by way of Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible path for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision making of the directors, relationships to stakeholders, Company performance, Company strategy and the effectiveness of the whole Board and its various committees. Feedback of directors is encouraged to be provided as a part of the survey.

Independent Directors have three key roles, viz., governance, control and guidance. Some of the performance indicators based on which Independent Directors are evaluated are:

- (1) ability to contribute to and monitor the corporate governance practices of the Company,
- (2) ability to contribute by introducing best practices to address top-management issues,
- (3) active participation in long-term business and management planning, and
- (4) commitment to the fulfillment of a Director's obligations and fiduciary responsibilities, which include active participation in Board and Committee meetings.

### **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**

"The following is a summary of complaints of sexual harassment of women at workplace received and disposed of during the year 2014-15:

No. of complaints received	:	Nil
No. of complaints disposed off	:	Nil

### **Fraud Reporting**

Pursuant to the provisions of Section 134(3) (ca) of the Companies (Amendment) Act, 2015, no fraud has been 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**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2015, 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 as at 31st March, 2015 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;
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **General Disclosures**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. The Managing Director of the Company receive any remuneration or commission from its holding company. The Company does not have any subsidiary company.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### **Acknowledgment**

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

Kolkata

Dated : 23rd July, 2015

Registered Office:

“PEERLESS BHAVAN”

3 Esplanade East , Kolkata 700 069.

For and on behalf of the Board

Pranab Kumar Choudhury  
Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS

With the change of Government at the centre during FY 2014-15, the Indian economy has started showing signs of recovery. The reform measures initiated by the Central Government has lifted capital market sentiments, leading to the stock market index reaching new highs between June 2014 and March 2015. Aggregate FII inflow during the year surged to Rs.2,73,000 Crore. This helped the country meet its Current Account Deficit (CAD) to significant extent. FY2014-15 CAD estimate is lower at 1% of GDP vis-à-vis 1.7% actual deficit in FY2013-14. The most favourable macroeconomic development of the year was fall in inflation. WPI and CPI inflations peaked off from 5.70% and 8.31% in March 2014 to lows of (-)2.33% and 5.17% respectively in March 2015. This mirrored cascading fall in global commodity prices particularly crude oil during the year. Hit by the stand of the OPEC countries taken in November 2014 on not cutting global crude oil supply, crude oil price plunged by 50% from a high of USD 109 per barrel in June 2014 to USD 54 in March 2015 under favorable demand-supply scenario worldwide. India's trade deficit hit a 17-month low of USD 6.85 billion due to fall in oil imports. Domestic interest rate softened as the RBI cut interest rate twice during the year in view of decreasing inflationary pressure. The fiscal deficit scenario improved as well. India's fiscal deficit stood at 4% of GDP in FY2014-15 vis-à-vis 4.5% in FY2013-14. Overall GDP growth for the year is estimated above 7% vis-à-vis actual growth of 6.9% in previous year, reflecting all round economic growth. Indian economy is expected to grow faster than China due to favourable factors such as revival of business environment and consumer confidence, comfortable inflation scenario.

India's macroeconomic recovery during FY2014-15 was complemented by reforms initiated by the new government. The major steps include raising Foreign Direct Investment (FDI) limit in insurance sector to 49% from 26%, deregulation of petrol and diesel prices, allowing 100% FDI in railways and defence equipments, disinvestment by the Central Government in public sector banks and other PSUs besides liberalizing Land Acquisition process.

Reflecting the trend of economy, the FY 2014-15 marked a new beginning for Peerless Financial Services Limited (PFS). The Company's loan business took off with full force in 2014-15. The Company sanctioned an aggregate amount of Rs.3459 Lakh and disbursed Rs.3314 Lakh to various customers during the FY 2014-15. The revenue has increased by 92% y-o-y to Rs.229 Lakh.

It is felt that economic upturn in year 2015-16 will primarily hinge on increased public spending by the government, particularly on infrastructure, which in turn will have a multiplier effect on the economy, leading to increased demand for steel, cement, capital goods and commercial vehicles besides capital expenditure in manufacturing sector. Further, domestic interest rate is expected to remain low during FY 2015-16 on back of low inflation and improved fiscal scenario. The RBI is expected to cut interest rate by 50 to 75 bps during the year which will boost credit growth.

On overall basis India's business environment looks favourable for lending industry during FY 2015-16. International credit Rating agency Moody's has predicted rise in credit demand in NBFCs during the year on prospects of economic upturn, reform push by the government and transmission of monetary easing. This will augur well for PFS. The Company plans to expand its geographical footprint to Mumbai and Delhi during FY 2015-16 as part of its long term business plan. During the next 5 years, the Company aspires to build a cumulative loan book of Rs.1000 Crore.

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31/03/2015**

[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, 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	Loan Business	65923	54.46%

**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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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.	-	3,65,60,551	3,65,60,551	98.13%	-	3,65,66,651	3,65,66,651	98.15%	+0.02%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	3,68,26,052	3,68,26,052	98.84%	-	3,68,32,152	3,68,32,152	98.86%	+0.02%
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	-	3,68,26,052	3,68,26,052	98.84%	-	3,68,32,152	3,68,32,152	98.86%	+0.02%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>									

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	
<b>2. Non-institutions</b>									
(a) Bodies Corp.									
i) Indian	-	25,000	25,000	0.07%	-	25,000	25,000	0.07%	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) <b>Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	4,06,856	4,06,856	1.09%	-	4,00,756	4,00,756	1.07%	-0.02%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	4,31,856	4,31,856	1.16%	-	4,25,756	4,25,756	1.14%	-0.02%
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	4,31,856	4,31,856	1.16%	-	4,25,756	4,25,756	1.14%	-0.02%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>3,72,57,908</b>	<b>3,72,57,908</b>	<b>100%</b>	-	<b>3,72,57,908</b>	<b>3,72,57,908</b>	<b>100%</b>	-

**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 shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	The Peerless General Finance & Investment Company Ltd.	<b>3,44,89,401</b>	<b>92.57%</b>	-	<b>3,44,89,401</b>	<b>92.57%</b>	-	-
2	Shikha Holding Pvt. Ltd.	<b>8,75,275</b>	<b>2.35%</b>	-	<b>8,75,275</b>	<b>2.35%</b>	-	-
3	Bichitra Holdings Pvt. Ltd.	<b>6,23,875</b>	<b>1.67%</b>	-	<b>6,29,975</b>	<b>1.69%</b>	-	<b>0.02%</b>
4	Peerless Financial Products Distribution Ltd.	<b>5,72,000</b>	<b>1.54%</b>	-	<b>5,72,000</b>	<b>1.54%</b>	-	-
5	Sunil Kanti Roy	<b>27,501</b>	<b>0.07%</b>	-	<b>27,501</b>	<b>0.07%</b>	-	-
6	Jayanta Roy	<b>1,25,000</b>	<b>0.34%</b>	-	<b>1,25,000</b>	<b>0.34%</b>	-	-
7	Shikha Roy	<b>62,500</b>	<b>0.17%</b>	-	<b>62,500</b>	<b>0.17%</b>	-	-
8	Tushar Kanti Roy	<b>500</b>	<b>0%</b>	-	<b>500</b>	<b>0%</b>	-	-
9	Debasree Roy	<b>50,000</b>	<b>0.14%</b>	-	<b>50,000</b>	<b>0.14%</b>	-	-
	Total	<b>3,68,26,052</b>	<b>98.84%</b>	-	<b>3,68,32,152</b>	<b>98.86%</b>	-	<b>0.02%</b>

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

Sl No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of 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	<b>3,68,26,052</b>	<b>98.84%</b>		
	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):			6,100	0.02%
	At the End of the year			<b>3,68,32,152</b>	<b>98.86%</b>



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

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
	<b>For Each of the Top 10 Shareholders</b>				
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	SAKTIPADA 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	MISS KAKOLI SEN	2000	0.005%	2000	0.005%
10	PUSHPALATA L BANGERA	1400	0.004%	1400	0.004%

**(iv) Shareholding of Directors and Key Managerial Personnel :**

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
	<b>For Each of the Directors and KMP</b>				
1	Sunil Kanti Roy				
	At the beginning of the year	<b>27501</b>	<b>0.07</b>	-	-
	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			<b>27501</b>	<b>0.07</b>
2	Bhargab Lahiri				
	At the beginning of the year	<b>200</b>			
	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			<b>200</b>	-
3	Asoke Kumar Mukhuty				
	At the beginning of the year	<b>1451</b>			
	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			<b>1451</b>	-
		<b>29,152</b>	<b>0.078%</b>	<b>29,152</b>	<b>0.078%</b>

**(v) INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid			--	--
iii) Interest accrued but not due			--	--
<b>Total (i+ii+iii)</b>			--	--
<b>Change in Indebtedness during the financial year</b>				
• Addition			15,03,16,438	15,03,16,438
• Reduction			-	-
<b>Net Change</b>			15,03,16,438	15,03,16,438
<b>Indebtedness at end of the financial year</b>				
i) Principal Amount			15,00,00,000	15,00,00,000
ii) Interest due but not paid			--	--
iii) Interest accrued but not due			3,16,438	3,16,438
<b>Total (i+ii+iii)</b>			15,03,16,438	15,03,16,438

**(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. Sudama Ram MD & CEO	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	63,75,000  32,400  --	63,75,000  32,400  --
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - others, specify	-- --	-- --
5	Others, please specify	--	--
6	Total (A)	64,07,400	64,07,400

*B. Remuneration to other directors*

Sl No	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. P .K Choudhury	Mr. S.K. Roy	Mr. A. K. Mukhuty	Mr. B. Lahiri	Mr. D. Chatterji	Mr. K Balasubramanian	
3	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	95,000	-	-	-	75,000	-	1,70,000
	Total (1)	95,000	-	-	-	75,000	-	1,70,000
4	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	-	80,000	95,000	80,000	-	90,000	3,45,000
	Total (2)	-	80,000	95,000	80,000	-	90,000	3,45,000
	Total (B)=(1+2)	95,000	80,000	95,000	80,000	75,000	90,000	5,15,000
	Total Managerial Remuneration							
	Overall Ceiling as per the Act							

**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  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	3,57,937	--	3,57,937
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify	--	--	--
5	Others, please specify	--	--	--
6	Total (A)	3,57,937		3,57,937

**II. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :**

<b>Type</b>	<b>Section of the Companies Act</b>	<b>Brief Description</b>	<b>Details of Penalty/ Punishment/ Compounding fees imposed</b>	<b>Authority (RD/NCLT/ Court)</b>	<b>Appeal made if any (give details)</b>
<b>A. COMPANY</b>					
Penalty	None				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	None				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	None				
Punishment					
Compounding					

Kolkata  
Dated : 23rd July, 2015

Registered Office:  
"PEERLESS BHAVAN"  
3 Esplanade East , Kolkata 700 069.

For and on behalf of the Board  
Pranab Kumar Choudhury  
Chairman

**ANNEXURE “B”**

**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 (in the ordinary course of business)**

(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	01.04.2014 to 31.03.2015
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Service Charge Rs.1471/- Cost of Air Ticket Rs.113452/- Total Rs.114923/-
(e)	Date(s) of approval by the Board, if any	28.04.2015
(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 Rendered
(c) Duration of the contracts / arrangements/ transactions	01.04.2014 to 31.03.2015
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Upfront fee received Rs.81461/-.
(e) Date(s) of approval by the Board, if any	28.04.2015
(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	01.04.2014 to 31.03.2015
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	DEMAT Account maintenance Charge paid Rs.570/-.
(e) Date(s) of approval by the Board, if any	28.04.2015
(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	01.04.2014 to 31.03.2015
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Brokerage paid Rs.185897/-.
(e) Date(s) of approval by the Board, if any	28.04.2015
(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	01.04.2014 to 31.03.2015
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Cost of food and conference room hire charges Rs.114432/-.
(e) Date(s) of approval by the Board, if any	28.04.2015
(f) Amount paid as advances, if any:	NIL

Kolkata  
Dated : 23rd July, 2015

For and on behalf of the Board  
Pranab Kumar Choudhury  
Chairman

Registered Office:  
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**ANNEXURE "C"**

**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 31<sup>st</sup> March, 2015.

Name	Age (Years)	Designation	Gross Remuneration (Rs.)	Nature of Employment	Qualification	Experience (Years)	Date of Commencement of Employment	Last Employment/ Post held	% of Equity Shares held in the Company
1	2	3	4	5	6	7	8	9	10

A. Employed throughout the financial year and in receipt of remuneration aggregating Rs 60,00,000/- or more per annum

1. Sudama Ram	53	Managing Director & Chief Executive Officer	79,16,467	Contractual	B.Tech, MBA	30	12.12.2013	STCI Finance Ltd. Chief Executive Officer - Lending	NIL
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B. Employed for a part of the financial year and in receipt of remuneration aggregating Rs.5,00,000/- or more per month

None

- Notes:
- Gross remuneration comprises salary and allowances, company's contribution to provident Fund, Monetary value of perquisites. etc. The employee is also entitled to Gratuity in accordance with the Company rules.
  - The nature of employment is contractual as per agreement dated 12/12/2013.
  - Mr. Sudama Ram is not a relative of any Director of the Company

Kolkata

Dated : 23<sup>rd</sup> July, 2015

Registered Office:

"PEERLESS BHAVAN"

3 Esplanade East , Kolkata 700 069.

For and on behalf of the Board  
Pranab Kumar Choudhury  
Chairman

## INDEPENDENT AUDITORS' REPORT

To the Members of Peerless Financial Services Limited

### Report on the 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, 2015, the Statement of Profit and Loss, the Cash Flow Statement, significant accounting policies and other notes for the year ended on that date.

### 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 thereunder. 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order.
2. According to the information and explanations given to us and on the basis of the test checking of the records carried out during the course of audit of the Company, our report on the matters specified under the Para 3A and 3C of the Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 is as follows:
  - a. The company is engaged in the business of non-banking financial institution and the Company has been granted registration with the Reserve Bank of India.
  - b. The company is entitled to continue to hold Certificate of Registration in terms of its asset / income pattern as on 31.03.2015.
  - c. The company is not an Asset Finance Company (AFC) as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 and therefore provisions of para 3(A)(III) are not applicable to the company.
  - d. The company is not a Non Banking Financial Company- Micro Finance Institution (NBFC-MFI) based on the criteria set forth in the Notification viz; Non-Banking Financial Company- Micro Finance Institutions (Reserve Bank) Directions, 2011 dated December 02, 2011 for classification of NBFCs as NBFC-MFIs and therefore provisions of para 3(A)(IV) are not applicable to the company.
  - e. The Board of Directors has passed a resolution for non-acceptance of any public deposit.
  - f. The Company has not accepted public deposits during the year.
  - g. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification, and provisioning for bad and doubtful debt as applicable to it and specified in the directions issued by the Reserve Bank of India in terms of Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and Non-Systemically Important Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, as applicable.

- h. As stated in Note 2.29 of the accompanying financial statements, the Company is not a Systemically Important Non-deposit taking Non Banking Financial Company and therefore provisions of para 3(C)(IV) are not applicable to the Company.
3. In terms of RBI Circular dated January 15, 2015, the Company has since obtained membership of all the four Credit Information Companies (CIC). However, process of furnishing data and information to three CICs is yet to be commenced.
4. Further to our comments in the Annexure referred to in the Paragraph 1, Paragraph 2 and Paragraph 3 above, 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, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
  - f. 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 2.23 of the financial statements);
    - ii. The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
    - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For LODHA & CO.  
Chartered Accountants  
Firm's ICAI Registration No. 301051E

Place : Kolkata  
Dated : 11.06.2015

R. P. Singh  
(Partner)  
Membership No. : 052438

**Annexure to the Auditors' Report referred to in paragraph 1 thereof**

- 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) The Fixed assets have been physically verified by the management at reasonable intervals.
- ii. The Company does not have any inventory and therefore clause 3(ii) of the Order is not applicable to the Company.
- iii. The Company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the explanations given to us, the internal control system is generally commensurate with the size of the Company and the nature of its business for sale of services and purchase of fixed assets. During the course of our audit, we have not come across the cases of continuing failure on the part of the management to correct major weaknesses in the internal control system.
- v. The Company has not accepted any deposits and accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi. According to the information and explanation given to us, the Central Government has not prescribed for maintenance of cost records under section 148(1) of the Act and therefore clause 3(vi) of the Order is not applicable to the Company.
- vii. a) According to the information and explanations given and records provided to us, the Company has been regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Income-Tax, Sales-Tax, Wealth tax, Service Tax, Duty of Custom, Duty of Excise, value added tax, cess and other statutory dues to the extent applicable to it. We are informed that there are no undisputed statutory dues as at the year end outstanding for a period of more than six months from the date they became payable.  
  
b) According to the information and explanations given to us and as per our verification of the records of the Company, there are no dues of income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute, except as given hereunder:

<b>Name of Statute</b>	<b>Nature of the Dues</b>	<b>Amount Rs.</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
<b>Income Tax Act, 1961</b>	<b>Income Tax</b>	<b>16,23,940</b>	<b>P.Y. 2007-2008</b>	<b>Dy. Commissioner of Income Tax</b>

c) According to the information and explanations given to us, there are no amounts due to be transferred to Investor Education and Protection Fund.

- viii. The Company does not have any accumulated losses as at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- ix. As per the information and explanations given by the management, the Company does not have any dues to financial institutions and bank or debenture holders. Accordingly, clause 3(ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xi. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not taken any term loans, so clause 3(xi) of the Order is not applicable to the Company.
- xii. During the course of our examination of the books of account carried out in accordance with generally accepted auditing practices in India, as far as verified by us, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such cases by the management.

For LODHA & CO.  
Chartered Accountants  
Firm's ICAI Registration No. 301051E

Place : Kolkata  
Dated : 11.06.2015

R. P. Singh  
(Partner)  
Membership No. : 052438



**Balance Sheet as at 31st March, 2015**

(Figures in Rupees)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2.1	23,92,45,748	13,92,45,749
(b) Reserves and Surplus	2.2	3,01,97,316	2,56,86,940
<b>(2) Non-Current Liabilities</b>			
(a) Long term provisions	2.3	16,45,734	6,90,347
(a) Short term borrowing	2.4	15,00,00,000	-
<b>(3) Current Liabilities</b>			
(a) Trade payables	2.5	14,27,139	3,49,867
(b) Other current liabilities	2.6	20,10,358	7,35,102
(c) Short-term provisions	2.7	2,58,187	90,347
<b>TOTAL</b>		<b><u>42,47,84,482</u></b>	<b><u>16,67,98,352</u></b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	2.8		
i) Tangible Assets		42,07,932	42,23,665
ii) Intangible Assets		<u>5,24,775</u>	<u>5,99,810</u>
		47,32,707	48,23,475
(b) Non-current investments	2.9	-	46,16,348
(c) Deferred tax assets (net)	2.10	3,80,070	2,75,308
(d) Long-term loans and advances			
- Financing by way of Loans	2.11	27,78,75,818	41,41,661
- Other Long Term Advances	2.12	98,82,130	72,41,262
(e) Other non-current assets	2.13	-	44,43,473
<b>(2) Current Assets</b>			
(a) Current investments	2.14	6,73,85,843	13,80,61,768
(b) Trade receivables	2.15	-	3,102
(c) Cash and Bank balances	2.16	62,20,637	4,15,300
(d) Short-term loans and advances	2.17	13,91,991	10,60,180
(e) Other current assets			
- Current Maturities of Long Term Loans	2.11	5,62,65,843	16,98,450
- Other current assets	2.18	<u>6,49,443</u>	<u>18,025</u>
<b>TOTAL</b>		<b><u>424,784,482</u></b>	<b><u>16,67,98,352</u></b>

Significant Accounting Policies (Note No. 1) and other Notes form an integral part of the Financial Statements

For LODHA & Co.  
 Chartered Accountants  
 4, Government Place East, Kolkata-700 069  
 R. P. Singh  
 Partner  
 Membership No. 052438  
 Dated : 11th June, 2015

On behalf of the Board  
 Pranab Kumar Choudhury - Chairman  
 Sudama Ram - Managing Director &  
 Chief Executive Officer  
 Dipankar Chatterji - Director

**Statement of Profit and Loss for the year ended 31st March, 2015**
**(Figures in Rupees)**

<b>Particulars</b>	<b>Note No.</b>	<b>Year ended 31.03.2015</b>	<b>Year ended 31.03.2014</b>
I. Revenue from Operations	2.19	2,29,12,407	1,19,15,456
II. Other Income	2.20	2,522	3,533
<b>III. Total Revenue (I+II)</b>		<b><u>2,29,14,929</u></b>	<b><u>1,19,18,989</u></b>
<b>IV. Expenses</b>			
Employee benefits expense	2.21	1,06,18,743	33,70,262
Finance Costs (Interest)		3,16,438	-
Depreciation and amortization expense	2.8 & 2.28	11,89,199	6,89,016
Other expenses	2.22	56,84,935	30,15,327
<b>Total Expenses (IV)</b>		<b><u>1,78,09,315</u></b>	<b><u>70,74,605</u></b>
<b>V. Profit before tax (III-IV)</b>		<b><u>51,05,614</u></b>	<b><u>48,44,384</u></b>
<b>VI. Tax expense :</b>			
Current tax		7,00,000	-
Earlier year- current taxation		-	-
Deferred taxation	2.10	(1,04,762)	(1,24,659)
<b>VII. Profit for the year (V-VI)</b>		<b><u>45,10,376</u></b>	<b><u>49,69,043</u></b>
VIII. Earning per equity share face value of Rs. 10 each - Basic & Diluted	2.25	0.25	0.36

Significant Accounting Policies (Note No. 1) and other Notes form an integral part of the Financial Statements.

For LODHA & Co.  
Chartered Accountants  
4, Government Place East, Kolkata-700 069  
R. P. Singh  
Partner  
Membership No. 052438  
Dated : 11th June, 2015

On behalf of the Board  
Pranab Kumar Choudhury - Chairman  
Sudama Ram - Managing Director & Chief Executive Officer  
Dipankar Chatterji - Director

**Cash Flow Statement for the year ended 31st March, 2015 (Figures in Rupees)**

Particulars	Year ended on 31.03.2015	Year ended on 31.03.2014
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Taxation</b>	<b>5,105,614</b>	<b>4,844,384</b>
Adjustment for -		
Depreciation and Amortization	1,189,199	689,016
Interest Expense	316,438	-
Contingent Provisions on standard assets no longer required	-	(4,525)
Provision for diminution in the value of current investments no longer required	(3,035)	(1,999,426)
Provision for diminution in the value of investments	684,724	-
Net gain on sale of current investments	(4,027,734)	(242,964)
Interest Income on Fixed Deposit	(436,112)	-
Gain on sale of long term investments	(3,137,781)	-
Dividend Income on Long Term Investments	(144,100)	(140,876)
Dividend Income on Current Investments	(3,122,759)	(8,227,313)
Provision for contingencies against Standard Assets	822,383	3,270
<b>Operating profit/ (loss) before working capital changes</b>	<b>(2,753,163)</b>	<b>(5,078,434)</b>
<b>Movements in working capital -</b>		
(Increase)/ Decrease in Trade Receivable	3,102	657
Increase/ (Decrease) in Trade Payable	1,077,272	17,364
(Increase)/ Decrease in loans and advances and other assets	(329,622,270)	(87,035)
Increase/ (Decrease) Liabilities/ Provisions	1,667,851	518,556
<b>Cash Generated/ (Utilised) from/in Operations</b>	<b>(329,627,208)</b>	<b>(4,628,892)</b>
Less: Direct Taxes Paid (Net)	(1,652,582)	(119,764)
<b>Net Cash from Operating Activities (A)</b>	<b>(331,279,790)</b>	<b>(4,748,656)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of current investments	(663,370,267)	(13,708,192)
Sale of current investments	740,389,479	15,786,894
Sale of long term investments	4,579,129	210,000
Dividend Income on Long Term Investments	144,100	140,876
Dividend Income on Current Investments	3,122,759	8,227,313
Net Investments in Fixed Assets	(842,188)	(5,015,177)
Advance to Bengal Peerless Housing Development Company Limited	(1,773,148)	(1,773,148)
<b>Net Cash from Investing Activities (B)</b>	<b>82,249,864</b>	<b>3,868,566</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of equity share capital	99,999,999	-
Intercompany Deposit	150,000,000	-
<b>Net Cash from Financing Activities (C)</b>	<b>249,999,999</b>	<b>-</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>970,073</b>	<b>(880,090)</b>
<b>Opening Cash and Cash Equivalents</b>	<b>415,300</b>	<b>1,295,390</b>
<b>Closing Cash and Cash Equivalents</b>	<b>1,385,373</b>	<b>415,300</b>

**Notes to the Cash Flow Statement for the year ended 31st March 2015 :**

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

For LODHA & Co.  
Chartered Accountants  
4, Government Place East, Kolkata-700 069  
R. P. Singh  
Partner  
Membership No. 052438  
Dated : 11th June, 2015

On behalf of the Board  
Pranab Kumar Choudhury - Chairman  
Sudama Ram - Managing Director &  
Chief Executive Officer  
Dipankar Chatterji - Director

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2015****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 a 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

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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2015**

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 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.

**2.1 SHARE CAPITAL**

(Figures in Rupees)

Particulars	As at 31.03.2015		As at 31.03.2014	
	Number	Amount	Number	Amount
A. Authorised Equity Shares of Rs.10/- each	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
10% Redeemable Preference Shares of Rs.100/- each	5,000	5,00,000	5,000	5,00,000
<b>Total</b>		<b>50,05,00,000</b>		<b>50,05,00,000</b>
B. Issued and Subscribed Equity Shares of Rs. 10/- each				
(i) Fully paid up	39,24,575	3,92,45,750	39,24,575	3,92,45,750
(i) Partly paid up (Note C.1 below)	3,33,33,333	19,99,99,998	3,33,33,333	9,99,99,999
<b>Total</b>	<b>3,72,57,908</b>	<b>23,92,45,748</b>	<b>3,72,57,908</b>	<b>13,92,45,749</b>

- C.1. This represents 3,33,33,333 equity shares of Rs. 10/- each issued on preferential basis to The Peerless General Finance & Investment Company Limited at Rs. 15/- each. Share Application money of Rs. 1.50/- and First and Second Call Money of Rs. 4.50/- (including Rs. 3/- for the current year) aggregating to Rs.19,99,99,998/- received in this respect have been appropriated towards and credited to the equity capital of the Company and shown as partly paid equity share of the Company. The amount received pending utilization to the extent of Rs. 1,11,55,240 has been kept invested in the Mutual Fund and has been included under Note 2.14 as Investment in Mutual Funds
- C.2. The Company is a subsidiary of The Peerless General Finance & Investment Company Limited and shares held by the holding company are as follows :

Particulars	2014-15	2013-14
Number of Shares held by holding company:		
(i) Fully paid up	11,56,068	11,56,068
(ii) Partly paid up	3,33,33,333	3,33,33,333

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2015**

D. The reconciliation of number of shares outstanding and amount of share capital as at 31<sup>st</sup> March 2015 and 31<sup>st</sup> March 2014 is set out below:

Particulars	31-Mar-15		31-Mar-14	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	3,72,57,908	13,92,45,749	3,72,57,908	13,92,45,749
Add: Call money received during the year	--	9,99,99,999	--	--
Shares outstanding at the end of the year	<b>3,72,57,908</b>	<b>23,92,45,748</b>	<b>3,72,57,908</b>	<b>13,92,45,749</b>

E. Details of shares held by shareholders holding more than 5 % shares:

Name of the shareholder	As at 31.03.2015	As at 31.03.2014
	Number of shares (Fully Paid up, unless otherwise stated)	Number of shares (Fully Paid up, unless otherwise stated)
The Peerless General Finance & Investment Company Limited		
(i) Fully paid up	11,56,068	11,56,068
(ii) Partly paid up	3,33,33,333	3,33,33,333
Shikha Holdings Private Limited	8,75,275	8,75,275
Bichitra Holdings Private Limited	6,29,975	6,23,875
Peerless Financial Product Distribution Limited	5,72,000	5,72,000

2.1.1 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 payable in proportion to the amount paid up thereagainst, subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder 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.

**2.2 RESERVES AND SURPLUS**
**(Figures in Rupees)**

<b>Particulars</b>	<b>As at 31.03.2015</b>		<b>As at 31.03.2014</b>	
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
<b>Capital Redemption Reserve</b>				
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
<b>Securities Premium Account</b>				
At the commencement of the year	17,14,188		17,14,188	
Add / (Less): Changes during the year	-		-	
At the end of year		17,14,188		17,14,188
<b>Special Reserve (in terms of Section 451C of Reserve Bank of India Act, 1934)</b>				
At the commencement of the year	68,06,322		58,12,513	
Add : Transferred from Surplus	9,02,075		9,93,809	
At the end of year		77,08,397		68,06,322
<b>Surplus</b>				
At the commencement of the year	1,71,58,430		1,31,83,196	
Add: Profit for the year	45,10,376		49,69,043	
Less: Transfer to Special Reserve U/S 451C of the Reserve Bank of India Act, 1934	(9,02,075)		(9,93,809)	
At the end of year		2,07,66,731		1,71,58,430
<b>TOTAL</b>		<b>3,01,97,316</b>		<b>2,56,86,940</b>

**2.3 LONG TERM PROVISIONS**
**(Figures in Rupees)**

<b>Particulars</b>	<b>Note No.</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
Provision for Employee Benefits	2.21.1	9,51,030	6,79,993
Provisions for Contingencies against Standard Assets	2.27	6,94,704	10,354
<b>TOTAL</b>		<b>16,45,734</b>	<b>6,90,347</b>



**Notes to the financial statements for the year ended 31<sup>st</sup> March 2015**
**2.4 SHORT TERM BORROWINGS**
**(Figures in Rupees)**

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<b>Unsecured</b>			
From Related Parties	2.24	15,00,00,000	-
<b>TOTAL</b>		<b>15,00,00,000</b>	<b>-</b>

2.4.1 Repayable within 3 months from the date of borrowing i.e., 25<sup>th</sup> March, 2015.

**2.5 TRADE PAYABLES**
**(Figures in Rupees)**

Particulars	As at 31.03.2015	As at 31.03.2014
Payable for goods and Services	14,27,139	3,49,867
<b>TOTAL</b>	<b>14,27,139</b>	<b>3,49,867</b>

2.5.1 Based on the information available with the Company, there are no suppliers as defined under the "Micro, Small and Medium Enterprise Development Act, 2006".

**2.6 OTHER CURRENT LIABILITIES**
**(Figures in Rupees)**

Particulars	As at 31.03.2015	As at 31.03.2014
Interest accrued but not due on borrowings	2,84,794	-
Income received in advance	10,49,629	2,014
Other Payables Statutory Dues – TDS, Provident Fund, Service and Professional tax etc.	67,002	2,97,611
Capital Expenditures	58,933	4,35,477
Deposit from borrowers against margin shortfall	5,50,000	-
<b>TOTAL</b>	<b>20,10,358</b>	<b>7,35,102</b>

**2.7 SHORT TERM PROVISIONS**
**(Figures in Rupees)**

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
Provision for Employee Benefits	2.21.1	1,12,539	82,731
Provisions for Contingencies against Standard Assets	2.27	1,45,648	7,616
<b>TOTAL</b>		<b>2,58,187</b>	<b>90,347</b>

**2.7 FIXED ASSETS**

(Figures in Rupees)

PARTICULARS	GROSS BLOCK (A)			DEPRECIATION/AMORTIZATION (B)			NET BLOCK (A-B)	
	Balance as on 31.03.2014	Addition	Disposal/ Adjust- ment	Balance as on 31.03.2015	Addition	Disposal/ Adjust- ment	Balance as on 31.03.2015	Balance as on 31.03.2014
<b>(A) Tangible Assets</b>								
Leased Hold Building Improvements	6,41,100	1,75,122	(1,63,840)	6,52,382	72,434	(413)	73,637	5,78,745
Data Processing Equipments	25,88,412	45,452	-	26,33,864	63,790	-	24,75,009	1,58,855
Motor Car	10,88,236	-	-	10,88,236	1,37,185	-	1,68,908	9,19,328
Electrical Machinery	9,88,931	40,915	-	10,29,846	80,744	-	3,03,477	7,26,369
Furniture and Fixtures	20,89,631	8,09,558	(4,94,330)	24,04,859	1,95,249	(1,70,450)	6,68,269	17,36,590
Office Equipment	4,31,792	9,235	-	4,41,027	59,306	-	3,52,982	88,045
<b>TOTAL(A)</b>	<b>78,28,102</b>	<b>10,80,282</b>	<b>(6,58,170)</b>	<b>82,50,214</b>	<b>6,08,708</b>	<b>(1,70,863)</b>	<b>40,42,282</b>	<b>42,07,932</b>
<b>(B) Intangible Assets</b>								
Computer software	6,77,016	6,76,319	-	13,53,335	7,51,354	-	8,28,560	5,24,775
<b>Total(B)=</b>	<b>6,77,016</b>	<b>6,76,319</b>	<b>-</b>	<b>13,53,335</b>	<b>7,51,354</b>	<b>-</b>	<b>8,28,560</b>	<b>5,24,775</b>
<b>Total(A+B) =</b>	<b>85,05,119</b>	<b>17,56,601</b>	<b>(6,58,170)</b>	<b>96,03,549</b>	<b>13,60,062</b>	<b>(1,70,863)</b>	<b>48,70,842</b>	<b>47,32,707</b>
Previous year Figures	30,56,114	54,49,004	-	85,05,118	6,89,016	-	36,81,643	48,23,475
								<b>63,487</b>

Refer Note 2.28

Notes to the financial statements for the year ended 31<sup>st</sup> March 2015

**2.9 NON-CURRENT INVESTMENTS  
(LONG TERM INVESTMENTS)  
(Trade- Fully Paid-up)  
(Valued at Cost unless otherwise stated)**

(Figures in Rupees)

Particulars	As at 31.03.2015			As at 31.03.2014		
	Number	Nominal Value	Amount	Number	Nominal Value	Amount
<b>1. Investments (Quoted)</b>						
<b>A. Equity Shares</b>						
i. The Karnataka Bank Limited	-	-	-	35,050	10	14,30,298
ii. Tata Consultancy Services Limited	-	-	-	52	10	11,050
<b>2. Investment in Mutual Funds - Unquoted</b>						
DSP Black Rock FMP- Series 154- 12.5M - Growth	-	-	-	3,17,500	10	31,75,000
<b>Total</b>	-	-	-			<b>46,16,348</b>

**2.9.1 None of the investees as above are subsidiaries, associates, joint ventures or controlled special purpose entities of the Company.**

<b>2.9.2 Aggregate amount of :</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
(a) Quoted investments	-	14,41,348
(b) Unquoted investments	-	31,75,000
(c) Market value of quoted investments	-	42,20,536

**2.10 Deferred tax assets (net)**

In accordance with Accounting Standard - 22 on "Accounting for Taxes on Income", the Company has accounted for Deferred Tax. The components of deferred tax assets and deferred tax liabilities are as follows :

(Figures in Rupees)

Particulars	Opening as on 01.04.2014	Charge/Credit during the period	Closing as on 31.03.2015
(A) Deferred Tax Assets on account of Expenses allowable on payment basis	(2,35,682)	(92,961)	(3,28,643)
(B) Deferred Tax Liabilities on account of Depreciation difference	(39,626)	(11,801)	(51,427)
<b>Net Deferred Tax Liability/(Assets) (A-B)</b>	<b>(2,75,308)</b>	<b>(1,04,762)</b>	<b>(3,80,070)</b>
<b>Previous Year Figure</b>	<b>(1,50,649)</b>	<b>(1,24,659)</b>	<b>(2,75,308)</b>

**2.11 LONG TERM LOANS AND ADVANCES**

(i) Financing by way of Loans  
(Secured and Considered good unless otherwise stated)

(Figures in Rupees)

Particulars	As at 31.03.2015		As at 31.03.2014	
	Non-Current Maturities	Current Maturities	Non-Current Maturities	Current Maturities
<b>Loans to related parties (Refer Note 2.24)</b>				
Secured Loan against hypothecation of Plant and Machinery- Peerless Hospitex Hospital & Research Center Limited	24,00,014	15,99,996	40,00,010	15,99,996
<b>Other Loans</b>				
Secured				
Secured Loan against hypothecation of plant & machinery	31,804	1,09,847	1,41,651	98,454
Secured Loan against Mortgage of Properties	6,85,00,000	1,15,00,000	-	-
Secured Loan against Pledge of Shares (Refer to Note 2.11.1)	10,83,41,410	-	-	-
Secured Loan against charge of Machines & Equipments	5,00,00,000	-	-	-
Secured Loan against Mortgage of Properties & Pledge of Shares	4,44,44,000	55,56,000	-	-
Unsecured				
Loan against pledge of shares (Refer to Note 2.11.1)	41,58,590	3,75,00,000	-	-
<b>TOTAL</b>	<b>27,78,75,818</b>	<b>5,62,65,843</b>	<b>41,41,661</b>	<b>16,98,450</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2015**

2.11.1 Loan against pledge of shares includes Rs 5,00,00,000 given to a company where value of security was Rs 83,41,410 as on 31.03.2015. Steps are being taken to obtain additional security pending which such loan to the extent of Rs 4,16,58,590 has been classified as unsecured loan.

**2.12 Other Long Term Advances  
(Unsecured and Considered good unless otherwise stated)**

(Figures in Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
Capital Advance against software	-	50,562
Security Deposits	32,150	66,450
<b>Advances to related parties (Refer Note 2.24)</b>		
Capital Advance against flat- Bengal Peerless Housing Development Company Limited for acquiring Flat	84,73,132	66,99,984
<b>Other Advances</b>		
Advance tax including Tax deducted at Source (Net of Provisions)	13,76,848	4,24,266
<b>TOTAL</b>	<b>98,82,130</b>	<b>72,41,262</b>

**2.13 OTHER NON-CURRENT ASSETS**

(Figures in Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Balances with Banks</b>		
In Fixed Deposits with remaining maturity period of more than 12 months	-	38,40,710
Add: Interest Accrued	-	6,02,763
<b>TOTAL</b>	<b>-</b>	<b>44,43,473</b>

**2.14 CURRENT INVESTMENTS**
**(Fully Paid-up)**
**(Valued at cost or fair value, whichever is lower)**
**(Figures in Rupees)**

PARTICULARS	As at 31.03.2015			As at 31.03.2014		
	Number/ Unit	Nominal Value/ Face Value	Amount	Number/ Unit	Nominal Value/ Face Value	Amount
<b>1. Investment ( Quoted)</b>						
<b>Current portion of Long Investements</b>						
Non Convertible debenture 10.75% SREI Equipment Finance Private Limited *	-	-	-	7	1,00,000	2,80,000
<b>Equity Shares</b>						
State Bank Of India	15,000	1	44,30,668	-	-	-
Coal India Limited	8000	10	31,63,006	-	-	-
Snowman Logistics Ltd	452	10	21,244	-	-	-
<b>Mutual Funds</b>						
DSP Black Rock FMP- Series 154- 12.5M -Growth	3,17,500	10	31,75,000	-	-	-
<b>Total</b>			<b>1,07,89,918</b>			<b>2,80,000</b>
Less: Provision for diminution in the value of investments			6,84,724			-
<b>Net Value of Investments (1)</b>			<b>1,01,05,194</b>			<b>2,80,000</b>
<b>2. Investments in Mutual Funds - Unquoted</b>						
(a) Kotak Opportunities Fund - Growth Option	-	-	-	72,252.71	10.00	40,02,800
(b) HDFC Liquid Fund – Growth	-	-	-	2,77,143.36	10.00	69,76,641
(c) Peerless Flexible Income Fund- growth	47,75,615.671	10	5,72,80,649	-	-	-
(d) Peerless Ultra Short Term Fund - super Institutional Daily Dividend plan	-	-	-	1,26,21,266.287	10.00	12,68,05,362
<b>Total</b>			<b>5,72,80,649</b>			<b>13,77,84,803</b>
Less: Provision for diminution in the value of investments			-			(3,035)
<b>Net Value of Investments (2)</b>			<b>5,72,80,649</b>			<b>13,77,81,768</b>
<b>Net Value of Investments (1+2)</b>			<b>6,73,85,843</b>			<b>13,80,61,768</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2015**

\*Portion of Long Term Investments which are expected to be realized within twelve months from the Balance Sheet date have been disclosed as “Current Portion of Long Term Investments”.

2.14.1 None of the investees as above are subsidiaries, associates, joint ventures or controlled Special purpose entities of the Company.

(Figures in Rupees)

2.14.2.	Aggregate amount of :	As at 31.03.2015	As at 31.03.2014
	(a) Quoted investments	1,07,89,918	2,80,000
	(b) Unquoted investments	5,72,80,649	13,77,84,803
	(c) Diminution in value of investments	6,84,724	3,035
	(d) Market value of quoted investments	1,04,19,550	2,81,715
	(e) Investments with related parties	5,72,80,649	12,68,05,362

**2.15 TRADE RECEIVABLES**

(Unsecured and considered good unless otherwise stated) (Figures in Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
Outstanding for a period of less than six months from the date they are due for payment	-	3,102
Outstanding for a period of more than six months from the date they are due for payment	-	-
<b>TOTAL</b>	-	<b>3,102</b>

**2.16 CASH AND BANK BALANCES**

(Figures in Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>A. Cash and Cash Equivalents</b>		
a) <b>Balances with Banks</b>		
In Current Accounts	13,80,785	4,13,697
<b>b) Cash in Hand</b>	4,588	1,603
<b>Total (A)</b>	13,85,373	4,15,300
<b>B. Other Balances with Banks</b>		
In Fixed Deposits with maturity period of more than 3 months but within 12 months from the reporting date	38,40,000	
Add: Interest Accrued	9,95,264	-
<b>Total (B)</b>	48,35,264	-
<b>TOTAL(A+B)</b>	<b>62,20,637</b>	<b>4,15,300</b>

\*Above Fixed Deposits are having original maturity period of more than 12 months.

**2.17 SHORT TERM LOANS AND ADVANCES****(Unsecured and considered good unless other wise stated)****(Figures in Rupees)**

<b>Particulars</b>	<b>As at 31.3.2015</b>	<b>As at 31.3.2014</b>
<b>Others :</b>		
Secured Loans against shares	13,50,000	10,50,000
Advance to Employees	2,400	10,180
Prepaid Expenses	39,591	-
<b>TOTAL</b>	<b>13,91,991</b>	<b>10,60,180</b>

**2.18 OTHER CURRENT ASSETS****(Figures in Rupees)**

<b>Particulars</b>	<b>As at 31.3.2015</b>	<b>As at 31.3.2014</b>
<b>Interest Receivable</b>		
Loan		
Accrued but not Due	90,132	18,025
Accrued and Due	5,59,311	-
<b>TOTAL</b>	<b>6,49,443</b>	<b>18,025</b>



**Notes to the financial statements for the year ended 31<sup>st</sup> March 2015**
**2.19 REVENUE FROM OPERATIONS**
**(Figures in Rupees)**

<b>Particulars</b>	<b>Year ended on 31.03.2015</b>	<b>Year ended on 31.03.2014</b>
<b>A. Fund Based :</b>		
<b>Interest Income (Gross)</b>		
Loans	79,86,593	6,03,675
Investments		
Long Term Investments	-	30,100
Current Investments	12,216	9,154
Others	13,319	-
Upfront Fees and charges	33,72,500	14,000
<b>Dividend Income</b>		
Investments		
Long Term Investments	1,44,100	1,40,876
Current Investments	31,22,759	82,27,313
<b>B. Fee Based :</b>		
<b>Other Financial Services</b>		
Commission Income	6,56,258	2,41,546
<b>Other Operating Revenues</b>		
Interest Income (Gross)- Fixed Deposits with Banks	4,36,112	4,01,877
Net Gain on Sale of Current Investments	40,27,734	2,42,964
Net Gain on sale of Long Term Investment	31,37,781	-
Provisions no longer required:		
Diminution in the value of current investment	3,035	19,99,426
For Contingencies against standard assets	-	4,525
<b>TOTAL</b>	<b>2,29,12,407</b>	<b>1,19,15,456</b>

**2.20 OTHER INCOME**
**(Figures in Rupees)**

<b>Particulars</b>	<b>Year ended on 31.03.2015</b>	<b>Year ended on 31.03.2014</b>
Miscellaneous Income	2,522	3,533
<b>TOTAL</b>	<b>2,522</b>	<b>3,533</b>

**2.21 EMPLOYEE BENEFITS EXPENSES**
**(Figures in Rupees)**

<b>Particulars</b>	<b>Year ended on 31.03.2015</b>	<b>Year ended on 31.03.2014</b>
Salaries, Wages and Bonus etc.	1,01,52,188	31,99,924
Contribution to Provident Fund and Administrative Charges	4,44,931	1,64,813
Staff Welfare expenses	21,624	5,525
<b>TOTAL</b>	<b>1,06,18,743</b>	<b>33,70,262</b>

2.21.1 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.

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

**Gratuity (Unfunded)**
**(Figures in Rupees)**

i.	Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:	<b>2014-15</b>	<b>2013-14</b>
	Liability at the beginning of the year	2,33,145	2,16,144
	Interest cost	32,513	18,106
	Current Service Cost	1,33,436	14,365
	Actuarial (Gain)/Loss on obligations	7,290	(15,470)
	Benefits paid	-	-
	Liability at the end of the year	<b>4,06,384</b>	<b>2,33,145</b>
ii.	<b>Amount Recognized in Balance Sheet</b>	<b>2014-15</b>	<b>2013-14</b>
	Liability at the end of the year	4,06,384	2,33,145
	Fair value of Plan Assets at the end of the year	-	-
	Amount recognized in the Balance Sheet	<b>4,06,384</b>	<b>2,33,145</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2015**

(Figures in Rupees)

iii.	Expenses recognized in the Statement of Profit & Loss	<b>2014-15</b>	<b>2013-14</b>
	Current service cost	1,33,436	14,365
	Interest cost	32,513	18,106
	Expected Return on Plan Assets	-	-
	Net Actuarial (gain)/loss to be Recognized	7,290	(15,470)
	Benefit Payments	-	-
	Expenses Recognized in Profit & Loss Account	<b>1,73,239</b>	<b>17,001</b>
iv.	Balance Sheet Reconciliation	<b>2014-15</b>	<b>2013-14</b>
	Opening Net Liability	2,33,145	2,16,144
	Expenses as above	1,73,239	17,001
	Employers Contribution	-	-
	Amount recognized in the Balance Sheet	<b>4,06,384</b>	<b>2,33,145</b>
v.	Principal Actuarial assumption at the Balance Sheet	<b>2014-15</b>	<b>2013-14</b>
	Discount Rate	8.00%	9.00%
	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.

**2014-15**
**Defined Contribution Scheme**

2,33,145	<b>Particulars</b>	<b>Year ended on 31.03.2015</b>	<b>Year ended on 31.03.2014</b>
32,513			
1,33,436	Employer's Contribution to Provident Fund	4,44,931	1,64,813
7,290			
<b>4,06,384</b>			

**Compensated Absences**

The obligation for compensated absences is determined in the same manner as Gratuity and Rs. 2,69,432/- (Previous Year Rs. 2,45,373/-) provided for the year in this respect has been shown under "Salaries and Wages".

**2.22 OTHER EXPENSES**

(Figures in Rupees)

Particulars	Note No.	Year ended on 31.03.2015	Year ended on 31.03.2014
Rent	2.22.1	10,04,400	3,87,696
Repairs to Machinery		79,981	700
Rates and Taxes		3,63,818	2,37,981
<b>Auditors Remuneration:</b>			
Audit Fees		1,00,000	1,00,000
Tax Audit Fees		10,000	10,000
Legal and Professional Fees		1,88,242	2,69,624
Recruitment expenses		29,155	9,77,750
Traveling Expenses		1,90,189	2,24,292
Advertisement		6,08,488	-
Directors' Sitting Fees		5,15,000	2,35,000
Provision for Diminution in value of Current Investment		6,84,724	-
Provision for Contingencies against Standard Assets	2.27	8,22,383	3,270
Miscellaneous Expenditure		10,88,555	5,69,014
<b>TOTAL</b>		<b>56,84,935</b>	<b>30,15,327</b>

- 2.22.1 The Company has cancelable operating lease arrangement for office accommodation taken on lease for initial period of nine years expiring on 30.11.2022 further extendable with mutual consent of the parties. The lease can be terminated after giving notice in terms of the agreement by either of the party and there is no provision for contingent rent in the said agreement.

**2.23 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/-).

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.

**b) Commitments :**

(Figures in Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance made there against) (exclusive of Service Tax).	4,43,287	22,16,435

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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2015**

**2.24 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 31<sup>st</sup> March, 2015.

**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
- Peerless Mutual Fund (managed by Peerless Funds Management Company Limited)
- Peerless Trust Management Company Limited
- Peerless Hotels Ltd.
- Kaizen Leisure & Holidays Ltd.

**Key Management Personnel**

Mr. Sudama Ram-Managing Director and Chief Executive Officer.

The Company's related parties transactions during the year and outstanding balances as at 31<sup>st</sup> March,2015 are annexed herewith:

**(Figures in Rupees)**

Particulars	Holding Company, Associates, Group Enterprises and Companies under common control									Grand Total
	The Peerless General Finance & Investment Co. Ltd.	Peerless Hospitex 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 Management Co. Ltd.)	Peerless Funds Management Co. Ltd.	Key Management Personnel	
<b>INCOME</b>										
Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-
	(1,01,310)	-	-	-	-	(4,923)	-	-	-	(1,06,233)
Dividend Income	-	-	-	-	-	-	27,42,409	-	-	27,42,409
	-	-	-	-	-	-	(81,60,371)	-	-	(81,60,371)
Upfront Fees (including service tax)	-	-	-	-	-	81,461	-	-	-	81,461
	-	-	-	-	-	-	-	-	-	-
Interest on Loan	-	4,32,889	-	-	-	-	-	-	-	4,32,889
	-	(5,76,857)	-	-	-	-	-	-	-	(5,76,857)
TOTAL	-	4,32,889	-	-	-	81,461	27,42,409	-	-	32,56,759
	(1,01,310)	(5,76,857)	-	-	-	(4,923)	(81,60,371)	-	-	(88,43,461)
<b>EXPENSES</b>										
Brokerage for share transaction	-	-	-	-	-	1,85,897	-	-	-	1,85,897
	-	-	-	-	-	(-)	-	-	-	(-)
Demat Charges	-	-	-	-	-	570	-	-	-	570
	-	-	-	-	-	(1250)	-	-	-	(1250)
Cost of Airticket (including Service tax)	-	-	-	1,14,923	-	-	-	-	-	1,14,923
	-	-	-	(-)	-	-	-	-	-	(-)
Interest payable on borrowing	-	-	-	-	-	-	-	3,16,438	-	3,16,438
	-	-	-	-	-	-	-	(-)	-	(-)
Rent & Electricity (including Service Tax)	11,28,544	-	-	-	-	-	-	-	-	11,28,544
	(4,38,611)	-	-	-	-	-	-	-	-	(4,38,611)
Cost of Food packets/ Room booking for meeting etc.	-	-	-	-	1,14,432	-	-	-	-	1,14,432
	-	-	-	-	(-)	-	-	-	-	(-)
Managerial Remuneration	-	-	-	-	-	-	-	-	79,16,467	79,16,467
	-	-	-	-	-	-	-	-	(22,12,200)	(22,12,200)
TOTAL	11,28,544	-	-	1,14,923	1,14,432	1,86,467	-	3,16,438	79,16,467	97,77,271
	(4,38,611)	(-)	(-)	(-)	(-)	(1,250)	(-)	(-)	(22,12,200)	(26,52,061)

**(Figures in Rupees)**

Particulars	Holding Company, Associates, Group Enterprises and Companies under common control									Grand Total
	The Peerless General Finance & Investment Co. Ltd.	Peerless Hospitex 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 Management Co. Ltd.)	Peerless Funds Management Co. Ltd.	Key Management Personnel	
<b>LOANS &amp; ADVANCES</b>										
Advance for acquiring Flat	-	-	17,73,148	-	-	-	-	-	-	17,73,148
	-	-	(17,73,148)	-	-	-	-	-	-	(17,73,148)
TOTAL	-	-	17,73,148	-	-	-	-	-	-	17,73,148
	-	-	(17,73,148)	-	-	-	-	-	-	(17,73,148)
<b>INVESTMENT</b>										
Purchase of Investment in Mutual Fund	-	-	-	-	-	-	74,22,70,829	-	-	74,22,70,829
	-	-	-	-	-	-	(19,00,000)	-	-	(19,00,000)
Sale of Investment in Mutual Fund	-	-	-	-	-	-	81,17,95,542	-	-	81,17,95,542
	-	-	-	-	-	-	(97,29,089)	-	-	(97,29,089)
<b>SHARE CAPITAL</b>										
Amount received by issue of equity shares	9,99,99,999	-	-	-	-	-	-	-	-	9,99,99,999
	-	-	-	-	-	-	-	-	-	-
TOTAL	9,99,99,999	-	-	-	-	-	-	-	-	9,99,99,999
	-	-	-	-	-	-	-	-	-	-
<b>SHORT TERM BORROWINGS</b>										
Short Term Borrowings	-	-	-	-	-	-	-	15,00,00,000	-	15,00,00,000
	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	15,00,00,000	-	15,00,00,000
	-	-	-	-	-	-	-	-	-	-
<b>OUTSTANDING BALANCES</b>										
Loan Given including interest	-	40,12,437	-	-	-	-	-	-	-	40,12,437
	-	(56,17,359)	-	-	-	-	-	-	-	(56,17,359)
Advance for acquiring Flat	-	-	84,73,132	-	-	-	-	-	-	84,73,132
	-	-	66,99,984	-	-	-	-	-	-	66,99,984
Short Term Borrowing (incl. interest)	-	-	-	-	-	-	-	15,02,84,794	-	15,02,84,794
	-	-	-	-	-	-	-	-	-	-
Payable of Expenses	-	-	-	-	-	-	-	-	11,52,809	11,52,809
	-	-	-	-	-	(250)	-	-	-	(250)
Investment in Mutual Fund	-	-	-	-	-	-	5,72,80,649	-	-	5,72,80,649
	-	-	-	-	-	-	(12,68,05,362)	-	-	(12,68,05,362)
TOTAL	-	40,12,437	84,73,132	-	-	-	5,72,80,649	15,02,84,794	11,52,809	22,12,03,821
	-	(56,17,359)	66,99,984	-	-	(250)	(12,68,05,362)	-	-	(13,91,22,955)

**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

**2.25 Details of Earning per Share :**
**(Figures in Rupees)**

Particulars	Year ended on 31.03.2015	Year ended on 31.03.2014
Profit / (Loss) After Tax	45,10,376	49,69,043
Weighted Average Number of Equity Shares used as denominator for calculating EPS	1,77,87,589	1,39,24,575
Earnings per share		
Basic & Diluted	0.25	0.36
Face Value Per Equity Share (Rs.)	10	10

2.26 (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 a proceeds thereof is 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.

2.27 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 is required to be made. Accordingly, provision amounting to Rs.8,22,383/- (previous year Rs. 3,270/-) has been made and shown as "provision for contingencies against Standard Assets" in these accounts. Resultant excess amount of Rs. nil- (previous year Rs. 4,525/-) being no longer required, has been written back.

2.28 During the year, depreciation has been provided as per Schedule II of Companies Act 2013 which has been made effective from the 1<sup>st</sup> day of April 2014. Accordingly, carrying amount of the fixed assets as on 31<sup>st</sup> March 2014 has been depreciated over the remaining useful life of these assets as recomputed in terms of the said schedule. Consequently, depreciation for the year ended on 31<sup>st</sup> March 2015 ended is higher by Rs. 74,067/-.

2.29 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.

2.30 Previous year's figures have been regrouped / re-arranged / re-classified whenever necessary.

For LODHA & Co.

Chartered Accountants

4, Government Place East,

Kolkata-700 069

R. P. Singh

Partner

Membership No. 052438

Dated : 11th June, 2015

On behalf of the Board

Pranab Kumar Choudhury - Chairman

Sudama Ram - Managing Director &  
Chief Executive Officer

Dipankar Chatterji - Director



## Annex I

**Schedule to the Balance Sheet of a non-deposit taking non-banking financial company**  
**(Rs. In Lakhs)**

<b>Particulars</b>			
Liabilities Side :			
(1)	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :</b>	<b>Amount out-standing</b>	<b>Amount overdue</b>
	(a) Debentures : Secured	-	-
	: Unsecured	-	-
	(other than falling due within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	1,502.00	-
	(e) Commercial Paper	-	-
	(f) Other Loans (specific nature)	-	-
	* Please see Note 1 below		
Assets Side :		Amount Outstanding	
(2)	<b>Break-up Loans and Advances including bills receivable [other than those included in (4) below] :</b>		
	(a) Secured	2,924.83	
	(b) Unsecured	416.59	
(3)	<b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease		-
	(b) Operating Lease		-
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards AFC activities :		
	(a) loans where assets have been repossessed		-
	(b) Loans other than (a) above		-



(5)	<b>Borrower group-wise classification of assets financed in (2) and (3) above:</b> Please see Note 2 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	40.12	-	40.12
	(c) Other related parties	-	-	-
	2. Other than related parties	3,301.30	-	3,301.30
	<b>Total</b>	<b>3,341.42</b>	<b>-</b>	<b>3,341.42</b>

(6)	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b> 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	572.82	572.81
	(c) Other related parties	-	-
	2. Other than related parties	104.19	101.05
	<b>Total</b>	<b>677.01</b>	<b>673.86</b>

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

(7) **Other Information**

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

Notes :

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in Non- Systemically important Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 or sytemically Important Non Banking Financial ( Non Deposit Accepting or Holding) Companies Prudential Norms ( Reserve Bank) Directions, 2015 whichever is applicable.
3. 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 (4) above

For LODHA & Co.  
Chartered Accountants  
4, Government Place East,  
Kolkata-700 069

R. P. Singh  
Partner  
Membership No. 052438  
Dated : 11th June, 2015

On behalf of the Board  
Pranab Kumar Choudhury - Chairman  
Sudama Ram - Managing Director &  
Chief Executive Officer  
Dipankar Chatterji - Director