



## BOARD OF DIRECTORS

- Shri Pranab Kumar Choudhury** - Chairman & Independent Director  
**Shri Sunil Kanti Roy** - Director  
**Shri Bhargab Lahiri** - Director  
**Shri Dipankar Chatterji** - Independent Director  
**Shri Asoke Kumar Mukhuty** - Director  
**Shri K. Balasubramanian** - Director  
**Shri Sudama Ram** - Managing Director & Chief Executive Officer

## COMPANY SECRETARY

**Shri Biswajit Das**

## CHIEF FINANCIAL OFFICER

**Shri Partha Bose**

## 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 2015-16**

To

The Members

Your directors have pleasure in presenting to you the Twenty-eighth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016.

**Financial Highlights**

A summary of financial results for the FY 2015-16 along with the corresponding figures of previous FY of your Company is given below:-

(Rupees in Lakh)

Particulars	Year ended 31 <sup>st</sup> March 2016	Year ended 31 <sup>st</sup> March 2015
Gross Revenue	587.13	229.15
Profit/(Loss) before taxation	72.92	51.06
Less: Tax Expense	41.30	5.95
<b>Profit/(Loss) after tax</b>	31.62	45.11
Add: Balance brought forward from the previous year	207.67	171.58
Surplus	239.29	216.69
Transfer to Special Reserve	6.32	9.02
Balance transferred to Balance Sheet	232.97	207.67

**The State of Company's Affairs**

Your Company is a subsidiary of The Peerless General Finance & Investment Company Limited ("PGFI"). It is a Non-Banking Financial Company registered with the Reserve Bank of India and categorized as a Non-Deposit accepting or holding, Non-systemically important, Loan Company. As its primary business, the Company offers loans to corporate entities, 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. During the year under review the Holding Company, PGFI, has infused about Rs.30 crore by way of share capital including premium. Due to non-availability of loan proposals matching with the lending norms of the Company, during the year under review, the Company could not increase its loan book adequately. During 2015-16 your Company sanctioned and disbursed loans aggregating Rs.1100 Lakh. The revenue of your company increased by 156.22% y-o-y, from Rs.229.15 Lakh in 2014-15 to Rs.587.13

Lakh in 2015-16. The Company earned a Profit Before Tax of Rs.72.92 Lakh and Profit After Tax of Rs.31.62 Lakh during the FY 2015-16 vis-à-vis Rs.51.06 Lakh and Rs.45.11 Lakh respectively during the previous financial year.

### **Dividend**

For the purpose of conservation of resources, your directors do not recommend any dividend for the FY 2015-16.

### **Amounts Transferred to Reserves**

The Board of Directors of the Company has decided to transfer an amount of Rs.6.32 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.

### **Variation in Net Worth**

The Net Worth of the Company as at the close of the financial year ended 31<sup>st</sup> March, 2016 was Rs.5642.56 lakh, as compared to the net worth as at the close of previous financial year ended 31<sup>st</sup> March, 2015 of Rs.2617.27 lakh.

### **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 2015-16.

### **Number of Board Meetings**

During the Financial Year 2015-16, 7 (seven) meetings of the Board of Directors of the company were held on 28/04/2015, 11/06/2015, 23/07/2015, 28/08/2015, 09/10/2015, 18/12/2015 and 04/03/2016.

The number of meetings attended by each Director were as follows:

Sl. No.	Name & Designation	No. of meetings attended
1.	Mr. Pranab Kumar Choudhury, Chairman	7 out of 7
2.	Mr. Dipankar Chatterji, Director	7 out of 7
3.	Mr. Sunil Kanti Roy, Director	7 out of 7
4.	Mr. Bhargab Lahiri, Director	7 out of 7
5.	Mr. Asoke Kumar Mukhuty, Director	7 out of 7
6.	Mr. K Balasubramanian, Director	6 out of 7
7.	Mr. Sudama Ram, Managing Director & CEO	7 out of 7

### **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 providing 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**

No material contract or transaction was entered into with any related party during the year under review. Few contracts / arrangements / transactions took place 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, as a good governance practice, the particulars of such contracts or arrangements with related parties for the Financial Year 2015-16 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 Auditors' Observations**

The Auditors' Report does not contain any qualification, reservation or adverse remark that needs to be explained or responded to.

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

There is no material change / event that 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 2015-16.

### **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 2015-16.

### **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 regular monitoring 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**

In accordance with the relevant provisions of the Companies Act, 2013, Mr. Bhargab Lahiri, Director (DIN: 00043772) will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

No Independent Director was reappointed in terms of section 149(10) of the Companies Act, 2013 during the FY 2015-16.

Mr. Biswajit Das was appointed as the Company Secretary and Mr. Partha Bose was appointed as the Chief Financial Officer during the year under review.

### **Internal Control**

An adequate Internal Control System has been established by the Company in respect of all the major processes. 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.

### **Internal Financial Control with Reference to the Financial Statements**

The Company's internal financial 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 Company has documented Standard Operating Procedures (Accounts Manual) for various processes which are reviewed for changes, if any, due to business needs. Besides that, various policies, such as, Human Resource Policy, Lending Policy, Risk Management Policy, IT & Security

Policy, Investment Policy etc. have been implemented in the company. Internal Auditors and Statutory Auditors as well as the management and the Audit Committee of the Board review the operating effectiveness of such policies and procedures. In the opinion of the Board, the Internal Financial Control System of the Company is adequate and it is operating effectively.

### **Declaration by Independent Director**

In pursuance of Section 149(7) of the Companies Act, 2013 Mr. Pranab Kumar Choudhury and Mr. Dipankar Chatterji, Independent Directors have submitted to the Company necessary declarations to the effect that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

### **Committees of the Board**

The Board delegate different aspects of business to designated Committees of the Board in order to give focused attention to the business of the Company.

### **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 five meetings during the financial year on 28/04/2015, 11/06/2015, 28/08/2015, 18/12/2015 and 04/03/2016.

The number of meetings attended by each Member of the Committee were as follows:

Sl. No.	Name & Designation	No. of meetings attended
1.	Mr. Dipankar Chatterji, Chairman, Audit Committee	5 out of 5
2.	Mr. Pranab Kumar Choudhury, Member	5 out of 5
3.	Mr. Asoke Kumar Mukhuty, Member	5 out of 5

All the recommendations made by the Audit Committee were accepted 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.

The Committee held two meetings during the year FY on 19/05/2015 and 15/02/2016.

The number of meetings attended by each Member of the Committee were as follows:

Sl. No.	Name & Designation	No. of meetings attended
1.	Mr. Dipankar Chatterji, Chairman, Audit Committee	1 out of 2
2.	Mr. Pranab Kumar Choudhury, Member	2 out of 2
3.	Mr. Asoke Kumar Mukhuty, Member	1 out of 2

### **Share Transfer & Stakeholders Relationship Committee**

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

#### **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 four meetings during the financial year on 14/05/2015, 04/08/2015, 07/12/2015 and 28/03/2016.

The number of meetings attended by each Member of the Committee were as follows:

Sl. No.	Name & Designation	No. of meetings attended
1.	Mr. Bhargab Lahiri, Chairman, Audit Committee	3 out of 4
2.	Mr. Asoke Kumar Mukhuty, Member	4 out of 4
3.	Mr. K Balasubramanian, Member	4 out of 4



### **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**

M/s. Lodha & Co., Chartered Accountants (FRN.301051E), was appointed at the 26<sup>th</sup> Annual General Meeting of the Company held on 21<sup>st</sup> 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.

### **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**

Board's key functions include monitoring and review of the Board evaluation framework. The Board together with the Nomination & Remuneration Committee lays 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.

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

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.

The questionnaire for 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, relationship with the stakeholders, Company performance, Company strategy and the effectiveness of the whole Board and its various committees. The directors are encouraged to provide feedback on the key parameter of the survey.

### **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 2015-16:

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 was reported by the Auditors under sub-section (12) of Section 143 of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

### **Directors Responsibility Statement**

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

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2016, 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, 2016 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 no transactions on these items occurred and / or relevant provisions of the Companies Act, 2013 were not applicable to the Company during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Change in the nature of business.
3. Details about CSR Policy and implementation and initiative taken during the year.
4. Details of establishment of vigil mechanism.
5. Issue of equity shares with differential rights as to dividend, voting or otherwise.
6. Issue of shares (including ESOP and sweat equity shares) to employees of the Company under any scheme.
7. Receiving of any remuneration or commission by the Managing Director of the Company from its holding company. The Company does not have any subsidiary company.
8. 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, employees and all other stakeholders for their support.

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

Further, your Directors take this opportunity to express their appreciation and express their thanks for the continued support, cooperation and guidance received from the Holding Company, viz., The Peerless General Finance & Investment Company Limited.

Kolkata

Dated : 21st May, 2016

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

The reform measures initiated by the Central Government during the last two years has started yielding positive results in the Indian economy. However, the banking industry is yet to see consistent growth in credit offtake due to various factors such as rising stressed assets, pending reforms in the financial sector. Recent passage of Bankruptcy Code is a silver lining in the sky, which will improve banking industry's fortunes in the future as the lenders will be in a position to resolve non-performing assets and realise their dues in a time bound orderly manner. Similarly, implementation of Real Estate Regulatory Authorities in States pursuant to passage of Real Estate Regulatory Bill will also boost the fortunes of real estate industry in India, 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 2016-17 on back of improved fiscal scenario. The RBI is expected to cut interest rate by 50 to 75 bps during the year which will boost credit growth.

Till the overall scenario in banking industry improves, the Company will be treading a cautious path with conservative approach and will simultaneously explore alternative lending products.

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31/03/2016**

[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	% of total turnover of the company
1	Other financial service activities, except insurance and pension funding activities	64990	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<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.	-	3,65,66,651	3,65,66,651	98.15%	-	3,65,70,651	3,65,70,651	98.16%	+0.01%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	3,68,32,152	3,68,32,152	98.86%	-	3,68,36,152	3,68,36,152	98.87%	+0.01%
<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>	-	3,68,32,152	3,68,32,152	98.86%	-	3,68,36,152	3,68,36,152	98.87%	+0.01%
<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	-	4,00,756	4,00,756	1.07%	-	3,96,756	3,96,756	1.06%	-0.01%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	4,25,756	4,25,756	1.14%	-	4,21,756	4,21,756	1.13%	-0.01%
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	4,25,756	4,25,756	1.14%	-	4,21,756	4,21,756	1.13%	-0.01%
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>6,29,975</b>	<b>1.69%</b>	-	<b>6,33,975</b>	<b>1.70%</b>	-	<b>+0.01%</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>3,68,32,152</b>	<b>98.87%</b>	-	<b>3,68,36,152</b>	<b>98.88%</b>	-	<b>+0.01%</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		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	<b>3,68,32,152</b>	<b>98.86%</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):			4,000	0.01%
	At the End of the year			<b>3,68,36,152</b>	<b>98.87%</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	SANTANA DUTTA	2500	0.007%	2500	0.007%
7	ASIS KUSUM CHATTERJEE	2500	0.007%	2500	0.007%
8	SUBHRANGSHU CHAKRABARTI	2000	0.005%	2000	0.005%
9	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>27,501</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>27,501</b>	<b>0.07</b>
2	Bhargab Lahiri				
	At the beginning of the year	<b>200</b>	<b>0.0005</b>		
	Date wise Increase / Decrease in Share holding during the year pecifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc) :			-	-
	At the End of the year			<b>200</b>	<b>0.0005</b>
3	Asoke Kumar Mukhuty				
	At the beginning of the year	<b>1451</b>	<b>0.0039</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>0.0039</b>
		<b>29,152</b>	<b>0.0744%</b>	<b>29,152</b>	<b>0.0744%</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	--	--	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
<b>Change in Indebtedness during the financial year</b>				
• Addition			--	--
• Reduction			15,03,16,438	15,03,16,438
<b>Net Change</b>			15,03,16,438	15,03,16,438
<b>Indebtedness at end 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>			0	0

**(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	78,03,809	78,03,809
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	32,400	32,400
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - others, specify	-- --	-- --
5	Others, please specify	--	--
6	Total (A)	78,36,209	78,36,209

*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	
1	Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	1,00,000	-	-	-	95,000	-	1,95,000
	Total (1)	1,00,000	-	-	-	95,000	-	1,95,000
2	Other Non-Executive Directors · Fee for attending board / committee meetings · Commission · Others, please specify	-	80,000	1,15,000	95,000	-	80,000	3,70,000
	Total (2)	-	80,000	1,15,000	95,000	-	80,000	3,70,000
	Total (B)=(1+2)	1,00,000	80,000	1,15,000	95,000	95,000	80,000	5,65,000
	Total Managerial Remuneration							84,01,209
	Overall Ceiling as per the Act	As per resolutions passed by Nomination & Remuneration Committee, Board of Directors and Special Resolution passed by the shareholders as per relevant sections of the Companies Act and the Schedule made thereunder.						

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	C F O	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	5,59,260	23,303	5,82,563
	(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	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify	--	--	--
5	Others, please specify	--	--	--
6	Total (A)	5,59,260	23,303	5,82,563

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
<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 : 21st May, 2016

For and on behalf of the Board  
Pranab Kumar Choudhury  
Chairman

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



**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	01.04.2015 to 31.03.2016
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Service Charge Rs.2200/- Cost of Air Ticket Rs.93,256/- Total Rs.95,456/-
(e)	Date(s) of approval by the Board, if any	21.05.2016
(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	01.04.2015 to 31.03.2016
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Receiving of reimbursement expenses for marketing of FPD products of PSL - Rs.2,035/-
(e) Date(s) of approval by the Board / Audit Committee, if any	21.05.2016
(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	01.04.2015 to 31.03.2016
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	DEMAT Account maintenance Charge paid Rs.4025/-.
(e) Date(s) of approval by the Board, if any	21.05.2016
(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	01.04.2015 to 31.03.2016
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Brokerage paid Rs.4100/-.
(e) Date(s) of approval by the Board, if any	21.05.2016
(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	01.04.2015 to 31.03.2016
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Cost of food and conference room hire charges Rs.119040/-.
(e) Date(s) of approval by the Board, if any	21.05.2016
(f) Amount paid as advances, if any:	NIL

Kolkata  
Dated : 21st May, 2016

For and on behalf of the Board  
Pranab Kumar Choudhury  
Chairman

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

**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, 2016.

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	54	Managing Director & Chief Executive Officer	81,69,631	Contractual	B.Tech, MBA	31	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 : 21<sup>st</sup> May, 2016

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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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. 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, 2016, its profit and its cash flows for the year ended on that date.

### **Other Matter**

As represented by the company, requirement for obtaining GIIN from Income Tax Department is not applicable to it. Necessary clarification has been sought from RBI in this respect. Pending this no such registration has been obtained.

Our opinion is not modified in respect of this matter.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 of 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 the asset / income pattern as on 31.03.2016.
- 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 Institutions (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 debts as applicable to it and specified in the directions issued by the Reserve Bank of India in terms of Non-Systematically Important Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2015.
- h. As stated in Note 2.25 of the accompanying financial statements, the Company is not a Systematically Important Non-deposit taking Non Banking Financial Company and therefore provisions of para 3(C)(iv) are not applicable to the Company.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. As per representation received from the management, the Company has disclosed the impact of pending litigations on its financial position in its financial statements (refer Note 2.20 of the financial statements);
  - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long term contracts. As explained, the Company does not have any derivative contracts.
  - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Kolkata  
Dated : 21.05.2016

H.K.Verma  
Partner  
Membership No: 055104



**'Annexure A' referred to in our report of even date**

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

Name of Statute	Nature of the Dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	16,23,940	AY. 2007-2008	Dy. Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	9,48,840	A.Y. 2013-2014	Commissioner of Income Tax

- viii. According to the information and explanations given to us, the company has not taken any loans or borrowings taken during the year from any financial institution, banks, government or debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- ix) The Company has not raised monies by way of Initial Public Offer or further public offer (including debt instruments) and term loans and as such paragraph 3(ix) of the Order is not applicable to the Company.
- x) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud by the Company or on the Company by its officers or employees, nor have we been informed of any such case by the management.
- xi) According to the information and explanations given to us, the managerial person of the Company has been appointed in accordance with the provisions of Companies Act, 1956 read with Schedule XIII thereof (CA 1956) and during the year the managerial remuneration paid or provided in this respect was in accordance with the terms and conditions as per relevant provisions of CA 1956 and therefore provisions of Section 197 read with Schedule V to the Act are not applicable to the Company.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore paragraph 3(xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors and therefore provisions of section 192 of the Act are not applicable to the Company.
- xvi) According to the information and explanations given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the said registration has been obtained.

For LODHA & CO.  
Chartered Accountants

Firm's ICAI Registration No. 301051E

Place : Kolkata

Dated : 21.05.2016

H.K.Verma

Partner

Membership No: 055104

**'Annexure B' referred to in our report of even date**

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

We have audited the internal financial controls over financial reporting of Peerless Financial Services Limited ("the Company") as at March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Kolkata  
Dated : 21.05.2016

H.K.Verma  
Partner  
Membership No: 055104

**Balance Sheet as at 31st March, 2016**
**(Figures in Rupees)**

Particulars	Note No.	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders Funds</b>					
(a) Share Capital	2.1		37,25,79,080		23,92,45,748
(b) Reserves and Surplus	2.2		20,00,26,279		3,01,97,316
<b>(2) Non-Current Liabilities</b>					
(a) Long term provisions	2.3		16,67,784		16,45,734
(b) Short Term Borrowing	2.4		-		15,00,00,000
<b>(3) Current Liabilities</b>					
(a) Trade payables	2.5				
Outstanding dues of creditors (micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006)			-		-
Outstanding dues of creditors (other than micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006)		16,02,391	16,02,391	14,27,139	14,27,139
(b) Other current liabilities	2.6		19,35,621		20,10,358
(c) Short-term provisions	2.7		3,26,597		2,58,187
<b>TOTAL</b>			<b>57,81,37,752</b>		<b>42,47,84,482</b>
<b>II. ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Fixed Assets	2.8				
i) Tangible Assets			38,78,419		42,07,932
ii) Intangible Assets			5,11,293		5,24,775
(b) Deferred tax assets (net)	2.9		43,89,712		47,32,707
(c) Long-term loans and advances			4,75,420		3,80,070
- Financing by way of Loans	2.10		22,65,03,349		27,78,75,818
- Other Long Term Advances	2.11		1,82,78,155		98,82,130
<b>(2) Current Assets</b>					
(a) Current investments	2.12		24,66,22,622		6,73,85,843
(b) Cash and Bank balances	2.13		36,58,197		62,20,637
(c) Short-term loans and advances	2.14		2,24,720		13,91,991
(d) Other current assets					
- Current Maturities of Long Term Loans	2.10		7,78,73,291		5,62,65,843
- Other Current Assets	2.15		1,12,286		6,49,443
<b>TOTAL</b>			<b>57,81,37,752</b>		<b>42,47,84,482</b>

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

Chartered Accountants  
14, Government Place East, Kolkata-700 069  
H.K.Verma

Partner

Membership No: 055104

Dated : 21st May, 2016

Biswajit Das  
Company Secretary

On behalf of the Board

Pranab Kumar Choudhury

Sudama Ram

Dipankar Chatterji

Partha Bose

Chief Financial Officer

- Chairman

- Managing Director & CEO

- Director

**Statement of Profit and Loss for the year ended 31st March, 2016**

(Figures in Rupees)

Particulars	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
I. Revenue from Operations	2.16	5,87,05,498	2,29,12,407
II. Other Income	2.17	7,285	2,522
<b>III. Total Revenue (I+II)</b>		<b><u>5,87,12,783</u></b>	<b><u>2,29,14,929</u></b>
<b>IV. Expenses</b>			
Employee benefits expense	2.18	1,27,80,964	1,06,18,743
Finance Costs (Interest)		33,00,000	3,16,438
Depreciation and amortisation expense	2.8	13,47,934	11,89,199
Other expenses	2.19	3,39,91,937	56,84,935
<b>Total Expenses (IV)</b>		<b><u>5,14,20,835</u></b>	<b><u>1,78,09,315</u></b>
<b>V. Profit before tax (III-IV)</b>		<b><u>72,91,948</u></b>	<b><u>51,05,614</u></b>
<b>VI. Tax Expenses :</b>			
Current tax		42,25,000	7,00,000
Deferred taxation	2.9	(95,350)	(1,04,762)
<b>VII. Profit for the year (V-VI)</b>		<b><u>31,62,298</u></b>	<b><u>45,10,376</u></b>
VIII. Earning per equity share face value of Rs. 10 each - Basic & Diluted	2.22	0.09	0.25

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

For LODHA & Co.  
Chartered Accountants  
14, Government Place East, Kolkata-700 069  
H.K.Verma  
Partner

Membership No: 055104  
Dated : 21st May, 2016

Biswajit Das  
Company Secretary

On behalf of the Board  
Pranab Kumar Choudhury  
Sudama Ram

- Chairman  
- Managing Director &  
CEO  
- Director

Dipankar Chatterji  
Partha Bose  
Chief Financial Officer

**Cash Flow Statement for the year ended 31st March, 2016 (Figures in Rupees)**

Particulars	Year ended on 31.03.2016	Year ended on 31.03.2015
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Taxation</b>	<b>72,91,948</b>	<b>51,05,614</b>
Adjustment for -		
Depreciation and Amortization	13,47,934	11,89,199
Interest Expense	33,00,000	3,16,438
Contingent Provision for Standard Assets	(1,54,173)	-
Loans & Advances written off	2,00,00,000	-
Provision for diminution in the value of current investments no longer required	-	(3,035)
Provision for diminution in the value of investments	11,42,472	6,84,724
Net gain on sale of current investments	(1,17,36,301)	(40,27,734)
Interest Income on Fixed Deposit	(9,360)	(4,36,112)
Gain on sale of long term investments	-	(31,37,781)
Dividend Income on Long Term Investments	-	(1,44,100)
Dividend Income on Current Investments	(1,39,926)	(31,22,759)
Provision for contingencies against Standard Assets	-	8,22,383
Provision for Unrecognised Income	43,151	-
<b>Operating profit / (loss) before working capital changes</b>	<b>2,10,85,745</b>	<b>(27,53,163)</b>
<b>Movements in working capital -</b>		
(Increase)/ Decrease in Trade Receivable	-	3,102
Increase/ (Decrease) in Trade Payable	1,75,252	10,77,272
(Increase)/ Decrease in loans and advances and other assets	98,13,489	(32,96,22,270)
Increase/ (Decrease) Liabilities/ Provisions	4,70,472	16,67,851
<b>Cash Generated / (Utilised) from/in Operations</b>	<b>3,15,44,958</b>	<b>(32,96,27,208)</b>
Less: Direct Taxes Paid (Net)	(1,09,67,566)	(16,52,582)
<b>Net Cash from Operating Activities (A)</b>	<b>2,05,77,392</b>	<b>(33,12,79,790)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of current investments	(151,22,84,949)	(66,33,70,267)
Sale of current investments	134,36,41,999	74,03,89,479
Sale of long term investments	-	45,79,129
Dividend Income on Long Term Investments	-	1,44,100
Dividend Income on Current Investments	1,39,926	31,22,759
Net Investments in Fixed Assets	(10,61,372)	(8,42,188)
Advance to Bengal Peerless Housing Development Company Limited	-	(17,73,148)
Income from Fixed Deposits	9,360	-
Maturity proceeds on Fixed Deposit	48,35,264	-
<b>Net Cash from Investing Activities (B)</b>	<b>(16,47,19,771)</b>	<b>8,22,49,864</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of equity share capital	29,99,99,997	9,99,99,999
Intercompany Deposit	(15,00,00,000)	15,00,00,000
Payment of Interest Expense	(35,84,794)	-
<b>Net Cash from Financing Activities (C)</b>	<b>14,64,15,203</b>	<b>24,99,99,999</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>22,72,824</b>	<b>9,70,073</b>
<b>Opening Cash and Cash Equivalents</b>	<b>13,85,373</b>	<b>4,15,300</b>
<b>Closing Cash and Cash Equivalents</b>	<b>36,58,197</b>	<b>13,85,373</b>

**Notes to the Cash Flow Statement for the year ended 31st March 2016 :**

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

For LODHA & Co.

Chartered Accountants

14, Government Place East, Kolkata-700 069

H.K.Verma,

Partner

Membership No: 055104

Dated : 21st May, 2016

Biswajit Das

Company Secretary

On behalf of the Board

Pranab Kumar Choudhury

Sudama Ram

Dipankar Chatterji

Partha Bose

Chief Financial Officer

- Chairman

- Managing Director &

CEO

- Director



**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016****1. Significant Accounting Policies :-****(a) Use of Estimates :**

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

**(b) Basis of Accounting :**

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

**(c) Revenue Recognition :**

- The Company follows the accrual method of accounting for recognition of Income excepting in cases of uncertainties of collections, which are recognized on receipt basis. Interest Income from financing by way of loan is recognised in terms of the respective agreements with the borrowers. Dividend from Investments is accounted for when right to receive the same is established.
- In accordance with the guidelines issued by the Reserve Bank of India (RBI), incomes against non-performing assets are recognised on receipt basis.

**(d) Fixed Assets :****Tangible Assets**

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

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

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

**Intangible Assets**

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

**(e) Impairment of Assets :**

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of the fixed assets is determined. An impairment loss is recognised, whenever the carrying amounts of assets either belonging to Cash Generating Unit (CGU) or otherwise exceed 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

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**

value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a pro-rata basis.

**(f) Investments :**

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. Current investments also include 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 event and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**
**2.1 SHARE CAPITAL**
**(Figures in Rupees)**

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
A. Authorised Equity Shares of Rs.10/- each	105,00,00,00	105,00,00,000	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>105,05,00,000</b>		<b>50,05,00,000</b>
B. Issued and Subscribed Equity Shares of Rs. 10/- each				
(i) Fully paid up	3,72,57,908	37,25,79,080	39,24,575	3,92,45,750
(i) Partly paid up (Note C.1 below)	-	-	3,33,33,333	19,99,99,998
<b>Total</b>	<b>3,72,57,908</b>	<b>37,25,79,080</b>	<b>3,72,57,908</b>	<b>23,92,45,748</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 in earlier years at Rs. 15/- each. Share Application money of Rs. 1.50/- and First and Second Call Money of Rs. 4.50/- aggregating to Rs.19,99,99,998/- received in this respect were appropriated towards and credited to the equity capital of the Company and shown as partly paid equity share of the Company. Final call money of Rs.4/- per equity share on 3,33,33,333 equity shares along with premium of Rs.5/- per share such equity shares received during the year have been credited to equity share capital and Securities premium account respectively. The amount received pending utilization to the extent of Rs.24,28,11,779 (Previous year – Rs.1,11,55,240/-) has been kept invested in the Mutual Fund and has been included under Note 2.12 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	2015-16	2014-15
Number of Shares held by holding company:		
(i) Fully paid up	3,48,9,401	11,56,068
(ii) Partly paid up	-	3,33,33,333

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**

D. The reconciliation of number of shares outstanding and amount of share capital as at 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2015 is set out below:

Particulars	31-Mar-16		31-Mar-15	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	3,72,57,908	23,92,45,748	3,72,57,908	13,92,45,749
Add: Call money received during the year	--	13,33,33,332	--	9,99,99,999
Shares outstanding at the end of the year	<b>3,72,57,908</b>	<b>37,25,79,080</b>	<b>3,72,57,908</b>	<b>23,92,45,748</b>

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

Name of the shareholder	As at 31.03.2016	As at 31.03.2015
	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	3,44,89,401	11,56,068
(ii) Partly paid up	-	3,33,33,333
Shikha Holdings Private Limited	8,75,275*	8,75,275
Bichitra Holdings Private Limited	6,33,975*	6,29,975
Peerless Financial Product Distribution Limited	5,72,000*	5,72,000

\* though share holders holds less than 5% shares as at 31<sup>st</sup> March ,2016 , these have been disclosed for comparative purposes.

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 there against, subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all Preferential amounts in proportion to the number of equity shares held by them.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**
**2.2 RESERVES AND SURPLUS**
**(Figures in Rupees)**

Particulars	As at 31.03.2016		As at 31.03.2015	
	Amount	Amount	Amount	Amount
<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 (refer note 2.1 C.1)	16,66,66,665		-	
At the end of year		16,83,80,853		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	77,08,397		68,06,322	
Add : Transferred from Surplus	6,32,460		9,02,075	
At the end of year		83,40,857		77,08,397
<b>Surplus</b>				
At the commencement of the year	2,07,66,731		1,71,58,430	
Add: Profit for the year	31,62,298		45,10,376	
Less: Transfer to Special Reserve U/S 451C of the Reserve Bank of India Act, 1934	(6,32,460)		(9,02,075)	
At the end of year		2,32,96,569		2,07,66,731
<b>TOTAL</b>		<b>20,00,26,279</b>		<b>3,01,97,316</b>

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

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits	2.18.1	11,76,525	9,51,030
Provisions for Contingencies against Standard Assets	2.23	4,91,259	6,94,704
<b>TOTAL</b>		<b>16,67,784</b>	<b>16,45,734</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**
**2.4 SHORT TERM BORROWINGS**
**(Figures in Rupees)**

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>Unsecured</b>			
From Related Parties	2.21	-	15,00,00,000
<b>TOTAL</b>		-	<b>15,00,00,000</b>

**2.5 TRADE PAYABLES**
**Additional Disclosure with respect to Trade Payables**

Based on the information available with the Company, there being no suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 who has dealt with the Company during the year, related disclosures as required in terms of the said Act and Schedule III of the Companies Act, 2013, are not applicable to the Company.

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

Particulars	As at 31.03.2016	As at 31.03.2015
Interest accrued but not due on borrowings	-	2,84,794
Interest on Non-performing loans pending realization	43,151	-
Income received in advance	-	10,49,629
<b>Other Payables</b>		
Statutory Dues – TDS, Provident Fund, Service and Professional tax etc.	3,92,470	67,002
Capital Expenditures	-	58,933
Deposit from borrowers against margin shortfall	15,00,000	5,50,000
<b>TOTAL</b>	<b>19,35,621</b>	<b>20,10,358</b>

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

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits	2.18.1	1,31,677	1,12,539
Provisions for Contingencies against Standard Assets	2.24	1,94,920	1,45,648
<b>TOTAL</b>		<b>3,26,597</b>	<b>2,58,187</b>

2.8 FIXED ASSETS

(Figures in Rupees)

PARTICULARS	GROSS BLOCK (A)				DEPRECIATION/AMORTIZATION (B)				NET BLOCK (A-B)	
	Balance as on 31.03.2015	Addition	Disposal/ Adjustments	Balance as on 31.03.2016	Balance as on 31.03.2015	Addition	Disposal/ Adjust-ment	Balance as on 31.03.2016	Balance as on 31.03.2016	Balance as on 31.03.2015
<b>(A) Tangible Assets</b>										
Leased Hold Building Improvements	6,52,382	-	-	6,52,382	73,637	82,773	-	1,56,410	4,95,972	5,78,745
Data Processing Equipments	26,33,864	99,648	-	27,33,512	24,75,009	1,24,164	-	25,99,173	1,34,339	1,58,855
Motor Car	10,88,236	-	-	10,88,236	1,68,908	1,37,185	-	3,06,093	7,82,143	9,19,328
Electrical Machinery	10,29,846	25,769	2,01,339	12,56,954	3,03,477	99,319	-	4,02,796	8,54,158	7,26,369
Furniture and Fixtures	24,04,859	2,367	43,276	24,50,502	6,68,269	2,36,992	-	9,05,261	15,45,241	17,36,590
Office Equipment	4,41,027	12,840	-	4,53,867	3,52,982	34,319	-	3,87,301	66,566	88,045
<b>TOTAL (A)</b>	<b>82,50,214</b>	<b>1,40,624</b>	<b>2,44,615</b>	<b>86,35,453</b>	<b>40,42,282</b>	<b>7,14,752</b>	<b>-</b>	<b>47,57,034</b>	<b>38,78,419</b>	<b>42,07,932</b>
<b>(B) Intangible Assets</b>										
Computer software	13,53,335	6,19,700	-	19,73,035	8,28,560	6,33,182	-	14,61,742	5,11,293	5,24,775
<b>Total(B) =</b>	<b>13,53,335</b>	<b>6,19,700</b>	<b>-</b>	<b>19,73,035</b>	<b>8,28,560</b>	<b>6,33,182</b>	<b>-</b>	<b>14,61,742</b>	<b>5,11,293</b>	<b>5,24,775</b>
<b>Total(A + B) =</b>	<b>96,03,549</b>	<b>7,60,324</b>	<b>2,44,615</b>	<b>1,06,08,488</b>	<b>48,70,842</b>	<b>13,47,934</b>	<b>-</b>	<b>62,18,776</b>	<b>43,89,712</b>	<b>47,32,707</b>
<b>Previous year Figures</b>	<b>85,05,118</b>	<b>17,56,601</b>	<b>(6,58,170)</b>	<b>96,03,549</b>	<b>36,81,643</b>	<b>13,60,062</b>	<b>(1,70,863)</b>	<b>48,70,842</b>	<b>47,32,707</b>	<b>48,23,475</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**
**2.9 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 01.04.2015	Charge/Credit during the period	Closing as on 31.03.2016
(A) Deferred Tax Assets			
i) On account of Expenses allowable on payment basis	(3,28,643)	(1,03,888)	<b>(4,32,531)</b>
(B) Deferred Tax Liabilities on account of Depreciation difference	(51,427)	8,538	<b>(42,889)</b>
<b>Net Deferred Tax Liability/(Assets) (A-B)</b>	<b>(3,80,070)</b>	<b>(95,350)</b>	<b>(4,75,420)</b>
<b>Previous Year Figure</b>	<b>(2,75,308)</b>	<b>(1,04,762)</b>	<b>(3,80,070)</b>

**2.10 LONG TERM LOANS AND ADVANCES**

(i) Financing by way of Loans

(Secured and Considered good unless otherwise stated)

(Figures in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
	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	8,00,018	15,99,996	24,00,014	15,99,996
<b>Other Loans</b>				
Secured				
Secured Loan against hypothecation of plant & machinery	-	31,804	31,804	1,09,847
Secured Loan against Mortgage of Properties	5,25,00,000	1,60,00,000	6,85,00,000	1,15,00,000
Secured Loan against Pledge of Shares (Refer to Note 2.10.1)	4,40,16,857	2,18,14,993	10,83,41,410	-
Secured Loan against charge of Machines & Equipments	4,73,71,331	1,16,29,491	5,00,00,000	-
Secured Loan against Mortgage of Properties & Pledge of Shares	3,33,32,000	1,11,12,000	4,44,44,000	55,56,000
Unsecured				
Loan against pledge of shares (Refer to Note 2.10.1)	4,84,83,143	1,56,85,007	41,58,590	3,75,00,000
<b>TOTAL</b>	<b>22,65,03,349</b>	<b>7,78,73,291</b>	<b>27,78,75,818</b>	<b>5,62,65,843</b>



**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**

2.10.1 Loan against pledge of shares includes Rs 15,00,00,000 given to certain entities where value of securities were Rs 6,58,31,850/- as on 31.03.2016. Steps are being taken to obtain additional security pending which such loan to the extent of Rs 6,41,68,150/- (net of Rs. 2,00,00,000/- written off during the year) has been classified as unsecured loan.

**2.11 Other Long Term Advances  
(Unsecured and Considered good unless otherwise stated)****(Figures in Rupees)**

<b>Particulars</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
Capital Advances	2,500	-
Security Deposits	10,08,950	32,150
<b>Advances to related parties (Refer Note 2.21)</b>		
Capital Advance against flat- Bengal Peerless Housing Development Company Limited for acquiring Flat	84,73,132	84,73,132
<b>Other Advances</b>		
Advance tax including Tax deducted at Source (Net of Provisions)	81,19,413	13,76,848
Prepaid Expenses	6,74,160	-
<b>TOTAL</b>	<b>1,82,78,155</b>	<b>98,82,130</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**
**2.12 CURRENT INVESTMENTS**
**(Fully Paid-up)**
**(Valued at cost or fair value, whichever is lower)**
**(Figures in Rupees)**

PARTICULARS	As at 31.03.2016			As at 31.03.2015		
	Number/ Unit	Nominal Value/ Face Value	Amount	Number/ Unit	Nominal Value/ Face Value	Amount
<b>1. Investments (Quoted)</b>						
Equity Shares						
State Bank Of India	15,000	1	44,30,668	15,000	1	44,30,668
Coal India Limited	3000	10	11,86,127	8000	10	31,63,006
Snowman Logistics Ltd	452	10	21,244	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>56,38,039</b>			<b>1,07,89,918</b>
Less: Provision for diminution in the value of investments			18,27,196			6,84,724
<b>Net Value of Investments (1)</b>			<b>38,10,843</b>			<b>1,01,05,194</b>
<b>2. Investments in Mutual Funds - Unquoted</b>						
(a) Franklin India Ultra Short Bond Fund – Direct Plan - Growth	88,56,001.417	10	18,00,00,000	-	-	-
(b) Baroda Pioneer Treasury Advantage Fund- Plan – B – Growth	2928.11	1000	50,09,098	-	-	-
(c) Peerless Flexible Income Fund- growth	24,176.793	10	3,02,681	47,75,615.671	10	5,72,80,649
(d) Reliance Liquid Fund – Cash Plan Growth	23,644.344	1000	5,75,00,000	-	-	-
<b>Net Value of Investments (2)</b>			<b>24,28,11,779</b>			<b>5,72,80,649</b>
<b>Net Value of Investments (1+2)</b>			<b>24,66,22,622</b>			<b>6,73,85,843</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**

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

(Figures in Rupees)

2.12.2.	Aggregate amount of :	As at 31.03.2016	As at 31.03.2015
	(a) Quoted investments	56,38,039	1,07,89,918
	(b) Unquoted investments	24,28,11,779	5,72,80,649
	(c) Diminution in value of investments	18,27,196	6,84,724
	(d) Market value of quoted investments	38,13,601	1,04,19,550
	(e) Investments with related parties	3,02,681	5,72,80,649

**2.13 CASH AND BANK BALANCES**

(Figures in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>A. Cash and Cash Equivalents</b>		
a) <b>Balances with Banks</b>		
In Current Accounts	36,39,287	13,80,785
<b>b) Cash in Hand</b>	18,910	4,588
<b>Total (A)</b>	36,58,197	13,85,373
<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>36,58,197</b>	<b>62,20,637</b>

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

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016****2.14 SHORT TERM LOANS AND ADVANCES****(Unsecured and considered good unless other wise stated)****(Figures in Rupees)**

<b>Particulars</b>	<b>As at 31.3.2016</b>	<b>As at 31.3.2015</b>
<b>Others :</b>		
Secured Loans against shares	-	13,50,000
Advance to Employees	-	2,400
Prepaid Expenses	2,24,720	39,591
<b>TOTAL</b>	<b>2,24,720</b>	<b>13,91,991</b>

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

<b>Particulars</b>	<b>As at 31.3.2016</b>	<b>As at 31.3.2015</b>
<b>Interest Receivable</b>		
Loan		
Accrued but not Due	85,516	90,132
Accrued and Due	-	5,59,311
Others	26,770	-
<b>TOTAL</b>	<b>1,12,286</b>	<b>6,49,443</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**
**2.16 REVENUE FROM OPERATIONS**
**(Figures in Rupees)**

<b>Particulars</b>	<b>Year ended on 31.03.2016</b>	<b>Year ended on 31.03.2015</b>
<b>A. Fund Based :</b>		
<b>Interest Income (Gross)</b>		
Loans	4,61,02,373	79,86,593
Investments		
Current Investments	-	12,216
Others	55,847	13,319
Upfront Fees and charges	1,00,000	33,72,500
<b>Dividend Income</b>		
Investments		
Long Term Investments	-	1,44,100
Current Investments	1,39,926	31,22,759
<b>B. Fee Based :</b>		
<b>Other Financial Services</b>		
Commission Income	4,07,518	6,56,258
<b>Other Operating Revenues</b>		
Interest Income (Gross)- Fixed Deposits with Banks	9,360	4,36,112
Net Gain on Sale of Current Investments	1,17,36,301	40,27,734
Net Gain on sale of Long Term Investment	-	31,37,781
Provisions no longer required :		
Diminution in the value of current investment	-	3,035
For Contingencies against standard assets	1,54,173	-
<b>TOTAL</b>	<b>5,87,05,498</b>	<b>2,29,12,407</b>

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

<b>Particulars</b>	<b>Year ended on 31.03.2016</b>	<b>Year ended on 31.03.2015</b>
Miscellaneous Income	7,285	2,522
<b>TOTAL</b>	<b>7,285</b>	<b>2,522</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**
**2.18 EMPLOYEE BENEFITS EXPENSES**
**(Figures in Rupees)**

<b>Particulars</b>	<b>Year ended on 31.03.2016</b>	<b>Year ended on 31.03.2015</b>
Salaries, Wages and Bonus etc.	1,21,44,579	1,01,52,188
Contribution to Provident Fund, ESI and Administrative Charges	6,02,567	4,44,931
Staff Welfare expenses	33,818	21,624
<b>TOTAL</b>	<b>1,27,80,964</b>	<b>1,06,18,743</b>

2.18.1 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)**

		<b>2015-16</b>	<b>2014-15</b>
i.	<b>Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:</b>		
	Liability at the beginning of the year	4,06,384	2,33,145
	Interest cost	43,246	32,513
	Current Service Cost	1,40,602	1,33,436
	Actuarial (Gain)/Loss on obligations	58,559	7,290
	Benefits paid	(39,375)	-
	Liability at the end of the year	<b>6,09,416</b>	<b>4,06,384</b>
ii.	<b>Amount Recognized in Balance Sheet</b>		
	Liability at the end of the year	6,09,416	4,06,384
	Fair value of Plan Assets at the end of the year	-	-
	Amount recognized in the Balance Sheet	<b>6,09,416</b>	<b>4,06,384</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**
**(Figures in Rupees)**

<b>iii.</b>	<b>Expenses recognized in the Statement of Profit &amp; Loss</b>	<b>2015-16</b>	<b>2014-15</b>		
	Current service cost	1,40,602	1,33,436		
	Interest cost	43,246	32,513		
	Expected Return on Plan Assets	-	-		
	Net Actuarial (gain)/loss to be Recognized	58,559	7,290		
	Benefit Payments	-	-		
	<b>Expenses Recognized in Profit &amp; Loss Account</b>	<b>2,42,407</b>	<b>1,73,239</b>		
<b>iv.</b>	<b>Balance Sheet Reconciliation</b>	<b>2015-16</b>	<b>2014-15</b>		
	Opening Net Liability	4,06,384	2,33,145		
	Expenses as above	2,03,032	1,73,239		
	Employers Contribution	-	-		
	<b>Amount recognized in the Balance Sheet</b>	<b>6,09,416</b>	<b>4,06,384</b>		
<b>v.</b>	<b>Other Disclosures</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
	Present value of defined benefit obligation	2,16,144	2,33,145	4,06,384	6,09,416
	Fair value of Plan assets	-	-	-	-
	Surplus or Deficit	2,16,144	2,33,145	4,06,384	6,09,416
	<b>Experience adjustments</b>				
	Exp. Adj. on Plan Liabilities	3,368	4,222	(19,663)	52,641
	Exp. Adj on Plan Assets	-	-	-	-
<b>vi.</b>	<b>Principal Actuarial assumption at the Balance Sheet</b>	<b>2015-16</b>	<b>2015-16</b>		
	Discount Rate	7.85%	8.00%		
	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 obligations are expected to be settled.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**
**Defined Contribution Scheme**

<b>Particulars</b>	<b>Year ended on 31.03.2016</b>	<b>Year ended on 31.03.2015</b>
Employer's Contribution to Provident Fund	5,86,675	4,44,931
Employer's Contribution to E.S.I	15,892	-

**Compensated Absences**

The obligation for compensated absences is determined in the same manner as Gratuity and Rs. 2,88,122/- (Previous Year Rs. 2,69,432/-) provided for the year in this respect has been shown under "Salaries and Wages".

**2.19 OTHER EXPENSES**
**(Figures in Rupees)**

<b>Particulars</b>	<b>Note No.</b>	<b>Year ended on 31.03.2016</b>	<b>Year ended on 31.03.2015</b>
Rent	2.19.1	24,27,587	10,04,400
Repairs to Machinery		86,595	79,981
Rates and Taxes		7,42,551	3,63,818
<b>Auditors Remuneration:</b>			
Audit Fees		1,00,000	1,00,000
Tax Audit Fees		10,000	10,000
Legal and Professional Fees		5,86,225	1,88,242
Filing Fees		41,38,800	-
Recruitment expenses		-	29,155
Travelling Expenses		3,68,113	1,90,189
Advertisement		5,29,721	6,08,488
Directors' Sitting Fees		5,65,000	5,15,000
Provision for Diminution in value of Current Investment		11,42,472	6,84,724
Provision for Contingencies against Standard Assets	2.23	-	8,22,383
Loans & advances written off		2,00,00,000	-
Miscellaneous Expenditure		32,94,873	10,88,555
<b>TOTAL</b>		<b>3,39,91,937</b>	<b>56,84,935</b>

- 2.19.1 The Company has certain cancellable operating lease arrangements for office accommodation taken on lease for five to nine years. In certain cases, the said arrangements are further extendable with mutual consent of the parties and can be terminated after giving notice in terms of the agreement by either of the party. In other cases, the arrangements are subject to lock in period of 36 months except in case of fulfilment of specified conditions. There is no provision for contingent rent in the said arrangements.



**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**

**2.20 CONTINGENT LIABILITIES AND COMMITMENTS :**

(to the extent not provided for)

**a) Contingent Liabilities :**

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

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 31.03.2016	As at 31.03.2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance made there against) (inclusive of Service Tax).	4,43,287	4,43,287

**2.21 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, 2016.

**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 (KMP)**

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,2016 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	-	-	-	-	-	2,023	-	-	-	2,023
Dividend Income	-	-	-	-	-	-	-	-	-	-
Upfront Fees (including service tax)	-	-	-	-	-	(81,461)	-	-	-	(81,461)
Interest on Loan	-	2,88,592	-	-	-	-	-	-	-	2,88,592
	-	(4,32,889)	-	-	-	-	-	-	-	(4,32,889)
TOTAL	-	2,88,592	-	-	-	2,023	-	-	-	2,90,615
	-	(4,32,889)	-	-	-	(81,461)	(27,42,409)	-	-	(32,56,759)
<b>EXPENSES</b>										
Brokerage for share transaction	-	-	-	-	-	4,100	-	-	-	4,100
	-	-	-	-	-	(1,85,897)	-	-	-	(1,85,897)
Demat Charges	-	-	-	-	-	4,025	-	-	-	4,025
	-	-	-	-	-	(570)	-	-	-	(570)
Cost of Air ticket (including Service tax)	-	-	-	95,456	-	-	-	-	-	95,456
	-	-	-	(1,14,923)	-	-	-	-	-	(1,14,923)
Interest paid/ payable on borrowing	-	-	-	-	-	-	-	33,00,000	-	33,00,000
	-	-	-	-	-	-	-	(3,16,438)	-	(3,16,438)
Rent (including Service Tax)	11,43,946	-	-	-	-	-	-	-	-	11,43,946
	(11,28,544)	-	-	-	-	-	-	-	-	(11,28,544)
Cost of Food packets/Room booking for meeting etc.	-	-	-	-	1,19,040	-	-	-	-	1,19,040
	-	-	-	-	(1,14,432)	-	-	-	-	(1,14,432)
Managerial Remuneration	-	-	-	-	-	-	-	-	81,69,631	81,69,631
	-	-	-	-	-	-	-	-	(79,16,467)	(79,16,467)
TOTAL	11,43,946	-	-	95,456	1,19,040	8,125	-	33,00,000	81,69,631	1,28,36,198
	(11,28,544)	(-)	(-)	(1,14,923)	(1,14,432)	(1,86,467)	(-)	(3,16,438)	(79,16,467)	(97,77,271)

**(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)
TOTAL	-	-	-	-	-	-	-	-	-	-
	-	-	(17,73,148)	-	-	-	-	-	-	(17,73,148)
<b>INVESTMENT</b>										
Purchase of Investment in Mutual Fund	-	-	-	-	-	-	24,17,84,949	-	-	24,17,84,949
	-	-	-	-	-	-	(74,22,70,829)	-	-	(74,22,70,829)
Sale of Investment in Mutual Fund	-	-	-	-	-	-	30,17,80,752	-	-	30,17,80,752
	-	-	-	-	-	-	(81,17,95,542)	-	-	(81,17,95,542)
<b>SHARE CAPITAL</b>										
Amount received by issue of equity shares	29,99,99,997	-	-	-	-	-	-	-	-	29,99,99,997
	(9,99,99,999)	-	-	-	-	-	-	-	-	(9,99,99,999)
TOTAL	29,99,99,997	-	-	-	-	-	-	-	-	29,99,99,997
	(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	-	24,08,391	-	-	-	-	-	-	-	24,08,391
	-	(40,12,437)	-	-	-	-	-	-	-	(40,12,437)
Advance for acquiring Flat	-	-	84,73,132	-	-	-	-	-	-	84,73,132
	-	-	(84,73,132)	-	-	-	-	-	-	(84,73,132)
Short Term Borrowing (incl. interest)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(15,02,84,794)	-	(15,02,84,794)
Payable of Expenses	-	-	-	-	-	1590	-	-	10,61,680	10,63,270
	-	-	-	-	-	-	-	-	(11,52,809)	(11,52,809)
Investment in Mutual Fund	-	-	-	-	-	-	3,02,681	-	-	3,02,681
	-	-	-	-	-	-	(5,72,80,649)	-	-	(5,72,80,649)
TOTAL	-	24,08,391	84,73,132	-	-	1590	3,02,681	-	10,61,680	1,22,47,474
	-	(40,12,437)	(84,73,132)	-	-	-	(5,72,80,649)	(15,02,84,794)	(11,52,809)	(22,12,03,821)

**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

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

Particulars	Year ended on 31.03.2016	Year ended on 31.03.2015
Profit / (Loss) After Tax	31,62,298	45,10,376
Weighted Average Number of Equity Shares used as denominator for calculating EPS	3,45,98,527	1,77,87,589
Earnings per share		
Basic & Diluted	0.09	0.25
Face Value Per Equity Share (Rs.)	10	10

2.23 (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.

2.24 In terms of Para 10 of Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, a provision of 0.25 percent of the outstanding amount of the standard assets during the year is required to be made. Accordingly, Rs.1,54,173/- (previous year Rs.8,22,383/- charged out to statement of profit and loss) has been credited to statement of profit & loss and closing balance there of is shown as "provision for contingencies against Standard Assets" in these accounts

2.25 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.

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

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

On behalf of the Board

Pranab Kumar Choudhury - Chairman  
Sudama Ram - Managing Director & CEO

H.K.Verma  
Partner  
Membership No: 055104  
Dated : 21st May, 2016

Dipankar Chatterji - Director

Biswajit Das  
Company Secretary

Partha Bose  
Chief Financial Officer

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	-	-
	(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	2,402.08	
	(b) Unsecured	641.68	
(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	24.00	-	24.00
	(c) Other related parties	-	-	-
	2. Other than related parties	2,378.08	641.68	3,019.76
<b>Total</b>	<b>2,402.08</b>	<b>641.68</b>	<b>3,043.76</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	3.12	3.02
	(c) Other related parties	-	-
	2. Other than related parties	2,471.79	2,463.20
<b>Total</b>	<b>2,474.91</b>	<b>2,466.22</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	500.00
(ii)	<b>Net Non-Performing Assets</b>	-
	(a) Related Parties	-
	(b) Other than related parties	300.00
(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.