

Peerless Hotels Limited  
Annual Report & Accounts  
2014 - 15

# PEERLESS HOTELS LIMITED

## 25th ANNUAL REPORT 2014-2015

### BOARD OF DIRECTORS

Mr. S. K. Roy  
Mr. S. Balasubramaniam  
*(Additional Director w.e.f. 30.01.2015)*  
Mr. B. Lahiri  
Mr. R. Gujral  
Mr. N. Saha  
Mr. J. Roy  
Mr. P. P. Ray  
Mr. S. Bhattacharyya  
Mr. K. Sen

### CHAIRMAN

Mr. S. K. Roy

### EXECUTIVE DIRECTOR

Mr. Kunal Sen

### COMPANY SECRETARY

Mr. Surajit Sen

### AUDITORS

M/s. Lodha & Co.  
*Chartered Accountants*

### BANKERS

Union Bank of India  
HSBC  
Standard Chartered Bank  
HDFC Bank  
State Bank of India  
Syndicate Bank

### CORPORATE & REGISTERED OFFICE

12, J. L. Nehru Road  
Kolkata 700 013

**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors have pleasure in presenting the 25th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2015.

**FINANCIAL RESULTS**

Summary of the financial results for the year 2014-15 and the comparative figures of the previous year, are given below:

	<b>31.03.2015</b>	31.03.2014
	<b>(₹ in crores)</b>	(₹ in crores)
Sales & Other Income	<b>34.27</b>	33.76
Profit before Depreciation and Tax	<b>6.39</b>	9.55
Less: Depreciation for the year	<b>1.11</b>	0.89
Profit before Tax	<b>5.28</b>	8.66
Current Tax	<b>0.84</b>	2.13
Deferred Tax	<b>0.18</b>	0.05
Income Tax for earlier years	<b>0.03</b>	—
Profit after Tax	<b>4.23</b>	6.48
<b>Appropriation :</b>		
Proposed Dividend	<b>1.37</b>	1.83
Provision for Tax on Dividend	<b>0.28</b>	0.31
General Reserve	<b>2.00</b>	3.00
Profit after Appropriation	<b>0.58</b>	1.34
Balance Brought Forward from Previous Year	<b>10.16</b>	8.82
Balance Carried Forward to Balance Sheet	<b>10.74</b>	10.16
E.P.S. (₹)	<b>9.24</b>	14.15

**FINANCIAL PERFORMANCE**

The total Revenue for the year ended 31.3.2015 has increased by ₹ 51.29 lacs as compared to the previous year. Despite sluggish market and pressure on Occupancy and ARR, the Room revenue increased by 2.8% to ₹ 1969.61 lacs. Food & Beverage Income grew by 5.6% to ₹ 1030.43 lacs. The new PIK Tower has started its operations towards the end of the year and all the expenses under Work In Progress were allocated/ appropriated to the respective asset accounts. The Profit before Tax for the year ended 31.03.2015 decreased to ₹ 527.99 lacs (Previous Year ₹ 866.09 lacs). The Profit after Tax also decreased to ₹ 423.31 lacs (Previous Year ₹ 648.28 lacs).

**CHANGE IN NET WORTH**

The Net Worth of the Company as on 31st March, 2015 was ₹ 8113.47 Lacs as compared to ₹ 7874.71 Lacs as on 31st March, 2014.

**DIVIDEND**

Your Directors are pleased to recommend Dividend of 30% (₹ 3.00 per Equity Share of ₹ 10 each) subject to the approval of the Shareholders at the ensuing Annual General Meeting. The Total Outflow on account of Dividend including Tax on Dividend would be ₹ 1.65 Crores.

**FUTURE OUTLOOK**

In spite of the ups and downs in the year 2014-15 we have moved into a new era of opportunity. Union Budget 2015 – 16 has proposed quite a few incentives for the Hospitality Industry. The Government has also announced some proposals to boost Trade & Commerce between land-locked North-East India & South-East Asia. It has also promised to extend visa on arrival facilities to 150 countries in a phased manner up from 43 countries currently and also commence work on restoration of several World Heritage Sites, all of which would attract more Tourists to India.

With the announcements in the Budget, Foreign Tourist Arrival growth, increase in GDP, positive sentiments in the Business Community & increased emphasis on Tourism by the newly formed Government of India looks very positive for the Industry for 2015-16 and the coming years. Backed by the current momentum Travel, Hospitality & Leisure (THL) Companies are heading strong into 2015. Amid pent-up demand it's important that Companies leverage technology to effectively respond to newer forms of competition and a globe-trotting wired customer.

### **EXPANSION & RENOVATION PROJECT**

We launched our New Wing, PIK Tower from 20th February, 2015 adding 47 more keys with spacious and stylishly designed premiere rooms that exude an air of elegance and tranquility that would charm the most discerning Guests. We have also in the Process of taking over a running Hotel in Hyderabad in the Hi-Tech City, for which the due diligence is in process. We are also looking for taking over running Hotels in the Mid-Market Business Segment to cut down time on construction and setting up keys. On the road map are places in Tier-2 Satellite Cities.

In 2015-16, The Peerless Inn Kolkata will undergo a renovation of its 121 Rooms phased over 24 months to give a new discerning look. The Resort in Port Blair also had 22 New Rooms & 4 Cottages totally renovated in FY 2014-15 to give a new look and add more luxury in addition to 30 Rooms that were renovated few years back.

### **INDUSTRY AND DEVELOPMENTS**

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India is a potential game changer. It is a sun rise industry, an employment generator, a significant source of foreign exchange for the country and an economic activity that helps local and host communities.

The Government of India has set aside Rs 500 crore (US\$ 79.17 million) for the first phase of the National Heritage City Development and Augmentation Yojana (HRIDAY). The 12 cities in the first phase are Varanasi, Amritsar, Ajmer, Mathura, Gaya, Kanchipuram, Vellankani, Badami, Amaravati, Warangal, Puri and Dwarka.

Under 'Project Mausam' the Government of India has proposed to establish cross cultural linkages and to revive historic maritime cultural and economic ties with 39 Indian Ocean countries.

Prime Minister has approved to enter into a memorandum of understanding (MoU) between India and Oman for strengthening cooperation in the field of tourism.

Announcement by Minister of Finance, to extend Visa on Arrival Facility (VOA) to 150 countries in stages from the current 43, is a big step to promote tourism. The revenue from tourism sector can be utilised for the development of the country and can boost the economy of country.

The Ministry of Tourism (MoT) has sought for an allocation of Rs 3,000 crore in the upcoming Union Budget 2015-16.

According to the United Nations World Tourism Organization (UNWTO) forecast, the travel and tourism industry in India is expected to grow by 8% per annum between 2008-2016; Foreign exchange earnings by 14% during the same period.

### **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the designs or operations were observed.

### **HUMAN RESOURCE**

The Joy at Work or "JAW" initiative is the other benefits that the organization gives to its associates which are necessary for contravening the day to day work activities and giving the associates the necessary break. Activities like Employee Recognition, Medical benefits, prevention from health hazards are provided to associates. A wide range of sports both indoor and outdoor, are conducted for the associates as an avenue to unwind from their busy work schedules.

### **RISK MANAGEMENT**

We are in the process of developing Risk Management Policy and our Operators have already developed Standard Operating Practices which has defined under each process the High, Medium & Low Risk areas. This framework will help managing risks in an expeditious and efficient manner.

In addition, your company has adequate checks and balances in place in all its activities, which are independently assessed at regular intervals and also checked by the Internal Auditors.

**RELATED PARTY TRANSACTIONS**

During the year under review, your company has not entered into any contracts or arrangements with related parties which are not on arms' length basis. Your company has entered into any material contracts or transactions or arrangements with related parties at arms' length basis as referred to Section 188(1) of the Companies Act, 2013.read with Rule 15 of Companies (Meetings of Boards & its Powers) Rules, 2014.

The required disclosure is enclosed to this report as **Annexure 4**.

**EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013 ("the Act") and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return is annexed as **Annexure 1**

**BOARD MEETING AND BOARD COMMITTEES**

**Details of Board Meetings**

During the year, Four Board Meetings were held, details of which are given below:

<b>Date of the Meeting</b>	<b>No. of Directors attended the meeting</b>
30-05-2014	Eight (08)
15-07-2014	Nine (09)
13-11-2014	Eight (08)
30-01-2015	Nine (09)

**COMMITTEES OF THE BOARD**

To ensure better, systematic and more focussed attention on the business and affairs of the Company, the Board delegates different aspects of business to the designated committees of the Board. The Terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Committee are convened by the respective Committee Chairman. Signed Minutes of the Committee meetings are placed for the information of the Board.

Currently, the Board has the following Five Committees:

- Audit Committee
- Tender Committee
- Investment Committee
- Remuneration Committee
- CSR Committee

The terms of reference and composition of these committees including the number of meetings held during the financial year ended 31st March, 2015 are given below:

**1. Audit Committee**

The Audit Committee, though not statutorily required in case of our Company, has been constituted as a Good Corporate Governance measure. The Terms of Reference of Audit Committee includes review of draft accounts prior to consideration by the Board of Directors, approval of annual internal audit plan, review of financial reporting systems, the Scope of Work of Internal Auditors and recommendation for appointment of Statutory and Internal Auditors.

**Composition:**

Audit Committee comprises of six Directors including five Non-executive Directors and one Executive Director. Mr. Niranjana Saha is the Chairman and Mr. Bhargab Lahiri, Mr. S. Balasubramanian, Mr. Rajiv Gujral, Mr. Samar Bhattacharyya and Mr. Kunal Sen are the Members of this Committee. Senior Officials of Finance & Accounts Department, Corporate Development Department, the Representative of Operators and the Internal Auditors are the Special Invitees. The Chairman of the Board is invited as and when required. The Committee has held Four Meetings during the Financial Year 2014-15.

**2. Tender Committee**

Your Company being in expansion drive, the necessity was felt to constitute a Tender Committee. The Terms of Reference of the Committee includes reviewing the quotations submitted by different Contractors, approving total cost to be incurred towards the Project and taking stock of expenses incurred towards the Project.

**Composition:**

Tender Committee comprises of three Non-Executive Directors and one Executive Director. Mr. Niranjana Saha is the Chairman and Mr. Patit Paban Ray, Mr. Samar Bhattacharyya, Non-Executive Directors and Mr. Kunal Sen, Executive Director are the Members of the Committee. Other Senior Officials of the Finance & Accounts Department and the Representative of the Operators are the Special Invitees. The Chairman of the Board is invited as and when required. The Committee has held one meeting during the Financial Year 2014-15.

**3. Investment Committee**

Your Company is contemplating to make inroads into new Projects alongwith the successful running of existing Hotels and initially the first lot of investment by way of Right Shares coming in from the Existing Shareholders of the Company, an Investment Committee was formed. The Terms of Reference of the Committee includes to analyze and propose after due diligence Investments in Projects approved by the Board, lay down strategies and ensure that the funds invested are being best utilized. The Committee had held three Meetings during the Financial Year 2014-15.

**Composition:**

Investment Committee comprises of Two Non-Executive Directors namely Mr. Sunil Kanti Roy and Mr. Bhargab Lahiri and one Executive Director Mr. Kunal Sen. Mr. Sunil Kanti Roy acts as a Chairman of the Committee. The Committee had held two meetings during the year 2014-15.

**4. Remuneration Committee**

The Remuneration Committee has been constituted as a Good Corporate Governance measure. The Terms of Reference of the Remuneration Committee includes formulation of policies of remuneration packages, deciding on pay scales and assessing performance of Executive Directors and one level below the Board.

**Composition:**

Remuneration Committee comprises of two Non-Executive Directors namely Mr. Rajiv Gujral and Mr. Niranjana Saha. Mr. Rajiv Gujral acts as a Chairman to the Committee. During the year 2014-15, there was no meeting of Remuneration Committee.

**5. CSR Committee**

In accordance with Section 135 of the Companies Act, 2013, a CSR Committee was formed. The Terms of Reference of CSR Committee includes to formulate and recommend to the Board the CSR Policy, amount of expenditure to be incurred and monitors the adherence of the policy from time to time.

**Composition:**

The Committee consists of four Non-Executive Directors. Mr. Rajiv Gujral is the Chairman of the Committee and Mr. Jayanta Roy, Mr. Bhargab Lahiri and Mr. Niranjana Saha, Directors are the Members of the Committee.

Mr. Kunal Sen, Executive Director and Ms. Debasree Roy, VP Corp are the permanent Special Invitees. The Committee has held three Meetings during the Financial Year 2014-15.

The Committee and the Board had approved the below mentioned CSR Policy. The CSR Policy is uploaded on company's website. Further, the Report on CSR activities/initiatives is as follows:

**REPORT ON CSR ACTIVITIES/ INITIATIVES**  
**[Pursuant to Section 135 of the Act & Rules made thereunder]**

1. A brief outline of the company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes : **Annexure 2**
2. The composition of the CSR Committee: The Committee consists of Four Directors namely Mr. Rajiv Gujral – Chairman of the Committee, Mr. Jayanta Roy, Mr. Bhargab Lahiri and Mr. Niranjan Saha.
3. Average Net Profit of the company for last 3 financial years : ₹ 700.05 Lakhs
4. Prescribed CSR expenditure (2% of amount) : ₹ 14 Lakhs
5. Details of CSR activities/projects undertaken during the year:
  - a) total amount to be spent for the financial year ₹ 14 Lakhs
  - b) amount un-spent, if any : Nil
  - c) manner in which the amount spent during financial year, is detailed below: The entire Amount has been donated to Prime Minister's National Relief Fund.

1	2	3	4	5	6	7	8
<b>Sl. No.</b>	<b>CSR project/ activity identified</b>	<b>Sector in which the Project is covered</b>	<b>Projects/Programmes</b> 1.Local area/others-  2.specify the state /district (Name of the District/s, State/s where project/ programme was undertaken	<b>Amount outlay (budget) project/ programme wise</b>	<b>Amount spent on the project/ programme</b>  <b>Sub-heads:</b> 1.Direct expenditure on project/ programme, 2.Overheads:	<b>Cumulative spend upto to the reporting period</b>	<b>Amount spent: Direct/ through implement- ing agency*</b>
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

\*Give details of implementing Agency.

6. In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report: **Not Applicable.**
7. A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. **Annexure 3**

Sd/-

Sd/-

.....  
 (Executive Director)

.....  
 Chairman of CSR Committee

**INTERNAL AUDITORS**

M/s. Ray & Ray, Chartered Accountants, Kolkata acting as the Internal Auditors have been conducting periodic Audit of the operations of the Company & the Audit Committee has reviewed their findings.

### STATUTORY AUDITORS

M/s. Lodha & Co., Chartered Accountants, Kolkata was appointed as the Statutory Auditor of the Company for a period of five consecutive years in the last Annual General Meeting held on 15th July 2014 subject to ratification of such appointment by Members at every Annual General Meeting of the Company.

### HOLDING & SUBSIDIARIES

The Peerless General Finance & Investment Co. Ltd. is the Holding Company of Peerless Hotels Limited and there is no Subsidiary Company of Peerless Hotels Limited.

### FIXED DEPOSITS

The Company has neither invited nor accepted any deposits from the public within the purview of Section 73 of the Companies Act, 2013.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors state that:

- (a) In the preparation of the annual accounts for the year ended 31st March 2015, the applicable accounting standards read with the requirements set out under Schedule III to the Act, had been followed and there are no material departures for the same.
- (b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit & 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the Annual Accounts on a 'going concern' basis;
- (e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (f) 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.

### DIRECTORS

Mr. Dilip Samadar and Mr. Susim Mukul Datta, Directors of the Company had resigned from the Board on 27th May 2014 and 15th July 2014 respectively. The Board placed on record its deep appreciation of the valuable contribution made by both of them during their association with the Company. In terms of Section 152 of the Companies Act, 2013 read with Article 138 of the Company's Articles of Association, Mr. Patit Paban Ray, Mr. Samar Bhattacharyya and Mr. Bhargab Lahiri, Directors will retire by rotation at the 25th Annual General Meeting and they are eligible for re-election.

Pursuant to Section 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made thereunder, Mr. Sundaram Balasubramanian who was appointed as the Additional Director of the Company with effect from 30th January 2015 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Sundaram Balasubramanian for the office of the Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

Your company has received Declarations from both Mr. Sundaram Balasubramanian and Mr. Niranjan Saha, Directors that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and that they are also not disqualified from being appointed as Director in terms of Section 164(2) of the Companies Act, 2013.



In the opinion of the Board of Directors, Mr. Sundaram Balasubramanian and Mr. Niranjana Saha fulfill the conditions specified in the Companies Act, 2013 and the Rules made there under for their appointment as Independent Directors of the Company. Thus it is proposed to appoint Mr. Sundaram Balasubramanian and Mr. Niranjana Saha as the Independent Directors of the Company for a period of five consecutive years with effect from the date of the ensuing Annual General Meeting of the Company.

Conservation of energy, technology absorption, foreign exchange earnings and out-go :

**(a) Conservation of energy**

(i)	The steps taken or impact on conservation of energy	<ul style="list-style-type: none"> <li>• Conventional CFL lamps are being replaced with LED in phases. Lobby lights have been replaced. Guest corridor and lift landing are being changed.</li> <li>• All office lights are kept off when not in use.</li> <li>• VFD installed in all the high HP motors to control the speed of motors as per required load.</li> <li>• Façade lights are being operated on timer as per schedule.</li> <li>• Dunhumbush Chiller plant has two drives which operate as per the required load.</li> <li>• De-superheater of Dunhumbush chiller plant minimizes the operation time of hot water generator.</li> <li>• Thermostat installed in all Hot Trolleys to keep the temperature under control and save energy.</li> <li>• Synchronizing the AC timings with operation hours of Restaurants and banquets.</li> <li>• Solar lighting for PIK Tower.</li> </ul>
(ii)	The steps taken by the company for utilizing alternate sources of energy	Installed solar lighting system.
(iii)	The capital investment on energy conservation equipments	Rs. 3.70 lacs

**(b) Technology absorption**

(i)	the efforts made towards technology absorption	Nil
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Nil
	(a) the details of technology imported	Nil
	(b) the year of import;	Nil
	(c) whether the technology been fully absorbed	Nil
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil
(iv)	the expenditure incurred on Research and Development	Nil

**(c) Foreign exchange earnings and Outgo**

During the year, the total foreign exchange used was ₹ 6.82 Lacs and the total foreign exchange earned was ₹ 177.10 Lacs.

**AUDITORS' OBSERVATIONS**

There was no observations in the Auditors' Report and do not call for any further comments.

**PARTICULARS OF EMPLOYEES**

The Company does not have any employee whose particulars are required to given under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has set up an Internal Control Committee to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under the policy. The Composition of the Committee is as follows:

Sl No.	Name of the Member (s)	Designation
1.	Ms. Sweta Bhaduri	Presiding Officer
2.	Mr. Subhomoy De	Member
3.	Ms. Suzzane Bearder	Member
4.	Ms. Sulagna Bhattacharjee	Member
5.	Ms. Indrani Roy Mohanti	Member (NGO)

The Following is a summary of sexual harassment complaints received and disposed off during the year 2014-15

- i) No. of Complaints received : Nil
- ii) No. of Complain disposed off : Nil

**INDUSTRIAL RELATIONS**

Industrial Relations remained generally cordial; Management has taken appropriate action, as a matter of course, to maintain smooth functioning of the Hotel.

**ACKNOWLEDGEMENT**

Your Directors would like to express their grateful appreciation for the assistance & co-operation received from Customers, Banks, Suppliers, Shareholders, Central & State Governments & other Statutory Authorities & others associated with the Company. Your Directors acknowledge and thank the Peerless General Finance and Investment Company Limited for their continuous support and co-operation as Holding Company and to all concerned who have developed business relations with the Company with their continuous support. Your Directors also wish to place on record their deep sense of appreciation for the excellent contribution by all Employees at all levels & M/s. Sarovar Hotels Pvt. Ltd., the Operators for running the operations of the Hotels and look forward for their continued support to ensure company's smooth operations, future business and growth plan.

On behalf of the Board

Registered Office :  
 12, J. L. Nehru Road  
 Kolkata-700013.  
 Dated : 18th May, 2015

S. K. Roy  
 Chairman

ANNEXURE - 1

**Extract of Annual Return**

Pursuant to Section 92(3) of the Companies Act, 2013 (“the Act”) and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return is given below:

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : U55101WB1990PLC049988
- ii) Registration Date : 09-10-1990
- iii) Name of the Company : PEERLESS HOTELS LIMITED
- iv) Category/Sub-Category of the Company : Public Limited Company
- v) Address of the Registered Office and contact details  
 12, J.L. Nehru Road  
 Kolkata – 700013  
 Ph: (033) – 44003900/2228-0301  
 Fax: +91-33-2228-8853  
 Website: www.peerlesshotels.com
- vi) Whether listed company Yes/ No No
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any No. We have in-house Share Register and Transfer System.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Hospitality Business	55101	100

**III. PARTICULARS OF HOLDING COMPANIES –**

S. 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., 3, Esplanade East, Kolkata - 700069	U66010WB1932PLC007490	Holding	99.95	Section 2(46) of Companies Act, 2013

**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	—	—	—	—	—	—	—	—	—
(b) Central Govt	—	—	—	—	—	—	—	—	—
(c) State Govt (s)	—	—	—	—	—	—	—	—	—
(d) Bodies Corp.	0	4577716	4577716	99.95	0	4577716	4577716	99.95	0
(e) Banks/FI									
(f) Any Other.....									
<b>Sub-total (A) (1):-</b>	0	4577716	4577716	99.95	0	4577716	4577716	99.95	0
<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>	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	0	4577716	4577716	99.95	0	4577716	4577716	99.95	0
<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) Others (specify)									
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
(a) Bodies Corp.									
(i) Indian	0	1509	1509	0.03	0	1509	1509	0.03	0
(ii) Overseas									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	0	775	775	0.02	0	775	775	0.02	0
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
(c) Other (specify)									
<b>Sub-total (B)(2):-</b>									
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	0	2284	2284	0.05	0	2284	2284	0.05	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	0	4580000	4580000	100.00	0	4580000	4580000	100.00	0

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	The Peerless General Finance & Investment Co. Ltd.	4577716	99.95	Nil	4577716	99.95	Nil	0

**(iii) Change in Promoters' Shareholding :**

During the Financial Year 2014-15 there is no change in Promoter's Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	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):	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): There is no change in Shareholding Pattern of Top Ten Shareholders during the Financial Year 2014-15**

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	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):	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if Separated during the year)	Nil	Nil	Nil	Nil

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Mr. S. K. Roy	229	0.01	229	0.01
	Mr. J. Roy	229	0.01	229	0.01
	Mr. B. Lahiri	45	0.00	45	0.00
	Mr. P.P.Ray	45	0.00	45	0.00
	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				
	Mr. S. K. Roy	229	0.01	229	0.01
	Mr. J. Roy	229	0.01	229	0.01
	Mr. B. Lahiri	45	0.00	45	0.00
	Mr. P.P.Ray	45	0.00	45	0.00

**INDEBTEDNESS**

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

Rs./Lacs

	For each of the Top 10 Shareholders	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	<b>Indebtedness at the beginning of the financial year</b>				
	i) Principal Amount	1351.00	—	—	1351.00
	ii) Interest due but not paid	13.44	—	—	13.44
	iii) Interest accrued but not due	—	—	—	—
	<b>Total (i+ii+iii)</b>	1364.44	—	—	1364.44
	<b>Change in Indebtedness during the financial year</b>				
	• Addition	99.00	—	—	99.00
	• Reduction	280.00	—	—	280.00
	<b>Net Change</b>	181.00	—	—	181.00
	<b>Indebtedness at the end of the financial year</b>				
	i) Principal Amount	1170.00	—	—	1170.00
	ii) Interest due but not paid	—	—	—	—
	iii) Interest accrued but not due	12.64	—	—	12.64
	<b>Total (i+ii+iii)</b>	1182.64	—	—	1182.64

**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 (Rs.)
		<b>Mr. Kunal Sen, ED</b>				
1.	Gross salary					57,17,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					52,71,800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					4,45,200
	(c) Profits in lieu of salary under					—
2.	Stock Option					—
3.	Sweat Equity					—
4.	Commission					—
	- as % of profit					
	- others, specify					
5.	Others, please specify					—
	Total (A)					57,17,000

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
1.	Independent Directors					
	• Fee for attending board/ committee meetings					—
	• Commission					—
	• Others, please specify					—
	Total (1)					
2.	Other Non-Executive Directors					
	• Fee for attending board/ committee meetings					4,40,000
	• Commission					10,00,000
	• Others, please specify					—
	Total (2)					14,40,000
	Total (B)=(1+2)					14,40,000

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission – as % of profit – others, specify...	Nil Nil	Nil Nil	Nil Nil	Nil Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

Social and environmental responsibility has always been at the forefront of Peerless Hotels Ltd's (PHL) philosophy and the Company consistently contribute to socially responsible activities. As a responsible Corporate Citizen, we always try our best to contribute for social and environmental causes on a regular basis.

### **OUR CSR VISION**

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development to the communities in which we operate with active participation of the community and thus creation of value of the Nation.

### **OUR CSR MISSION**

1. Socio-economic development of the underprivileged community of the Society.
2. Through various need-based initiatives to make them self-reliant and improvement of their livelihood.

### **CSR Activities**

The CSR activities will be focussed on the following broad areas;

1. Promoting healthcare, sanitation and making safe-drinking water available.
2. Promoting Education through Coaching Centre.
3. Employment enhancement through training and various vocational skill development such as computer training, electrical equipment repairing training, art & craft for women etc.
4. Income development through various livelihood opportunities.
5. Contributing to Prime Minister National Relief Fund and other funds, if any developed in this regard by the Central Government.

The CSR Projects and Programmes to be undertaken by the Company shall include activities falling within the purview of Schedule VII of the Companies Act, 2013. These Programmes will be executed by PHL alone or with some well-known NGOs having proven track record in this field, Ramakrishna Mission, Bharat Sevaram Sangha and similar other organisation.

### **CSR Committee**

In accordance with Section 135 of the Companies Act, 2013, a CSR Committee of Board was formed comprising of Mr. Rajiv Gujral, a Non-Executive Director who is the Chairman of the Committee and Mr. Jayanta Roy, Mr. Bhargab Lahiri and Mr. Niranjan Saha , Non-Executive Directors of the Company are the other members.

### **Monitoring Mechanism**

The CSR activities will be monitored by the CSR Committee through an internal action taken team of Management headed by GM-GFA and other senior level executives of the Company. They will develop a Project and the plan, monitoring the successful implementation of the project as per approved schedule, maintaining of Books and Accounts and report to the CSR Committee at a regular interval which in turn report to the Board of Directors.

### **Surplus of CSR Project**

The surplus, if any, arising from CSR Programmes and activities shall not form a part of the business profit of the Company and will be ploughed back in the CSR activities.

### **Review of CSR Policy**

The CSR Policy would be reviewed by the CSR Committee from time to time.

**ANNEXURE – 3**

To  
The Members  
Peerless Hotels Ltd.  
12, J.L. Nehru Road  
Kolkata - 700013

We hereby declare that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

For & On Behalf of CSR Committee

Sd/-  
Mr. K. Sen  
Executive Director

Sd/-  
Mr. R. Gujral  
Chairman of the Committee

Place: Kolkata  
Date: 18-05-2015

**ANNEXURE – 4**

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 provision thereto

1. Details of contracts or arrangements or transactions not at arm's length basis –  
**– Not Applicable**
  - a. Name(s) of the related party and nature of relationship
  - b. Nature of contracts/arrangements/transactions
  - c. Duration of the contracts/arrangements/transactions
  - d. Salient terms of the contracts or arrangements or transactions including the value, if any
  - e. Justification for entering into such contracts or arrangements or transactions
  - f. Date(s) of approval by the Board
  - g. Amount paid as advances, if any:
  - h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis –  
**– Not Applicable**
  - a. Name(s) of the related party and nature of relationship
  - b. Nature of contracts/arrangements/transactions
  - c. Duration of the contracts/arrangements/transactions
  - d. Salient terms of the contracts or arrangements or transactions including the value, if any:
  - e. Date(s) of approval by the Board, if any:
  - f. Amount paid as advances, if any:

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEERLESS HOTELS LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying financial statements of Peerless Hotels Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss, and Cash Flow Statement for the year ended, significant accounting policies and other notes for the year ended on that date.

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

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

### **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 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 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 circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31st March, 2015, and its Profit and its Cash Flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor’s Report) Order, 2015 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- 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 and with the returns received from the branches not visited by us;
- d) In our opinion, the Balance Sheet, Statement of Profit and loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act , read with Rule 7 of the Companies (Accounts) Rules, 2013;
- e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Pending litigations (Other than those already recognised in the accounts) having material impact on the financial position of the Company have been disclosed in the financial statement as required in terms of the accounting standards and provisions of the Companies Act, 2013 (Refer Note No. 2.25 of the financial statements)
  - ii. The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
  - iii. There were 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

R. P. Singh  
**Partner**  
Membership No. 52438

Place : Kolkata  
Dated : 18th May, 2015

**ANNEXURE to the Auditors' Report of even date :**

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- b. During the year, fixed assets have been physically verified by the management according to a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verifications.
- ii) a. As informed, physical verification has been conducted by the management at reasonable intervals in respect of inventory of food, beverages and supplies;
- b. According to the information and explanations given to us, the procedures for physical verification of inventories followed by the company are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory and according to the information and explanation given to us, the discrepancies noticed on physical verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of accounts.
- iii) a. According to the information and explanations given to us, the Company had granted in earlier year interest free advance in the nature of loan to Kaizen Leisure and Holidays Limited, which is covered in the register maintained under Section 189 of the Companies Act, 2013. The maximum amounts involved during the year was Rs 17,08,805 and the year-end balance in respect of such loan granted was Rs 15,08,805
- b. In respect of the above interest free loan, as explained, the terms and conditions of repayment which were rescheduled in earlier year, prima facie, are not prejudicial to the interest of the Company;
- c. In terms of the settlement arrived at, Rs 2,00,000 has been repaid regularly towards principal amount of such loan;
- iv) Having regard to the fact that certain items of operating supplies being purchased / sold are of specified nature and no quotations thereof could be available from the other parties and in the absence of standard norms for determining consumption norms for foods and beverages, in our opinion and according to the information and explanations given to us, there are adequate internal control commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of the goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in the internal control.
- v) The Company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013.
- vii) a. According to the information and explanations given to us, during the year, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues as applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as aforesaid were outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, the details of disputed dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax, and Cess, if any, as at 31st March, 2015, are as follows:

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (₹)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	Income Tax	87,79,639	2009-10, 2010-11 2011-12, 2012-13	Commissioner of Income Tax (Appeals)
Employees' State Insurance Act, 1948	ESI	939,795*	2001-02	Employees' Insurance Court West Bengal, Kolkata

\*Excluding Rs 2.34 lacs deposited for filing case in the forum.

- viii) The Company does not have any accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- x) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from bank or financial institutions.
- xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xii) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such cases by the management.

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

R. P. Singh  
**Partner**  
Membership No. 52438

Place : Kolkata  
Dated : 18th May, 2015

**BALANCE SHEET**  
**AS AT 31ST MARCH, 2015**

				(₹ in Lacs)	
	Note No.	As at 31st March, 2015		As at 31st March, 2014	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2.1	458.00		458.00	
Reserve And Surplus	2.2	7,655.47	8,113.47	7,416.71	7,874.71
<b>Non-Current Liabilities</b>					
Long-Term Borrowings	2.3	960.00		1,131.00	
Other Long-Term Liabilities	2.4	1.32		65.12	
Long-Term Provisions	2.5	92.71	1,054.03	52.41	1,248.53
<b>Current Liabilities</b>					
Trade Payables	2.6	217.46		188.37	
Other Current Liabilities	2.7	410.16		363.33	
Short-Term Provisions	2.8	324.58	952.20	371.31	923.01
			<u>10,119.70</u>		<u>10,046.25</u>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets					
Tangible Assets	2.9	5,624.95		3,181.30	
Intangible Assets	2.9	3.53		1.75	
Capital Work-In-Progress	2.26	166.78		1,783.40	
Non-Current Investments	2.10	7.00		7.00	
Deferred Tax Assets (Net)	2.28	35.24		44.00	
Long-Term Loans And Advances	2.11	206.00	6,043.50	148.49	5,165.94
<b>Current Assets</b>					
Current Investments	2.12	3,252.01		3,057.95	
Inventories	2.13	17.69		96.10	
Trade Receivables	2.14	157.64		187.18	
Cash And Bank Balances	2.15	589.72		1,402.66	
Short-Term Loans And Advances	2.16	57.10		135.00	
Other Current Assets	2.17	2.04	4,076.20	1.42	4,880.31
<b>TOTAL</b>			<u>10,119.70</u>		<u>10,046.25</u>
Summary of Significant Accounting Policies	1				
Notes on Financial Statements	2.1 to 2.36				

The Notes are an integral part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For LODHA & CO.

Chartered Accountants

Firm's ICAI Registration No. 301051E

R. P. Singh

Partner

Membership No. 52438

Date : 18th May, 2015

Place : Kolkata

For and on behalf of the Board

N. Saha – Director

Kunal Sen – Executive Director

Surajit Sen – Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)

	Note No.	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Revenue:</b>			
Revenue From Operations	2.18	3,145.46	3,060.07
Other Income	2.19	281.51	315.61
<b>Total Revenue</b>		<b>3,426.97</b>	<b>3,375.68</b>
<b>Expenses :</b>			
Consumption Of Provisions, Stores And Wines	2.20	367.59	357.40
Employee Benefit Expenses	2.21	928.75	792.30
Depreciation And Amortization Expenses	2.9	110.73	88.74
Finance Costs	2.22	75.83	—
Other Expenses	2.23	1,416.08	1,271.15
<b>Total Expenses</b>		<b>2,898.98</b>	<b>2,509.59</b>
<b>Profit Before Tax</b>		<b>527.99</b>	<b>866.09</b>
<b>Tax Expense :</b>			
(1) Current Tax		83.69	212.76
(2) Deferred Tax	2.28	17.97	5.05
(3) Income Tax for earlier year		3.02	—
<b>Total Tax Expenses</b>		<b>104.68</b>	<b>217.81</b>
<b>Profit For The Year</b>		<b>423.31</b>	<b>648.28</b>
Earnings Per Equity Share:			
Equity share of par value of ₹ 10 each			
(1) Basic	2.33	9.24	14.15
(2) Diluted	2.33	9.24	14.15
Summary of Significant Accounting Policies	1		
Notes on Financial Statements	2.1 to 2.36		

The Notes are an integral part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For LODHA & CO.

Chartered Accountants

Firm's ICAI Registration No. 301051E

R. P. Singh

Partner

Membership No. 52438

Date : 18th May, 2015

Place : Kolkata

For and on behalf of the Board

N. Saha – Director

Kunal Sen – Executive Director

Surajit Sen – Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	(Figures in ₹ Lacs)	(Figures in ₹ Lacs)
	2014-15	2013-14
<b>Cash Flow From Operating Activities :</b>		
Net Profit before Taxation	527.99	866.09
<b>Non-cash adjustments to reconcile Profit before Tax to Net Cash Flows</b>		
Depreciation/Amortisation	110.73	88.74
Loss/(profit) on sale/discard of Fixed Assets	1.04	(0.16)
Interest Income	(47.95)	(109.25)
Finance costs	75.83	—
Provision for Claims and Contingencies	14.18	18.54
Provision for Diminution in value of Investment	18.44	—
Liabilities No Longer Required written back	(1.54)	(2.81)
Provision No Longer Required written back	(2.00)	(2.00)
Dividend from Investment	(212.51)	(181.75)
	<b>(43.78)</b>	<b>(188.69)</b>
<b>Operating Profit before Working Capital changes</b>	<b>484.21</b>	<b>677.40</b>
Movement in working capital :		
Increase/(decrease) in Trade Payables	30.63	(24.87)
Increase/(decrease) in long term provisions	40.30	(19.95)
Increase/(decrease) in short term provisions	(9.95)	21.66
Increase/(decrease) in other current liabilities	(31.90)	(79.95)
Decrease/(increase) in trade receivables	29.54	37.55
Decrease/(increase) in inventories	7.67	(80.85)
Decrease/(increase) in long term loans & advances	(9.21)	(13.18)
Decrease/(increase) in short term loans & advances	77.90	(102.87)
Decrease/(increase) in other non current assets	—	4.79
Decrease/(increase) in other current assets	(0.04)	(0.30)
	<b>134.94</b>	<b>(257.97)</b>
<b>Cash generated from/(used in) operations</b>	<b>619.15</b>	<b>419.43</b>
Direct Taxes Paid (net of refunds)	(135.01)	(217.00)
<b>Net Cash From/(used in) Operating Activities (A)</b>	<b>484.14</b>	<b>202.43</b>
<b>Cash Flow From Investing Activities:</b>		
Purchase of Fixed Assets/movement in Capital Work in Progress	(792.57)	(2,344.98)
Proceeds from Sale of Fixed Assets	1.57	1.11
Purchase of current Investment	—	(200.00)
Proceeds from Sale/maturity of Current investments	—	225.16
Interest Received	47.37	114.73
Dividend received	—	4.20
Other bank balance: Deposits within 3 to 12 months maturity	796.44	226.37
<b>Net Cash From/(used in) Investing Activities (B)</b>	<b>52.81</b>	<b>(1,973.41)</b>

**PEERLESS HOTELS LIMITED**

<b>Particulars</b>	<b>(Figures in ₹ lacs)</b>	<b>(Figures in ₹ lacs)</b>
	<b>2014-15</b>	<b>2013-14</b>
<b>Cash Flow From Financing Activities:</b>		
Proceeds from long term borrowings	<b>99.00</b>	696.01
Repayment of Long Term Borrowings	<b>(280.00)</b>	(100.00)
Interest paid	<b>(158.12)</b>	—
Dividend Paid including dividend distribution tax	<b>(214.33)</b>	(187.54)
Net Cash From/(used in) Financing Activities (C)	<b>(553.45)</b>	408.47
<b>Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>(16.50)</b>	(1,362.51)
Cash And Cash Equivalents at the beginning of the year	<b>300.71</b>	1,663.22
Cash And Cash Equivalents at the end of the year ( Refer note 2.15)	<b>284.21</b>	300.71

**Note:**

1. Cash and cash equivalents represents cash in hand and deposits/ balances with Banks.
2. The cash flow statement has been prepared under indirect method as per Accounting Standard 3 on Cash Flow Statement

For LODHA & CO.  
Chartered Accountants  
Firm's ICAI Registration No. 301051E  
R. P. Singh  
Partner  
Membership No. 52438  
Date : 18th May, 2015  
Place : Kolkata

For and on behalf of the Board

N. Saha – Director  
Kunal Sen – Executive Director  
Surajit Sen – Company Secretary

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**SIGNIFICANT ACCOUNTING POLICIES****1. Significant Accounting Policies:**

- (a) **Basis of Accounting:** The Financial statements have been prepared on historical cost basis and on the principle of a going concern. The company follows mercantile system of accounting unless stated otherwise. The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and accounting standards as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014 and other recognized accounting practices unless specifically stated to be otherwise are consistent and are in consonance with generally accepted accounting principles.
- (b) **Use of Estimates:** The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates and these are recognized in the year in which results become known/materialise.
- (c) **Revenue:** Revenue comprises of sale of Room, Food & Beverages and related allied services. Discount allowed on sale of room has been deducted from gross proceeds.
- (d) **Fixed Assets:**
- (i) Tangible Fixed Assets are stated at cost of acquisition, construction and subsequent improvements thereto. Cost includes taxes, duties (net of centvat availed), inward freight, installation expenses and adjustments for exchange difference wherever applicable.
  - (ii) Intangible Fixed Assets like Software, etc are capitalised at the cost of acquisition less accumulated amortised amount.
  - (iii) Pending completion/installation of the Fixed Assets, pre-operative expenses, cost of plant, machineries and equipments to be installed, construction and erection material, and other cost thereof are capitalized and shown under Capital Work in Progress.
- (e) **Depreciation and Amortisation :**
- (i) Depreciation has been charged on straight-line method as per Schedule-II of the Companies Act, 2013.
  - (ii) Intangible Assets are amortised over a period of five years or in a lesser period if useful life is lower than five years on straight-line basis.
  - (iii) Assets whose original cost does not exceed Rs.5000 are depreciated fully in the year of acquisition.
  - (iv) Linen Carpet and other furnishing items in case of new project are capitalized as furniture and fixture and depreciated over 3 yrs. Subsequent expenditure in this respect are charged to statement of Profit and Loss.
- (f) **Investments:** Non current investments are stated at cost less diminution in the values thereof, other than temporary. Current Investments are stated at Cost or Fair Value whichever is lower.
- (g) **Inventories:** Inventory of Raw Materials & Consumables are stated at cost. Inventory of food and beverages is valued at lower of cost or net realisable value. Cost of Inventories are valued on FIFO basis.
- (h) **Foreign Currency Transactions:** Foreign currency transactions are recorded on the basis of exchange rates prevailing on the date of their occurrence. Foreign currency monetary assets and liabilities at the period end are translated using closing exchange rates. The loss or gain thereon and also on the exchange differences on settlement of foreign currency transactions during the period are recognised as revenue or expenses and are adjusted to the Statement of Profit and Loss.

- 
- (i) **Borrowing cost:** Borrowing costs attributable to the acquisition, construction of qualifying assets are capitalised as the part of the cost of such assets upto the date when such assets are ready for intended use. A qualifying asset is one that takes substantial period of time for completion. Other borrowing costs are charged as an expense in the year in which these are incurred.
- (j) **Employee Benefit Expense:** The Company has Defined Contribution Plan for its employees Retirement Benefits comprising of Provident Fund, Pension Fund. The Company makes regular contribution to Provident Fund, which are fully funded and administered by the Government. Contributions are recognized in Statement of Profit and Loss on accrual basis.

The Company has Defined Benefit Plan comprising of Gratuity and Leave Encashment schemes. The Company contributes to the Gratuity Fund under the Group Gratuity Cash Accumulation Scheme with Life Insurance Corporation (LIC) for future payment of gratuity liability to its employees. In terms of Accounting Standard 15 (AS-15) on "Employee Benefits", the liability for the Gratuity and Leave Encashment as at the year end has been provided on the basis of an independent actuarial valuation in accordance with the projected unit credit method.

Actuarial gain and losses are recognized in the year when they arise.

- (k) **Income Tax:** Provision for Income Tax is made for current and deferred tax. Current tax is provided on taxable income using the applicable tax rate and tax laws. Deferred Tax Assets and Liabilities arising on account of timing differences and which are capable of reversals in subsequent periods are recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred Tax assets other than in respect of carried forward losses or unabsorbed depreciation 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 recognised only if there is a "virtual certainty" that such deferred tax assets can be realized against future taxable profits.
- (l) **Impairment:** Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of the fixed assets is determined. An impairment loss is recognised, whenever the carrying amounts of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of assets' net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a pro-rata basis.
- (m) **Assets taken on Lease:** Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight line basis, representing the time pattern of benefits received from the use of the assets taken on lease.
- (n) **Provisions & Contingencies:** Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognized nor disclosed in the financial statement. Contingent liabilities are not provided for and are disclosed by way of notes.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

**2.1 SHARE CAPITAL**

Particulars	Ref	As at 31.03.15	As at 31.03.14
AUTHORISED SHARES :			
5,000,000 (Previous year 5,000,000)			
Equity Shares of ₹ 10/- each		<u>500.00</u>	<u>500.00</u>
ISSUED, SUBSCRIBED AND PAIDUP SHARES :			
4,580,000 (Previous year 4,580,000)			
Equity Shares of ₹10/- each fully paid up.		<b>458.00</b>	458.00
(Of the above 4,578,196 (Previous year 4,578,196) Equity Shares are held by the Holding Company, i.e., The Peerless General Finance & Investment Company Limited and two of its subsidiaries. Other than this, there are no holders of more than 5% shares of the Company)		<u>458.00</u>	<u>458.00</u>

2.1.1 The Company has only one class of Equity Shares having a Par Value of ₹ 10 each. Each holder of the Equity Shares is entitled for one vote per share.

2.1.2 In the event of liquidation, the equity shareholders are eligible to receive the assets of the company remaining after distribution of all preferential amounts, in proportion of their shareholding.

2.1.3 There is no movement in the number of shares outstanding at the beginning and at the end of the year.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

2.2 RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	Ref	As at 31.03.15	As at 31.03.14
<b>SECURITIES PREMIUM ACCOUNT</b>			
As per last Balance Sheet		<b>3,741.00</b>	3,741.00
<b>GENERAL RESERVE</b>			
As per last Balance Sheet		<b>2,660.02</b>	2,360.02
Add: Transferred from Surplus		<b>200.00</b>	300.00
		<b>2,860.02</b>	2,660.02
Less : Transfer due to transitional provision of Companies Act, 2013	2.9.2	<b>19.18</b>	—
		<b>2,840.84</b>	2,660.02
<b>SURPLUS</b>			
As per last Balance Sheet		<b>1,015.69</b>	881.74
Add: Net Profit after Tax transferred from Statement of Profit & Loss		<b>423.31</b>	648.28
Amount Available for Appropriation		<b>1,439.00</b>	1,530.02
Less: Appropriations			
Proposed Dividend on Equity Shares (Per Share Rs.3.00 (Previous Year Rs. 4.00))		<b>137.40</b>	183.20
Tax on Dividend		<b>27.97</b>	31.13
Transferred to General Reserve		<b>200.00</b>	300.00
Net Surplus in the Statement of Profit & Loss		<b>1,073.63</b>	1,015.69
<b>Total Reserves and Surplus</b>		<b>7,655.47</b>	7,416.71

2.3 LONG-TERM BORROWINGS

(₹ in Lakhs)

Particulars	Ref	As at 31.03.15	As at 31.03.14
<b>Secured Loans</b>			
Term Loan - from Bank	2.3.1, 2.3.2 and 2.3.3	<b>1,170.00</b>	1,351.00
Less: Current Maturities of Long Term Debt	2.7	<b>210.00</b>	220.00
		<b>960.00</b>	1,131.00

2.3.1 Secured against equitable mortgage of land measuring 15 cottah 09 chittak at 2, Chowringhee Place, and 1st charge on all tangible movable plant & equipments together with other movable assets both present and future.

2.3.2 Repayment details of Term Loans from banks are as follows: (₹ in Lacs)

2015-2016	210.00
2016-2017	340.00
2017-2018	405.00
2018-2019	215.00

2.3.3 Interest Rate for the above Term loan is based on Floating Rate which is Bank's Base Rate Plus 1.80% Per Annum (currently 12.05%)

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 2.4 OTHER LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	Ref	As at 31.03.15	As at 31.03.14
Capital Vendors		—	63.80
Security Deposits		1.32	1.32
		<b>1.32</b>	<b>65.12</b>

## 2.5 LONG-TERM PROVISIONS

Particulars	Ref	As at 31.03.15	As at 31.03.14
Provision for Employee Benefits :			
Compensated Absences	2.29	55.81	38.50
Gratuity	2.29	36.90	13.91
		<b>92.71</b>	<b>52.41</b>

## 2.6 TRADE PAYABLES

Particulars	Ref	As at 31.03.15	As at 31.03.14
Goods & Services	2.6.1	217.46	188.37
		<b>217.46</b>	<b>188.37</b>

2.6.1 The disclosure of trade payables is based on the available information with the company regarding the status of the suppliers as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers. There is no overdue amounts outstanding as on 31st March, 2015. Based on above the relevant disclosures under section 22 of the Act are as follows:

Particulars	Ref	As at 31.03.15	As at 31.03.14
i) Principal amount outstanding at the end of the Year		—	—
ii) Interest amount due at the end of the Year		—	—
iii) Interest paid to the Suppliers		—	—

## 2.7 OTHER CURRENT LIABILITIES

Particulars	Ref	As at 31.03.15	As at 31.03.14
Current Maturities of Long Term Debt- Secured	2.3	210.00	220.00
Interest accrued and due on Term Loan		12.64	13.44
Advance from Customers		27.11	28.63
Other Payables			
Directors' Commission Payable		10.00	10.00
Statutory Dues - P.F., ESI, TDS, etc.		58.52	88.05
Capital Vendors		89.54	—
Others		2.35	3.21
		<b>410.16</b>	<b>363.33</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

**2.8 SHORT-TERM PROVISIONS**

Particulars	Ref	(₹ in Lacs)	
		As at 31.03.15	As at 31.03.14
Provision for Employee Benefits			
Bonus & Exgratia		<b>26.17</b>	24.43
Compensated Absences	2.29	<b>33.01</b>	22.68
Provision for Proposed Dividend	2.1.3	<b>137.40</b>	183.20
Provision for Tax on Dividend	2.1.3	<b>27.97</b>	31.13
Other Provisions	2.8.1	<b>100.03</b>	109.87
		<b><u>324.58</u></b>	<u>371.31</u>

2.8.1 Other provisions represents claims by certain employees not acknowledged by the company pending resolution on the matter by the labour court and determination of the amount thereof. Carrying amount in this respect at the end of the year is ₹100.03 lacs (Previous year ₹109.87 lacs.). ₹ 14.18 lacs (Previous year - ₹18.54 lacs) has been created during the year and ₹ 24.02 lacs (Previous year - ₹ 16.62 lacs) has been paid during the year.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

<b>2.9 FIXED ASSETS</b>		<b>As at 31st March 2015</b>						(₹ in Lacs)		
<b>PARTICULARS</b>	<b>GROSS BLOCK</b>			<b>DEPRECIATION/AMORTISATION</b>			<b>NET BLOCK</b>			
	As at 1st April 2014	Addition	Deductions	As at 31st March 2015	Upto 31st March 2014	For the Year Deductions	Upto 31st March 2015	As on 31st March 2015	As on 31st March 2014	
<b>TANGIBLE ASSETS :</b>										
FREEHOLD LAND	2,555.12	—	—	2,555.12	—	—	—	2,555.12	2,555.1	
BUILDINGS	199.91	1,243.85	—	1,443.76	19.74	5.33	25.07	1,418.69	180.17	
PLANT & EQUIPMENTS	767.66	794.96	2.95	1,559.67	515.14	55.83	568.17	991.50	252.52	
OFFICE EQUIPMENTS	105.95	52.10	—	158.05	72.74	21.34	94.08	63.97	33.21	
FURNITURE & FIXTURES	274.77	486.82	0.56	761.03	157.13	44.23	200.83	560.20	117.64	
VEHICLES	66.42	6.69	5.29	67.82	23.78	11.43	32.35	35.47	42.64	
<b>SUB TOTAL</b>	<b>3,969.83</b>	<b>2,584.42</b>	<b>8.80</b>	<b>6,545.45</b>	<b>788.53</b>	<b>138.16</b>	<b>6.19</b>	<b>920.50</b>	<b>5,624.95</b>	<b>3,181.30</b>
<b>INTANGIBLE ASSETS:</b>										
COMPUTER SOFTWARE	11.92	2.74	—	14.66	10.17	0.96	11.13	3.53	1.75	
<b>GRAND TOTAL</b>	<b>3,981.75</b>	<b>2,587.16</b>	<b>8.80</b>	<b>6,560.11</b>	<b>798.70</b>	<b>139.12</b>	<b>6.19</b>	<b>931.63</b>	<b>5,628.48</b>	<b>3,183.05</b>
<b>PREVIOUS YEAR</b>	<b>2,398.68</b>	<b>1,591.12</b>	<b>8.05</b>	<b>3,981.75</b>	<b>717.06</b>	<b>88.74</b>	<b>7.10</b>	<b>798.70</b>	<b>3,183.05</b>	

2.9.1 Refer Note No. 2.3.1 of the Financial Statements

2.9.2 During the year, depreciation has been provided based on the life of the assets as per Schedule II of the Companies Act, 2013. In terms of the said Schedule, the carrying amount of the asset existing as on 1st April, 2014 have been depreciated over the remaining life of the assets. Consequently, depreciation for the year is higher by ₹18.93 lacs. Where the remaining life of the asset as on 1st April, 2014 has expired, the carrying amount of ₹ 28.39 lac (net of deferred tax of ₹ 9.21 lacs) after retaining the residual value has been fully depreciated and has been adjusted against General Reserve .

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 2.10 NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	Ref	As at 31.03.15	As at 31.03.14
<b>OTHER THAN TRADE</b>			
<b>(Valued at Cost, unless stated otherwise)</b>			
<b>Investment in Equity Instruments</b>			
<b>UNQUOTED</b>			
Peerless Hospitex Hospital and Research Centre Ltd. 70,000 Equity Shares (Previous Year 70,000 Equity Shares) @ ₹10/- each fully paid up		<b>7.00</b>	7.00
		<u><b>7.00</b></u>	<u>7.00</u>
2.10.1 Aggregate Book Value of Unquoted Investments		<b>7.00</b>	7.00

## 2.11 LONG-TERM LOANS AND ADVANCES

Particulars	Ref	As at 31.03.15	As at 31.03.14
<b>Unsecured</b>			
<b>Considered Good</b>			
Capital Advance		—	10.45
Security Deposit		<b>85.64</b>	67.75
Advance Income Tax including Tax deducted at source (Net of Provision ₹ 1125.97 Lacs (Previous year - ₹ 1039.26 Lacs))		<b>118.59</b>	70.29
Prepaid Expenses		<b>1.77</b>	—
<b>Considered Doubtful</b>			
Advances to Related Party			
Kaizen Leisure & Holidays Ltd		<b>13.09</b>	15.09
Less: Provision for Doubtful Advance		<b>13.09</b>	15.09
		<u>—</u>	<u>—</u>
		<u><b>206.00</b></u>	<u>148.49</u>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 2.12 CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	Ref	As at 31.03.15	As at 31.03.14
<b>OTHER THAN TRADE</b> (Valued at Cost or Fair value whichever is lower)			
<b>UNQUOTED</b>			
<b>Investments in Mutual Fund</b>			
Peerless Short Term Fund-Quarterly Dividend-Reinvestment 3,152,420.012 units (Previous year- 2,919,592.244 units) of Rs.10 each		<b>360.04</b>	321.89
Peerless Ultra Short Term Fund-Regular Plan Daily Dividend (Formerly Peerless Ultra Short Term Fund-Super Institutional Daily Dividend-Reinvestment) 289,460.823 units (Previous year-27,212,055.568 units) of Rs.1000 (previous year Rs.10) each	2.12.4	<b>2,910.41</b>	2,736.06
		<b>3,270.45</b>	3,057.95
Less : Provision for diminution in value of Investment		<b>18.44</b>	—
		<b>3,252.01</b>	3,057.95
2.12.1 Aggregate Book Value of Unquoted Investments		<b>3,252.01</b>	3,057.95
2.12.2 Aggregate NAV of Unquoted Investments		<b>3,252.01</b>	3,057.95
2.12.3 Aggregate provision for Investment		<b>18.44</b>	—
2.12.4 Represents amount received against Right Issue pending utilisation			

## 2.13 INVENTORIES

(Valued at lower of cost and net realisable value)  
(As taken, valued and certified by Management)

Particulars	Ref	As at 31.03.15	As at 31.03.14
Provisions, Beverages and Smokes		<b>5.43</b>	5.00
Wine & Liquor		<b>12.26</b>	11.72
Linen and Other Guest Supplies	2.13.1	—	79.38
		<b>17.69</b>	96.10
2.13.1 Linen and Other Guest Supplies meant for proposed Capital Project pending completion of the project and utilisation of these was carried forward as inventory in the previous year.			

## 2.15 TRADE RECEIVABLES

Particulars	Ref	As at 31.03.14	As at 31.03.13
<b>Unsecured, Considered Good</b>			
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		<b>0.92</b>	—
Others		<b>156.72</b>	187.18
		<b>157.64</b>	187.18

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

**2.15 CASH AND BANK BALANCES**

(As certified by Management)

(₹ in Lacs)

Particulars	Ref	As at 31.03.15	As at 31.03.14
<b>Cash And Cash Equivalents</b>			
<b>Balances with Bank</b>			
Current Account	2.15.1	<b>195.00</b>	280.61
Cash in hand		<b>5.42</b>	3.32
Cheques in Hand		<b>13.79</b>	16.78
Fixed Deposit Accounts(including Interest Accrued thereon) with Original Maturity of less than 3 months		<b>70.00</b>	—
		<b>284.21</b>	300.71
<b>Other Bank Balances</b>			
Fixed Deposit Accounts (including Interest Accrued thereon) with Original Maturity of more than 3 months but less than 12 months		—	596.99
Fixed Deposit Accounts(including Interest Accrued thereon) with Original Maturity of more than 12 months		<b>305.51</b>	504.96
		<b>589.72</b>	1,402.66

2.15.1 Includes Rs.1.60 lacs (Previous year- Rs. 1.60 lacs) against Right Issue pending utilisation

**2.16 SHORT-TERM LOANS AND ADVANCES**

Particulars	Ref	As at 31.03.15	As at 31.03.14
<b>Unsecured</b>			
<b>Considered Good</b>			
Advance to Employees	2.27	<b>4.94</b>	3.10
Advance to Suppliers		<b>7.47</b>	72.37
Balance with Government Authorities		<b>7.99</b>	9.06
Other Loans & Advances			
Prepaid Expenses		<b>36.70</b>	50.47
		<b>57.10</b>	135.00
<b>Considered Doubtful</b>			
Kaizen Leisure & Holidays Limited		<b>2.00</b>	2.00
Less: Provision for Doubtful Advances		<b>2.00</b>	2.00
		—	—
		<b>57.10</b>	135.00

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 2.17 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	Ref	As at 31.03.15	As at 31.03.14
Interest Receivable		<b>0.58</b>	
Other Receivables	2.27	<b>1.46</b>	1.42
		<b>2.04</b>	<b>1.42</b>

## 2.18 REVENUE FROM OPERATIONS

Particulars	Ref	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Sale of Services</b>			
Rooms		<b>1,969.61</b>	1,914.75
Food and Beverage		<b>1,030.43</b>	975.01
Wine and Liquor		<b>73.27</b>	84.38
Other Services		<b>65.50</b>	77.07
<b>Other Operating Revenues</b>			
Liabilities No Longer Required Written Back		<b>1.54</b>	2.81
Incentive and Commission		<b>5.11</b>	6.05
		<b>3,145.46</b>	<b>3,060.07</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

**2.19 OTHER INCOME**

(₹ in Lacs)

<b>Particulars</b>	<b>Ref</b>	<b>For the Year ended 31st March, 2015</b>	<b>For the Year ended 31st March, 2014</b>
Interest on Fixed Deposits and others		<b>47.95</b>	109.25
Dividend Income from Current Investment		<b>212.51</b>	181.75
Provisions no longer Required written back		<b>2.00</b>	2.00
Profit on Sale of Fixed Assets		<b>—</b>	0.16
Rental Income		<b>11.99</b>	12.98
Miscellaneous Income		<b>7.06</b>	9.47
		<b>281.51</b>	<b>315.61</b>

**2.20 CONSUMPTION OF PROVISIONS, STORES & WINES**

<b>Particulars</b>	<b>Ref</b>	<b>For the Year ended 31st March, 2015</b>	<b>For the Year ended 31st March, 2014</b>
<b>(i) PROVISIONS, BEVERAGES AND SMOKES (EXCLUDING WINE AND LIQUOR)</b>			
Opening Stock		<b>5.00</b>	5.08
Add : Purchases		<b>345.94</b>	334.43
		<b>350.94</b>	339.51
Less : Closing Stock		<b>5.43</b>	5.00
		<b>345.51</b>	334.51
<b>(ii) WINE AND LIQUOR</b>			
Opening Stock		<b>11.72</b>	10.17
Add : Purchases		<b>22.62</b>	24.44
		<b>34.34</b>	34.61
Less : Closing Stock		<b>12.26</b>	11.72
		<b>22.08</b>	22.89
Total (i) + (ii)	2.32	<b>367.59</b>	<b>357.40</b>

**2.21 EMPLOYEE BENEFITS EXPENSE**

<b>Particulars</b>	<b>Ref</b>	<b>For the Year ended 31st March, 2015</b>	<b>For the Year ended 31st March, 2014</b>
Salaries and Other Allowances	2.29	<b>748.33</b>	661.53
Contribution to Provident and Other Funds	2.29	<b>69.93</b>	26.59
Staff Welfare Expenses		<b>110.49</b>	104.18
		<b>928.75</b>	<b>792.30</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 2.22 FINANCE COSTS

(₹ in Lacs)

Particulars	Ref	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Interest on Term loan		75.83	—
		<u>75.83</u>	<u>—</u>

## 2.23 OTHER EXPENSES

(₹ in Lacs)

Particulars	Ref	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Crockeries, Cutleries and Others		6.98	7.47
Linen and Laundry Expenses		41.85	31.39
Expenses on Apartment and Board		151.41	128.89
Power, Fuel and Water Charges		366.24	327.42
Renewal and Replacements	2.32		
– Building		71.80	67.47
– Machinery		20.91	25.23
– Others		63.15	29.28
Rent	2.31	186.08	150.96
Rates and Taxes		34.80	43.91
Printing and Stationery		24.89	21.48
Insurance		7.99	7.82
Travelling and Conveyance		28.11	36.26
Communication Charges		23.42	17.72
Auditors' Remuneration			
Audit Fees		4.00	4.00
Others		0.85	0.75
Commission		31.52	28.67
Professional and Technical Service Charges		18.91	30.77
Motor Car Upkeep and Car hire charges		58.84	66.46
Licence Fees		11.31	11.04
Advertisement and Publicity		37.14	37.86
Hiring charges		12.22	9.32
Directors' fee		5.10	4.60
Directors' Commission		10.00	10.00
Provision for Claims and Contingencies	2.8.1	14.18	18.54
Provision for Diminution in value of Investment		18.44	—
Loss on sale of fixed Assets		1.04	—
Management Fees		127.85	131.01
Miscellaneous Expenses		37.05	22.83
		<u>1,416.08</u>	<u>1,271.15</u>

2.23.1 Includes expenses incurred on account of Corporate Social Responsibility (CSR) Rs. 14.01 Lacs (Previous Year Rs. Nil)

## NOTES ON FINANCIAL STATEMENTS

## 2.24 CAPITAL COMMITMENTS

(₹ in Lacs)

	<b>As On 31st March, 2015</b>	As On 31st March, 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	—	356.59

## 2.25 CONTINGENT LIABILITIES

(₹ in Lakhs)

There are contingent liabilities not acknowledged as debt which are disputed and/or pending in appeals:

Sl. No.	Particulars	Year	<b>As On 31st March, 2015</b>	As On 31st March, 2014
i)	Income Tax matter pending in appeal	2009-10, 2010-11, 2011-12 & 2012-13	102.91	Nil

Future cash outflows, if any, in respect of the above is dependent upon the outcome of judgment/decision

## 2.26 CAPITAL WORK IN PROGRESS

- a.) The Company is in the process of extending its existing capacity. Pending completion of the project Capital Work in Progress includes ₹ 68.35 lacs (previous year ₹1403.23 lacs) for cost of equipments, furniture and fittings, construction including material and other cost, interest and following pre-operative expenses, which will be allocated/appropriated to respective fixed assets on the completion of the project.

(₹ in Lacs)

Particulars	<b>As On 31st March, 2015</b>	As On 31st March, 2014
<b>Amount brought forward</b>	<b>380.17</b>	199.99
Addition during the year:		
Consultancy charges	<b>8.81</b>	22.79
Rates & Taxes	<b>8.16</b>	0.94
Interest on Term Loan	<b>81.50</b>	138.26
Other borrowing Cost	<b>0.26</b>	2.30
Miscellaneous Expenses	<b>35.37</b>	15.89
Less: Capitalised during the year	<b>(461.12)</b>	—
<b>Total pre-operative expenses carried forward pending allocation</b>	<b>53.15</b>	380.17

- b.) The Company's project "PIK Tower" has commenced operation during the year. Interest and other pre-operative expenses allocable there against has been added to the cost of the respective assets in proportion to the basic costs thereof.
- c.) Capital work in progress includes licence fees, consultancy and other charges of ₹ 45.28 Lacs pertaining to proposed acquisition of a Hotel in Hyderabad. Pending conclusion of the transaction, these expenses being the cost thereof has been carried forward in these accounts.
- 2.27 In the opinion of the management, current assets and loans & advances have the value at which these are stated in the balance sheet, unless otherwise stated and adequate provision for all known liabilities have been made and are not in excess of the amount reasonably required.



## NOTES ON FINANCIAL STATEMENTS

2.28 The break-up of deferred tax assets and liabilities are as follows: (₹ in Lacs)

Particulars	As on 1st April, 2014	Adjustment as on 1st April, 2014 (Refer Note No. 2.9.2)	Charge/(Credit) For the Period	As on 31st March, 2015
<b>Deferred Tax Assets</b>				
Expenses allowable on payment basis	(27.41)	—	(17.27)	(44.68)
Other Provisions	(35.65)	—	(3.52)	(39.17)
<b>Deferred Tax Liabilities</b>				
Timing difference w.r.t. Fixed Assets	19.06	(9.21)	38.76	48.61
<b>Net Deferred Tax (Asset)/Liability</b>	<b>(44.00)</b>	<b>(9.21)</b>	<b>17.97</b>	<b>(35.24)</b>

## 2.29 Employee Benefits

The disclosures as per the Accounting Standard 15 (AS-15) on “Employee Benefits” are given below:

a) **Defined Contribution Plan**

Defined Contribution Plan recognized as expenses for the year are as under:

(₹ in Lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Employer’s Contribution to Provident Fund	17.82	19.49
Employer’s Contribution to Pension Fund	18.43	13.48
Employer’s Contribution to Employees State Insurance Scheme	10.69	12.18

b) **Defined Benefit Plan**

The employee’s gratuity fund scheme is managed by Life Insurance Corporation of India Limited 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. The disclosure as required under AS 15 regarding the Company’s Gratuity Plan (Funded) is as follows:

(₹ in Lacs)

Particulars	2014-15	2013-14
A. Change in Defined Benefit Obligations representing reconciliation of opening and closing balance thereof are as follows:		
Liability at the beginning of the Year	<b>147.10</b>	161.69
Current Service Cost	10.43	11.43
Interest Cost	13.45	12.90
Benefits Paid	(13.64)	(18.04)
Actuarial (Gains)/Losses on obligations	21.58	(20.88)
<b>Liability at the end of the Year</b>	<b>178.92</b>	147.10

NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	2014-15	2013-14
B. Change in the Fair Value of Assets representing reconciliation of opening and closing balance thereof are as follows:		
Fair value of Planned Assets at the beginning of the year	133.19	120.42
Expected Return on Planned Assets	9.70	8.78
Actuarial Gain /(losses) on Plan Assets	1.32	1.05
Contributions by the Company	11.45	20.98
Benefits paid	(13.64)	(18.04)
<b>Fair value of Planned Assets at the end of the year</b>	<b>142.02</b>	133.19
Total Actuarial gain/(Loss) to be recognized	(20.26)	(21.93)
C. Expenses recognized in the Statement Of Profit And Loss		
Current Service Cost	10.43	11.43
Interest Cost	13.45	12.90
Expected Return on Plan Assets	(9.70)	(8.78)
Actuarial (Gain)/ Loss	20.26	(21.93)
<b>Expenses recognized in the Statement of Profit And Loss *</b>	<b>34.44</b>	(6.38)
D. Amount Recognised in the Balance Sheet		
Liability at the end of the Year	178.92	147.10
Fair Value of Plan Assets at the end of the Year	142.02	133.19
	<b>36.90</b>	13.91
E. Balance Sheet Reconciliation:		
Opening Net Liability	13.91	41.27
Expenses as above	34.44	(6.38)
Employers Contribution	(11.45)	(20.98)
<b>Amount recognized in the Balance Sheet</b>	<b>36.90</b>	13.91
F. Principal Actuarial Assumptions as at Balance Sheet Date		
Discounted Rate (per annum) Compound	7.95%	9.20%
Rate of return on Plan Assets	7.50%	7.50%
Rate of Salary increase (per annum)	7.00%	7.00%

(₹ in Lacs)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Defined Benefit Obligation at the end of the year	178.92	147.10	161.69	120.52	110.49
Fair value of planned asset at the end of the year	142.02	133.19	120.42	100.11	85.12
Funded Status	36.90	13.91	41.27	20.41	25.37
<b>Experience adjustments:</b>					
Experience gain/(loss) adjustment on plan liabilities	(5.93)	(5.93)	16.57	4.11	10.24
Experience gain/(loss) adjustment on plan assets	1.31	1.05	1.74	1.00	0.87

**NOTES ON FINANCIAL STATEMENTS**

**Compensated Absences**

The obligation for compensated absences is recognized in the same manner as gratuity. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at 31st March, 2015 is given below:

	(₹ in Lacs)	
<b>Particulars</b>	<b>2014-15</b>	2013-14
Privileged Leave	81.55	55.98
Sick Leave	7.27	5.20

\*Included in “Salaries, Wages and Bonus” and “Contribution to Provident Fund, Gratuity and Other Funds” under “EMPLOYEE BENEFIT EXPENSES” in Note 2.21.

- Notes:**
- Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.
  - The contributions expected to be made by the Company for the year 2015-16 is ₹ 15 Lacs.

2.30 Related Party Disclosures as at 31st March 2015 as required as per Accounting Standard (AS – 18) on ‘Related Parties Disclosures’, are as given in annexure:

- a) Key Management Personnel and their relatives: Mr. Kunal Sen, Executive Director,
- b) Relative of Director: Ms. Debasree Roy, (Daughter of Mr. S. K. Roy)
- c) Holding Company: The Peerless General Finance & Investment Company Limited
- d) Associates, Group Enterprises and Companies under common control:

With whom the company had transactions during the year:

Kaizen Leisure & Holidays Limited, Peerless Developers Limited, Peerless Hospitex Hospital & Research Centre Limited, Peerless Securities Limited, Bengal Peerless Housing Development Company Limited, Kaizen Hotels & Resorts Limited, Peerless Financial Services Limited, Peerless Trust Management Company Limited, Peerless Fund Management Company Limited and Peerless Mutual Funds (Managed by Peerless Fund Management Company Limited).

- e) The above related party information has been disclosed to the extent such parties have been identified by the management on the basis of information available this has been relied upon by the Auditors.

2.31 The Company has certain operating lease arrangement for Hotel Premises and Residential Accommodation with tenure extending upto 33 years and 3 yrs respectively and renewable with mutual consent. Terms of lease arrangement for Hotel Premises and residential accommodation include escalation clause for rent on expiry of certain period and deposit/refund of security deposit etc. The amount incurred on account of rent during the year and recognized in the Statement of Profit and Loss amounts to ₹ 186.08 Lacs (Previous Year ₹ 150.96 Lacs).

	(₹ in Lacs)	
	<b>2014-15</b>	2013-14
	<b>Amount</b>	Amount
2.32 a) Consumption of Stores & Provision		
i) Stores and Spares * (100% Indigenous)	<b>6.57</b>	9.47
	<b>6.57</b>	9.47
* included in Renewal and Replacement Accounts.		
ii) Provision, Stores & Wines Indigenous (100% Indigenous)	<b>367.59</b>	357.40
	<b>367.59</b>	357.40

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

2.33 Earnings per share (EPS) (₹ in Lacs)

Calculation of Earnings Per Share is as follows:

	<b>Year ended 31st March, 2015</b>	Year ended 31st March, 2014
Profit/(loss) after tax	<b>423.31</b>	648.28
<b>Net Profit/(loss) for calculation of basic and diluted EPS (A)</b>	<b>423.31</b>	648.28
No of equity shares outstanding as on 31st March	<b>4,580,000</b>	4,580,000
Weighted average number of equity shares in calculating basic and diluted EPS (B)	<b>4,580,000</b>	4,580,000
Basic and Diluted EPS (A)/(B)	<b>9.24</b>	14.15

2.34 The Company is involved only in Hotel business and as such disclosure of Segment Information is not required under Accounting Standard 17 – ‘Segment Reporting’.

2.35 (₹ in Lacs)

	<b>For the year ended 31st March, 2015</b>	For the year ended 31st March, 2014
i) Earnings in Foreign Currency	<b>156.44</b>	178.40
ii) Conversion of Foreign Currency	<b>20.66</b>	38.77
iii) Expenditure in Foreign Currency	<b>6.82</b>	2.46

2.36 Previous year’s figures have been rearranged and/or regrouped wherever necessary.

For LODHA & CO.  
Chartered Accountants  
Firm’s ICAI Registration No. 301051E  
R. P. Singh  
Partner  
Membership No. 52438  
Date : 18th May, 2015  
Place : Kolkata

For and on behalf of the Board  
  
N. Saha – Director  
Kunal Sen – Executive Director  
Surajit Sen – Company Secretary

Nature of Transaction	Holding Company		Associates/Group Enterprise and Companies under common control		Key Management Personnel & relatives of Directors		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	₹ in Lacs							
<b>REVENUE</b>								
Banquet, Room sales & Other Income (Inclusive of Applicable Taxes)								
Peerless Hospitex Hospital & Research Centre Ltd		30.13		0.57			0.61	0.57
The Peerless General Finance & Investment Co Ltd	25.39		1.66	0.47			25.39	30.13
Bengal Peerless Housing Development Co Ltd			0.99	0.80			1.66	0.47
Peerless Securities Ltd			2.32	3.89			0.99	0.80
Kaizen Leisure & Holidays Ltd.			4.40	4.21			2.32	3.89
Peerless Financial Products Distribution Ltd.			5.10	1.14			4.40	4.21
Peerless Fund Management Co Ltd			0.62	-			5.10	1.14
Peerless Trust Management Co Ltd							0.62	-
<b>REIMBURSEMENT RECEIVED</b>								
Peerless Hospitex Hospital & Research Centre Ltd				0.31				0.31
	25.39	30.13	15.70	11.08			41.09	41.21
<b>EXPENSES</b>								
<b>RENT</b>								
The Peerless General Finance & Investment Co Ltd	211.37	190.59					211.37	190.59
<b>Electricity, Telephone Charges, Professional Fees, Travelling Expenses &amp; Maintenance</b>								
The Peerless General Finance & Investment Co Ltd	0.03	0.03					0.03	0.03
Bengal Peerless Housing Development Co Ltd			11.20	11.41			11.20	11.41
Kaizen Leisure & Holidays Ltd.			13.08	19.28			13.08	19.28
<b>DIRECTOR'S REMUNERATION</b>								
Kunal Sen					57.17	54.13	57.17	54.13
<b>REMUNERATION PAID</b>								
Debasree Roy					16.05	12.43	16.05	12.43
<b>INVESTMENT</b>								
Investment in Peerless Short Term Mutual Fund				200.00				200.00
<b>Balances as on 31.03.2015 and 31.03.2014</b>								
<b>TRADE RECEIVABLES</b>								
Bengal Peerless Housing Development Co Ltd			0.22				0.22	
Fund Management Co Ltd			1.40				1.40	
The Peerless General Finance & Investment Co Ltd		0.95						0.95
		0.95						0.95
<b>Equity Contribution :</b>								
Peerless Hospitex Hospital & Research Centre Ltd			7.00	7.00			7.00	7.00
<b>LOANS &amp; ADVANCES</b>								
Kaizen Leisure & Holidays Ltd.			15.09	17.09			15.09	17.09
<b>LOANS &amp; ADVANCES</b>								
Prepaid Rent								
The Peerless General Finance & Investment Co Ltd	17.18	17.18					17.18	17.18
<b>DIVIDEND PAID</b>								
The Peerless General Finance & Investment Co Ltd	183.11	160.22					183.11	160.22
Peerless Financial Products Distribution Ltd.			0.01	0.01			0.01	0.01
Peerless Hospitex Hospital & Research Centre Ltd				0.02				0.01
<b>CURRENT LIABILITY</b>								
The Peerless General Finance & Investment Co Ltd	6.66	3.82					6.66	3.82
Kaizen Leisure & Holidays Ltd.			1.08				1.08	
Bengal Peerless Housing Development Co Ltd			0.99	0.96			0.99	0.96
<b>PROVISION FOR DOUBTFUL ADVANCES</b>								
Kaizen Leisure & Holidays Ltd.			2.07	0.96			2.07	0.96
			15.09	17.09			15.09	17.09